

WEBER SCHOOL DISTRICT

Basic Financial Statements

Year Ended June 30, 2014

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WEBER SCHOOL DISTRICT
5320 Adams Avenue Parkway
Ogden, Utah 84405

November 13, 2014

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

State law requires that school districts publish, within five months of the close of each year, 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 ending June 30, 2014.

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, 2014 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 ending June 30, 2014 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

At the very end of the FY 2009 and the start of FY 2010, many economists asserted that the “bottom of the recession had been reached.” It is now 2014, the recovery from the recession was very slow. State revenues in many programs are still not at pre-recession levels. However, there is reason for optimism because economic indicators in the State are showing a strong recovered economy. Zions Bank, a major Utah financial institution said the following about the economic outlook in Utah:

The Zions Bank Utah Consumer Attitude Index increased 2.0 points to 98.3 in June. The U.S. Consumer Confidence Index increased 3.0 points to 85.2 in the same period. In May, the CoreLogic Home Price Index (HPI) for Utah—which measures home price appreciation—experienced a 7.2% year-over-year increase. Nationally, the HPI increased 8.8% during the same period. Utah’s unemployment rate decreased 0.2 percentage points to 3.6% in May, while the national unemployment rate decreased 0.2 percentage points to 6.1% in June. The Zions Bank Utah Consumer Price Index increased 0.7% from April to May for a trailing 12-month inflation of 1.9%. In the same period, the U.S. CPI increase 0.3% for a trailing 12-month inflation of 2.1% (Zions Bank, *The Current: Real Time Indicators of Utah’s Economic Outlook*, August 2014).

As the recovery continues to take hold, rising state revenue is helping to replace revenue lost during the recession. According to the Governor’s Office of Planning and Budget (GOPB), Utah is in a good position to realize a full 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.

After three straight years of no change in the value of the weighted pupil unit (WPU), for FY 2012, the state increased the value of the WPU to \$2,816. Then for FY 2013 and FY 14, additional increases in the value of the WPU occurred bringing the WPU value for FY 14 to \$2,899. District taxable property values in tax year 2013 increased by 2.55%. Preliminary taxable property values for tax year 2014 provided by the Weber County Clerk Auditor indicated a 8.24% increase. This increase is attributable the recovery and rising demand in the housing industry. It is projected that land values will continue to steadily rise.

Student growth and facilities. The Governor’s Office of Planning and Budget estimates steady student growth in Utah schools over the next few years. This growth is expected to impact Weber School District. However, new charter schools that have opened and expanded in Weber County have had an impact on the district’s enrollment. Notwithstanding, the addition and expansion of charter schools, steady growth is expected to continue for the next five years in the district. This means that on the average, over 200 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 26, 2012, voters approved a \$65 Million Bond authorization to construct new facilities and expand current space. Over the next five years, additional classroom space will be added as four older elementary schools will be replaced by three new elementary schools. In addition a larger replacement junior high school will be completed and a targeted remodeling project will occur at another junior high school to expand its capacity to house additional students. 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. 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

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 2013-2014, 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 31,028 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 2014 balances and projected revenue are sufficient to meet the fiscal 2015 budget as presented to the public in June of 2014.

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 FY 2008-09, 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 for FY 2008-09 were cut by nearly \$3 Million. In addition, state funds were cut for FY 2009-2010 and again for FY 2010-2011 by a combined total of \$14 Million. In response to these 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.

report audit findings and other financial considerations to the Board. The Board is responsible for the over-sight 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 past few 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 less than 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 treasurers 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.

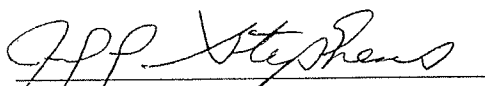
The District considers the actions of the Utah Money Management Council to be necessary and sufficient for adequate protection of its uninsured bank deposits.

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. Eight 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,



Jeff M. Stephens, Ph.D.
Superintendent of Schools



Robert D. Petersen, Ph.D.
Business Administrator



INDEPENDENT AUDITOR'S 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, State of Utah, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 8 through 14 and 43 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 nonmajor fund financial statements, 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 nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Wiggins & Co., PC

Ogden, UT
December 3, 2014

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, 2014. Please read it in conjunction with the transmittal letter and the District's financial statements, which follow this section.

Financial Highlights

- Changes in unassigned fund balances were positive for the Maintenance and Operation Fund and the Child Nutrition Fund. Fund balances for the Debt Service Fund, Capital Outlay Fund and Student Activity Fund were down.
- The Utah State Retirement Rate for Tier 1 employees increased from 20.26% to 21.96%. This is the fourth rate increase in three years.
- During the year, the combined fund balance decreased when compared to prior years. A significant part of this is a result of capital projects being completed.
- District enrollment growth from October 1, 2012 to October 1, 2013 increased by 296 or 0.96%.
- On June 26, 2012 voters approved \$65 million in General Obligation bonds for the construction of four new schools and two major remodeling projects and various other improvements. Construction was completed on two of these schools (Wahlquist JHS and North Park Elementary) and construction started on a third school (West Weber Elementary) at the beginning of the fiscal year. One of the major remodel projects (Rocky Mountain JHS addition) was also completed.

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 position* presents information on all of the assets and liabilities of the District, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position of the District changed during the most recent fiscal year. All changes in net position 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 five 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 two 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 position may serve over time as a useful indicator of a government's financial standing. In the case of the District, assets exceeded liabilities by \$109.6 million at the close of the most recent fiscal year.

- A significant portion of the District's net position (60.44%) 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 position (20.19%) 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 position (19.37%) 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 2014 fiscal year, the District is able to report positive balances in all three categories of net position. The same is true for the prior fiscal year.

The District's net position increased by \$2.15 million during the current year; the following discussion and analysis on governmental activities examine this increase:

WEBER SCHOOL DISTRICT'S Net Position

	Governmental Activities		2013	Total change from prior year
	2014	% of Total		
Current and other assets	\$ 150,319,572	43.29%	\$ 142,910,414	\$ 7,409,158
Capital Assets	196,907,708	56.71%	168,524,456	28,383,252
Total assets	347,227,280	100.00%	311,434,870	35,792,410
Current and other liabilities	59,954,099	31.39%	50,134,017	9,820,082
Long-term liabilities outstanding	131,061,990	68.61%	106,227,381	24,834,609
Total liabilities	191,016,089	100.00%	156,361,398	34,654,691
Net position:				
Invested in capital assets, net of related debt	66,255,619	60.44%	57,815,096	7,184,298
Restricted	22,127,329	20.19%	28,845,352	(6,718,023)
Unrestricted	21,233,741	19.37%	20,808,647	1,777,417
Total net position	\$ 109,616,689	100.00%	\$ 107,469,095	\$ 2,147,594
Net position -- beginning	\$ 107,469,095			
Change in net position	\$ 2,147,594			

Governmental activities and funds. Increases in overall expenses (see Financial Analysis chart below) were primarily a result of increased spending on capital projects. The increase in Instructional plus Supporting Services expenses from FY 14 over FY 13 was due in large part to a retirement rate increase and base salary increase. A contributing factor for the modest net position figure (see Net Position chart above) 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. This liability increased as a large numbers of employees retired. Funds have been set aside in the ongoing effort to fund this liability. Following is a further analysis of changes in revenue and expenses over last year.

- The percent change for the collections of local taxes (0.34%) was relatively flat despite an increase in overall property values. When values increase, rates go down. Board local levies went down from 0.005420 to 0.005385. The change in the State Basic Rate from 0.001651 to 0.001535 was set by the Utah State Legislature.
- Federal Aid increased as the district qualified for more federal funds.

- State Revenue went up as a result of enrollment increases and the increase in the value of the WPU. In addition, there was a significant one-time state appropriation. Much of these increases went to fund the retirement rate increase.

FINANCIAL ANALYSIS OF DISTRICT FUNDS

	Governmental Funds		Total Change
	2014	2013	
Revenues:			
Property taxes	\$ 56,541,836	\$ 56,347,770	\$ 194,066
Earnings on investments	922,332	1,016,271	(93,939)
Other Local Sources	12,333,491	13,738,996	(1,405,505)
State Aid	134,155,033	129,605,964	4,549,069
Federal Aid	18,677,110	17,857,628	819,482
Other Financing Sources	31,109,498	20,596,625	10,512,873
Total revenues	253,739,300	239,163,254	14,576,046
Expenses:			
Instructional Services	134,144,584	133,687,786	456,798
Supporting Services			
Students	6,613,916	6,549,798	64,118
Instructional staff	2,509,097	2,676,267	(167,170)
District administration	4,401,624	5,469,192	(1,067,568)
School administration	12,089,094	11,600,702	488,392
Operation and maintenance of facilities	17,888,671	15,698,957	2,189,714
Transportation	7,307,044	7,279,827	27,217
Central/Other	3,931,078	3,064,737	866,341
School lunch services	12,309,595	12,517,166	(207,571)
Capital Outlay	42,332,815	25,561,835	16,770,980
Debt Service	11,094,663	10,810,935	283,728
Total expenses	254,622,181	234,917,202	19,704,979
Net Change in Fund Balance	(882,881)	4,246,052	
Fund Balances -- beginning	51,496,556	47,250,504	
Fund Balances -- ending	\$ 50,613,675	\$ 51,496,556	\$ (882,881)

- As a result of the sluggish economy, interest rates and earnings on investments remain much lower than what was earned a few years ago.
- Capital outlay and Maintenance expenditures rose dramatically as spending on new projects occurred. On-going capital expenses were flat when compared to the prior year. On-going capital budgets are still much lower than they were a few years ago due to both statutory changes in the state capital outlay formula and reductions in state appropriations.

- Compensation expenses for both Instructional and Support Services increased as the retirement rate increased from 20.26 to 21.96 which led to the gains in these expenses. The value of the WPU from \$2,842 to \$2,899. Also for the fifth straight year, increases for health insurance were passed along to employees. 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 help 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. State funding is inadequate to accomplish the required transportation standards. As a result, over \$1.7 million 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, a rise in employee benefit costs, and growth in the number of students eligible for transportation.
- 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 \$50.61 million; \$882,881 less than the previous year (see chart below).

**Fund Balance Summary FY 14
Governmental Funds**

	General	Debt Service	Capital Projects	Other Govt. Funds	Total Funds
Revenues	184,748,322	10,973,365	39,448,366	18,569,247	253,739,300
Expenses	182,569,960	11,094,663	42,332,815	18,,624,743	254,622,181
Net Change in Fund Balance	2,178,362	(121,298)	(2,884,449)	(55,496)	(882,881)
Fund balances - beginning	28,561,062	2,288,218	13,654,004	6,993,272	51,496,556
Fund balances - ending	30,739,424	2,166,920	10,769,555	6,937,776	50,613,675

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into non-spendable, restricted, and unrestricted portions. *Non-spendable* includes inventories and prepaid expenditures that are expected to be converted to cash. *Restricted* includes net fund resources of the district that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or creditors. Restrictions include tax revenues levied for specific purposes. The unrestricted fund balance is, in turn, subdivided between committed, assigned, and unassigned portions. *Committed* balances reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. *Assigned* balances in the General Fund and other governmental funds are those that do not meet the requirements of restricted or committed but that are intended to be used for specific purposes. *Unassigned* balances in the General Fund are all other available net fund resources. At June 30, 2014, the District' combined governmental fund balance is \$50,613,675 (\$1.13 million in non-spendable, \$13.97 million in restricted, \$11.7 million in committed, \$13.07 million in assigned, and \$10.72 million in unassigned fund balances).

FUND BALANCES--FY 14

	General	Debt Service	Capital	Other Funds	TOTAL
<u>Non-spendable:</u>					
Inventories	501,460			608,759	1,110,219
Prepaid Expenses	28,619				28,619
<u>Restricted for:</u>					
Debt Service		2,166,920			2,166,920
Capital Projects			10,769,555		10,769,555
School Lunch				1,039,632	1,039,632
Recreation					
<u>Committed to:</u>					
Economic Stabilization	4,000,000				4,000,000
Employee Benefit Obligations	1,753,367				1,753,367
Student Activity				5,289,385	5,289,385
Other Purposes	664,647				664,647
<u>Assigned to:</u>					
Early Retirement Benefit	10,000,000				10,000,000
Programs	3,069,629				3,069,629
<u>Unassigned:</u>					
Unassigned:	10,721,702				10,721,702
TOTAL FUND BALANCES	30,739,424	2,166,920	10,769,555	6,937,776	50,613,675

- *Designation Economic Stabilization.* As allowed by state law (limited to 5% of general fund expenditures), the District has established an economic stabilization balance 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 Aa2 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. Then growth jumped up again from FY 2009 to FY 2010 by 538 students to a new historic total enrollment high of 30,417. Then in FY 2011 two new charter schools were approved by the State Charter School Board resulting in a decline of 70 students. Currently, no new charter schools are slated for our school district. However, enrollment caps for existing Charter Schools have been raised. It is anticipated that steady consistent growth will continue for the next few years.

WEBER SCHOOL DISTRICT ENROLLMENT HISTORY

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Elementary	16,504	16,399	16,725	16,382	16,213	16,354	16,517
Junior High	6,662	6,702	6,863	7,078	7,249	7,374	7,380
High School	6,696	6,544	6,624	6,571	6,609	6,709	7,054
Regular Sub- Total:	29,862	29,645	30,212	30,031	30,071	30,437	30,951
Special Schools	235	234	205	316	352	295	77
Total Enrollment	30,097	29,879	30,417	30,347	30,423	30,732	31,028
Change over Prior Yr.	965	(218)	538	(70)	76	309	296

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 26, 2012, voters approved \$65 million in General Obligation bonds for the construction of four new replacement schools, two major remodeling projects and various other improvements.

Debt Administration. 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, 2014 is \$466.19 million. General obligation debt at June 30, 2014 is \$121.39 million, resulting in a legal debt margin of \$344.80 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 2033.

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.

WEBER SCHOOL DISTRICT
Statement of Net Position
June 30, 2014

	Governmental Activities	Component Unit
Assets:		
Cash and investments	\$ 93,967,865	\$ 2,528,414
Receivables:		
Property taxes	43,656,816	-
Other governments	10,565,485	-
Other, net of allowance for bad debt - \$14,000	449,602	19,595
Prepays	28,619	-
Inventories	1,110,219	-
Other assets	540,966	17,772
Capital assets:		
Land, and construction-in-progress	60,275,007	-
Other capital assets, net of depreciation	136,632,701	9,329
Total assets	347,227,280	2,575,110
 Deferred outflows of resources:		
Deferred charges on refunding	1,187,042	
 Liabilities:		
Accounts payable	4,754,279	-
Accrued interest	277,430	-
Accrued liabilities	2,464,375	-
Accrued salaries	33,472,912	-
Termination benefits	11,121,145	-
Unearned revenue:		
Property taxes	-	-
Other governments	7,836,023	-
Local sources	27,935	-
Noncurrent liabilities:		
Due within one year	8,566,506	-
Due in more than one year	122,495,484	-
Total liabilities	191,016,089	-
 Deferred Inflows of Resources:		
Property taxes levied for future year	47,781,544	-
 Net Position:		
Net investment in capital assets	66,255,619	-
Restricted for:		
School lunch	1,648,391	-
Non K-12 programs	-	-
Student activity	5,289,385	-
Foundation	-	2,575,110
Debt service	1,889,490	-
Capital projects	13,300,063	-
Unrestricted	21,233,741	-
Total net position	\$ 109,616,689	\$ 2,575,110

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

WEBER SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2014

Functions	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Component Unit	
Governmental activities:							
Instructional services	\$ 145,532,681	\$ 741,031	\$ 41,937,695	\$ -	\$ (102,853,955)	\$ -	
Supporting services:							
Students	6,669,488	-	1,803,497	-	(4,865,991)	-	
Instructional staff	2,535,031	-	305,934	-	(2,229,097)	-	
District administration	4,487,723	-	362,850	-	(4,124,873)	-	
School administration	12,700,061	-	288,748	-	(12,411,313)	-	
Operation and maintenance of facilities	18,291,963	-	726,394	-	(17,565,569)	-	
Transportation	8,358,047	474,054	3,994,014	-	(3,889,979)	-	
Central	4,229,864	-	285,211	-	(3,944,653)	-	
School lunch services	12,218,668	3,902,647	8,707,843	-	391,822	-	
Interest on long-term liabilities	4,904,000	-	-	-	(4,904,000)	-	
Total school district	\$ 219,927,526	\$ 5,117,732	\$ 58,412,186	\$ -	\$ (156,397,608)	\$ -	
Component Unit:							
Foundation	\$ 1,118,788	\$ -	\$ 703,522	\$ -	-	(415,266)	
General revenues:							
Property taxes levied for:							
General purposes					37,781,712	-	
Debt service					10,973,365	-	
Capital outlay					7,786,759	-	
Federal and state aid not restricted to specific purposes					94,419,957	-	
Contributions not restricted to specific programs					-	588,543	
Earnings on investments					922,332	78,702	
Gain on sale of assets					713,783	-	
Miscellaneous					5,947,294	-	
Total general revenues					158,545,202	667,245	
Change in net position					2,147,594	251,979	
Net position - beginning, as restated					107,469,095	2,323,131	
Net position - ending					\$ 109,616,689	\$ 2,575,110	

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

WEBER SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2014

	<u>Major Funds</u>			<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>		
Assets:					
Cash and investments	\$ 70,497,293	\$ 2,057,671	\$ 14,838,417	\$ 6,574,484	\$ 93,967,865
Receivables:					
Property taxes	29,171,837	8,472,703	6,012,276	-	43,656,816
Other governments	9,559,556	-	-	1,005,929	10,565,485
Other receivables, net of allowance for bad debt - \$14,000	357,492	-	92,110	-	449,602
Prepaid expenses	28,619	-	-	-	28,619
Inventory	501,460	-	-	608,759	1,110,219
Other assets	540,966	-	-	-	540,966
Total assets	<u>\$ 110,657,223</u>	<u>\$ 10,530,374</u>	<u>\$ 20,942,803</u>	<u>\$ 8,189,172</u>	<u>\$ 150,319,572</u>
Liabilities:					
Accounts payable	\$ 2,965,704	\$ -	\$ 1,767,076	\$ 21,499	\$ 4,754,279
Accrued salaries	32,225,655	-	128,219	1,119,038	33,472,912
Accrued liabilities	121,174	-	2,343,201	-	2,464,375
Termination benefits	3,257,970	-	-	110,859	3,368,829
Unearned revenue:					
Other governments	7,836,023	-	-	-	7,836,023
Local sources	27,935	-	-	-	27,935
Total liabilities	<u>46,434,461</u>	<u>-</u>	<u>4,238,496</u>	<u>1,251,396</u>	<u>51,924,353</u>
Deferred Inflows of Resources:					
Property taxes levied for future year	33,483,338	8,363,454	5,934,752	-	47,781,544
Total deferred inflows of resources	<u>33,483,338</u>	<u>8,363,454</u>	<u>5,934,752</u>	<u>-</u>	<u>47,781,544</u>
Fund Balances:					
Nonspendable:					
Inventories	501,460	-	-	608,759	1,110,219
Prepaid expenses	28,619	-	-	-	28,619
Restricted for:					
Debt service	-	2,166,920	-	-	2,166,920
Capital projects	-	-	10,769,555	-	10,769,555
School lunch	-	-	-	1,039,632	1,039,632
Committed to:					
Economic stabilization	4,000,000	-	-	-	4,000,000
Employee benefit obligations	1,753,367	-	-	-	1,753,367
Student activity	-	-	-	5,289,385	5,289,385
Other purposes	664,647	-	-	-	664,647
Assigned to:					
Early retirement benefit	10,000,000	-	-	-	10,000,000
Programs	3,069,629	-	-	-	3,069,629
Unassigned	10,721,702	-	-	-	10,721,702
Total fund balances	<u>30,739,424</u>	<u>2,166,920</u>	<u>10,769,555</u>	<u>6,937,776</u>	<u>50,613,675</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 110,657,223</u>	<u>\$ 10,530,374</u>	<u>\$ 20,942,803</u>	<u>\$ 8,189,172</u>	<u>\$ 150,319,572</u>

WEBER SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2014

Total fund balances for governmental funds \$ 50,613,675

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	\$	17,805,515	
Construction-in-progress		42,469,492	
Buildings and improvements, net of \$137,091,447 accumulated depreciation		126,649,232	
Furniture and equipment, net of \$19,145,201 accumulated depreciation		9,983,469	196,907,708

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 \$205,121 and accrued interest for obligations under capital leases is \$57,821. (277,430)

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	\$	(121,390,000)	
Unamortized premiums		(2,713,148)	
Deferred amounts on refunding		1,187,042	
Accrued vacation		(1,753,367)	
Obligations under capital leases		(2,748,962)	
Notes payable		(2,456,512)	
Termination benefits		(7,752,317)	(137,627,264)
Total net position of governmental activities			\$ 109,616,689

WEBER SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2014

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Revenues:					
Property taxes	\$ 37,781,712	\$ 10,973,365	\$ 7,786,759	\$ -	\$ 56,541,836
Earnings on investments	764,726	-	157,606	-	922,332
School lunch sales	-	-	-	3,906,712	3,906,712
Other local sources	2,021,253	-	450,833	5,954,693	8,426,779
State aid	132,151,205	-	-	2,003,828	134,155,033
Federal aid	11,973,096	-	-	6,704,014	18,677,110
Total revenues	<u>184,691,992</u>	<u>10,973,365</u>	<u>8,395,198</u>	<u>18,569,247</u>	<u>222,629,802</u>
Expenditures:					
Current:					
Instructional services	127,829,436	-	-	6,315,148	134,144,584
Supporting services:					
Students	6,613,916	-	-	-	6,613,916
Instructional staff	2,509,097	-	-	-	2,509,097
District administration	4,401,624	-	-	-	4,401,624
School administration	12,089,094	-	-	-	12,089,094
Operation and maintenance of facilities	17,888,671	-	-	-	17,888,671
Transportation	7,307,044	-	-	-	7,307,044
Central	3,931,078	-	-	-	3,931,078
School lunch services	-	-	-	12,309,595	12,309,595
Capital outlay	-	-	42,332,815	-	42,332,815
Debt service:					
Principal retirement	-	6,240,000	-	-	6,240,000
Interest and fiscal charges	-	4,854,663	-	-	4,854,663
Total expenditures	<u>182,569,960</u>	<u>11,094,663</u>	<u>42,332,815</u>	<u>18,624,743</u>	<u>254,622,181</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,122,032</u>	<u>(121,298)</u>	<u>(33,937,617)</u>	<u>(55,496)</u>	<u>(31,992,379)</u>
Other financing sources (uses):					
Bond proceeds	-	-	25,000,000	-	25,000,000
Loan proceeds	-	-	2,017,390	-	2,017,390
Bond premium	-	-	679,650	-	679,650
Bond issuance costs	-	-	(212,440)	-	(212,440)
Capital leases	-	-	3,373,962	-	3,373,962
Note payments	-	-	(144,109)	-	(144,109)
Note interest	-	-	(29,370)	-	(29,370)
Sale of capital assets	56,330	-	368,085	-	424,415
Total other financing sources (uses)	<u>56,330</u>	<u>-</u>	<u>31,053,168</u>	<u>-</u>	<u>31,109,498</u>
Net change in fund balances	<u>2,178,362</u>	<u>(121,298)</u>	<u>(2,884,449)</u>	<u>(55,496)</u>	<u>(882,881)</u>
Fund balances - beginning	<u>28,561,062</u>	<u>2,288,218</u>	<u>13,654,004</u>	<u>6,993,272</u>	<u>51,496,556</u>
Fund balances - ending	<u>\$ 30,739,424</u>	<u>\$ 2,166,920</u>	<u>\$ 10,769,555</u>	<u>\$ 6,937,776</u>	<u>\$ 50,613,675</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, 2014

Net change in fund balances-total governmental funds \$ (882,881)

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	\$ 35,732,073	
Loss on disposal of capital assets	(214,877)	
Depreciation expense	<u>(7,133,944)</u>	28,383,252

Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in governmental funds, but repayment reduces the lease obligation in the statement of net assets.

Capital leases - financing source	\$ (3,373,962)	
Principal payments of capital leases	1,107,351	
Interest expense - capital leases	<u>(59,074)</u>	(2,325,685)

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	\$ (25,000,000)	
Loan proceeds	(2,017,390)	
Bond premium	(679,650)	
Repayment of bond principal	6,240,000	
Repayment of loan principal	144,109	
Interest expense - general obligation bonds	(35,350)	
Amortization of bond deferred charges	(165,281)	
Amortization of bond premium	<u>239,739</u>	(21,273,823)

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 \$142,484 and termination benefits increased by \$1,610,785.

(1,753,269)

Change in net assets of governmental activities

\$ 2,147,594

WEBER SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2014

	<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	\$ 38,683,579	\$ 37,929,351	\$ 37,781,712	\$ (147,639)
Earnings on investments	360,000	645,000	764,726	119,726
Other local sources	1,500,000	2,200,000	2,021,253	(178,747)
State aid	129,365,777	133,274,084	132,151,205	(1,122,879)
Federal aid	12,043,099	11,514,080	11,973,096	459,016
Total revenues	<u>181,952,455</u>	<u>185,562,515</u>	<u>184,691,992</u>	<u>(870,523)</u>
Expenditures:				
Current:				
Instructional services	134,029,114	134,530,266	127,829,436	6,700,830
Supporting services:				
Students	7,207,383	6,973,925	6,613,916	360,009
Instructional staff	3,612,394	3,589,465	2,509,097	1,080,368
District administration	5,878,683	4,566,342	4,401,624	164,718
School administration	12,201,034	12,124,545	12,089,094	35,451
Operation and maintenance of facilities	17,355,450	18,425,478	17,888,671	536,807
Transportation	7,632,749	7,695,814	7,307,044	388,770
Central	3,015,398	4,544,575	3,931,078	613,497
Total expenditures	<u>190,932,205</u>	<u>192,450,410</u>	<u>182,569,960</u>	<u>9,880,450</u>
Excess of expenditures over revenues	<u>(8,979,750)</u>	<u>(6,887,895)</u>	<u>2,122,032</u>	<u>9,009,927</u>
Other financing sources (uses):				
Proceeds from sale of captial assets	-	-	56,330	56,330
Transfer in (out)	(400,000)	(400,000)	-	400,000
Net change in fund balances	(9,379,750)	(7,287,895)	2,178,362	9,466,257
Fund balances - beginning	<u>17,249,119</u>	<u>28,561,062</u>	<u>28,561,062</u>	<u>-</u>
Fund balances - ending	<u>\$ 7,869,369</u>	<u>\$ 21,273,167</u>	<u>\$ 30,739,424</u>	<u>\$ 9,466,257</u>

WEBER SCHOOL DISTRICT
Statement of Net Position
Fiduciary Funds
June 30, 2014

	<u>Agency Fund</u>
Assets:	
Cash and investments	<u>\$ 131,015</u>
 Net position:	
Net position held for agency fund	<u>\$ 131,015</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 in Utah, under Internal Revenue Service regulations as a 501(c)(3), 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 position and the statement of changes in net position) 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.

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 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

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

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, excluding 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*
- *Agency Fund (a fiduciary fund)* accounts for monies held on behalf of student groups.

Fund Balance Classifications – The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the District is bound to honor them. The District first determines and reports nonspendable balances, then restricted, then committed, and so forth. Fund balance classifications are summarized as follows:

- *Nonspendable*. This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories and prepaid expenditures are classified as nonspendable.
- *Restricted*. This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include the following:
 - a) Unspent tax revenues for specific purposes (capital projects, debt service, student transportation, and K-3 reading program).

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

- b) Remaining fund balances in the School Lunch Fund.
- *Committed.* This category includes amounts that can only be used for specific purposes established by formal action of the District's Board of Education. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the Board of Education. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Education has approved to commit fund balance amount for the following purposes:
 - a) As defined in Utah law as an "undistributed reserve," the District maintains for economic stabilization up to five percent of General Fund budgeted expenditures. Potential state budget cuts, disasters, immediate capital needs, and other significant events are circumstances or conditions that signal the need for stabilization. Additionally, the commitment is necessary to maintain liquidity (i.e., reducing any disparity between when financial resources are available to make payments and the maturity of related liabilities). Also defined by state law, the commitment is not be used "in the negotiation or settlement of contract salaries for school district employees."
 - b) The District's compensated absences liability includes amounts for accrued vacation and sick leave incentive totaling \$1,753,367.
 - c) Contractual obligations of \$664,647 at June 30, 2014 are expected to be completed in 2015. Accordingly, a portion of the General Fund balance has been committed to meet these obligations.
 - *Assigned.* This category includes General Fund balance amounts that the District intends to be used for a specific purpose but are neither restricted nor committed. This intent is expressed by approval by the District's business administrator. The business administrator has assigned fund balance amounts for the following purposes:
 - a) The District will also be obligated to pay early retirement benefits to eligible employees. The District has assigned \$10,000,000 of its General Fund balance for this future obligation.
 - b) The District has allowed directors to carry over remaining balances in the programs that they have stewardship over to the new year.
 - *Unassigned.* Residual balances in the General Fund are classified as unassigned.

Fund balance flow assumptions - Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements

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Deferred outflows/inflows of resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. Implementing Statement No. 65 resulted in a restatement of the District's government-wide financial statement of net position beginning balance (see Note ??).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Net position flow assumption - Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

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 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.

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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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, 2014, 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.

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

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

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

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 position. Bond premiums and discounts, as well as refunding costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the 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

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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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 net position 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, 2014, as shown on the financial statements is as follows:

Carrying amount of cash	\$ 17,297,731
Carrying amount of investments	<u>76,670,134</u>
Total cash and investments	<u><u>\$ 93,967,865</u></u>
Governmental funds cash and investments	\$ 93,967,865
Internal service fund cash and investments	<u>-</u>
Statement of net assets cash and investments	\$ 93,967,865
Agency fund cash and investments	<u>131,015</u>
Total cash and investments	<u><u>\$ 94,098,880</u></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”). District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurer’s Investment Fund (PTIF), certificates of deposit, US Treasury obligations, US agency issues, high-grade commercial paper, banker’s acceptances, repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the State of Utah.

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

Following are discussions of risks related to its cash management activities.

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.

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements

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As of June 30, 2014, \$19,154,334 of the District's bank balance of \$19,935,177 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 and in corporate bonds. 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, 2014, the District had investments in the PTIF and in corporate bonds as follows:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	Less than 2	Less than 3
Utah Public Treasurers' Investment Fund (PTIF)	\$ 44,304,218	\$ 44,304,218	\$ -	\$ -
Corporate bonds	32,365,916	11,246,734	21,119,182	-
Total investments	\$ 76,670,134	\$ 55,550,952	\$ 21,119,182	\$ -

The majority of the District's corporate debt securities are variable-rate securities, which adjust periodically to the prevailing market interest rates. Because these securities frequently reprice, interest rate risk is substantially reduced at each periodic reset date, which is quarterly.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair value 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. In addition, variable-rate securities may not have a remaining term to final maturity exceeding three years.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing its exposure to credit risk is to comply with the Act and related rules. The Act and related rules limit investments in commercial paper to a first tier rating and investment in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody's Investors Service, Inc. or by Standard and Poor's Corporation at the time of purchase. The District has no investment policy that would further limit its investment choices. As of June 30, 2014, the District has the following investments subject to credit risk:

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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Investment Type	Fair Value	Credit Quality Ratings		
		A or Higher	B Rated	Unrated
Utah Public Treasurers' Investment Fund (PTIF)	\$ 44,304,218	\$ -	\$ -	\$ 22,775,001
Corporate bonds	32,365,916	22,263,006	10,102,910	-
Total investments	<u>\$ 76,670,134</u>	<u>\$ 22,263,006</u>	<u>\$ 10,102,910</u>	<u>\$ 22,775,001</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy for managing this risk is to comply with the Act and related rules. The District has 39% invested in the financial industry. The District places no other limits on the amount it may invest in any one issuer.

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.

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, 2014, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2014. 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 deferred inflows of property taxes levied for future year at June 30, 2014 are summarized as follows:

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Fund description	Property Taxes	
	Receivable	Deferred Inflows
General	\$ 29,171,837	\$ 33,483,338
Debt service	8,472,703	8,363,454
Capital projects	6,012,276	5,934,752
Total	\$ 43,656,816	\$ 47,781,544

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 17,991,293	\$ -	\$ (185,778)	\$ 17,805,515
Construction in progress	13,370,930	42,469,492	(13,370,930)	42,469,492
Total capital assets, not being depreciated	31,362,223	42,469,492	(13,556,708)	60,275,007
Capital assets, being depreciated:				
Buildings and improvements	260,786,401	3,030,278	(76,000)	263,740,679
Furniture and equipment	26,361,792	3,603,233	(836,355)	29,128,670
Total capital assets, being depreciated	287,148,193	6,633,511	(912,355)	292,869,349
Accumulated depreciation for:				
Buildings and improvements	(131,807,184)	(5,355,826)	71,563	(137,091,447)
Furniture and equipment	(18,178,776)	(1,778,118)	811,693	(19,145,201)
Total accumulated depreciation	(149,985,960)	(7,133,944)	883,256	(156,236,648)
Total capital assets, being depreciated, net	137,162,233	(500,433)	(29,099)	136,632,701
Governmental activities capital assets, net	\$ 168,524,456	\$ 41,969,059	\$ (13,585,807)	\$ 196,907,708

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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For the year ended June 30, 2014, depreciation expense was charged to functions of the District as follows:

Governmental activities:	
Instructional services	\$ 4,775,821
Supporting services:	
District administration	57,266
School administration	373,083
Operation and maintenance of facilities	267,641
Transportation	1,001,230
Central	268,020
School lunch services	390,883
Total depreciation expense, governmental activities	\$ 7,133,944

The District started preliminary work on three projects and has incurred the following costs at June 30, 2014:

Project	Costs to Date
Wahlquist Jr. High	\$ 23,832,018
North Park Elementary	12,855,691
Weber Innovation Center	2,744,810
West Weber Elementary	3,036,973
	\$ 42,469,492

5. RETIREMENT PLANS

Defined Benefit Plans – The District contributes to the Public Employees’ Contributory Retirement System Tier 1 and 2 and Public Employees’ Noncontributory Retirement System for employers with Social Security coverage cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide 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 Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (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 State and Schools Contributory Retirement System and State and Schools Noncontributory Retirement System for employers with Social Security coverage. 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.

Funding Policy. Plan members in the Public Employees’ Contributory Retirement System Tier 1 are required to contribute 6.00% of their annual covered salary (5% paid by the employer for the employee) and the District is required to contribute 15.97% of their annual covered salary. In the Public Employees’ Contributory Retirement System Tier 2 there are no employee contributions and the School District contributes 16.75% of eligible salary. In the Public Employees’ Noncontributory Retirement System, the

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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District is required to contribute 20.46% of their 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 Board.

The District's contributions to the Public Employees' Contributory Retirement System Tier 1 and 2 for the years ended June 30, 2014, 2013, and 2012, were \$607,394, \$389,788, and \$229,848, respectively; and for the Public Employees' Noncontributory Retirement System the contributions for June 30, 2014, 2013, and 2012 were \$21,709,208, \$18,195,248, and \$18,107,041 respectively. The contributions were equal to the required contributions for each year.

Defined Contribution Plans - The District also participates in the Utah Retirement System 401(k) plan. The District funds 1.5% of eligible payroll costs. Vesting is immediate. The District contributions for the years ending June 30, 2014, 2013, and 2012 were \$1,988,646, \$1,750,883, and \$1,890,516, respectively; the employee contributions for the years ending June 30, 2014, 2013, and, 2012, were \$1,953,033, \$1,794,045, and, \$2,059,531, respectively. The District also participates in the Educators Mutual Insurance Association 401(k) plan. The District funds 1.5% of eligible payroll costs. Vesting is immediate. The District contributed \$65,716 in 2014 and employee contributions were \$28,809.

The District also offers its employees deferred compensation plans created in accordance with Internal Revenue Code Sections 457 and 403(b). The plans, available to all full-time employees, permit 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 \$114,181 for 2014. This plan is administered by the Utah Retirement Systems and VALIC, which is a third party administrator. Employee contributions to the Section 403(b) plans totaled \$495,721. These plans are administered by AXA Equitable and VALIC, third party administrators.

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, 2014 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	\$ 102,630,000	\$ 25,000,000	\$ (6,240,000)	\$ 121,390,000	\$ 5,910,000
Deferred amounts for issuance premium	2,273,238	679,650	(239,739)	2,713,149	-
Total bonds payable, net	104,903,238	25,679,650	(6,479,739)	124,103,149	5,910,000
Obligations under capital leases	482,351	3,373,962	(1,107,351)	2,748,962	651,598
Notes Payable	583,231	2,017,390	(144,109)	2,456,512	251,541
Accrued vacation	1,610,884	1,592,278	(1,449,795)	1,753,367	1,753,367
Total governmental activity					
long-term liabilities	<u>\$ 107,579,704</u>	<u>\$ 32,663,280</u>	<u>\$ (9,180,994)</u>	<u>\$ 131,061,990</u>	<u>\$ 8,566,506</u>
Termination benefits	<u>\$ 9,508,907</u>	<u>\$ 3,832,503</u>	<u>\$ (2,221,716)</u>	<u>\$ 11,119,694</u>	<u>\$ 3,367,376</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, 2014, including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 5,910,000	\$ 4,922,908	\$ 10,832,908
2016	6,145,000	4,682,045	10,827,045
2017	6,105,000	4,410,995	10,515,995
2018	6,635,000	4,168,795	10,803,795
2019	7,010,000	3,913,433	10,923,433
2020 - 2024	38,750,000	14,896,638	53,646,638
2025 - 2029	33,380,000	6,937,363	40,317,363
2030 - 2033	17,455,000	1,818,480	19,273,480
	<u>\$ 121,390,000</u>	<u>\$ 45,750,657</u>	<u>\$ 167,140,657</u>

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

General Obligation Bonds – General obligation school building bonds payable at June 30, 2014, with their outstanding balance are comprised of the following individual issues:

\$7,775,000 - 2005 general obligation refunding bonds, due in annual installments of \$410,000 to \$430,000, interest rate ranging from 4.00% to 4.50%	\$ 840,000
\$22,890,000 - 2006 A general obligation refunding bonds, due in annual installments of \$2,075,000 to \$3,425,000, interest rate ranging from 4.00% to 4.50%	18,800,000
\$22,500,000 - 2006 B general obligation school building bonds, due in annual installments of \$1,055,000 to \$2,235,000, interest rate ranging from 4.25% to 4.75%	20,620,000
\$13,480,000 - 2007 general obligation refunding bonds, due in annual installments of \$670,000 to \$700,000, interest rate of 5.00%	1,370,000
\$33,000,000 - 2008 general obligation school building bonds, due in annual installments of \$100,000 to \$3,125,000, interest rate ranging from 3.25% to 4.30%	24,000,000
\$9,500,000 - 2009 general obligation school building bonds, due in annual installments of \$300,000 to \$520,000, interest rate ranging from 3.00% to 4.50%	5,970,000
\$11,450,000 - 2011 general obligation school building bonds, due in annual installments of \$350,000 to \$3,075,000, interest rate ranging from 2.00% to 4.00%	6,250,000
\$20,000,000 - 2012 general obligation school building bonds, due in annual installments of \$250,000 to \$2,000,000, interest rate ranging from 2.00% to 4.00%	18,540,000
\$25,000,000 - 2013 general obligation school building bonds, due in annual installments of \$725,000 to \$4,570,000, interest rate ranging from 3.50% to 5.00%	<u>25,000,000</u> <u>\$ 121,390,000</u>

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, 2014, is \$466,192,885. General obligation debt at June 30, 2014 is \$121,390,000, resulting in a legal debt margin of \$344,802,885.

The District has three notes payable. Two are with the Federal Government. One note is interest free and the other one has a stated interest rate of two percent. The third note payable is with Zions Bank with a

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

stated interest rate of 2.87%. The annual requirements to amortize the notes payable outstanding as of June 30, 2014, including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 251,541	\$ 56,040	\$ 307,581
2016	256,727	50,854	307,581
2017	262,062	45,518	307,580
2018	267,552	40,028	307,580
2019	257,370	33,768	291,138
2020-2023	1,161,260	72,152	1,233,412
	<u>\$ 2,456,512</u>	<u>\$ 298,360</u>	<u>\$ 2,754,872</u>

Capital Leases – During fiscal year 2014, the District entered into two capital leases to purchase buses and phone equipment in the amount of \$3,373,962 in the capital projects fund.

Future minimum lease obligations relating to the school bus leases in the capital projects fund are as follows:

<u>Year Ending June 30,</u>	
2015	\$ 701,481
2016	701,481
2017	701,481
2018	701,481
2019	97,952
Total minimum lease payments	2,903,876
Amount representing interest	<u>(154,914)</u>
Present value of minimum lease payments	<u>\$ 2,748,962</u>

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WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

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 \$2,106,878. The annual lease payments outstanding as of June 30, 2014 are as follows:

<u>Year Ending June 30,</u>	<u>Lease Payments</u>
2015	\$ 2,319,871
2016	2,006,805
2017	1,328,783
2018	965,413
2019	273,266
	<hr/> <u>\$ 6,894,138</u>

9. 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, 2014 there were 205 retirees eligible to receive health coverage. During the year, the District paid \$742,647 for retiree health coverage. The projected estimated future cost of post-employment supplemental coverage of current retirees is \$6,414,226. This figure is based on a four percent discount rate and a health care trend rate which starts at 6.10% and ratably decreases to 4.60% in the year 2091. The post-employment healthcare benefits are financed on a pay-as-you-go basis.

WEBER SCHOOL DISTRICT
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 \$1,484,054 for retiree stipends. The projected estimated future cost of early retirement incentives of current retirees is \$4,705,468. 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.

10. 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.

11. 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 affect the financial statements of the District.

12. 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.

13. 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, 2014 are \$309,505. 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

14. SUBSEQUENT EVENT

On October 16, 2014, the District issued Series 2014 General Obligation School Building and Refunding Bonds in the amount of \$37,785,000. Proceeds of \$20,000,000 will be used to construct school buildings and \$17,785,000 will be used to establish an irrevocable escrow account to refund an equal amount of principal of the General Obligation School Building Bonds, Series 2006B. The \$20,000,000 is the final amount of the authorized \$65,000,000 of bonds approved at the election held on June 26, 2012.

Subsequent events have been evaluated through the auditor's date, which is the date the financial statements were to be issued. Except as noted above, there were no subsequent events to disclose.

15. PRIOR PERIOD ADJUSTMENT

The beginning net position in the government-wide statement of net position for governmental activities has been restated to reflect the effects of implementing GASB Statement No. 65, Items Previously Reported as Assets and Liabilities as follows:

	Government-wide Financial Statements -Governmental Activities
Net position, as originally stated - June 30, 2013	\$ 108,263,043
Restate bond issuance costs as expense when occurred per GASB Statements No. 65	(793,948)
Net position, as restated - June 30, 2013	<u>\$ 107,469,095</u>

WEBER SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Special Revenue		Total Nonmajor Governmental Funds
	School Lunch	Student Activity	
Assets:			
Cash and investments	\$ 1,283,374	\$ 5,291,110	\$ 6,574,484
Receivables:			
Property taxes	-	-	-
Other governments	1,005,929	-	1,005,929
Prepaid expenses	-	-	-
Inventory	608,759	-	608,759
Total assets	<u>\$ 2,898,062</u>	<u>\$ 5,291,110</u>	<u>\$ 8,189,172</u>
Liabilities:			
Accounts payable	\$ 19,774	\$ 1,725	\$ 21,499
Accrued wages	1,119,038	-	1,119,038
Termination benefits	110,859	-	110,859
Total liabilities	<u>1,249,671</u>	<u>1,725</u>	<u>1,251,396</u>
Fund balances:			
Nonspendable:			
Inventories	608,759	-	608,759
Prepays	-	-	-
Restricted for:			
School lunch	1,039,632	-	1,039,632
Recreation	-	-	-
Committed to:			
Students	-	5,289,385	5,289,385
Unassigned	-	-	-
Total fund balances	<u>1,648,391</u>	<u>5,289,385</u>	<u>6,937,776</u>
Total liabilities and fund balances	<u>\$ 2,898,062</u>	<u>\$ 5,291,110</u>	<u>\$ 8,189,172</u>

WEBER SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014

	Special Revenue		Total Nonmajor Governmental Funds
	School Lunch	Student Activity	
Revenues:			
Property tax	\$ -	\$ -	\$ -
Student fees	-	5,954,693	5,954,693
Lunch sales	3,906,712	-	3,906,712
State aid	2,003,828	-	2,003,828
Federal aid	6,704,014	-	6,704,014
Total revenues	<u>12,614,554</u>	<u>5,954,693</u>	<u>18,569,247</u>
Expenditures:			
Instructional services	-	6,315,148	6,315,148
School lunch services	<u>12,309,595</u>	<u>-</u>	<u>12,309,595</u>
Total expenditures	<u>12,309,595</u>	<u>6,315,148</u>	<u>18,624,743</u>
Excess of expenditures over revenues	304,959	(360,455)	(55,496)
Other financing sources:			
Transfer in	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	304,959	(360,455)	(55,496)
Fund balances - beginning	<u>1,343,432</u>	<u>5,649,840</u>	<u>6,993,272</u>
Fund balances - ending	<u>\$ 1,648,391</u>	<u>\$ 5,289,385</u>	<u>\$ 6,937,776</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, 2014
With Comparative Totals for 2013

	<u>2014</u>			<u>2013</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Actual Amounts</u>
Revenues:				
Local sources:				
Lunch sales	\$ 4,232,062	\$ 3,906,712	\$ (325,350)	\$ 4,190,160
Total local sources	<u>4,232,062</u>	<u>3,906,712</u>	<u>(325,350)</u>	<u>4,190,160</u>
State sources:				
State lunch program	2,091,633	2,003,828	(87,805)	2,070,924
Total state sources	<u>2,091,633</u>	<u>2,003,828</u>	<u>(87,805)</u>	<u>2,070,924</u>
Federal sources:				
Federal lunch program	6,592,124	6,704,014	111,890	6,526,855
Total federal sources	<u>6,592,124</u>	<u>6,704,014</u>	<u>111,890</u>	<u>6,526,855</u>
Total revenues	<u>12,915,819</u>	<u>12,614,554</u>	<u>(301,265)</u>	<u>12,787,939</u>
Expenditures:				
Current:				
Employee salaries and benefits	5,696,709	5,437,604	259,105	5,466,318
Purchased services	410,696	123,767	286,929	379,305
Supplies	1,482,894	1,489,698	(6,804)	1,117,850
Food	6,518,272	4,842,300	1,675,972	5,493,592
Equipment	550,680	416,226	134,454	60,101
Total expenditures	<u>14,659,251</u>	<u>12,309,595</u>	<u>2,349,656</u>	<u>12,517,166</u>
Other financing sources:				
Transfer in	400,000	-	(400,000)	-
Net change in fund balances	(1,343,432)	304,959	1,648,391	270,773
Fund balances - beginning	<u>1,343,432</u>	<u>1,343,432</u>	<u>-</u>	<u>1,072,659</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,648,391</u>	<u>\$ 1,648,391</u>	<u>\$ 1,343,432</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, 2014

	2014			2013
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
Revenues:				
Local sources:				
Student fees	\$ 7,000,000	\$ 5,954,693	\$ (1,045,307)	\$ 6,543,964
Total local sources	7,000,000	5,954,693	(1,045,307)	6,543,964
Total revenues	7,000,000	5,954,693	(1,045,307)	6,543,964
Expenditures:				
Supplies	12,649,840	6,315,148	6,334,692	7,041,815
Total expenditures	12,649,840	6,315,148	6,334,692	7,041,815
Other financing sources:				
Transfer in	-	-	-	-
Net change in fund balances	(5,649,840)	(360,455)	5,289,385	(497,851)
Fund balances - beginning	5,649,840	5,649,840	-	6,147,691
Fund balances - ending	\$ -	\$ 5,289,385	\$ 5,289,385	\$ 5,649,840

WEBER SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Major Debt Service Fund
Year Ended June 30, 2014
With Comparative Totals for 2013

	2014		Variance with Final Budget - Positive (Negative)	2013
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Property tax	\$ 11,016,245	\$ 10,973,365	\$ (42,880)	\$ 10,702,172
Earnings on investments	-	-	-	-
Total revenues	<u>11,016,245</u>	<u>10,973,365</u>	<u>(42,880)</u>	<u>10,702,172</u>
Expenditures:				
Debt service:				
Bond principal	7,404,463	6,240,000	1,164,463	6,700,000
Bond interest	5,700,000	4,846,497	853,503	4,102,650
Paying agent fees	200,000	8,166	191,834	8,285
Total expenditures	<u>13,304,463</u>	<u>11,094,663</u>	<u>2,209,800</u>	<u>10,810,935</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,288,218)</u>	<u>(121,298)</u>	<u>2,166,920</u>	<u>(108,763)</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>(2,288,218)</u>	<u>(121,298)</u>	<u>2,166,920</u>	<u>(108,763)</u>
Fund balance - beginning	<u>2,288,218</u>	<u>2,288,218</u>	<u>-</u>	<u>2,396,981</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 2,166,920</u>	<u>\$ 2,166,920</u>	<u>\$ 2,288,218</u>

WEBER SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Major Capital Projects Fund
Year Ended June 30, 2014
With Comparative Totals for 2013

	2014		Variance with Final Budget - Positive (Negative)	2013
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
Revenues:				
Local sources:				
Property taxes	\$ 7,803,102	\$ 7,786,759	\$ (16,343)	\$ 7,650,100
Other local revenue	450,000	450,833	833	289,801
Earnings on investments	120,000	157,606	37,606	170,329
Total revenues	<u>8,373,102</u>	<u>8,395,198</u>	<u>22,096</u>	<u>8,110,230</u>
Expenditures:				
Land and buildings:				
Purchased services	114,629	526,944	(412,315)	1,085,287
Salaries and benefits	1,193,233	992,495	200,738	1,464,394
Land purchases	-	-	-	1,936,563
Land improvements	200,000	254,801	(54,801)	
Building purchases	42,719,331	33,631,265	9,088,066	17,066,217
Building improvements	-	-	-	581,867
Total land and buildings	<u>44,227,193</u>	<u>35,405,505</u>	<u>8,821,688</u>	<u>22,134,328</u>
Equipment and Textbooks:				
Equipment support departments	500,000	-	500,000	1,092,163
New school and growth equipment	1,200,000	112,252	1,087,748	
Computer purchase	1,150,000	1,429,225	(279,225)	219,913
Computer software	575,240	478,385	96,855	327,935
Other instructional equipment	150,000	451,119	(301,119)	52
Textbooks	350,000	343,569	6,431	227,203
Buses	1,400,000	4,070,607	(2,670,607)	1,371,128
Other vehicles	198,569	42,153	156,416	189,113
Total equipment	<u>5,523,809</u>	<u>6,927,310</u>	<u>(1,403,501)</u>	<u>3,427,507</u>
Total expenditures	<u>49,751,002</u>	<u>42,332,815</u>	<u>7,418,187</u>	<u>25,561,835</u>
Excess (deficiency) of revenues over (under) expenditures	(41,377,900)	(33,937,617)	7,440,283	(17,451,605)
Other Financing Sources (Uses):				
General obligation bond proceeds	25,000,000	25,000,000	-	20,000,000
Loan payable proceeds	2,000,000	2,017,390	17,390	158,306
Bond issuance costs	(164,000)	(212,440)	(48,440)	(175,726)
Note payments	(87,804)	(144,109)	(56,305)	(250,197)
Note interest	(28,950)	(29,370)	(420)	(15,409)
Transfer out	-	-	-	-
Bus capital leases	-	3,373,962	3,373,962	-
Sale of capital assets	325,000	368,085	43,085	2,547
Total other financing sources (uses)	<u>27,723,896</u>	<u>31,053,168</u>	<u>3,329,272</u>	<u>20,567,579</u>
Net change in fund balances	(13,654,004)	(2,884,449)	10,769,555	3,115,974
Fund balance - beginning	<u>13,654,004</u>	<u>13,654,004</u>	<u>-</u>	<u>10,538,030</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 10,769,555</u>	<u>\$ 10,769,555</u>	<u>\$ 13,654,004</u>

WEBER SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Student Activities Agency Fund
Year Ended June 30, 2014

	Agency Fund
Additions:	
Contributions:	
Student fees	\$ 384,236
Total additions	384,236
Deductions:	
Expenses for clubs	384,609
Total deductions	384,609
Change in net position	(373)
Net position - beginning	131,388
Net position - ending	\$ 131,015

Table 1 Debt Structure
WEBER SCHOOL DISTRICT
General Obligation Bonds
Outstanding General Obligation Debt (As of June 30, 2014)

Series	Purpose	Original Amount	Final Maturity Date	Current Balance Outstanding
2013	School Building	\$ 25,000,000	June 15, 2033	\$ 25,000,000
2012	School Building	20,000,000	June 15, 2032	18,540,000
2011	Refunding	11,450,000	June 15, 2023	6,250,000
2009	School Building	9,500,000	June 15, 2029	5,970,000
2008	School Building	33,000,000	June 15, 2028	24,000,000
2007	Refunding	13,480,000	June 15, 2016	1,370,000
2006B	School Building	22,500,000	June 15, 2026	20,620,000
2006A	Refunding	22,890,000	June 15, 2021	18,800,000
2005	Building	7,775,000	June 15, 2016	840,000
Total direct obligation bonded indebtedness				<u><u>\$ 121,390,000</u></u>

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Table 2 Debt Structure
WEBER SCHOOL DISTRICT
General Obligation Bonds
General Obligation Overlapping Indebtedness (As of June 30, 2014)

Entity	2013 Taxable Value	District's Portion of Assessment	Entity's Percent	General Obligation Debt	Overlapping Debt
Weber County	\$ 11,784,817,027	\$ 8,090,784,419	68.7%	\$ 41,010,000	\$ 28,155,131
Cities:					
Farr West City	364,549,887	364,549,887	100.0%	-	-
Harrisville	237,244,790	237,244,790	100.0%	-	-
North Ogden City	725,340,911	725,340,911	100.0%	-	-
Washington Terrace	335,111,646	335,111,646	100.0%	2,685,000	2,685,000
Other Districts:					
Weber Basin Water Conservancy District	40,150,465,589	7,878,215,551	19.6%	23,888,492	4,687,335
North Davis County Sewer District	8,470,316,248	1,176,493,945	13.9%	38,625,000	5,364,862
Hooper Water Imp. District	653,278,107	653,278,107	100.0%	-	-
West Warren Water Imp. District	43,748,166	43,748,166	100.0%	-	-
Total overlapping general obligation debt					40,892,328
Total direct general obligation bonded indebtedness					<u>121,390,000</u>
Total direct and overlapping general obligation debt					<u><u>\$ 162,282,328</u></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 2013 Taxable Value	To Adjusted Fair Market Value	Per Capita Debt Ratio
Direct general obligation debt	1.50%	1.04%	786.87
Direct and overlapping general obligation debt	2.01%	1.39%	1,051.94

-
- 1 Based on the State of Utah's December 31, 2013 taxable value for Weber School District of: \$ 8,090,784,419
2 Based on the State of Utah's December 31, 2013 adjusted fair market value for the District of: \$ 11,949,325,120
3 Based on the U.S. Bureau of the Census estimate for Weber County of 238,519 less Ogden City's population estimate of 84,249. (Ogden City does not lie within the District's boundaries) therefore, Weber School District's 2013 population estimate is 154,270.

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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 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)
2015	\$ 410,000	\$ 35,750	\$ 2,075,000	\$ 798,062	\$ 1,055,000	\$ 927,075	\$ 670,000	\$ 68,500
2016	430,000	19,350	2,150,000	704,687	1,400,000	882,237	700,000	35,000
2017	-	-	2,250,000	607,937	1,465,000	822,738	-	-
2018	-	-	2,350,000	517,937	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	384,612	-	-
2024	-	-	-	-	2,020,000	297,762	-	-
2025	-	-	-	-	2,120,000	206,862	-	-
2026	-	-	-	-	2,235,000	106,162	-	-
2027	-	-	-	-	-	-	-	-
TOTAL	\$ 840,000	\$ 55,100	\$ 18,800,000	\$ 3,486,062	\$ 20,620,000	\$ 6,716,575	\$ 1,370,000	\$ 103,500

Fiscal Year Ending 6/30	Series 2008		Series 2009		Series 2011		Series 2012	
	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)
2015	\$ 100,000	\$ 1,011,750	\$ 300,000	\$ 236,026	\$ -	\$ 233,500	\$ 575,000	\$ 538,925
2016	400,000	1,008,500	315,000	227,026	-	233,500	-	527,425
2017	500,000	995,000	325,000	217,576	350,000	233,500	250,000	527,425
2018	600,000	977,500	335,000	207,014	650,000	223,000	280,000	524,300
2019	1,300,000	956,500	350,000	195,288	-	210,000	260,000	520,100
2020	1,350,000	901,250	365,000	182,164	-	210,000	280,000	516,200
2021	1,400,000	843,875	375,000	167,564	-	210,000	375,000	512,000
2022	1,450,000	784,375	390,000	152,564	3,075,000	210,000	415,000	504,500
2023	2,525,000	722,750	405,000	136,964	2,175,000	87,000	450,000	496,200
2024	2,625,000	615,438	420,000	120,764	-	-	1,510,000	487,200
2025	2,750,000	503,875	440,000	103,544	-	-	1,570,000	441,900
2026	2,875,000	387,000	455,000	85,394	-	-	1,625,000	379,100
2027	3,000,000	263,375	475,000	66,056	-	-	1,685,000	330,350
2028	3,125,000	134,375	500,000	45,275	-	-	1,725,000	279,800
2029	-	-	520,000	23,400	-	-	1,785,000	236,675
2030	-	-	-	-	-	-	1,845,000	187,587
2031	-	-	-	-	-	-	1,910,000	136,850
2032	-	-	-	-	-	-	2,000,000	70,000
TOTAL	\$ 24,000,000	\$ 10,105,563	\$ 5,970,000	\$ 2,166,619	\$ 6,250,000	\$ 1,850,500	\$ 18,540,000	\$ 7,216,537

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

	Series 2013		Totals	
	Principal (Due 6/15)	Interest (Due 6/15)	Total Principal	Total Interest
2015	\$ 725,000	\$ 1,073,319	\$ 5,910,000	\$ 4,922,907
2016	750,000	1,044,319	6,145,000	4,682,044
2017	965,000	1,006,819	6,105,000	4,410,995
2018	890,000	958,569	6,635,000	4,168,795
2019	300,000	914,069	7,010,000	3,913,433
2020	280,000	899,069	7,300,000	3,618,159
2021	280,000	885,069	7,605,000	3,310,234
2022	750,000	871,069	7,920,000	2,989,921
2023	750,000	833,569	8,235,000	2,661,095
2024	1,115,000	796,069	7,690,000	2,317,233
2025	1,110,000	757,044	7,990,000	2,013,225
2026	1,130,000	718,194	8,320,000	1,675,850
2027	1,235,000	672,994	6,395,000	1,332,775
2028	1,280,000	623,594	6,630,000	1,083,044
2029	1,740,000	572,394	4,045,000	832,469
2030	2,325,000	502,794	4,170,000	690,381
2031	2,380,000	406,888	4,290,000	543,738
2032	2,425,000	308,713	4,425,000	378,713
2033	4,570,000	205,650	4,570,000	205,650
TOTAL	\$ 25,000,000	\$ 14,050,200	\$ 121,390,000	\$ 45,750,656
				\$ 167,140,656

**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>
2013	\$ 8,090,784,419	\$ 11,949,325,120
2012	7,901,074,430	11,654,822,135
2011	8,096,519,157	11,965,128,134
2010	8,560,214,355	12,439,716,275
2009	9,108,313,783	11,611,143,607

Excluding Fee in Lieu Valuation

<u>Year</u>	<u>Taxable Value</u>	<u>Adjusted Fair Market Value</u>
2013	\$ 7,779,791,910	\$ 11,638,332,612
2012	7,592,275,751	11,346,023,456
2011	7,784,906,222	11,538,653,927
2010	7,892,164,695	11,653,515,199
2009	8,395,354,296	12,071,737,301

(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, 2013 Taxable Valuation	Percentage of Total Assessed Valuation
Great Salt Lake Minerals	Manufacturing	\$ 158,875,596	1.96%
Pacificorp	Electric Utility	127,483,127	1.58%
Kimberly-Clark Corporation	Manufacturing	63,460,546	0.78%
America First Credit Union	Banking	52,856,290	0.65%
Associated/Fresh Markets Inc.	Groceries	47,217,614	0.58%
Questar Gas	Natural Gas Utility	45,267,831	0.56%
Union Pacific Railroad Co	Transportaion	41,759,784	0.52%
Columbia Ogden Medical Center	Medical	40,569,631	0.50%
Westinghouse/W. Zirconium	Manufacturing	37,646,282	0.47%
DDR Riverdale South Corp	Developer	36,179,512	0.45%
Cole Mt Riverdale LLC	Developer	35,455,830	0.44%
Wal-Mart, Inc	Retail	31,964,910	0.40%
Totals		<u>\$ 718,736,953</u>	<u>8.89%</u>

1 - Based on the District's 2013 taxable value of: \$ 8,090,784,419
Source: Office of Weber County Treasurer

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

	<u>2013 Taxable Value</u>	<u>Percent of 2012</u>	<u>2012 Taxable Value</u>
Centrally assessed values:	\$ 427,019,220	5.40%	\$ 414,590,784
Real property:			
Primary residential	4,700,526,553	59.49%	4,571,725,814
Other residential	629,314,248	7.96%	645,150,005
Commercial and industrial	1,547,528,466	19.59%	1,504,793,573
FAA	20,273,214	0.26%	19,962,470
Unimproved non FAA	58,979,745	0.75%	58,123,773
Total real property	<u>6,956,622,226</u>	<u>88.05%</u>	<u>6,799,755,635</u>
Personal property:			
Primary and secondary mobile homes	15,467,638	0.20%	16,188,048
Other business personal	380,682,826	4.82%	361,741,284
Total personal property	<u>396,150,464</u>	<u>5.02%</u>	<u>377,929,332</u>
Fee-in-lieu property (F-I-L):	<u>310,992,509</u>	<u>3.94%</u>	<u>308,798,679</u>
Total assessed properties:	<u>\$ 8,090,784,419</u>	<u>102.41%</u>	<u>\$ 7,901,074,430</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>
2012	\$ 51,914,184	\$ 49,301,176	94.97%	\$ 2,306,565	\$ 51,607,741	99.41%
2012	51,543,848	48,881,374	94.83%	2,388,261	51,269,635	99.47%
2011	50,923,174	48,014,304	94.29%	2,449,604	50,463,908	99.10%
2010	53,903,732	50,664,251	93.99%	1,915,416	52,579,667	97.54%
2009	51,057,371	48,144,868	94.30%	2,244,820	50,389,688	98.69%

Schedule of Property Tax Rates

	<u>Tax Year Ended December 31,</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
State required	0.001535	0.001651	0.001591	0.001495	0.001433
Voted leeway	0.001083	0.001091	0.001123	0.001091	0.000943
Board leeway	0.002006	0.002026	0.000419	0.000406	0.000365
Transportation	0.000000	0.000000	0.000264	0.000167	0.000150
Recreation	0.000000	0.000000	0.000114	0.000110	0.000099
Tort liability	0.000000	0.000000	0.000041	0.000040	0.000036
Capital outlay	0.000953	0.000960	0.000915	0.000887	0.000797
Debt service	0.001343	0.001343	0.001343	0.001343	0.001343
10% Additional	0.000000	0.000000	0.000873	0.000848	0.000431
Tax comm judge	0.000000	0.000000	0.000007	0.000000	0.000000
Board reading levy	0.000000	0.000000	0.000143	0.000139	0.000124
Total	<u>0.006920</u>	<u>0.007071</u>	<u>0.006833</u>	<u>0.006526</u>	<u>0.005721</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>
2013-2014	\$ 56,541,836	\$ 37,781,712	\$ -	\$ 7,786,759	\$ 10,973,365
2012-2013	56,347,770	37,995,498	-	7,650,100	10,702,172
2011-2012	55,570,368	36,279,732	927,122	7,441,371	10,922,143
2010-2011	53,091,302	34,054,580	894,889	7,216,056	10,925,777
2009-2010	50,221,778	26,783,192	869,071	10,779,994	11,789,521

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

Five-Year Financial Summary

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
REVENUES:					
Local revenue:					
Property tax	\$ 37,781,712	\$ 37,995,498	\$ 36,279,732	\$ 34,054,580	\$ 26,783,192
Earnings from investments	764,726	845,942	615,214	550,116	627,296
Other	2,021,253	2,715,071	1,693,377	1,869,411	1,478,437
State	132,151,205	127,535,040	124,651,741	124,749,962	125,700,268
Federal	11,973,096	11,330,773	12,661,666	17,463,958	18,978,341
Total revenues	<u>184,691,992</u>	<u>180,422,324</u>	<u>175,901,730</u>	<u>178,688,027</u>	<u>173,567,534</u>
EXPENDITURES:					
Instruction	127,829,436	126,645,971	124,927,043	122,538,945	122,765,549
Support services					
Students	6,613,916	6,549,798	6,367,704	6,240,651	6,292,906
Instructional staff	2,509,097	2,676,267	2,944,221	2,800,367	2,513,838
District general administration	4,401,624	5,469,192	5,401,049	5,319,266	5,723,288
School administration	12,089,094	11,600,702	11,485,959	11,025,558	11,408,824
Operations and maintenance	17,888,671	15,698,957	15,191,982	16,525,792	16,127,093
Student transportation	7,307,044	7,279,827	7,109,513	6,828,610	6,512,368
Central	3,931,078	3,064,737	2,476,525	2,499,597	2,468,762
Total expenditures	<u>182,569,960</u>	<u>178,985,451</u>	<u>175,903,996</u>	<u>173,778,786</u>	<u>173,812,628</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,122,032</u>	<u>1,436,873</u>	<u>(2,266)</u>	<u>4,909,241</u>	<u>(245,094)</u>
Other financing sources (uses):					
Sale of capital assets	56,330	29,046	9,584	-	-
Interfund transfer	-	-	(69,246)	(67,969)	2,285,801
Total other financing sources	<u>56,330</u>	<u>29,046</u>	<u>(59,662)</u>	<u>(67,969)</u>	<u>2,285,801</u>
Excess(deficiency) of revenues and other financing sources (uses) over (under) expenditures	<u>2,178,362</u>	<u>1,465,919</u>	<u>(61,928)</u>	<u>4,841,272</u>	<u>2,040,707</u>
Fund balance, beginning of year, as restated	<u>28,561,062</u>	<u>27,095,143</u>	<u>27,157,071</u>	<u>22,315,799</u>	<u>20,275,092</u>
Fund balance, end of year	<u>\$ 30,739,424</u>	<u>\$ 28,561,062</u>	<u>\$ 27,095,143</u>	<u>\$ 27,157,071</u>	<u>\$ 22,315,799</u>

Source: The District's Basic financial statements.

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

Five-Year Financial Summary

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
ASSETS:					
Cash and investments	\$ 70,497,293	\$ 63,646,895	\$ 58,193,688	\$ 59,727,117	\$ 55,725,317
Accounts receivable:					
Property taxes	29,171,837	28,650,978	28,929,795	27,866,287	21,035,121
Other	9,917,048	6,194,466	10,583,536	7,973,668	7,312,618
Inventory, at cost or fair value	501,460	696,338	558,841	511,467	579,930
Prepaid expenses	28,619	94,998	76,582	97,679	28,885
Other assets	540,966	316,766	285,373	259,236	210,326
Total assets	<u>\$ 110,657,223</u>	<u>\$ 99,600,441</u>	<u>\$ 98,627,815</u>	<u>\$ 96,435,454</u>	<u>\$ 84,892,197</u>
LIABILITIES:					
Account payable	\$ 2,965,704	\$ 3,127,124	\$ 3,432,764	\$ 3,655,058	\$ 3,652,438
Accrued wages payable	32,346,829	25,704,496	23,906,917	23,481,617	23,162,348
Termination benefits	3,257,970	3,257,970	3,257,970	3,257,970	3,251,495
Unearned revenue					
Other governments	7,836,023	7,355,034	7,935,041	8,672,828	9,655,537
Local sources	27,935	30,319	80,031	125,248	64,458
Total liabilities	<u>46,434,461</u>	<u>39,474,943</u>	<u>38,612,723</u>	<u>39,192,721</u>	<u>39,786,276</u>
DEFERRED INFLOWS OF RESOURCES:					
Property taxes levied for future year	33,483,338	31,564,436	32,919,949	30,085,662	22,790,122
Total deferred inflows of resources	<u>33,483,338</u>	<u>31,564,436</u>	<u>32,919,949</u>	<u>30,085,662</u>	<u>22,790,122</u>
FUND BALANCES:					
Nonspendable:					
Inventories	501,460	696,338	558,841	511,467	579,930
Prepaid expenses	28,619	94,998	76,582	97,679	28,885
Committed to:					
Economic stabilization	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Employee benefit obligations	1,753,367	1,610,884	1,523,169	1,389,944	2,069,356
Student activity					
Other purchases	664,647	233,351	226,163	431,063	483,950
Assigned to:					
Early retirement benefit	10,000,000	10,000,000	10,000,000	10,000,000	8,500,000
Programs	3,069,629	1,276,438	65,336	274,713	195,533
Unassigned	10,721,702	10,649,053	10,645,052	10,452,205	6,458,145
Total fund balance	<u>30,739,424</u>	<u>28,561,062</u>	<u>27,095,143</u>	<u>27,157,071</u>	<u>22,315,799</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 110,657,223</u>	<u>\$ 99,600,441</u>	<u>\$ 98,627,815</u>	<u>\$ 96,435,454</u>	<u>\$ 84,892,197</u>

Source: The District's Basic financial statements.

WEBER SCHOOL DISTRICT

GOVERNMENT AUDITING STANDARDS OMB CIRCULAR A-133 AND OTHER
REQUIRED REPORTS

YEAR ENDED JUNE 30, 2014

WEBER SCHOOL DISTRICT
 GOVERNMENT AUDITING STANDARDS OMB CIRCULAR A-133 AND OTHER
 REQUIRED REPORTS
 YEAR ENDED JUNE 30, 2014

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Board of Education
Weber School District
Ogden, Utah

We have audited, in accordance with the 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, the 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, 2014, and the related notes to the financial statements, which collectively comprise Weber School District's basic financial statements and have issued our report thereon dated December 3, 2014. As stated in our report on the financial statements, we did not audit the financial statements of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us. Our report on the financial statements, insofar as it relates to the amounts included for the discretely presented component unit, its based on the report of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Weber School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Weber School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Weber School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented,

or detected and corrected on a timely basis. We consider the deficiency described in the accompany schedule of findings and questioned costs to be a material weakness (finding 14-01).

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies (findings 14-02, 14-03 and 14-04).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Weber School District's financial statements are free of material misstatement we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an other matter that is required to be reported under *Government Auditing Standards* (findings 14-05).

Weber School District's Response to Findings

Weber School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Weber School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wiggins & Co., PC

Ogden, Utah
December 3, 2014



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

To the Honorable Board of Education
Weber School District
Ogden, Utah

Report on Compliance for Each Major Federal Program

We have audited Weber School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Weber School District's major federal programs for the year ended June 30, 2014. Weber School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Weber School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Weber School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Weber School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Weber School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Weber School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered Weber School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular-A133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Weber School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses and therefore, material weaknesses and significant deficiencies may exist that were not identified.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Schedule of Expenditures of Federal Awards

We have audited the 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, 2014, and the related notes to the financial statements, which collectively comprise the Weber School District financial statements. We have issued our report thereon dated December 3, 2014, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OBM Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wiggins & Co., PC

Ogden, Utah
December 3, 2014

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WEBER SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Year Ended June 30, 2014		
			Grant Receipts	Revenue Recognized	Expenditures
US Department of Education					
Direct Program:					
Impact aid	84.041	N/A	\$ 125,500	\$ 125,500	\$ 125,500
Total Direct			<u>125,500</u>	<u>125,500</u>	<u>125,500</u>
Passed through the Utah State Office of Education:					
Adult Education	84.002	35143312	16,866	24,935	24,935
	84.002	35133312	13,823	-	-
Adult English Language/Civics	84.002	35133312	11,820	5,178	5,178
	84.002	35123312	16,547	16,547	16,547
Adult Ed Leadership	84.002	35143312		5,000	5,000
Title I LEA	84.010	350143312	516,401	561,008	561,008
	84.010	350133312	2,540,997	2,316,974	2,316,974
Title I LEA Program Improvement	84.010	350143312		8,043	8,043
	84.010	350123313	81,063	57,888	57,888
Special Education IDEA	84.027	35141905		1,859,989	1,859,989 *
	84.027	35131905	1,391,455	3,946,246	3,946,246 *
	84.027	35121905	1,081,443	-	- *
Special Education IDEA Discretionary	84.027A	35131905	64,642	42,401	42,401 *
	84.027A	35121905	2,792	-	- *
Preschool IDEA Discretionary	84.027A	32131905	-	129,952	129,952 *
CTE Perkins Grant Proj Lead the Way	84.048	35142112	-	227,396	227,396
	84.048	35132112	255,884	-	-
CTE Perkins Grant Formula	84.048A	35112112	-	40,611	40,611
CTE Perkins Grant Health Science Ed	84.051C	35142112	-	40,000	40,000
CTE Perkins Grant Health Science Ed	84.051C	35132112	40,000	-	-
Improving Teacher Quality Title IIA	84.367	3514605	-	615,257	615,257 *
	84.367	35131605	439,026	-	- *
	84.367	35121605	58,057	-	- *
English Language Acquisition Title IIIA	84.365	35149306	9,134	-	-
	84.365	35141306	-	11,554	11,554
	84.365	35131306	-	41,032	41,032
Twenty-First Century CLC	84.287	35136006	97,225	12,390	12,390
	84.287	35126006	5,985	-	-
Total passed through USOE			<u>6,643,160</u>	<u>9,962,401</u>	<u>9,962,401</u>
Total U. S. Department of Education			<u>\$ 6,768,660</u>	<u>\$ 10,087,901</u>	<u>\$ 10,087,901</u>

See Independent Auditor's Report

See Notes to the Schedule of Expenditures of Federal Awards

WEBER SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Year Ended June 30, 2014		
			Grant Receipts	Revenue Recognized	Expenditures
U.S. Department of Health and Human Services					
Direct program:					
Early Intervention	84.181A	N/A	\$ 157,873	\$ 177,147	\$ 177,147
Early Intervention	84.181A	N/A	115,401	115,401	115,401
Total Early Intervention			<u>273,274</u>	<u>292,548</u>	<u>292,548</u>
Total U.S. Department of Health and Human Services			<u>273,274</u>	<u>292,548</u>	<u>292,548</u>
U.S. Department of Agriculture					
Passed through the Utah State Office of Education					
Commodity Distribution	10.555	N/A	843,795	843,795	843,795
National School Breakfast	10.553	35134425	723,035	862,219	862,219
Direct Certification	10.553	35134425	139,184	17,563	17,563
Special Assistance Prog Sec 11	10.555	35134425	2,984,532	3,739,748	3,739,748
	10.555	35124425	775,399	-	-
FVAR CPN	10.555	35134425	898,062	1,091,388	1,091,388
National School Lunch	10.555	35124425	182,365	-	-
Fresh Fruit and Vegetables	10.555	35144425	134,370	149,300	149,300
	10.555	35134425	14,930	-	-
Total Utah State Office of Education			<u>6,695,672</u>	<u>6,704,013</u>	<u>6,704,013</u>
Forest Service					
Secure Rural Schools	10.665	N/A	25,907	25,907	25,907
Total Forest Service			<u>25,907</u>	<u>25,907</u>	<u>25,907</u>
Total Department of Agriculture			<u>6,721,579</u>	<u>6,729,920</u>	<u>6,729,920</u>
Corporation for National and Community Services					
Passed through the Utah State Office of Education					
Ameri Corp	94.006	35103703	59,763	59,763	59,763
Total Corp for Nat & Community Serv			<u>59,763</u>	<u>59,763</u>	<u>59,763</u>
Institute of Museum and Library Services					
Direct Program:					
LSTA Technology Grant	45.310	N/A	19,800	19,800	19,800
State Library Program E- Rate	45.310	N/A	45,802	53,732	53,732
Total of Museum and Library Services			<u>65,602</u>	<u>73,532</u>	<u>73,532</u>
			<u>\$ 13,888,878</u>	<u>\$ 17,243,664</u>	<u>\$ 17,243,664</u>

Notes to Schedule

Calculated on the same basis as the general purpose financial statements.

* Indicates programs audited as major programs

Type A federal programs (programs with \$517,310 or more in expenditures.)

See Independent Auditor's Report

See Notes to the Schedule of Expenditures of Federal Awards

WEBER SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 – PURPOSE OF SCHEDULE

The accompanying Schedule of Expenditures of Federal Awards is a supplementary schedule to the Weber School District's (District) financial statements and is presented for purposes of additional analysis. Because the schedule presents only a selected portion of the activities of the District, it is not intended to, and does not, present either the financial position, changes in fund balance or other current funds revenue, expenditures and other changes of the District. The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the District. All federal financial awards received directly from federal agencies as well as passed through from other government agencies are included in the schedule. Of the federal awards presented in the schedule, the District provided no federal awards to sub-recipients.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The information in the schedule is presented in accordance with OMB Circular A-133.

Pursuant to the Single Audit Act of 1984 (Public Law 98-502), the Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133, federal awards are defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, would be included in federal awards, if applicable, and therefore, would be reported on the schedule. Federal awards do not include direct federal cash assistance to individuals. Solicited contracts between the State and Federal government for which the Federal Government procures tangible goods or services are not considered to be federal awards.

The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish the levels of expenditures or expenses to be used in defining Type A and Type B federal award programs. Type A programs, for the District, are those programs, which exceed \$517,310 in federal expenditures, distributions, or issuances for the year ended June 30, 2014.

NOTE 3 – REPORTING ENTITY

The reporting entity is fully described in Note 1 of the District's financial statements. The schedule includes all federal award programs administered by the District for the year ended June 30, 2014.

WEBER SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 4 – BASIS OF ACCOUNTING

The expenditures in the schedule are recognized as incurred based on the accrual basis of accounting and the cost accounting principles contained in OMB Circular A-87, *Cost Principles for State and Local Governments*. Under these cost principles certain types of expenditures are not allowable or are limited as to reimbursement.

- The schedule does not include matching expenditures.
- Some of the District's federal awards are received directly from the granting federal agency (i.e., the District is the primary recipient). However, the majority of federal awards, as identified on the schedule, are passed through a separate entity prior to receipt by the District (i.e., the District is a sub-recipient).
- The schedule includes portion of costs associated with general activities which is allocated to federal assistance programs under formulas commonly referred to as indirect costs rates and federally approved cost allocation plans.
- The schedule contains values for a non-monetary assistance program. The Commodities Distribution from the U. S. Department of Agriculture passed through the Utah State Office of Education is presented at the federally assigned value of the product disbursed by the State.

WEBER SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2014

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiency(ies) identified
not considered to be material weakness? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal Control over major programs

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified
not considered to be material weakness? yes X none reported

Type of auditors' report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section 510(a)? yes X no

Identification of programs tested as major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	Special Education Cluster
84.367	Title IIA Improving Teacher Quality
84.181A	Early Intervention

Dollar threshold used to distinguish
between Type A and Type B programs: \$517,310

Auditee qualified as low-risk auditee? X yes no

WEBER SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION II – FINANCIAL STATEMENT FINDINGS

This section identifies the material weaknesses, significant deficiencies, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

We did identify a deficiency in internal control that we consider to be material weaknesses, described in the accompanying schedule findings, recommendations and responses (finding 14-01). We did identify certain deficiencies in internal control that we consider significant deficiencies, described in the accompanying schedule findings, recommendations and responses (findings 14-02, 14-03 and 14-04).

We identified a deficiency in internal control that we consider to be an other matter described in the accompanying schedule findings, recommendations and responses (finding 14-05).

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs noted during our audit that are required to be reported in accordance with OMB Circular A-133. Accordingly, no such matters are reported.

WEBER SCHOOL DISTRICT
SCHEDULE OF FINDINGS, RECOMMENDATIONS, AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

14-01 Procedures Needed to Ensure Complete Recording

Condition: Retainage and part of the building demolition for the construction in progress were not recognized in the proper period.

Criteria: The District should clarify and reinforce established procedures in place to ensure that all transactions related to the reporting of changes in capitalized assets are completely captured and recorded.

Cause of Condition: The District personnel does not follow established procedures in place to ensure that all transactions related to the reporting of changes in capitalized assets are completely captured and recorded.

Potential Effect of Condition: Failure to record all capital asset transactions for the District could result in inaccurate reporting.

Recommendation: The District should adhere to the established control procedures that ensures all capital assets, and related transactions are properly reported.

Response: The District will review and apply current procedures that ensure all required information is recorded.

14-02 Discrepancies in Controls at Schools

Condition: The District has put into place internal control policies the bookkeepers and principals are required to follow for deposits and disbursements.

Criteria: The District policies require adherence to State requirement of depositing funds within three days of receipts. The District has policies and procedures in place for controls over disbursements and receipts of funds at the school locations.

Cause of Condition: Some of the schools are not adhering to the required policies due to turnover of staff, miscommunications or misunderstanding of required procedures.

Potential Effect of Condition: Failure to adhere to the procedures implemented by the District could increase the risk of misstatement.

Recommendation: The District should train all staff, including administrators, on the required internal control policies and procedures, and monitor the effectiveness of the controls in place.

Response: The District has continued with its on-going training efforts for administrators and staff on internal control policies and procedures, and will monitor the efficiency of the staff at the school locations.

WEBER SCHOOL DISTRICT
SCHEDULE OF FINDINGS, RECOMMENDATIONS, AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

14-03 Approval of Transactions

Condition: The District does not have a procedure in place for the approval of the general journal entries initiated by the District accounting staff. This could increase the risk of misstatement, and increases the risk of noncompliance.

Criteria: Controls over general journal entries initiated by accounting staff are necessary to oversee management's ability to override internal controls.

Cause of Condition: The District does not require general journal entries initiated by the accounting staff to have an authorization or approval.

Potential Effect of Condition: This could increase the risk of misstatement, and increases the risk of noncompliance.

Recommendation: The District should implement a procedure that ensures all general journal entries are reviewed and approved.

Response: The District will review and apply current procedures that ensure all general journal entries are reviewed by someone other than the initiator of the entry.

14-04 Timing of Medicaid Billings

Condition: The District is not billing for Medicaid allowed services in a timely manner.

Criteria: Medicaid requires that services for allowed expenses are billed in a timely manner.

Cause of Condition: Clerical staff responsible for the Medicaid billings is occasionally pressed to find time to prepare the billings. Teachers delay in sending the information to the clerk in a timely manner.

Potential Effect of Condition: Failure to timely bill Medicaid by the District could increase the risk of reporting revenue in an incorrect period, and could increase the risk of the District exceeding the allowed billing period by Medicaid resulting in loss of revenue.

Recommendation: The District should ensure Medicaid billings are prepared in a timely manner.

Response: The District will review and apply current procedures that ensure all required Medicaid billings are prepared in a timely manner.

WEBER SCHOOL DISTRICT
SCHEDULE OF FINDINGS, RECOMMENDATIONS, AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014

14-05 Physical Inventory of Fixed Assets

Condition: Some of the schools do not have a physical inventory of fixed assets.

Criteria: Physical inventory of fixed assets assists in ensuring assets owned by the District are still accounted for, and the inventory of assets on hand is consistent with those recorded in the accounting system.

Cause of Condition: The District has put into place internal control policies the bookkeepers and principals are required to follow for fixed asset reconciliation with the IFAS system. Some of the schools are not adhering to the required policies.

Potential Effect of Condition: Failure to adhere to the procedures implemented by the District could increase the risk of misstatement.

Recommendation: The District should train all staff, including administrators, on the required internal control policies and procedures, and monitor the effectiveness of the controls in place with regards to the accountability of the fixed assets held at the schools.

Response: The District has continued with its on-going training efforts for administrators and staff on internal control policies and procedures, and will monitor the efficiency of the staff at the school locations.

WEBER SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR'S FINDINGS, RECOMMENDATIONS, AND STATUS'
FOR THE YEAR ENDED JUNE 30, 2013

13-01 Procedures Needed to Ensure Complete Recording

Condition: One of the federal grants was omitted from the required schedule of expenditures of federal awards.

Criteria: Federal regulations require that all federal grants and loans be reported on the schedule of expenditures of federal awards.

Cause of Condition: The District does not have a procedure in place to ensure that all approved and received federal and/or state grants are captured and reported correctly by the administration office.

Potential Effect of Condition: Failure to record all grants awarded to the District could result in under-reported income and inaccurate required reporting.

Recommendation: The District should implement a procedure that ensures all federal and state grants applied for are provided to the administration office.

Status: The District has complied with this recommendation.

13-02 Discrepancies in Controls at Schools

Condition: The District has put into place internal control policies the bookkeepers and principals are required to follow for deposits and disbursements.

Criteria: The District policies require adherence to State requirement of depositing funds within three days of receipts. The District has policies and procedures in place for controls over disbursements and receipts of funds at the school locations.

Cause of Condition: Some of the schools are not adhering to the required policies due to turnover of staff, miscommunications or misunderstanding of required procedures.

Potential Effect of Condition: Failure to adhere to the procedures implemented by the District could increase the risk of misstatement.

Recommendation: The District should train all staff, including administrators, on the required internal control policies and procedures, and monitor the effectiveness of the controls in place.

Status: The District has continued with its on-going training efforts for administrators and staff on internal control policies and procedures, and will monitor the efficiency of the staff at the school locations.

WEBER SCHOOL DISTRICT
SCHEDULE OF PRIOR YEAR'S FINDINGS, RECOMMENDATIONS, AND STATUS'
FOR THE YEAR ENDED JUNE 30, 2013

13-03 Related Party Transaction Adherence to Procedures

Condition: A related party to the District was used for services without adherence to the purchasing policies and procedures of the District.

Criteria: Procedures over the use of related parties help reduce the risk of questionable costs.

Cause of Condition: The District does not have a formal procedure for the use of related parties.

Potential Effect of Condition: Failure to adhere to the procedures implemented by the District could increase the risk of misstatement, and increases the risk of noncompliance.

Recommendation: We recommend that the District implement and adhere to all purchasing policies and implement procedures regarding the use of related parties.

Response: The District will correct this vendor related issue, and will adhere to all purchasing policies and implement procedures regarding the use of related parties.

Status: The District has complied with this recommendation.

13-04 Required State Training

Condition: The District did not comply with the State requirement that the records officer complete the required training.

Criteria: Utah State requires the records officer complete online compliance training.

Cause of Condition: The District's records officer did not take the Utah State required annual online training.

Potential Effect of Condition: This resulted in non-compliance with Utah State requirements.

Recommendation: We recommend the District's records officer complete the Utah State online training.

Status: The District has complied with this recommendation.



INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH THE STATE OF UTAH COMPLIANCE AUDIT GUIDE ON:

- **COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS**
- **COMPLIANCE FOR EACH MAJOR STATE PROGRAM**
- **INTERNAL CONTROL OVER COMPLIANCE**

To the Honorable Board of Education
Weber School District
Ogden, Utah

REPORT ON COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS AND FOR EACH MAJOR STATE PROGRAM

We have audited Weber School District's compliance with general and major state program compliance requirements described in the *State of Utah Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2014.

The general compliance requirements applicable to Weber School District are identified as follows:

Budgetary Compliance	Nepotism
Locally Generated Taxes and Fees	Utah Public Finance Website
Utah Retirement Systems	Open and Public Meetings Act
Fund Balance	

Weber School District received the following major assistance programs from the State of Utah:

Minimum Schools Program (Utah State Office of Education)

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on Weber School District's compliance based on our audit of the compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State of Utah Compliance Audit Guide*. Those

standards and the *State of Utah Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a direct material effect on Weber School District or its major assistance programs occurred. An audit includes examining, on a test basis, evidence about Weber School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of Weber School District's compliance.

Opinion on General State Compliance Requirements and Each Major State Program

In our opinion, Weber School District complied, in all material respects, with the compliance requirements referred to above that have a direct and material effect on Weber School District or on each of its major state programs for the year ended June 30, 2014.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of Weber School District is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of the financial statements, we considered Weber School District's internal control over compliance with the compliance requirements that could have a direct and material effect on Uintah School District or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Uintah School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a general or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies over compliance. We

did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses over compliance. However, material weaknesses may exist that have not been identified.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the State Compliance Audit Guide. Accordingly, this report is not suitable for any other purposes.

Wiggins & Co., PC

Ogden, Utah
December 3, 2014

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES REGARDING COMPLIANCE WITH PUPIL ACCOUNTING
RULES FOR AGGREGATE STUDENT MEMBERSHIP

To the Board of Education
Weber School District

In accordance with the *Guide for Agreed-Upon Procedures for Local Education Agencies and Community-Based Organizations*, issued by the Office of the Utah State Auditor, we have performed the procedures enumerated below, which were agreed to by Weber School District and the Utah State Office of Education, solely to assist them in evaluating Weber School District's compliance with the Utah State Board of Education's rule R277-419, *Pupil Accounting*, for aggregate student membership for the year ended June 30, 2014. Management is responsible for Weber School District's compliance with those requirements.

These agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are summarized as follows:

1. We familiarized ourselves with the standards established by the Utah State Board of Education and the Utah State Office of Education for recording and reporting student membership data and Weber School District's data management policies and practices.
2. We selected fifty students from selected schools. Our selection is reported in the attached schedule.
3. For each student selected, we studied the official student records and supporting documentation, compared the student records with the Year-End Detail Report in UTREx, identified the student aggregate membership as recorded in the records, and determined whether the rules from R277-419 were properly applied in calculating the students' aggregate membership. See attached schedule for any exceptions.
4. For any student selected whose reported aggregate membership is based on any violation of R277-419, we recalculated aggregate membership to determine the correct figure. See attached schedule for any exceptions.

We were not engaged to, and did not, conduct an examination of Weber School District's compliance with R277-419, the objectives of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion assurance on compliance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education and management of the Weber School District and is not intended to be and should not be used by anyone other than these specified parties.

Wiggins & Co., PC

Ogden, Utah
September 15, 2014

WEBER SCHOOL DISTRICT
 AGGREGATE STUDENT MEMBERSHIP AGREED UPON PROCEDURES SCHEDULE
 JUNE 30, 2014

FISCAL YEAR:	Ended June 30, 2014
AGENCY:	Weber County School District
ENROLLMENT:	33,166
FIRM:	Wiggins & Co., PC
CPA:	Ahina L. Stott, CPA
DATE:	September XX, 2014

SAMPLE MEMBER				REPORTED AGGREGATE MEMBERSHIP			ARE ENTRY & EXIT DATES CORRECT?		IS REPORTED AGGREGATE MEMBERSHIP IN COMPLIANCE WITH THESE RULES?			RECALCULATED AGGR MEMBERSHIP		
3-Digit	Statewide	Local	Special Education				3		3(a) 3(b) 3(c)					
							Part Year		School Days		Part Day			
School Number	Student ID	Local	Self	Resource	Correct	Correct	Entry Date	Exit Date	Ten Day	Standards	Proration	Regular	Self	Resource
Assigned by USOE	School Name	(SSID)	Student ID	Regular	Contained	Resource	Correct	Correct	Rule	Rule	Rule	Regular	Contained	Resource
132	North Park Elementary	900097396	173	X	X	X	Y	Y	X	X	X	X	X	X
132	North Park Elementary	900113150	168	X	X	X	Y	Y	X	X	X	X	X	X
140	Plain City Elementary	900086740	176	X	X	X	Y	Y	X	X	X	X	X	X
140	Plain City Elementary	900096737	173	X	X	X	Y	Y	X	X	X	X	X	X
140	Plain City Elementary	900102501	174	X	X	X	Y	Y	X	X	X	X	X	X
144	Riverdale Elementary	900095529	172	X	X	X	Y	Y	X	X	X	X	X	X
144	Riverdale Elementary	900106152	178	X	X	X	Y	Y	X	X	X	X	X	X
144	Riverdale Elementary	900110613	175	X	X	X	Y	Y	X	X	X	X	X	X
152	Roy Elementary	900087804	21	X	X	X	Y	Y	X	X	X	X	X	X
152	Roy Elementary	900102723	179	X	X	X	Y	Y	X	X	X	X	X	X
152	Roy Elementary	900117328	11	X	X	X	Y	Y	X	X	X	X	X	X
154	Uintah Elementary	900085140	176	X	176	X	Y	Y	X	X	X	X	X	X
154	Uintah Elementary	900097853	174	X	174	X	Y	Y	X	X	X	X	X	X
154	Uintah Elementary	900108981	164	X	X	X	Y	Y	Y	X	X	X	X	X
154	Uintah Elementary	900111646	177	X	X	X	Y	Y	X	X	X	X	X	X
158	Valley View Elementary	900083755	178	X	X	X	Y	Y	X	X	X	X	X	X
158	Valley View Elementary	900112008	171	X	X	X	Y	Y	X	X	X	X	X	X
160	Washington Terrace Elem	900106441	160	X	X	X	Y	Y	Y	X	X	X	X	X
160	Washington Terrace Elem	900109226	174	X	X	X	Y	Y	X	X	X	X	X	X
160	Washington Terrace Elem	900116516	33	X	X	X	Y	Y	X	X	X	X	X	X
162	West Haven Elementary	900085567	174	X	X	X	Y	Y	X	X	X	X	X	X
162	West Haven Elementary	900102486	176	X	X	X	Y	Y	X	X	X	X	X	X
162	West Haven Elementary	900111395	176	X	X	X	Y	Y	X	X	X	X	X	X
162	West Haven Elementary	900111967	172	X	X	X	Y	Y	X	X	X	X	X	X
199	Weber Online K-6	900083501	180	X	X	X	Y	Y	X	X	X	X	X	X
402	North Ogden Jr High	900073222	162	X	X	X	Y	Y	Y	X	X	X	X	X
402	North Ogden Jr High	900078702	148	X	X	X	Y	Y	Y	X	X	X	X	X
402	North Ogden Jr High	900099387	112	X	X	X	Y	Y	Y	X	X	X	X	X
405	Orion Jr High	900020145	151	X	X	X	Y	Y	Y	X	X	X	X	X
405	Orion Jr High	900072717	163	X	X	X	Y	Y	Y	X	X	X	X	X
405	Orion Jr High	900073238	145	X	X	X	Y	Y	Y	X	X	X	X	X
405	Orion Jr High	900104400	148	X	X	X	Y	Y	Y	X	X	X	X	X
412	Snowcrest Jr High	900071054	174	X	X	X	Y	Y	X	X	X	X	X	X
412	Snowcrest Jr High	900077501	178	X	X	X	Y	Y	X	X	X	X	X	X
419	Summit View Jr High	900094834	79	X	X	X	N	Y	X	X	X	X	X	X
706	Fremont High School	900013792	148	X	X	X	Y	Y	Y	X	X	X	X	X
706	Fremont High School	900017993	145	X	X	X	Y	Y	Y	X	X	X	X	X
706	Fremont High School	900058651	100	X	X	X	Y	Y	X	X	X	X	X	X
706	Fremont High School	900067080	146	X	X	X	Y	Y	Y	X	X	X	X	X
706	Fremont High School	900066478	147	X	X	X	Y	Y	Y	X	X	X	X	X
706	Fremont High School	900078183	174	X	X	X	Y	Y	X	X	X	X	X	X
706	Fremont High School	900115004	116	X	X	X	Y	Y	Y	X	X	X	X	X
708	Roy High School	900013047	148	X	148	X	Y	Y	Y	X	X	X	X	X
708	Roy High School	900015089	156	X	X	X	Y	Y	Y	X	X	X	X	X
708	Roy High School	900017365	159	X	X	X	Y	Y	Y	X	X	X	X	X
708	Roy High School	900059274	140	X	X	X	Y	Y	Y	X	X	X	X	X
708	Roy High School	900104825	146	X	X	X	Y	Y	Y	X	X	X	X	X
708	Roy High School	900114352	157	X	X	X	Y	Y	Y	X	X	X	X	X
708	Roy High School	900095311	177	X	X	X	Y	Y	X	X	X	X	X	X
760	Weber Basin Job Corps	900114723	159	X	X	X	Y	Y	X	X	X	X	X	X

Y= Yes
 N= No
 X= Not Applicable

WEBER SCHOOL DISTRICT
AGGREGATE STUDENT MEMBERSHIP AGREED UPON PROCEDURES SCHEDULE OF
FINDINGS, RECOMMENDATIONS AND RESPONSES
JUNE 30, 2014

FINDINGS:

Student I.D. #

900094834 Per attendance records, the student entered school on January 24, 2014. However, the school did not keep backup documentation to support this date.

RECOMMENDATIONS:

We recommend that the District relay to the school administrators and secretaries the importance of keeping these documents on file and making sure that the entrance and exit dates on the enrollment and withdrawal forms correspond exactly to the dates in the school attendance system and UTREx reports.

RESPONSES:

The District will review and implement procedures necessary to ensure the proper documentation is maintained to support the enrollment information entered into the UTREx System.



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES REGARDING COMPLIANCE WITH PUPIL ACCOUNTING RULES FOR FALL ENROLLMENT COUNT AND TRANSFER STUDENT DOCUMENTATION

To the Board of Education
Weber School District

In accordance with the *Guide for Agreed-Upon Procedures for Local Education Agencies and Community-Based Organizations*, issued by the Office of the Utah State Auditor, we have performed the procedures enumerated below, which were agreed to by Weber School District and the Utah State Office of Education, solely to assist them in evaluating Weber School District's compliance with the Utah State Board of Education's Rule R277-419, *Pupil Accounting*, for pupil accounting for fall enrollment count as of October 1, 2014 and transfer student documentation for the year ended June 30, 2014. Management is responsible for Weber School District's compliance with those requirements.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are summarized as follows:

Fall Enrollment Count

1. We visited 51 classes in Weber School District on the first day of October 2014. Our sample is reported in the attached schedule.
2. We conducted a roll call in each class visited and compared our counts to the class rolls for that day and verified that students who were not present for the count were appropriately enrolled in the class. For virtual schools and online classes selected. We obtained class rolls and verified each student logged in on the first day of October 2014 or logged in at least once during the ten school days before that date. See attached schedule for any exceptions.
3. For each school selected on that day –
 - a. We verified the mathematical accuracy of each school's enrollment total in its own records.

- b. We compared the verified school enrollment total to the reported enrollment total in the *UTREx October School Summary Report*.
- c. We verified that the school calendar meets the minimum instructional standard of 990 hours and 180 days according to R277-419-4(A) and R277-419-8(C).

See attached schedule for any exceptions.

Transfers Student Documentation

1. From the *Transfer Student List*, we selected a sample of 37 students who were enrolled in grades 9 through 12, but not enrolled on the last day of the school year, and classified by the District as TC, TH, CH, TO, TP, WM, or DE.
2. For each student selected, we determined whether official documentation exists to support the District's recorded exit code. See attached schedule of findings.

We were not engaged to, and did not, conduct an examination of the Weber School District's compliance with R277-419, the objectives of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion on compliance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Utah State Office of Education, management of the Weber School District, and Weber School District Board of Education and is not intended to be and should not be used by anyone other than those specified parties.

Wiggins & Co., PC

Ogden, Utah
October 29, 2014

WEBER SCHOOL DISTRICT
FALL ENROLLMENT SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

DATE:	October 1, 2014								
AGENCY:	Weber County School District								
FIRM:	Wiggins & Co., PC								
CPA:	Alina L. Stott, CPA 801-627-2710								
DATE:	October 29, 2014								
CLASS DESCRIPTION	INDIVIDUAL CLASS ENROLLMENT		SCHOOL	TOTAL ENROLLMENT				SCHOOL CALENDAR	
	3	3		4a	4b	4c	4d	4e	4e
	Count of Students on Class Roll (Expected)	Count of Students in the Class (Actual)	SCHOOL NAME	School's Enrollment as Recorded by School in Own Records (Actual)	School's Enrollment as Reported by LEA via UTREx (Expected)	Difference between School's Actual Enrollment and Expected Enrollment	Explanation of the Difference Noted in 4c	Does the school calendar meet the minimum instructional standard of 990 hours Y/N	Does the school calendar meet the minimum instructional standard of 180 days Y/N
Sianez 2nd Grade - Chub Heights Elem	22	21	1 Club Heights Elementary	334	333	1	One moved but had not officially checked out; waiting for 10 day to remove	Y	Y
Merrill Kindergarten - Chub Heights Elem	19	19	0 Green Acres Elementary	531	532	(1)	Minor difference	Y	Y
Martin 2nd Grade - Chub Heights Elem	21	21	0 Lomond View Elementary	583	583	-		Y	Y
Alsup 2nd Grade - Chub heights Elem	20	20	0 Majestic Elementary	947	950	(3)	Minor difference	Y	Y
Gross 4th Grade - Green Acres Elem	23	23	0 North Ogden Elementary	598	598	-		Y	Y
Vause 3rd Grade - Green Acres Elem	20	20	0 Riverdale Elementary	533	533	-		Y	Y
Coombs 2nd Grade - Green Acres Elem	25	25	0 Uintah Elementary	724	724	-		Y	Y
Broadbent 6th Grade - Green Acres Elem	29	29	0 S. Ogden Jr High	899	898	1	Minor difference	Y	Y
Stoddard 5th Grade - Lomond View Elem	30	30	0 TH Bell Jr High	665	666	(1)	One student moved on September 30, 2014 but had not been removed from the official records.	Y	Y
Hatch 3rd Grade - Lomond View Elem	27	27	0 Walquest Jr High	1114	1117	(3)	Minor difference	Y	Y
Brinton 3rd Grade - Lomond View Elem	26	26	0 Bonneville High	1356	1353	3	Minor difference	Y	Y
Broad 5th Grade - Lomond View Elem	30	30	0 Weber High	1926	1921	5	Two students reached the 10 day absence between the count date and the UTREx filing date	Y	Y
Adams 5th Grade - Majestic Elem	31	31	0 Two Rivers High	273	271	2	Two students reached the 10 day absence between the count date and the UTREx filing date	Y	Y
Crowther 5th Grade - Majestic Elem	27	27	0						
Frandsen 3rd Grade - Majestic Elem	20	20	0						
Burison 3rd Grade - Majestic Elem	22	22	0						
Pacheco 4th Grade - North Ogden Elem	23	23	0						
Wahlquist 4th Grade - North Ogden Elem	23	23	0						
Ulrich 4th Grade - North Ogden Elem	25	25	0						
Ellis 4th Grade - North Ogden Elem	25	25	0						
White 6th Grade - Riverdale Elem	32	32	0						
Sanders 3rd Grade - Riverdale Elem	25	25	0						
Carrigan 4th Grade - Riverdale Elem	25	25	0						
Cox 1st Grade - Riverdale Elem	23	23	0						
Sirate 4th Grade - Uintah Elem	21	21	0						
Porter 5th Grade - Uintah Elem	30	30	0						
Brinley 5th Grade - Uintah Elem	27	27	0						
Holmquist 5th Grade - Uintah Elem	30	30	0						
Stoddard Spanish 3 - S. Ogden Jr High	22	22	0						
Larsen World Geography - S. Ogden Jr High	35	35	0						
Barker US History 1 - S. Ogden Jr High	30	30	0						
Mosher Int Science 8 - S. Ogden Jr High	24	24	0						
Porter Health 8 - TH Bell Jr High	26	26	0						
Duke Keyboard 1 - TH Bell Jr High	32	32	0						
Ford Sec Math 1 - TH Bell Jr High	27	26	1						
Thomgren US History - TH Bell Jr High	24	24	0						
Booker Soc 8 - Walquist Jr High	22	22	0						
Lattin Computertech - Walquest Jr High	33	33	0						
Creamer Health Ed 1 - Walquest Jr High	31	31	0						
Meaders Physics - Walquest Jr High	31	31	0						
Hunt Law Enforcement - Bonneville High	30	30	0						
Fisher Creative Writing - Bonneville High	30	30	0						
George Sign Language - Bonneville High	32	32	0						
Fessler World Civ - Bonneville High	33	33	0						
Nance Biology - Weber High	22	22	0						
Pace Natural Res - Weber High	35	35	0						
Rudic Med Ana Phys - Weber High	23	23	0						
Lodge Astronomy - Weber High	21	21	0						
Stokes Anat & Phys - Two Rivers High	19	19	0						
Burke English - Two Rivers High	22	22	0						
Franklin Math Ess Tru - Two Rivers High	14	13	1						

**WEBER SCHOOL DISTRICT
ANNUAL PUBLIC SCHOOL FALL ENROLLMENT SCHEDULE OF TRANSFERS
FOR THE YEAR ENDED JUNE 30, 2014**

FISCAL YEAR	Ended June 30, 2014					
AGENCY:	Weber School District					
POPULATION:	135					
FIRM:	Wiggins & Co., PC					
CPA:	Altina L. Stott, CPA 801-627-2710					
DATE:	October 29, 2014					
[1]	[2]	[3]	[4]	[5]	[6]	[7]
		6	8			
School Name	Statewide Student ID (SSID)	Reported Year End Exit Code	Is there adequate documentation to support the reported exit code? Y= yes, N= no	Is the exit code correct according to the available documentation? Y= yes, N= no	If [5] is "no" enter the correct exit code	... and write a brief supporting explanation:
South Ogden Jr High						
9th Grade	1128734	TO	Y	Y	N/A	N/A
9th Grade	2055332	TO	Y	Y	N/A	N/A
9th Grade	2039326	TP	Y	Y	N/A	N/A
TH Bell Jr High						
9th Grade	1437415	TH	Y	Y	N/A	N/A
9th Grade	1120031	TO	Y	Y	N/A	N/A
Walquist Jr High						
9th Grade	1441534	TC	Y	Y	N/A	N/A
9th Grade	2085835	TH	Y	Y	N/A	N/A
9th Grade	1592937	TO	Y	Y	N/A	N/A
9th Grade	1009959	DE	Y	Y	N/A	N/A
Bonneville High						
12th Grade	2115568	TC	Y	Y	N/A	N/A
11th Grade	2115386	TC	Y	Y	N/A	N/A
10th Grade	1109362	TH	Y	Y	N/A	N/A
12th Grade	1100630	TO	Y	Y	N/A	N/A
12th Grade	2115577	TO	Y	Y	N/A	N/A
11th Grade	1007159	TO	Y	Y	N/A	N/A
11th Grade	1686519	TO	Y	Y	N/A	N/A
10th Grade	2039327	TO	Y	Y	N/A	N/A
11th Grade	1742105	TP	Y	Y	N/A	N/A
10th Grade	1096221	DE	Y	Y	N/A	N/A
Weber High						
12th Grade	2115344	TC	Y	Y	N/A	N/A
10th Grade	2115665	TC	Y	Y	N/A	N/A
11th Grade	1433145	TH	Y	Y	N/A	N/A
11th Grade	1444202	TH	Y	Y	N/A	N/A
10th Grade	2039311	TH	Y	Y	N/A	N/A
12th Grade	2038847	TO	Y	Y	N/A	N/A
12th Grade	1926812	TO	Y	Y	N/A	N/A
11th Grade	1584263	TO	Y	Y	N/A	N/A
11th Grade	2115498	TO	Y	Y	N/A	N/A
10th Grade	1106131	TO	Y	Y	N/A	N/A
10th Grade	1438856	TO	Y	Y	N/A	N/A
10th Grade	1437003	TO	Y	Y	N/A	N/A
10th Grade	1832905	TO	Y	Y	N/A	N/A
12th Grade	1009222	TP	Y	Y	N/A	N/A
11th Grade	1120378	TP	Y	Y	N/A	N/A
12th Grade	1009222	WM	Y	Y	N/A	N/A
Two Rivers High						
12th Grade	1130094	TO	Y	Y	N/A	N/A
11th Grade	1098546	TP	Y	Y	N/A	N/A

WEBER SCHOOL DISTRICT
ANNUAL PUBLIC SCHOOL FALL ENROLLMENT SCHEDULE OF TRANSFERS
FOR THE YEAR ENDED JUNE 30, 2014

CURRENT YEAR FINDINGS

14-1 School Rolls

Procedures

In compliance with the State audit guide on fall enrollment count, we performed tests that verify whether the District's records adequately document the actual number of students in the classrooms.

Finding

We sampled 51 classrooms within 13 different schools, and counted the students in those classrooms. We noted 3 instances where the number of students on the printed rolls did not match the actual number of students in the classroom.

Recommendation

We recommend the District develop policies that ensure adequate documentation of the actual students in the classrooms.

Administrations Response

We will develop policies that ensure adequate documentation of the actual students in the classroom.

14-2 Total School Enrollment

Procedures

In compliance with the State audit guide on fall enrollment count, we performed tests to verify the school enrollment total to the reported enrollment total in the Fall UTREx Report.

Findings

We sampled 13 schools and requested from the attendance secretaries the number of students enrolled in the school as of October 1, 2014. We noted 9 instances where the total number of enrolled students did not match the total number of enrolled students as reported on the Fall UTREx Report.

Recommendation

We recommend the District adopt policies and procedures that ensure the accuracy of the total enrollments of the schools.

Administrative Response

The District will adopt policies and procedures that ensure accuracy of records for total enrollment at the schools.



INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES FOR THE
UTAH REPORT OF ADULT EDUCATION DATA FOR WEBER SCHOOL DISTRICT

To the Board of Education
Weber County School District

In accordance with the *Guide for Agreed-Upon Procedures for Local Education Agencies and Community-Based Organizations*, issued by the Utah State Auditor, we have performed the procedures enumerated below, which were agreed to by Weber School District and the Utah State Office of Education, solely to assist you in evaluating Weber School District's compliance with the Utah State Board of Education's Rule R277-733, *Adult Education Programs* and the *Utah Adult Education Policies and Procedures Guide for the Adult Education Program* for the school year ended June 30, 2014. Management is responsible for compliance with those requirements.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to the attestation engagements contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings are summarized as follows:

1. Contact Hours:

Sample size: 20

For each "Enrollee Student" student file selected, we obtained the student's original attendance record, validated that original non-instructional contact documentation is maintained in the student's file, recalculated the number of instructional and non-instructional contact hours for the student, and verified that the instructional and non-instructional contact hours agree with the hours reported in the UTopia match.

No exceptions were found as a result of applying these procedures.

2. Diplomas (Carnegie Units):

Sample size: 6

For each "Enrollee Status" student file selected, we verified that diploma outcomes were properly reported by the number of credits, as required by the diploma issuing program, and that earned and awarded (from sources outside of the adult education program) credits were properly supported, and that those credits match the credits entered into UTopia.

We found no exceptions as a result of the procedures.

3. General Education Development (GED): **Sample size:** 5

For each “Enrollee Status” student selected, we verified that the student who received a GED was either separated or their funding code was changed to funding code 7 if they remained in an adult education program for basic literacy instruction as an ABE or ESOL student.

No exceptions were found as a result of applying these procedures.

4. Level Gains: **Sample size:** 20

For each “Enrollee Status” student we verified that the enrollee has a pre- and post-test, as noted UTopia.

No exceptions were found as a result of applying these procedures.

5. Credits Earned: **Sample size:** 20

For each student “Enrollee Status” student selected, we verified that the total number of credits earned in the Adult Education program was properly noted in the student’s file and awarded/reported on the student’s UTopia Student Official Transcript report and Student Transcript Workup report.

No exceptions were found as a result of applying these procedures.

6. Proof of Utah Residency: **Sample size:** 20

For each “Enrollee Status” student selected, we verified that proof of Utah residency was properly documented in the student’s file and matched what was reported on the student’s UTopia Student Demographic screen.

No exceptions were found as a result of applying these procedures.

7. Fees and Tuition Collected in Support of Adult Education Program Report and Controls Over Collections:

For the Adult Education program, we obtained an understanding of procedures and controls over cash receipts.

We obtained the most recent “Fees and Tuition Collection in Support of Adult Education Program” report. We determined that the report accounts for all adult education fees collected and that the report agrees to the accounting system. We ensured that fees collected are used only in the Adult Education program.

We compared actual amounts collected to budgeted and prior-year amounts. We investigated any unexpected results.

No exceptions were found as a result of these procedures.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance and the data reported in Utopia of Weber School District for the year ended June 30, 2014. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Utah State Board of Education, management of the Weber School District, Weber School District Board of Education, and is not intended to be and should not be used by anyone other than these specified parties.

Wiggen Co., PC

September 15, 2014