

WEBER SCHOOL DISTRICT

Financial Statements

Year Ended June 30, 2020

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

November 3, 2020

To President Ritchie, 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 (the District) for the fiscal year ending June 30, 2020.

Designed to meet the needs of a broad spectrum of readers of financial statements, our 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.
- Other information – 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 our finances. 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 has established a comprehensive internal control framework that is designed both to protect our assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of our financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, our 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. Squire & Company, PC, a firm of licensed certified public accountants, has audited our financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2020 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 unmodified opinion that our financial statements for the year ending June 30, 2020 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 our financial statements 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 our internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in our separately issued compliance reports.

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. Our MD&A can be found immediately following the report of the independent auditors.

District profile. We are a legally separate entity enjoying all rights and privileges accorded political subdivisions in the State of Utah. We are fiscally independent. Policymaking and legislative authority are vested in our Board of Education consisting of seven members. Our Board is responsible, among other things, for developing policy, adopting budgets, levying taxes, incurring bonded debt, supervising committees, and hiring both our Superintendent and Business Administrator. Our Superintendent and Business Administrator are responsible for carrying out the policies of our Board and overseeing our day-to-day operations. Our Board 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.

Our major purpose 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 2019-2020, we operate four traditional high schools, nine junior high schools, and twenty-nine elementary schools. We also offer various special purpose programs. These special programs include an alternative high school and Weber Innovations Center. We serve approximately 32,171 students.

Budgetary control. Our Board adopts an annual budget for our 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 our Board.

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

If we do not exceed the certified tax rate, a public hearing is held prior to June 30 at which time the budget is legally adopted by resolution of our Board after obtaining taxpayer input. If we exceed the certified tax rate, the budget is adopted in August when data is available to set tax 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. Our 2020 year-end balances and projected revenue are sufficient to meet the fiscal 2021 budget as presented to the public in June 2020.

Economic condition and outlook. Our economic outlook is largely dependent on state aid. The State of Utah has been able to conclude each fiscal year since fiscal 1988 with a general fund surplus. According to the 2020 Economic Report to the Governor prepared by the Utah Economical Council, every major industrial sector in Utah expanded in 2019. Utah's annual employment growth rate was the second strongest in the nation boasting a growth rate of 3.0%, and the unemployment rate dropped to a 10-year low of 2.7%. The strongest growth rate came from the professional and business sector with a 3.8% growth rate. The consensus forecast predicts moderate job and wage growth, low unemployment, and net in-migration in calendar year 2020.

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.

Federal and state funding increased with the increase in the number of students served and an increase in the value of the weighted pupil unit (WPU), the state funding method that guarantees a minimum amount for each student enrolled. The value of the WPU increased by 4.0% to \$3,532 in 2020 from \$3,395 in 2019. Additionally, the overall taxable value of property within the District increased by 10.0% to \$13.4 billion while the overall tax rate decreased by 3.8% to 0.005806.

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 our 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 100 students will be added to our enrollment every year.

Student growth brings additional state aid. However, student growth also adds fixed operational costs. Accordingly, we made effective use of boundary changes and portable classroom units to manage the shifting student enrollments. In November 2017, voters approved a \$97 million bond authorization to construct new facilities and expand current space. Since the passage of the bond election, the construction of two new elementary schools, and remodel of Fremont High School has been completed. Additionally, an expansion of Weber Innovation High School and a rebuild of Roy Junior High School will increase student capacity.

As we continue 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 will be in the north and west areas of the District.

Audit committee. Our independent auditor uses our audit committee to communicate certain matters to upper management and our Board. Our audit committee includes three members of our Board, our Superintendent, and our Business Administrator. The three members of our Board report audit findings and other financial considerations to our Board. Our Board is responsible for the oversight of the financial reporting process.

Cash management and investments. We maintain a cash and investment pool that is available for use by all funds. We invest in corporate bonds, government agencies, and the Utah Public Treasurers’ Investment Fund.

The State of Utah Money Management Act with the Utah Money Management Council (the Council) governs our investment policies and provides a measure of depository protection. The Council issues a list of qualified depositories to public treasurers quarterly 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.

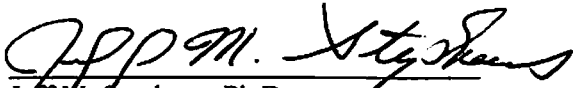
We consider the actions of the Council to be necessary and sufficient for adequate protection of our uninsured bank deposits.

Risk management. We are self-insured for workers’ compensation. Unemployment compensation is handled on a cost-of-benefits-reimbursement basis with the State of Utah. We participate 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.


Early retirement benefits. Certain employees are eligible to receive healthcare and stipend benefits upon early retirement. When these employees elect to retire early, we report a benefit obligation as a termination benefit per current accounting standards. We finance these benefits primarily as premiums and stipends are paid. We have assigned resources in our General Fund to provide for this obligation.

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

Board of Education
Weber School District

Report on the Basic Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weber School District (the District) as of and for the year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Basic 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Weber School District as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the general fund 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, the schedules of the District's proportionate share of the net pension liability (asset) – Utah Retirement Systems, the schedules of District contributions – Utah Retirement Systems, and the related notes to the required supplementary information 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 required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Combining and Individual Fund Statements and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules, the transmittal letter, and other information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules 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. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The transmittal letter and other information 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Squire & Company, PC

Orem, Utah
November 3, 2020

Management's Discussion and Analysis

This section of the annual financial report of Weber School District (the District) presents the discussion and analysis of the District's financial performance during the year ended June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the financial statements, which immediately follow this section.

Financial Highlights

- The District's total net position was \$41.0 million at the close of the most recent fiscal year, most of which is invested in capital assets.
- Federal and state funding increased by \$7.2 million and property tax revenue increased by \$4.9 million compared to the prior year. Additionally, charges for services decreased by \$3.7 million primarily as a result of school-closures and cancelations of activities due to Covid-19.
- The *general fund* balance increased by \$2.1 million to \$41.6 million (or 0.8% of *general fund* budgeted expenditures).
- District enrollment increased by 417 students or 1.3% from October 1, 2018 to October 1, 2019.
- Construction on two elementary schools was completed for a total cost of \$49.4 million during the 2020 fiscal year. Construction on a new replacement junior high and two major remodeling projects also commenced during the 2020 fiscal year.
- In November 2017, voters approved \$97.0 million in general obligation bonds for the construction of two new elementary schools, a new replacement junior high, and two major remodeling projects. The District issued \$27.0 million in general obligation bonds in February 2017, and an additional \$35.0 million in November 2018. In November 2019, the District issued the final \$35.0 million in general obligation bonds (with a premium of \$2.8 million).

Overview of the Financial Statements

This annual report consists of three sections—introductory, financial, and other information. The financial section contains the basic financial statements, required supplementary information, and combining and individual fund statements and schedules.

The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the District's overall financial status.
- The remaining statements are *governmental fund financial statements* that focus on the District's individual parts, reporting its operations in more detail than the government-wide financial statements. The governmental fund financial statements tell how District services were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. In addition to these required elements, this annual report includes a section with *individual schedules* that compare fund activities with budgets and the prior year and *combining statements* that provide details about the nonmajor governmental funds, each of which are added together and presented in a single column in the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements report information about the District as a whole, using an accrual basis of accounting and economic resources measurement focus. Consequently, the *statement of net position* includes all District assets and liabilities, as well as deferred outflows and inflows of resources. All current year's revenues and expenses are accounted for in the *statement of activities* regardless of when cash is received or paid. The two government-wide statements report the District's net position and how it has changed. Net position – the difference between the District assets and deferred outflows of resources and the District's liabilities and deferred inflows of resources – is one way to measure the District's financial health. Over time, increases or decreases in net position are indicators of whether the District's financial health is improving or deteriorating, respectively. To assess the District's overall health, additional nonfinancial factors such as changes in the District's property tax base and the number of students enrolled should also be considered.

Fund Financial Statements

The fund financial statements provide detailed information about the District's *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending on particular programs. All District funds are governmental funds.

The District's governmental funds focus on 1) how cash and other current financial assets flow in and out and 2) the balances remaining at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliations are provided after the governmental fund statements that explain the relationship (or differences) between them.

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.

Government-wide Financial Analysis

Net Position

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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$41.0 million at the close of the most recent fiscal year (see chart on next page).

- A significant portion of the District's net position (\$102.2 million) 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, notes payable, and lease obligations) 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 (\$14.0 million) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital outlay.
- The remaining balance of net position (a deficit of \$75.2 million) is unrestricted. This deficit does not mean that the District does not have resources available to pay its bills next year. Rather, it is the result of having long-term commitments that are greater than presently available resources. Specifically, the unrestricted net position balance includes the District's proportionate share of the unfunded obligation of the defined benefit plans administered by the Utah Retirement Systems (URS). In 2020, the District reported a net pension

liability plus deferred outflows/inflows of resources related to pensions of \$97.7 million in the government-wide statement of net position at year end. As the defined benefit plans of the URS reach their goal of becoming fully funded, this liability will decline.

WEBER SCHOOL DISTRICT'S Net Position
June 30, 2020 and 2019
(in millions of dollars)

	<u>Governmental activities</u>		<u>Total change</u>
	<u>2020</u>	<u>2019</u>	<u>2020-2019</u>
Other assets	\$ 205.0	\$ 205.9	\$ (0.9)
Capital assets	294.9	262.2	32.7
Total assets	499.9	468.1	31.8
Deferred outflows of resources	25.6	57.0	(31.4)
Other liabilities	64.5	57.9	6.6
Long-term liabilities outstanding	312.1	337.8	(25.7)
Total liabilities	376.6	395.7	(19.1)
Deferred inflows of resources	107.9	80.5	27.4
Net position:			
Net investment in capital assets	102.2	92.0	10.2
Restricted	14.0	23.0	(9.0)
Unrestricted	(75.2)	(66.1)	(9.1)
Total net position	<u>\$ 41.0</u>	<u>48.9</u>	<u>\$ (7.9)</u>

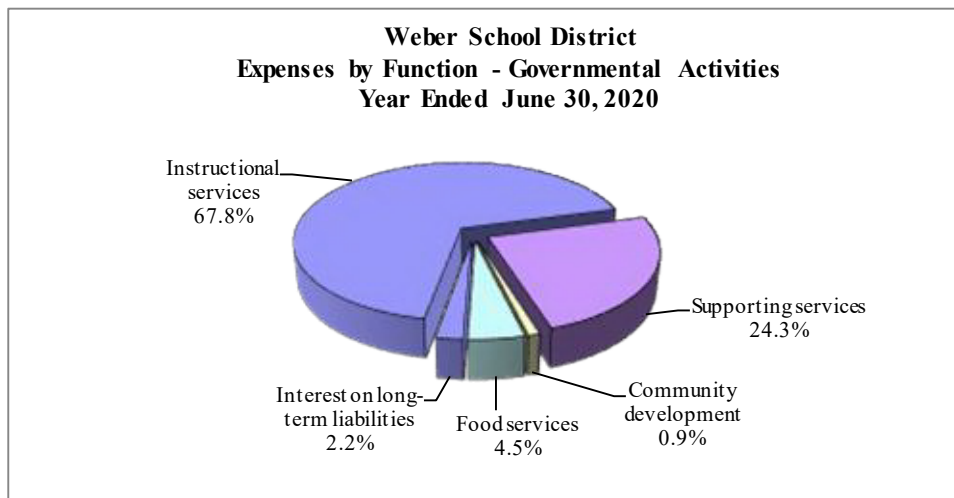
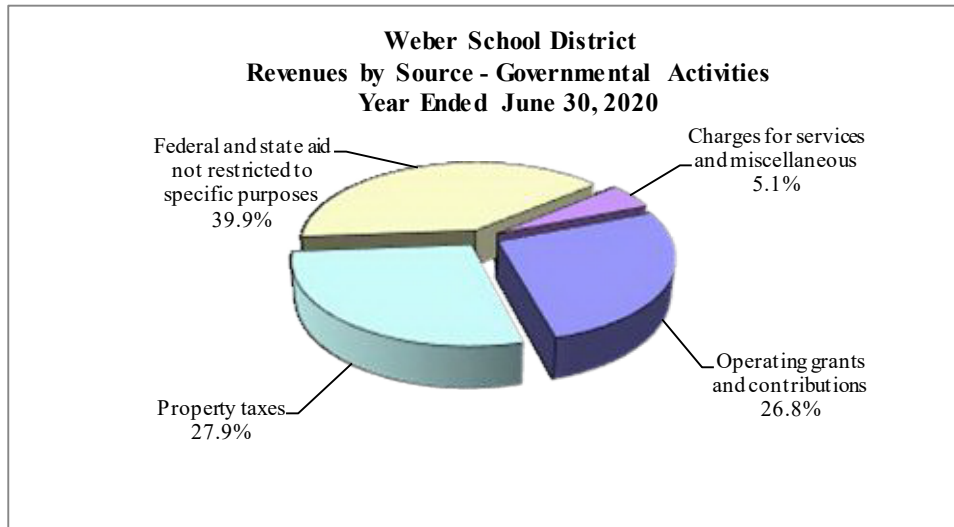
Changes in Net Position

The District's total revenues increased by 3.3% to \$302.0 million (see table on next page). Of the District's revenue, 40.9% comes from federal and state funding and 27.9% from property taxes. The total cost of all programs and services increased by \$24.2 million, or 8.2%. District expenses cover a range of services, primarily instructional and related support. The majority of the increase in expenses as compared to the previous year can be attributed to increases in personnel costs within instructional services.

- Federal and state funding increased with the increase in the number of students served and an increase in the value of the weighted pupil unit (WPU), the state funding method that guarantees a minimum level for each student enrolled. The value of the WPU increased by 4.0% to \$3,532 in 2020 from \$3,395 in 2019.
- Property tax revenue is the result of applying tax rates to the taxable value of property. The overall taxable value of property within the District increased by 10.0% to \$13.4 billion while the overall tax rate decreased by 3.8% to 0.005806.
- The total cost of all governmental activities this year was \$309.9 million. Personnel costs increased by 7.0% due mainly to increases in base salaries and insurance costs.

WEBER SCHOOL DISTRICT'S Changes in Net Position
Years Ended June 30, 2020 and 2019
(in millions of dollars)

	<u>Governmental activities</u>		<u>Total change</u>
	<u>2020</u>	<u>2019</u>	<u>2020-2019</u>
Revenues:			
Program revenues:			
Charges for services	\$ 9.4	\$ 13.0	\$ (3.6)
Operating grants and contributions	81.0	74.9	6.1
General revenues:			
Property taxes	84.3	79.4	4.9
Federal and state aid not restricted to specific purposes	121.2	116.8	4.4
Earnings on investments	3.1	3.5	(0.4)
Miscellaneous	3.0	4.7	(1.7)
Total revenues	<u>302.0</u>	<u>292.3</u>	<u>9.7</u>
Expenses:			
Instructional services	210.9	193.7	17.2
Supporting services:			
Students	10.3	8.9	1.4
Instructional staff	3.6	3.6	-
District administration	5.6	5.2	0.4
School administration	16.2	14.7	1.5
Central	6.2	6.6	(0.4)
Operation and maintenance of facilities	21.7	20.5	1.2
Transportation	11.8	11.9	(0.1)
Contributions to other governments	2.9	2.5	0.4
Food services	14.0	12.4	1.6
Interest on long-term liabilities	6.7	5.7	1.0
Total expenses	<u>309.9</u>	<u>285.7</u>	<u>24.2</u>
Increase in net position	(7.9)	6.6	(14.5)
Net position – beginning	<u>48.9</u>	<u>42.3</u>	<u>6.6</u>
Net position – ending	<u>\$ 41.0</u>	<u>\$ 48.9</u>	<u>\$ (7.9)</u>



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 \$60.6 million (see chart below).

**WEBER SCHOOL DISTRICT'S Change in Fund Balances - Governmental Funds
Year Ended June 30, 2020
(in millions of dollars)**

	Major Funds			Other Governmental Funds	Total
	General	Debt Service	Capital Projects		
Revenues	\$ 245.2	\$ 17.1	\$ 17.0	\$ 22.9	\$ 302.2
Expenditures	(242.7)	(19.1)	(65.1)	(25.3)	(352.2)
Other financing sources (uses)	(0.3)	-	42.3	0.3	42.3
Net change in fund balances	2.2	(2.0)	(5.8)	(2.1)	(7.7)
Fund balances – beginning	39.5	2.4	17.7	8.7	68.3
Fund balances – ending	<u>\$ 41.7</u>	<u>\$ 0.4</u>	<u>\$ 11.9</u>	<u>\$ 6.6</u>	<u>\$ 60.6</u>

The governmental funds report the differences between their assets and liabilities and deferred inflows of resources as fund balance, which is divided into nonspendable, restricted, and unrestricted portions. *Nonspendable* includes inventories and prepaid items. *Restricted* includes the District’s net fund resources 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, 2020, the District’s combined governmental fund balance is \$60.6 million (\$2.8 million in nonspendable, \$14.6 million in restricted, \$11.8 million in committed, \$15.9 million in assigned, and \$15.5 million in unassigned fund balances).

WEBER SCHOOL DISTRICT'S Fund Balances - Governmental Funds
June 30, 2020
(in millions of dollars)

	<u>Major Funds</u>			<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Governmental Funds</u>	
Nonspendable	\$ 0.9	\$ -	\$ -	\$ 1.9	\$ 2.8
Restricted	-	0.4	11.9	2.3	14.6
Committed to:					
Economic stabilization	6.0	-	-	-	6.0
Employee vacation benefit	2.6	-	-	-	2.6
Students	-	-	-	2.8	2.8
Other purposes	0.4	-	-	-	0.4
Assigned to:					
Early retirement benefit	10.3	-	-	-	10.3
Other programs	5.6	-	-	-	5.6
Unassigned	15.9	-	-	(0.4)	15.5
Total fund balances	<u>\$ 41.7</u>	<u>\$ 0.4</u>	<u>\$ 11.9</u>	<u>\$ 6.6</u>	<u>\$ 60.6</u>

- As allowed by state law (limited to 5% of *general fund* budgeted expenditures), the District has committed resources to economic stabilization 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.
- The District has \$6.0 million committed *general fund* resources toward economic stabilization.

General Fund Budgetary Highlights

During the year, the Board amended the District’s budget to reflect changes in anticipated property tax revenue and changes in state and federal programs. Actual revenues were more than what was budgeted by \$9.7 million and actual expenditures were less than the amount budgeted by \$8.7 million. Variances between budgets and actual amounts primarily result from expenditure-driven federal and state grants that are included in the budgets at their full amounts. Such grants are recognized when qualifying expenditures are incurred and all other grant requirements are met; unspent grant amounts are carried forward and included in the succeeding year’s budget. Therefore, actual grant revenues and expenditures are normally less than amounts budgeted.

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 approval by the State Charter School Board of several charter schools within District boundaries. District enrollment from 2019 to 2020 grew by 417 students to a historic high of 32,588 in the 2019-2020 school year. Going forward, it is estimated that steady growth will continue for the next few years.

WEBER SCHOOL DISTRICT's Enrollment History Years Ended June 30, 2016 through 2020

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Regular schools:					
Elementary	16,441	16,490	16,687	16,879	16,965
Junior high	7,314	7,503	7,646	7,677	7,869
High	7,443	7,452	7,624	7,615	7,754
Total enrollment	<u>31,198</u>	<u>31,445</u>	<u>31,957</u>	<u>32,171</u>	<u>32,588</u>
Change from prior year	13	247	512	214	417

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2020 amounts to \$294.9 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, and furniture and equipment. Construction on two elementary schools was completed for a total cost of \$49.4 million during the 2020 fiscal year. Construction on a new replacement junior high and two major remodeling projects also commenced during the 2020 fiscal year. The total increase in capital assets for the current year was \$32.7 million or 12.5%.

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 in the District. In November 2017, voters approved \$97.0 million in general obligation bonds for the construction of two new elementary schools, new replacement junior high, and two major remodeling projects. As of June 30, 2020, all of the \$97.0 million of the authorized general obligation bonds have been issued. Unspent bond proceeds at June 30, 2020 totaled \$2.8 million.

WEBER SCHOOL DISTRICT'S Capital Assets June 30, 2020 and 2019 (net of accumulated depreciation, in millions of dollars)

	<u>Governmental activities</u>		<u>Total change</u>
	<u>2020</u>	<u>2019</u>	<u>2020-2019</u>
Land	\$ 20.7	\$ 18.8	\$ 1.9
Construction in progress	44.4	55.2	(10.8)
Buildings and improvements	217.6	175.5	42.1
Furniture and equipment	12.2	12.7	(0.5)
Total capital assets	<u>\$ 294.9</u>	<u>\$ 262.2</u>	<u>\$ 32.7</u>

Refer to Note 5 to the basic financial statements for additional information on the District's capital assets.

Long-Term Debt

At the end of the current fiscal year, the District had total bonded debt outstanding of \$194.7 million (net of unamortized amounts for bond premiums). Payment of the debt is backed by the full faith and credit of taxpayers as well as the state of Utah under provisions of The Guaranty Act. The District's total bonded debt increased by \$24.7 million, or 14.5%, during the current year.

During 2020, the District issued \$35.0 million in general obligation bonds, with a premium of \$2.8 million. The District also entered into lease obligations totaling \$4.5 million to acquire school buses and computer equipment.

WEBER SCHOOL DISTRICT'S Outstanding Debt

June 30, 2020 and 2019

(net of accumulated amortization, in millions of dollars)

	Governmental activities		Total change
	2020	2019	2020-2019
General obligation bonds	\$ 181.7	\$ 158.7	\$ 23.0
Unamortized amounts for bond premiums	13.0	11.3	1.7
Net bonds payable	194.7	170.0	24.7
Obligations under capital lease	12.7	13.2	(0.5)
Notes payable	0.9	1.2	(0.3)
Total outstanding debt	<u>\$ 208.3</u>	<u>\$ 184.4</u>	<u>\$ 23.9</u>

The District's general obligation bonded debt 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, 2020 was \$820.4 million. General obligation debt at June 30, 2020 was \$194.7 million, resulting in a legal debt margin of \$625.8 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 2039.

Refer to Note 8 to the basic financial statements for additional information on the District's long-term debt.

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate its accountability for the money it receives. If you have questions about this report or need additional information, contact 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, 2020

	Governmental Activities
Assets:	
Cash and investments	\$ 115,771,917
Receivables:	
Property taxes	79,671,008
Local	263,157
State	1,276,264
Federal	4,790,754
Note receivable	374,319
Inventories and prepaid items	2,851,616
Capital assets:	
Land and construction in progress	65,082,066
Other capital assets, net of accumulated depreciation	<u>229,845,691</u>
Total assets	499,926,792
Deferred outflows of resources:	
Deferred charges on bond refunding	2,390,243
Amounts related to pensions	<u>23,200,132</u>
Total deferred outflows of resources	25,590,375
Liabilities:	
Accounts and contracts payable	11,302,414
Accrued salaries and employee benefits	47,234,082
Accrued interest	543,180
Unearned revenue:	
State	5,267,014
Federal	67,227
Noncurrent liabilities:	
Due and payable within one year	21,577,932
Due and payable in more than one year	<u>290,571,803</u>
Total liabilities	376,563,652
Deferred inflows of resources:	
Property taxes levied for future year	78,442,763
Amounts related to pensions	<u>29,500,118</u>
Total deferred inflows of resources	107,942,881
Net position:	
Net investment in capital assets	102,244,278
Restricted for:	
Debt service	295,489
Capital outlay	9,411,219
Students	2,313,364
Food services	1,908,289
Unrestricted	<u>(75,162,005)</u>
Total net position	<u>\$ 41,010,634</u>

The accompanying notes are an integral part of this financial statement.

WEBER SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2020

Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Total Governmental Activities
Governmental activities:				
Instructional services	\$ 210,755,486	\$ 5,500,445	\$ 62,021,250	\$ (143,233,791)
Supporting services:				
Students	10,313,928	715	2,914,261	(7,398,952)
Instructional staff	3,613,610	2,970	157,788	(3,452,852)
District administration	5,620,403	-	584,545	(5,035,858)
School administration	16,217,100	-	230,527	(15,986,573)
Central	6,168,034	61,529	-	(6,106,505)
Operation and maintenance of facilities	21,687,707	60,413	669,463	(20,957,831)
Transportation	11,801,048	337,056	5,907,467	(5,556,525)
Contributions to other governments	2,942,058	-	-	(2,942,058)
Food services	13,983,996	3,347,094	8,491,894	(2,145,008)
Interest on long-term liabilities	6,666,627	-	-	(6,666,627)
Total school district	<u>\$ 309,769,997</u>	<u>\$ 9,310,222</u>	<u>\$ 80,977,195</u>	(219,482,580)
General revenues:				
Property taxes levied for:				
				48,302,201
				18,104,900
				14,990,803
				2,942,058
				<u>84,339,962</u>
				121,172,819
				3,073,849
				<u>3,027,985</u>
				<u>211,614,615</u>
				(7,867,965)
				<u>48,878,599</u>
				<u>\$ 41,010,634</u>

The accompanying notes are an integral part of this financial statement.

WEBER SCHOOL DISTRICT
Balance Sheet – Governmental Funds
June 30, 2020

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Assets:					
Cash and investments	\$ 87,910,353	\$ 564,213	\$ 21,545,506	\$ 5,751,845	\$ 115,771,917
Receivables:					
Property taxes	45,363,602	17,787,741	13,728,619	2,791,046	79,671,008
Local	128,910	-	109,550	24,697	263,157
State	962,901	-	-	313,363	1,276,264
Federal	4,602,455	-	-	188,299	4,790,754
Note receivable	374,319	-	-	-	374,319
Inventories and prepaid items	943,327	-	-	1,908,289	2,851,616
Total assets	<u>\$ 140,285,867</u>	<u>\$ 18,351,954</u>	<u>\$ 35,383,675</u>	<u>\$ 10,977,539</u>	<u>\$ 204,999,035</u>
Liabilities:					
Accounts and contracts payable	\$ 1,530,379	\$ -	\$ 9,530,978	\$ 241,057	\$ 11,302,414
Accrued salaries and employee benefits	45,756,745	-	118,562	1,358,775	47,234,082
Unearned revenue:					
State	5,267,014	-	-	-	5,267,014
Federal	67,227	-	-	-	67,227
Total liabilities	<u>52,621,365</u>	<u>-</u>	<u>9,649,540</u>	<u>1,599,832</u>	<u>63,870,737</u>
Deferred inflows of resources:					
Unavailable revenue from sale of land	374,319	-	-	-	374,319
Unavailable other local revenue	-	-	-	20,100	20,100
Unavailable property tax revenue	984,213	385,814	297,907	60,963	1,728,897
Property taxes levied for future year	44,676,479	17,513,285	13,522,916	2,730,083	78,442,763
Total deferred inflows of resources	<u>46,035,011</u>	<u>17,899,099</u>	<u>13,820,823</u>	<u>2,811,146</u>	<u>80,566,079</u>
Fund balances:					
Nonspendable:					
Inventories and prepaid items	943,327	-	-	1,908,289	2,851,616
Restricted for:					
Debt service	-	452,855	-	-	452,855
Capital projects	-	-	11,913,312	-	11,913,312
Students	-	-	-	2,313,364	2,313,364
Committed to:					
Economic stabilization	6,000,000	-	-	-	6,000,000
Employee vacation benefit	2,631,805	-	-	-	2,631,805
Contractual obligations	377,653	-	-	-	377,653
Students	-	-	-	2,769,088	2,769,088
Assigned to:					
Early retirement benefit	10,250,000	-	-	-	10,250,000
Other programs	5,648,037	-	-	-	5,648,037
Unassigned	15,778,669	-	-	(424,180)	15,354,489
Total fund balances	<u>41,629,491</u>	<u>452,855</u>	<u>11,913,312</u>	<u>6,566,561</u>	<u>60,562,219</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 140,285,867</u>	<u>\$ 18,351,954</u>	<u>\$ 35,383,675</u>	<u>\$ 10,977,539</u>	<u>\$ 204,999,035</u>

The accompanying notes are an integral part of this financial statement.

WEBER SCHOOL DISTRICT**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**June 30, 2020

Total fund balances for governmental funds \$ 60,562,219

Total net position reported for governmental activities in the statement of net position is different because:

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

Land	\$ 20,702,762	
Construction in progress	44,379,304	
Buildings and improvements, net of \$179,687,810 accumulated depreciation	217,678,464	
Furniture and equipment, net of \$26,950,888 accumulated depreciation	<u>12,167,227</u>	294,927,757

Some of our revenue will be collected after year-end, but will not be available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.

Unavailable property taxes	\$ 2,103,216	
Unavailable other local revenue	<u>20,100</u>	2,123,316

Long-term liabilities, including bonds payable and the net pension liability, 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 position. These and related balances at year end are:

General obligation bonds payable	(181,650,000)	
Bond premiums, net of \$5,146,973 accumulated amortization	(12,964,972)	
Deferred charges on bond refunding, net of \$1,903,797 accumulated amortization	2,390,243	
Accrued interest	(543,180)	
Obligations under capital lease	(12,675,352)	
Notes payable	(925,094)	
Net pension liability	(91,420,288)	
Deferred outflows of resources related to pensions	23,200,132	
Deferred inflows of resources related to pensions	(29,500,118)	
Early retirement obligation	(9,882,223)	
Accrued vacation	<u>(2,631,806)</u>	(316,602,658)

Total net position of governmental activities \$ 41,010,634

The accompanying notes are an integral part of this financial statement.

WEBER SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2020

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Revenues:					
Property taxes	\$ 48,332,344	\$ 17,115,710	\$ 16,000,647	\$ 2,942,058	\$ 84,390,759
Earnings on investments	2,110,734	-	622,932	340,183	3,073,849
School lunch sales	-	-	-	3,355,134	3,355,134
Local	4,550,238	-	76,044	7,783,306	12,409,588
State	179,846,701	-	259,125	2,267,743	182,373,569
Federal	10,276,712	-	-	6,224,151	16,500,863
Total revenues	245,116,729	17,115,710	16,958,748	22,912,575	302,103,762
Expenditures:					
Current:					
Instructional services	172,715,409	-	-	8,933,229	181,648,638
Supporting services:					
Students	9,954,500	-	-	-	9,954,500
Instructional staff	3,504,464	-	-	-	3,504,464
District administration	5,170,200	-	-	-	5,170,200
School administration	14,632,014	-	-	-	14,632,014
Central	5,804,810	-	-	-	5,804,810
Operation and maintenance of facilities	20,695,509	-	-	-	20,695,509
Transportation	10,242,545	-	-	-	10,242,545
Food services	-	-	-	13,426,591	13,426,591
Contributions to other governments	-	-	-	2,942,058	2,942,058
Capital outlay	-	-	59,130,804	-	59,130,804
Debt service:					
Principal retirement	-	12,070,000	5,308,200	-	17,378,200
Interest and fiscal charges	-	7,028,531	418,858	-	7,447,389
Bond issuance costs	-	-	197,306	-	197,306
Total expenditures	242,719,451	19,098,531	65,055,168	25,301,878	352,175,028
Excess (deficiency) of revenues over (under) expenditures	2,397,278	(1,982,821)	(48,096,420)	(2,389,303)	(50,071,266)
Other financing sources (uses):					
Proceeds from general obligation bonds issued	-	-	35,000,000	-	35,000,000
Premium on bonds issued	-	-	2,824,844	-	2,824,844
Capital leases issued	-	-	4,521,084	-	4,521,084
Proceeds from sale of capital assets	30,625	-	3,050	-	33,675
Transfers	(291,042)	-	-	291,042	-
Total other financing sources (uses)	(260,417)	-	42,348,978	291,042	42,379,603
Net change in fund balances	2,136,861	(1,982,821)	(5,747,442)	(2,098,261)	(7,691,663)
Fund balances – beginning	39,492,630	2,435,676	17,660,754	8,664,822	68,253,882
Fund balances – ending	\$ 41,629,491	\$ 452,855	\$ 11,913,312	\$ 6,566,561	\$ 60,562,219

The accompanying notes are an integral part of this financial statement.

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, 2020

Net change in fund balances – total governmental funds \$ (7,691,663)

Amounts reported for governmental activities in the statement of activities as different because:

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 land and 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. The net effect of transactions involving capital assets increased net position in the current period.

Capital outlay	\$ 43,195,417	
Proceeds from sale of capital assets	(33,675)	
Loss on sale of capital assets	(807,504)	
Depreciation expense	<u>(9,660,314)</u>	32,693,924

Certain revenue sources are collected several months after our fiscal year end and are not considered available revenues in the governmental funds. Instead, they are counted as deferred inflows of resources at year end. They are, however, recorded as revenues in the statement of activities.

Property taxes	(50,797)	
Other local revenue	<u>20,100</u>	(30,697)

The issuance of bonds and other debt provides current financial resources to governmental funds, while the repayment of the principal of bonds consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of 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. The net effect of these differences in the treatment of debt and related items is as follows:

Proceeds from general obligation bonds issued	(35,000,000)	
Proceeds from bond premiums	(2,824,844)	
Principal payments of bond principal	12,070,000	
Principal payments of notes payable	247,352	
Interest expense	(26,586)	
Amortization of bond refunding costs	(320,856)	
Amortization of bond premiums	1,128,204	
Capital leases issued	(4,521,084)	
Principal payments of capital leases	<u>5,060,848</u>	(24,186,966)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds; long-term employee benefit obligations are reported as expenditures in the governmental funds when paid.

Pension expense	(7,883,871)	
Early retirement benefits expense	(372,310)	
Vacation benefits expense	<u>(396,382)</u>	<u>(8,652,563)</u>

Change in net position of governmental activities \$ (7,867,965)

The accompanying notes are an integral part of this financial statement.

WEBER SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – *General Fund*

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 40,600,000	\$ 46,000,000	\$ 48,332,344	\$ 2,332,344
Earnings on investments	1,500,000	2,000,000	2,110,734	110,734
Local	3,600,000	3,100,000	4,550,238	1,450,238
State	171,250,000	171,250,000	179,846,701	8,596,701
Federal	13,100,000	13,100,000	10,276,712	(2,823,288)
Total revenues	230,050,000	235,450,000	245,116,729	9,666,729
Expenditures:				
Current:				
Instructional services	176,542,007	179,190,730	172,715,409	6,475,321
Supporting services:				
Students	8,765,148	9,500,000	9,954,500	(454,500)
Instructional staff	4,070,437	4,262,000	3,504,464	757,536
District administration	4,673,736	5,341,000	5,170,200	170,800
School administration	14,075,203	14,258,000	14,632,014	(374,014)
Central	6,160,069	6,160,069	5,804,810	355,259
Operation and maintenance of facilities	21,670,121	21,817,000	20,695,509	1,121,491
Transportation	10,449,907	10,929,906	10,242,545	687,361
Total expenditures	246,406,628	251,458,705	242,719,451	8,739,254
Excess (deficiency) of revenues over (under) expenditures	(16,356,628)	(16,008,705)	2,397,278	18,405,983
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	30,625	30,625
Transfers	-	(300,000)	(291,042)	8,958
Total other financing sources (uses)	-	(300,000)	(260,417)	39,583
Net change in fund balances	(16,356,628)	(16,308,705)	2,136,861	18,445,566
Fund balances – beginning	30,092,093	39,492,630	39,492,630	-
Fund balances – ending	\$ 13,735,465	\$ 23,183,925	\$ 41,629,491	\$ 18,445,566

The accompanying notes are an integral part of this financial statement.

WEBER SCHOOL DISTRICT

Notes to the Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Weber School District (the District) are 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 District's more significant accounting policies are described below.

Reporting Entity

The Board of Education, comprised of seven elected individuals, is the District's primary governing authority. As required by GAAP, these financial statements present the District and its component unit, Weber School District Foundation, for which the District is considered to be financially accountable. The District is not a component unit of any other primary government. A blended component unit, although a legally separate entity, is in substance part of District operations.

The Weber School District Foundation is a nonprofit organization established under Internal Revenue Service regulations as a conduit for the District to receive tax-deductible donations. The voting majority of the Foundation's board is appointed by the Board of Education. The Foundation exclusively serves the District. The District reports the Foundation as a special revenue fund (a blended component unit).

Government-Wide and Fund Financial Statements

The *government-wide financial statements* (the statement of net position and the statement of activities) report on all the activities of the primary government (the District) and its blended component unit. 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 food 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 item. Program revenues include: a) fees and charges paid by students and other recipients of goods or services offered by a given function, and b) 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 District funds, including the blended component unit. 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 other governmental funds.

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.

WEBER SCHOOL DISTRICT

Notes to the Basic Financial Statements

- 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* accounts for resources accumulated and payments made for the acquisition and improvement of land, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students in the District.

Additionally, the District reports the *school lunch*, *student activities*, the *Weber School District Foundation*, and *pass-through taxes funds* as special revenue funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to early retirement and pension benefits and compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as an other financing source.

Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when the District receives cash.

Budgetary Data

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the governmental funds except for the *Weber School District Foundation* special revenue fund. Budgets are not adopted on a District level for the *Weber School District Foundation* special revenue fund. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- During May of each year, the superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30.

WEBER SCHOOL DISTRICT

Notes to the Basic Financial Statements

- Copies of the proposed budget are made available for public inspection and review by patrons of the District by June 1.
- If the District does not exceed the certified tax rate, a public hearing is held prior to June 30 at which 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 additional 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, 2020 have been included in the final budget approved by the Board, as presented in the financial statements.
- Expenditures may not legally exceed budgeted amounts at the fund level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is used to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (for which performance under the executory contract is expected in the next year) are reappropriated and become part of the subsequent year's budget pursuant to state regulations.

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 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 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 governmental activities are pooled and invested by the District for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The District's 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 paid or credited to the funds based on the average balance of each participating fund.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at year end are referred to as either "due to/from other funds."

WEBER SCHOOL DISTRICT

Notes to the Basic Financial Statements

Inventories and Prepaid Items

Inventories are valued at cost or, if donated, at acquisition value when received, using the moving average method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Donated food commodities are reported in the governmental funds as revenue at acquisition value when received. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets (which include land, construction in progress, 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 and furniture and equipment and \$100,000 for buildings and improvements. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of an asset or significantly extend the lives of the assets is not capitalized.

Land and construction in progress are not depreciated. The District's buildings and improvements and furniture and equipment are depreciated using the straight-line method over the following estimated useful lives:

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

Unearned revenue

Unearned revenue represents amounts received on grants whose purpose restrictions have not been met. Revenue is recognized on restricted grants only when all restrictions on those funds are satisfied.

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.

WEBER SCHOOL DISTRICT

Notes to the Basic Financial Statements

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, 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 bond premiums.

In the fund financial statements, governmental fund types recognize bond premiums 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems (URS) and additions to/deductions from the URS's fiduciary net position have been determined on the same basis as they are reported by the URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension plan investments are reported at fair value.

Deferred Outflows of Resources

In addition to assets, financial statements 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.

Deferred Inflows of Resources

In addition to liabilities, the financial statements 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.

Net Position/Fund Balances

The residual of all other elements presented in a statement of net position is *net position* on the government-wide financial statements and the residual of all other elements presented in a balance sheet on the governmental fund financial statements is *fund balance*.

Net position is divided into three components: net investment in capital assets (capital assets net of accumulated depreciation and related debt), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon it by external parties or are imposed by constitutional provisions or enabling legislation.

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.

WEBER SCHOOL DISTRICT

Notes to the Basic Financial Statements

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 items 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:

- Unspent tax revenues levied for specific purposes, such as, capital projects and debt service.
- Balances remaining for nutrition services.
- Donations held by the Weber School District Foundation for schools.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the highest level of decision-making authority. The Board is the highest level of decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. 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 has resolved to commit fund balance amounts in the governmental funds to the following purposes:

- Economic stabilization. As defined in Utah law as an “undistributed reserve,” the District maintains for economic stabilization up to 5% 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 to be used “in the negotiation or settlement of contract salaries for school district employees” and the use of this reserve requires a written resolution adopted by a majority vote of the Board filed with the Utah State Board of Education and Utah State Auditor.
- Employee vacation benefit for unpaid compensated absences.
- Contractual obligations that will be completed after June 30, 2020.
- Amounts held in other governmental funds for students.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the Business Administrator to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue

WEBER SCHOOL DISTRICT
Notes to the Basic Financial Statements

and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The District has assigned fund resources that are to be used for the early retirement benefit and other programs.

Unassigned – Residual balances in the *general fund* are classified as unassigned. Also, if a governmental fund other than the *general fund* has nonspendable, restricted, and committed fund balance in excess of total fund balance, the difference is reported as negative unassigned fund balance.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted tax revenue 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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted (the total of committed, assigned, and unassigned fund balance) resources. 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 District’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.

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A summary of cash and investments at June 30, 2020 as reported on the financial statements is as follows:

Carrying amount of deposits	\$ 16,747,614
Carrying amount of investments	<u>99,024,303</u>
Total cash and investments	<u>\$ 115,771,917</u>

The District complies with the State Money Management Act (*Utah Code*, Section 51, Chapter 7) (the Act) and related Rules of the Money Management Council (the Council) in handling the District’s depository and investing transactions. District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers’ Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. agency issues, first-tier commercial paper, banker’s acceptances, repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the state of Utah.

WEBER SCHOOL DISTRICT
Notes to the Basic Financial Statements

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 of the Council to be necessary and sufficient for adequate protection of its uninsured bank deposits.

Rules of the Council allow the Foundation to invest private grants, contributions, and endowments in any deposit or investment authorized by the Act and certain investment funds, equity securities, fixed-income securities, and investment strategies with institutions that meet certain restrictions.

Deposits

At June 30, 2020, the District’s carrying amount of cash deposits is \$2,815,077, of which about \$1 million was covered by federal depository insurance; the difference is uninsured and uncollateralized. No deposits are collateralized, nor are they required to be by state statute. At June 30, 2020, the Foundation’s carrying amount of cash deposits is \$341,790, all of which was covered by federal depository insurance.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government’s deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk.

Investments

At June 30, 2020, the District has investments in the PTIF of \$45,409,572. The PTIF is an external local government investment pool managed by the Utah State Treasurer. The PTIF is authorized and makes investments in accordance with the Act. Participant accounts with the PTIF are not insured or otherwise guaranteed by the state. Participants in the PTIF share proportionally in the income, costs, gains and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio, which consists of debt securities held by the state or in the state’s name by the state’s custodial banks, including investment-grade corporate bonds and notes, money market mutual funds, first-tier commercial paper, and certificates of deposit. The portfolio has a weighted average maturity of 90 days or less. The majority of the PTIF’s corporate bonds and notes are variable-rate securities, which reset every three months to the prevailing market interest rates. The PTIF is not rated. The PTIF has no debt securities with more than 5% of its total investment in a single issuer. The reported value of the pool is the same as the fair value of the pool shares.

A portion of the District’s investments are in corporate debt securities and government agencies. At June 30, 2020, the par value of these investments was \$50,928,000. The Foundation’s investments are in mutual funds holding equity and debt securities. The maturities of these investments as of June 30, 2020 are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (in years)</u>		
		<u>Less than 1</u>	<u>Less than 2</u>	<u>Less than 3</u>
Weber School District:				
Corporate bonds	\$ 50,928,000	\$ 19,100,000	\$ 17,264,000	\$ 14,564,000
Public Treasurers' Investment Fund	45,409,572	45,409,572	-	-
Weber School District Foundation:				
Marketable securities	2,686,731	2,686,731	-	-
Total investments	<u>\$ 99,024,303</u>	<u>\$ 67,196,303</u>	<u>\$ 17,264,000</u>	<u>\$ 14,564,000</u>

WEBER SCHOOL DISTRICT
Notes to the Basic Financial Statements

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates and will adversely affect the fair value of an investment. The District manages its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments do not exceed the period of availability of the funds invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers’ acceptances, and fixed-rate securities from 270 days to 15 months. Variable-rate securities may not have a remaining term to final maturity exceeding three years. In addition, government agencies may not have a remaining term to final maturity exceeding five years. The District has no investment policy that would further limit its interest rate risk.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. District 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 investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody’s Investors Service or by Standard & Poor’s.

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. District policy for managing this risk is to comply with the Act and related rules. The Act limits investments in commercial paper and or corporate obligations to 5% of its total portfolio with a single issuer.

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. District policy for managing this risk is to comply with the Act and related rules. The District places no other limit on the amount of investments to be held by counterparties.

NOTE 3 – FAIR VALUE MEASUREMENTS

The District, as well as the Foundation, categorize its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District and the Foundation have the following recurring fair value measurements as of June 30, 2020:

<u>Investment Type</u>	<u>Total</u>	<u>Input Level</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Weber School District:				
Corporate bonds	\$ 50,928,000	\$ -	\$ 50,928,000	\$ -
Public Treasurers' Investment Fund	45,409,572	-	45,409,572	-
Weber School District Foundation:				
Marketable securities	<u>2,686,731</u>	<u>2,686,731</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 99,024,303</u>	<u>\$ 2,686,731</u>	<u>\$ 96,337,572</u>	<u>\$ -</u>

WEBER SCHOOL DISTRICT
Notes to the Basic Financial Statements

NOTE 4 – PROPERTY TAXES

District Property Tax Revenue

The District's property tax revenue is collected and distributed by the county treasurer as its agent. Utah statutes establish the process by which taxes are levied and collected. The lien date for real property in the State of Utah is the annual date on which the county assessor's office must establish the owner of record and assessed values of the property to be taxed. The lien date is January 1. The county assessor's office is required to 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.

Motor vehicles are assessed an age-based fee that is due each time a vehicle is registered. Revenues collected in each county from motor vehicles 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 property tax revenue when collected.

As of June 30, 2020, property taxes receivable includes uncollected taxes assessed as of January 1, 2020 or earlier. It is expected that all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period, after which time the county treasurer may force sale of property to collect the delinquent portion.

Pass-Through Taxes

In addition to property taxes the District levies for its own purposes, the District levies property taxes for redevelopment agencies (located within District boundaries) in accordance with the Community Development and Renewal Agencies Act (*Utah Code* 17C-1) and for students of charter schools residing within the District in accordance with the Minimum School Program (*Utah Code* 53F-2 part 7). These taxes are forwarded directly by the county to the redevelopment agencies or the State of Utah as these taxes are collected by the county.

Property tax revenue (or incremental taxes) from increased assessed values within project areas are earmarked to finance urban renewal, economic development, and community development projects managed by the redevelopment agencies for the duration of the projects. During the year ended June 30, 2020, incremental taxes levied for the redevelopment agencies totaled \$1,980,626 recorded as revenue with an equivalent amount of expenditure as a contribution to other governments in the *pass-through taxes* special revenue fund.

Also during the year ended June 30, 2020, the charter school levy totaled \$961,432 recorded as revenue with an equivalent amount of expenditure for contribution to other governments in the *pass-through taxes* special revenue fund.

WEBER SCHOOL DISTRICT
Notes to the Basic Financial Statements

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 18,794,181	\$ 1,908,581	\$ -	\$ 20,702,762
Construction in progress	55,236,355	38,515,677	(49,372,728)	44,379,304
Total capital assets, not being depreciated	74,030,536	40,424,258	(49,372,728)	65,082,066
Capital assets, being depreciated:				
Buildings and improvements	347,993,546	49,372,728	-	397,366,274
Furniture and equipment	37,384,490	2,771,159	(1,037,534)	39,118,115
Total capital assets, being depreciated	385,378,036	52,143,887	(1,037,534)	436,484,389
Accumulated depreciation for:				
Buildings and improvements	(172,525,845)	(7,161,965)	-	(179,687,810)
Furniture and equipment	(24,696,323)	(2,498,349)	243,784	(26,950,888)
Total accumulated depreciation	(197,222,168)	(9,660,314)	243,784	(206,638,698)
Total capital assets, being depreciated, net	188,155,868	42,483,573	(793,750)	229,845,691
Governmental activities capital assets, net	<u>\$ 262,186,404</u>	<u>\$ 82,907,831</u>	<u>\$ (50,166,478)</u>	<u>\$ 294,927,757</u>

For the year ended June 30, 2020, depreciation expense was charged to functions as follows:

Governmental activities:	
Instructional services	\$ 6,421,524
Supporting services:	
District administration	82,265
School administration	698,511
Central	134,966
Operation and maintenance of facilities	472,139
Transportation	1,292,886
Food services	558,023
Total depreciation expense, governmental activities	<u>\$ 9,660,314</u>

WEBER SCHOOL DISTRICT
Notes to the Basic Financial Statements

The District is obligated at June 30, 2020 under construction commitments as follows:

<u>Project</u>	<u>Project Authorized</u>	<u>Costs to Date</u>	<u>Costs to Complete</u>
Roy Junior Rebuild	41,937,541	38,322,179	3,615,362
Weber Innovations Remodel	7,224,947	6,057,125	1,167,822
	<u>\$ 49,162,488</u>	<u>\$ 44,379,304</u>	<u>\$ 4,783,184</u>

Costs to complete these projects will be financed with current and future bond proceeds and other resources accumulated in the *capital projects fund*.

NOTE 6 – STATE RETIREMENT PLANS

Description of Plans

Eligible employees are provided with the following plans through the Utah Retirement Systems (the URS) administered by the URS:

Defined Benefit Pension Plans (cost-sharing, multiple-employer plans):

- *Public Employees Noncontributory Retirement System* (Tier 1 Noncontributory System)
- *Tier 2 Public Employees Contributory Retirement System* (Tier 2 Contributory System)

Defined Contribution Plans (individual account plans):

- *401(k) Plan* which includes the *Tier 2 Public Employees Defined Contribution Plan* (Tier 2 Defined Contribution Plan)
- *457 Plan* and other individual plans

District employees qualify for membership in the retirement systems if a) employment, contemplated to continue during a fiscal or calendar year, normally requires an average of 20 or more hours per week and the employee receives benefits normally provided by the District as approved by the Utah State Retirement Board, b) the employee is a classified school employee whose employment normally requires an average of 20 or more hours per week regardless of benefits, c) the employee is a teacher who teaches half-time or more and receives benefits normally provided by the District as approved by the Utah State Retirement Board, or d) the employee is an appointed officer.

The Tier 2 systems became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the systems, are members of the Tier 2 systems.

The plans are established and governed by the respective sections of Title 49 of the *Utah Code*. The plans are amended statutorily by the Utah State Legislature. Title 49 provides for the administration of the plans under the direction of the Utah State Retirement Board, whose members are appointed by the Governor.

WEBER SCHOOL DISTRICT
Notes to the Basic Financial Statements

The URS (a component unit of the State of Utah) issues a publicly available financial report that can be obtained at www.urs.org.

Benefits provided

The URS provides retirement, disability, and death benefits to participants in the plans.

Retirement benefits in the defined benefit pension plans are determined from 1.50% to 2.00% of the employee’s highest 3 or 5 years of compensation times the employee’s years of service depending on the pension plan; benefits are subject to cost-of-living adjustments up to 2.50% or 4.00%, limited to the actual Consumer Price Index increase for the year. Employees are eligible to retire based on years of service and age.

Defined contribution plans are available as supplemental plans to the basic retirement benefits of the defined benefit pension plans and as a primary retirement plan for some Tier 2 participants. Participants in the defined contribution plans are fully vested in employer and employee contributions at the time the contributions are made, except Tier 2 required contributions and associated earnings are vested during the first four years of employment. If an employee terminates prior to the vesting period, employer contributions and associated earnings for the employee are subject to forfeiture. Forfeitures are used to cover a portion of the plan’s administrative expenses paid by participants. Benefits depend on amounts contributed to the plans plus investment earnings. Individual accounts are provided for each employee and are available at termination, retirement, death, or unforeseeable emergency.

Contributions

As a condition of participation in the plans, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

For the year ended June 30, 2020, required contribution rates for the plans were as follows:

	Defined Benefit Plan Rates		District Rates	
	District	Amortization	for 401(k)	
	Contribution *	of UAAL *	Plan	Totals
Tier 1 Noncontributory System	12.25%	9.94%	1.50%	23.69%
Tier 2 Contributory System	9.05%	9.94%	1.03%	20.02%
Tier 2 Defined Contribution Plan	0.08%	9.94%	10.00%	20.02%

* District contribution includes 0.08% of covered-employee payroll of the Tier 2 plans for death benefits.

** Required contributions include an additional amount to finance any unfunded actuarial accrued liability in the Tier 1 plans.

Employees can make additional contributions to defined contribution plans, up to applicable plan and Internal Revenue Code limits.

WEBER SCHOOL DISTRICT
Notes to the Basic Financial Statements

For the year ended June 30, 2020, District and employee contributions to the plans were as follows:

	<u>District Contributions *</u>	<u>Employee Contributions</u>
Tier 1 Noncontributory System	\$ 23,573,043	\$ -
Tier 2 Contributory System	6,271,371	-
Tier 2 Defined Contribution Plan	500,675	-
401(k) Plan	2,550,103	2,053,150
457 Plan and other individual plans	-	550,709

* A portion of required contributions in the Tier 2 plans is used to finance the unfunded actuarial accrued liability in the Tier 1 plans.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the District reported an asset of zero and a liability of \$91,420,288 for its proportionate share of the net pension liability (asset) for the following plans:

	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Tier 1 Noncontributory System	\$ -	\$ 90,954,223
Tier 2 Contributory System	-	466,065
Total	<u>\$ -</u>	<u>\$ 91,420,288</u>

The net pension liability (asset) was measured as of December 31, 2019 and the total pension liability (asset) was determined by an actuarial valuation as of January 1, 2019, rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability (asset) is equal to the ratio of its actual contributions compared to the total of all employer contributions during the plan year. The following presents the District's proportion (percentage) of the collective net pension liability (asset) at December 31, 2019 and the change in its proportion since the prior measurement date for each plan:

	<u>Proportionate Share</u>	
	<u>2019</u>	<u>Change</u>
Tier 1 Noncontributory System	4.0938987 %	0.3087692 %
Tier 2 Contributory System	2.0722528 %	0.1133512 %

WEBER SCHOOL DISTRICT
Notes to the Basic Financial Statements

For the year ended June 30, 2020, the District recognized pension expense for the plans as follows:

	<u>Pension Expense</u>
Defined benefit pension plans:	
Tier 1 Noncontributory System	\$ 35,587,623
Tier 2 Contributory System	<u>2,621,001</u>
Total	<u>\$ 38,208,624</u>
Defined contribution plans:	
Tier 2 Defined Contribution Plan	\$ 500,675
401(k) Plan	<u>2,550,103</u>
Total	<u>\$ 3,050,778</u>

At June 30, 2020, the District reported deferred outflows of resources related to defined benefit pension plans for the following sources:

	<u>Deferred Outflows of Resources Related to Pensions</u>		
	<u>Tier 1 Noncontributory System</u>	<u>Tier 2 Contributory System</u>	<u>Total</u>
Differences between expected and actual experience	\$ 1,414,005	\$ 130,381	\$ 1,544,386
Changes of assumptions	5,272,269	199,008	5,471,277
Changes in proportion and differences between District contributions and proportionate share of contributions	381,735	360,014	741,749
District contributions subsequent to the measurement date	<u>11,910,758</u>	<u>3,531,962</u>	<u>15,442,720</u>
Total	<u>\$ 18,978,767</u>	<u>\$ 4,221,365</u>	<u>\$ 23,200,132</u>

At June 30, 2020, the District reported deferred inflows of resources related to defined benefit pension plans for the following sources:

	<u>Deferred Inflows of Resources Related to Pensions</u>		
	<u>Tier 1 Noncontributory System</u>	<u>Tier 2 Contributory System</u>	<u>Total</u>
Differences between expected and actual experience	\$ 557,979	\$ 159,952	\$ 717,931
Changes of assumptions	-	13,394	13,394
Net difference between projected and actual earnings on pension plan investments	28,158,928	358,262	28,517,190
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>251,603</u>	<u>-</u>	<u>251,603</u>
Total	<u>\$ 28,968,510</u>	<u>\$ 531,608</u>	<u>\$ 29,500,118</u>

WEBER SCHOOL DISTRICT
Notes to the Basic Financial Statements

The \$15,442,720 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of December 31, 2019 will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2021. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Tier 1 Noncontributory System</u>	<u>Tier 2 Contributory System</u>	<u>Total</u>
2021	\$ (4,114,973)	\$ (48,938)	\$ (4,163,911)
2022	(7,481,644)	(41,964)	(7,523,608)
2023	468,100	19,247	487,347
2024	(10,771,984)	(95,578)	(10,867,562)
2025	-	47,757	47,757
Thereafter	-	277,271	277,271

Actuarial Assumptions

The total pension liability (asset) in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% to 9.75%, average, including inflation
Investment rate of return	6.95%, net of pension plan investment expense, including inflation

Mortality rates were based on actual experience and mortality tables, considering gender, occupation, and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2016. Assumptions remained unchanged that affect measurement of the total pension liability (asset) since the prior measurement date.

The long-term expected rate of return on defined benefit pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

WEBER SCHOOL DISTRICT
Notes to the Basic Financial Statements

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity securities	40%	6.15%
Debt securities	20%	0.40%
Real assets	15%	5.75%
Private equity	9%	9.95%
Absolute return	16%	2.85%
Cash and cash equivalents	0%	0.00%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.95%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates, actuarially determined and certified by the Utah State Retirement Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.95%, as well as what its proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

	<u>1% Decrease (5.95%)</u>	<u>Discount Rate (6.95%)</u>	<u>1% Increase (7.95%)</u>
District's proportionate share of the net pension (asset) liability:			
Tier 1 Noncontributory System	\$ 205,182,159	\$ 90,954,223	\$ (4,797,674)
Tier 2 Contributory System	4,019,085	466,065	(2,279,767)
Total	<u>\$ 209,201,244</u>	<u>\$ 91,420,288</u>	<u>\$ (7,077,441)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

WEBER SCHOOL DISTRICT

Notes to the Basic Financial Statements

Payables to the Pension Plans

At June 30, 2020, the District reported payables of \$6,299,851 for contributions to defined benefit pension plans and \$537,241 for contributions to defined contribution plans.

NOTE 7 – EARLY RETIREMENT BENEFIT

Retiree Health Coverage

In accordance with Board 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 and qualify for retirement under the Utah State Retirement Systems. 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 and qualify for retirement under the Utah State Retirement Systems. 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 prior to age 55 and qualify to retire under the Utah State Retirement Systems. At June 30, 2020, 167 retirees are eligible to receive health coverage. During the year, the District paid \$1,196,192 for retiree health coverage. The projected estimated future cost of post-employment supplemental coverage of current retirees is \$4,958,795. The post-employment healthcare benefits are financed on a pay-as-you-go basis.

Stipends

In accordance with Board 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, qualify to retire under the Utah State Retirement Systems, 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. At June 30, 2019, 165 retirees are eligible to receive stipends. During the year, the District paid \$1,909,655 for retiree stipends. The projected estimated future cost of early retirement incentives of current retirees is \$4,923,428. The early retirement incentives are financed on a pay-as-you-go basis.

NOTE 8 – RISK MANAGEMENT

The District 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 (the 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 \$500 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 Utah. 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 Fund reinsures excess losses to preserve the capital base. Insurance coverage from 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 the Basic Financial Statements

NOTE 9 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due and Payable Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 158,720,000	\$ 35,000,000	\$ (12,070,000)	\$ 181,650,000	\$ 11,720,000
Unamortized bond premiums	11,268,332	2,824,844	(1,128,204)	12,964,972	-
Net bonds payable	169,988,332	37,824,844	(13,198,204)	194,614,972	11,720,000
Net pension liability	141,665,348	85,752,393	(135,997,453)	91,420,288	-
Obligations under capital lease	13,215,116	4,521,084	(5,060,848)	12,675,352	5,060,849
Notes payable	1,172,446	-	(247,352)	925,094	253,332
Early retirement obligation	9,509,913	3,478,157	(3,105,847)	9,882,223	2,964,667
Accrued vacation	2,235,424	496,839	(100,457)	2,631,806	1,579,084
Total governmental activity long-term liabilities	<u>\$ 337,786,579</u>	<u>\$ 132,073,317</u>	<u>\$ (157,710,161)</u>	<u>\$ 312,149,735</u>	<u>\$ 21,577,932</u>

General Obligation Bonds

General obligation school building bonds payable at June 30, 2020, with their outstanding balances, are comprised of the following individual issues:

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Remaining Interest Rate Range</u>	<u>Final Maturity Date</u>	<u>Current Outstanding Balance</u>
2011	Refunding	\$ 11,450,000	4.00%	June 15, 2023	\$ 5,250,000
2012	School building	20,000,000	1.50% to 4.00%	June 15, 2032	16,895,000
2013	School building	25,000,000	3.50% to 5.00%	June 15, 2033	21,090,000
2014	School building and bond refunding	37,785,000	2.40% to 5.00%	June 15, 2034	26,520,000
2015	Refunding	16,000,000	2.00% to 5.00%	June 15, 2021	2,375,000
2016	Refunding	20,835,000	2.00% to 5.00%	June 15, 2028	18,120,000
2018	School building	27,000,000	2.50% to 5.00%	June 15, 2035	24,875,000
2018B	School building	35,000,000	2.50% to 5.00%	June 15, 2038	33,900,000
2019	School building	35,000,000	2.00% to 5.00%	June 15, 2039	32,625,000
Total general obligation bonds payable as of June 30, 2020					<u>\$ 181,650,000</u>

WEBER SCHOOL DISTRICT
Notes to the Basic Financial Statements

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2020, including interest payments, are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 11,720,000	\$ 6,930,974	\$ 18,650,974
2022	11,935,000	6,427,474	18,362,474
2023	10,605,000	5,873,924	16,478,924
2024	11,395,000	5,378,924	16,773,924
2025	11,905,000	4,856,100	16,761,100
2026-2030	58,470,000	17,646,965	76,116,965
2031-2035	48,655,000	7,428,242	56,083,242
2036-2039	16,965,000	1,120,651	18,085,651
Total	<u>\$ 181,650,000</u>	<u>\$ 55,663,255</u>	<u>\$ 237,313,255</u>

The District’s general obligation bonded debt is limited by state law to 4% of the fair market value of the total taxable property. For legal debt limit purposes under state law, the outstanding direct general obligation debt is increased by the premiums associated with debt issued. As of June 30, 2020, the total unamortized amount of bond premiums was \$12,964,972, resulting in total outstanding net direct debt of \$194,614,972. The legal debt limit at June 30, 2020 was \$820,431,801. The legal debt limit less net direct debt equaled an estimated additional debt incurring capacity of \$625,816,829.

Servicing Long-Term Liabilities

Payments on the general obligation bonds are made by the *debt service fund* from property taxes and earnings on investments. Payments on obligations under capital leases and the notes payable are made by the *capital projects* fund from property taxes, earnings on investments and state funding. Employee benefit obligations will be paid by the fund in which the employee worked, including the *general fund* and other governmental funds.

Obligations Under Capital Lease

The District has entered into several capital leases to purchase land, buses, and computer equipment. The total amount of leased assets included in capital assets at June 30, 2020 was \$1,605,840 (net of accumulated depreciation of \$727,816).

WEBER SCHOOL DISTRICT
Notes to the Basic Financial Statements

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

<u>Year Ending June 30,</u>	<u>Lease Payments</u>
2021	\$ 4,976,671
2022	4,307,918
2023	2,801,436
2024	921,925
2025	320,869
Thereafter	<u>185,362</u>
Total minimum lease payments	13,514,181
Amount representing interest	<u>(838,829)</u>
Present value of minimum lease payments	<u>\$ 12,675,352</u>

Notes Payable

The District has two notes payable. One of the notes is an interest-free note with the federal government. The other note is with a financial institution with a stated interest rate of 2.87%. The annual requirements to amortize the notes payable outstanding as of June 30, 2020, including interest payments, are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	253,332	20,649	273,981
2022	259,485	14,496	273,981
2023	265,815	8,165	273,980
2024	<u>146,462</u>	<u>1,652</u>	<u>148,114</u>
Total	<u>\$ 925,094</u>	<u>\$ 44,962</u>	<u>\$ 970,056</u>

NOTE 10 – LITIGATION AND COMPLIANCE

There are several lawsuits pending in which the District is involved. The District’s legal counsel and insurance carriers estimate that the potential claims against the District, not covered by insurance, resulting from such litigation would not significantly affect its financial statements.

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 are 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 fund. Based on prior experience, administration believes such disallowance, if any, would not be significant.

NOTE 11 – INTERFUND BALANCES AND TRANSFERS

During 2020, the District transferred \$291,042 from the *general fund* to the Foundation to cover administrative costs of the Foundation.

WEBER SCHOOL DISTRICT**Schedules of the District's Proportionate Share of the Net Pension Liability (Asset) – Utah Retirement Systems**

Last Six Plan (Calendar) Years

	District's Proportion of Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Tier 1 Noncontributory System:					
2019	4.0938987%	\$ 90,954,223	\$ 106,090,497	85.73 %	90.1%
2018	3.7851295%	140,826,392	105,148,098	133.93 %	84.1%
2017	3.7669782%	92,116,260	103,839,781	88.71 %	89.2%
2016	3.7066607%	120,129,793	103,264,794	116.33 %	84.9%
2015	3.7448814%	117,637,449	103,427,458	113.74 %	84.5%
2014	3.7382783%	93,925,314	105,232,505	89.26 %	87.2%
Tier 2 Contributory System:					
2019	2.0722528%	\$ 466,065	\$ 28,853,751	1.62 %	96.5%
2018	1.9589016%	838,956	23,040,908	3.64 %	91.4%
2017	1.8648760%	166,327	18,535,638	0.90 %	97.4%
2016	1.7645740%	196,502	14,446,694	1.36 %	95.1%
2015	1.7644955%	(3,852)	11,393,880	(0.03)%	100.2%
2014	1.7058098%	(51,694)	8,345,525	(0.62)%	103.5%

The accompanying notes are an integral part of these schedules.

WEBER SCHOOL DISTRICT
Schedules of District Contributions – Utah Retirement Systems
Last Six Reporting (Fiscal) Years

	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
Tier 1 Noncontributory System:					
2020	\$ 23,573,043	\$ 23,573,043	\$ -	\$ 107,312,548	21.97 %
2019	23,229,029	23,229,029	-	105,785,935	21.96 %
2018	22,800,810	22,800,810	-	104,061,381	21.91 %
2017	22,643,632	22,643,632	-	103,353,852	21.91 %
2016	22,601,840	22,601,840	-	103,387,123	21.86 %
2015	22,477,461	22,477,461	-	104,131,499	21.59 %
Tier 2 Contributory System:					
2020	\$ 6,271,371	\$ 6,271,371	\$ -	\$ 33,042,165	18.98 %
2019	4,795,077	4,795,077	-	25,514,602	18.79 %
2018	3,805,782	3,805,782	-	20,594,182	18.48 %
2017	3,023,201	3,023,201	-	16,548,171	18.27 %
2016	2,351,304	2,351,304	-	12,880,505	18.25 %
2015	1,798,368	1,798,368	-	9,958,803	18.06 %
Tier 2 Defined Contribution Plan:					
2020	\$ 500,675	\$ 500,675	\$ -	\$ 4,996,848	10.02 %
2019	435,065	435,065	-	4,322,083	10.07 %
2018	347,502	347,502	-	3,468,151	10.02 %
2017	286,834	286,834	-	2,862,509	10.02 %
2016	233,923	233,923	-	2,333,584	10.02 %
2015	188,382	188,382	-	1,916,593	9.83 %

The accompanying notes are an integral part of these schedules.

WEBER SCHOOL DISTRICT
Notes to the Required Supplementary Information
Year Ended June 30, 2020

NOTE A – CHANGES IN ASSUMPTIONS – UTAH RETIREMENT SYSTEMS

Assumptions for plan years 2019 and 2018 remain unchanged from the prior years.

Amounts reported in plan year 2017 reflect the following assumption changes adopted from the January 1, 2017 valuation:

- The investment return assumption was decreased from 7.20% to 6.95%.
- The inflation assumption decreased from 2.60% to 2.50%.
- The life expectancy assumption increased for most groups.
- The wage inflation assumption decreased from 3.35% to 3.25%.
- The payroll growth assumption decreased from 3.10% to 3.00%

Amounts reported in plan year 2016 reflect the following assumption changes adopted from the January 1, 2016 valuation:

- The investment return assumption was decreased from 7.50% to 7.20%.
- The inflation rate was decreased from 2.75% to 2.60%.
- Both the payroll growth and wage inflation assumptions were decreased by 0.15%.

Amounts reported in plan year 2015 reflect the following assumption changes adopted from the January 1, 2015 valuation:

- The wage inflation assumption for all employee groups was decreased from 3.75% to 3.50%.
- The payroll growth assumption was decreased from 3.50% to 3.25%.
- Other assumptions that were modified: rate of salary increases, post-retirement mortality, and certain demographics.

NOTE B – SCHEDULES OF THE DISTRICT'S PROPORTIONAL SHARE OF THE NET PENSION LIABILITY (ASSET) – UTAH RETIREMENT SYSTEMS

These schedules only present information for the 2014 and subsequent measurement periods of the plans; prior-year information is not available.

NOTE C – SCHEDULES OF DISTRICT CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS

These schedules only present information for the 2015 and subsequent measurement periods of the plans; prior-year information is not available.

Contributions as a percentage of covered payroll may be different than the Utah State Retirement Board certified rate due to rounding or other administrative issues. A portion of required contributions in the Tier 2 plans is used to finance the unfunded actuarial accrued liability of the Tier 1 plans.

WEBER SCHOOL DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –

General Fund

Year Ended June 30, 2020 with Comparative Totals for 2019

	2020			2019
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 46,000,000	\$ 48,332,344	\$ 2,332,344	\$ 45,649,124
Earnings on investments	2,000,000	2,110,734	110,734	2,378,376
Local	3,100,000	4,550,238	1,450,238	4,606,748
State	171,250,000	179,846,701	8,596,701	171,115,332
Federal	13,100,000	10,276,712	(2,823,288)	11,494,485
Total revenues	235,450,000	245,116,729	9,666,729	235,244,065
Expenditures:				
Current:				
Salaries	168,839,587	157,847,636	10,991,951	147,566,888
Employee benefits	54,144,118	66,130,699	(11,986,581)	61,748,932
Purchased professional services	9,100,000	8,492,156	607,844	8,510,824
Purchased property services	2,863,000	(1,131)	2,864,131	15,273
Other purchased services	1,052,000	649,880	402,120	931,883
Supplies	8,080,000	6,673,471	1,406,529	7,614,659
Property	2,955,000	2,586,783	368,217	3,108,469
Other	4,425,000	339,957	4,085,043	570,100
Total expenditures	251,458,705	242,719,451	8,739,254	230,067,028
Excess (deficiency) of revenues over (under) expenditures	(16,008,705)	2,397,278	18,405,983	5,177,037
Other financing sources (uses):				
Proceeds from sale of capital assets	-	30,625	30,625	70,557
Transfers	(300,000)	(291,042)	8,958	(265,830)
Total other financing sources (uses)	(300,000)	(260,417)	39,583	(195,273)
Net change in fund balances	(16,308,705)	2,136,861	18,445,566	4,981,764
Fund balances – beginning	39,492,630	39,492,630	-	34,510,866
Fund balances – ending	\$ 23,183,925	\$ 41,629,491	\$ 18,445,566	\$ 39,492,630

WEBER SCHOOL DISTRICT**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Debt Service Fund**

Year Ended June 30, 2020 with Comparative Totals for 2019

	2020			2019
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 17,482,556	\$ 17,115,710	\$ (366,846)	\$ 16,511,385
Expenditures:				
Debt service:				
Principal retirement	12,070,000	12,070,000	-	9,530,000
Interest and other charges	7,578,786	7,028,531	550,255	5,830,952
Total expenditures	19,648,786	19,098,531	550,255	15,360,952
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(2,166,230)	(1,982,821)	183,409	1,150,433
Fund balances – beginning	2,435,676	2,435,676	-	1,285,243
Fund balance – ending	\$ 269,446	\$ 452,855	\$ 183,409	\$ 2,435,676

WEBER SCHOOL DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –

Capital Projects Fund

Year Ended June 30, 2020 with Comparative Totals for 2019

	2020			2019
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 14,500,000	\$ 16,000,647	\$ 1,500,647	\$ 14,519,692
Earnings on investments	650,000	622,932	(27,068)	737,895
Local	220,000	76,044	(143,956)	2,276
State	75,000	259,125	184,125	205,081
Total revenues	15,445,000	16,958,748	1,513,748	15,464,944
Expenditures:				
Capital outlay:				
Land and buildings:				
Buildings	45,000,000	41,612,117	3,387,883	48,273,219
Land and improvements	10,000,000	4,952,251	5,047,749	1,065,030
Salaries and benefits	1,500,000	1,283,847	216,153	1,175,062
Purchased services	1,500,000	492,681	1,007,319	439,938
Supplies and materials	1,000,000	542,317	457,683	701,120
Total land and buildings	59,000,000	48,883,213	10,116,787	51,654,369
Equipment and textbooks:				
School buses	1,800,000	1,724,127	75,873	1,317,844
Vehicles	250,000	173,870	76,130	134,179
Software	500,000	633,854	(133,854)	336,541
Textbooks	2,000,000	222,408	1,777,592	1,548,836
Other instructional equipment	7,502,174	7,493,332	8,842	6,394,413
Total equipment and textbooks	12,052,174	10,247,591	1,804,583	9,731,813
Total capital outlay	71,052,174	59,130,804	11,921,370	61,386,182
Debt service:				
Principal retirement	3,000,000	5,308,200	(2,308,200)	4,172,311
Interest and fiscal charges	450,000	418,858	31,142	350,864
Bond issuance costs	350,000	197,306	152,694	188,050
Total debt service	3,800,000	5,924,364	(2,124,364)	4,711,225
Total expenditures	74,852,174	65,055,168	9,797,006	66,097,407
Deficiency of revenues under expenditures	(59,407,174)	(48,096,420)	11,310,754	(50,632,463)
Other financing sources:				
Proceeds from general obligation bonds issued	35,000,000	35,000,000	-	35,000,000
Premium on bonds issued	2,825,844	2,824,844	(1,000)	3,185,887
Capital leases issued	5,000,000	4,521,084	(478,916)	4,578,662
Proceeds from sale of capital assets	3,050	3,050	-	1,015,000
Total other financing sources	42,828,894	42,348,978	(479,916)	43,779,549
Net change in fund balances	(16,578,280)	(5,747,442)	10,830,838	(6,852,914)
Fund balances - beginning	17,660,754	17,660,754	-	24,513,668
Fund balances - ending	\$ 1,082,474	\$ 11,913,312	\$ 10,830,838	\$ 17,660,754

WEBER SCHOOL DISTRICT
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2020

	<u>Special Revenue Funds</u>				Total Nonmajor Governmental Funds
	<u>School Lunch</u>	<u>Student Activities</u>	<u>Foundation</u>	<u>Pass-Through Taxes</u>	
Assets:					
Cash and investments	\$ 499,402	\$ 2,204,028	\$ 3,048,415	\$ -	\$ 5,751,845
Receivables:					
Property taxes	-	-	-	2,791,046	2,791,046
Local	-	4,597	20,100	-	24,697
State	313,363	-	-	-	313,363
Federal	188,299	-	-	-	188,299
Inventories and prepaid items	1,908,289	-	-	-	1,908,289
Total assets	<u>\$ 2,909,353</u>	<u>\$ 2,208,625</u>	<u>\$ 3,068,515</u>	<u>\$ 2,791,046</u>	<u>\$ 10,977,539</u>
Liabilities:					
Accounts and contracts payable	\$ 114,716	\$ 107,465	\$ 18,876	\$ -	\$ 241,057
Accrued salaries and employee benefits	1,310,528	48,247	-	-	1,358,775
Total liabilities	1,425,244	155,712	18,876	-	1,599,832
Deferred inflows of resources:					
Unavailable property tax revenue	-	-	-	60,963	60,963
Unavailable other local revenue	-	-	20,100	-	20,100
Property taxes levied for future year	-	-	-	2,730,083	2,730,083
Total deferred inflows of resources	-	-	20,100	2,791,046	2,811,146
Fund Balances:					
Nonspendable:					
Inventories and prepaid items	1,908,289	-	-	-	1,908,289
Restricted for:					
Students	-	-	2,313,364	-	2,313,364
Assigned to:					
Students	-	2,052,913	716,175	-	2,769,088
Unassigned	(424,180)	-	-	-	(424,180)
Total fund balances	<u>1,484,109</u>	<u>2,052,913</u>	<u>3,029,539</u>	<u>-</u>	<u>6,566,561</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,909,353</u>	<u>\$ 2,208,625</u>	<u>\$ 3,068,515</u>	<u>\$ 2,791,046</u>	<u>\$ 10,977,539</u>

WEBER SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds
Year Ended June 30, 2020

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Lunch	Student Activities	Foundation	Pass-Through Taxes	
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ 2,942,058	\$ 2,942,058
Earnings on investments	-	222,838	117,345	-	340,183
Contributions	-	3,161,993	1,104,252	-	4,266,245
Tuition	-	1,098,835	-	-	1,098,835
Activity fees	-	1,346,061	-	-	1,346,061
Other local	-	1,072,165	-	-	1,072,165
Lunch sales	3,355,134	-	-	-	3,355,134
State	2,267,743	-	-	-	2,267,743
Federal	6,224,151	-	-	-	6,224,151
Total revenues	11,847,028	6,901,892	1,221,597	2,942,058	22,912,575
Expenditures:					
Current:					
Instructional services	-	7,511,412	1,421,817	-	8,933,229
Food services	13,426,591	-	-	-	13,426,591
Contributions to other governments	-	-	-	2,942,058	2,942,058
Total expenditures	13,426,591	7,511,412	1,421,817	2,942,058	25,301,878
Excess (deficiency) of revenues over (under) expenditures	(1,579,563)	(609,520)	(200,220)	-	(2,389,303)
Other financing sources:					
Transfers	-	-	291,042	-	291,042
Net change in fund balances	(1,579,563)	(609,520)	90,822	-	(2,098,261)
Fund balances – beginning	3,063,672	2,662,433	2,938,717	-	8,664,822
Fund balances – ending	<u>\$ 1,484,109</u>	<u>\$ 2,052,913</u>	<u>\$ 3,029,539</u>	<u>\$ -</u>	<u>\$ 6,566,561</u>

WEBER SCHOOL DISTRICT**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
School Lunch**

Year Ended June 30, 2020 with Comparative Totals for 2019

	2020			2019
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Lunch sales	\$ 3,362,000	\$ 3,355,134	\$ (6,866)	\$ 4,106,272
State	2,400,000	2,267,743	(132,257)	2,586,250
Federal	6,673,300	6,224,151	(449,149)	6,260,531
Total revenues	12,435,300	11,847,028	(588,272)	12,953,053
Expenditures:				
Current:				
Salaries	4,515,585	4,577,075	(61,490)	4,186,271
Employee benefits	1,637,718	1,493,695	144,023	1,445,446
Purchased services	150,000	157,073	(7,073)	142,363
Supplies and materials	700,000	931,641	(231,641)	668,784
Food	6,200,000	5,021,492	1,178,508	4,950,238
Equipment	550,000	347,449	202,551	311,993
Other	807,511	898,166	(90,655)	722,598
Total expenditures	14,560,814	13,426,591	1,134,223	12,427,693
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(2,125,514)	(1,579,563)	545,951	525,360
Fund balances – beginning	3,063,672	3,063,672	-	2,538,312
Fund balances – ending	\$ 938,158	\$ 1,484,109	\$ 545,951	\$ 3,063,672

WEBER SCHOOL DISTRICT**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Student Activities**

Year Ended June 30, 2020 with Comparative Totals for 2019

	2020			2019
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Earnings on investments	\$ 250,000	\$ 222,838	\$ (27,162)	\$ 275,845
Contributions	-	3,161,993	3,161,993	3,215,711
Tuition	-	1,098,835	1,098,835	1,310,543
Activity fees	1,900,000	1,346,061	(553,939)	2,129,610
Other local	5,350,000	1,072,165	(4,277,835)	1,223,477
Total revenues	7,500,000	6,901,892	(598,108)	8,155,186
Expenditures:				
Current:				
Salaries and benefits	850,000	683,032	166,968	782,737
Purchased services	400,000	577,228	(177,228)	1,144,999
Supplies	8,312,346	5,997,093	2,315,253	5,752,320
Equipment	300,000	83,908	216,092	217,778
Other	120,000	170,151	(50,151)	217,281
Total expenditures	9,982,346	7,511,412	2,470,934	8,115,115
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(2,482,346)	(609,520)	1,872,826	40,071
Fund balances – beginning	2,662,433	2,662,433	-	2,622,362
Fund balances – ending	\$ 180,087	\$ 2,052,913	\$ 1,872,826	\$ 2,662,433

WEBER SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances –
Weber School District Foundation
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenues:		
Earnings on investments	\$ 117,345	\$ 115,513
Contributions	<u>1,104,252</u>	<u>1,178,824</u>
Total revenues	1,221,597	1,294,337
Expenditures:		
Current:		
Salaries	187,621	179,996
Employee benefits	91,545	77,132
Purchased services	8,218	3,218
Supplies	1,133,065	1,141,236
Other	<u>1,368</u>	<u>-</u>
Total expenditures	<u>1,421,817</u>	<u>1,401,582</u>
Deficiency of revenues under expenditures	(200,220)	(107,245)
Other financing sources:		
Transfers	<u>291,042</u>	<u>265,830</u>
Net change in fund balances	90,822	158,585
Fund balances – beginning	<u>2,938,717</u>	<u>2,780,132</u>
Fund balances – ending	<u><u>\$ 3,029,539</u></u>	<u><u>\$ 2,938,717</u></u>

WEBER SCHOOL DISTRICT**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual –
Pass-Through Taxes**

Year Ended June 30, 2020 with Comparative Totals for 2019

	<u>2020</u>			<u>2019</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Property taxes	\$ 3,500,000	\$ 2,942,058	\$ (557,942)	\$ 2,498,480
Expenditures:				
Current:				
Contributions to other governments	3,500,000	2,942,058	557,942	2,498,480
Excess (deficiency) of revenues over (under) expenditures/net change in fund balances	-	-	-	-
Fund balances – beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Table 1

WEBER SCHOOL DISTRICT
General Obligation Overlapping Indebtedness
 June 30, 2020

Entity	2019 Taxable Value	District's Portion of Assessment	District's Percent	General Obligation Debt	Overlapping Debt
Weber County	\$ 19,138,657,881	\$ 13,436,658,175	70.2%	\$ 43,554,457	\$ 30,578,234
Cities:					
Washington Terrace	462,613,190	462,613,190	100.0%	691,000	691,000
Other Districts:					
Weber Basin Water Conservancy District	68,843,250,848	13,134,835,994	19.1%	11,650,000	2,222,743
North Davis County Sewer District	13,720,705,399	1,909,410,975	13.9%	17,115,000	2,381,770
Total overlapping general obligation debt					35,873,747
Total direct general obligation bonded indebtedness					181,650,000
Total direct and overlapping general obligation debt					<u>\$ 217,523,747</u>

Notes:

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.

Cities or districts marked with 100% are contained entirely within the District. Other cities or districts contain territory partly within and partly without Weber School District. The percentage shown represents the portion of our taxable value as compared to the total taxable value of the entity.

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 2

**WEBER SCHOOL DISTRICT
Debt Ratios - General Obligation Bonds**

	<u>To 2019 Taxable Value</u>	<u>To Adjusted Fair Market Value</u>	<u>Per Capita Debt Ratio</u>
Direct general obligation debt	1.45%	0.95%	\$ 1,128.60
Direct and overlapping general obligation debt	1.62%	1.06%	\$ 1,261.45

Notes:

Based on the State of Utah's December 31, 2019 taxable value for Weber School District of: \$ 13,436,658,175

Based on the State of Utah's December 31, 2019 adjusted fair market value for the District of: \$ 20,510,795,017

Based on the U.S. Bureau of the Census estimate for Weber County of 260,213 less Ogden City's population estimate of 87,773. Ogden City does not lie within the District's boundaries therefore, Weber School District's 2019 population estimate is 172,440.

Table 3

WEBER SCHOOL DISTRICT
Debt Service Schedule of Outstanding Bonds (By Year)
 June 30, 2020

Year Ending June 30,	Series 2011		Series 2012		Series 2013		Series 2014		Series 2015	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ -	\$ 210,000	\$ 375,000	\$ 512,000	\$ 280,000	\$ 885,068	\$ 2,490,000	\$ 1,012,275	\$ 2,375,000	\$ 47,500
2022	3,075,000	210,000	415,000	504,500	750,000	871,068	2,620,000	887,775	-	-
2023	2,175,000	87,000	450,000	496,200	750,000	833,568	2,760,000	756,775	-	-
2024	-	-	1,510,000	487,200	1,115,000	796,068	2,905,000	618,775	-	-
2025	-	-	1,570,000	441,900	1,110,000	757,044	3,060,000	473,525	-	-
2026	-	-	1,625,000	379,100	1,130,000	718,194	3,145,000	400,850	-	-
2027	-	-	1,685,000	330,350	1,235,000	572,994	1,050,000	322,225	-	-
2028	-	-	1,725,000	279,800	1,280,000	600,994	1,090,000	280,225	-	-
2029	-	-	1,785,000	236,676	1,740,000	572,394	1,135,000	236,625	-	-
2030	-	-	1,845,000	187,588	2,325,000	502,794	1,180,000	191,225	-	-
2031	-	-	1,910,000	136,850	2,380,000	406,888	1,215,000	155,825	-	-
2032	-	-	2,000,000	70,000	2,425,000	308,712	1,250,000	119,375	-	-
2033	-	-	-	-	4,570,000	205,650	1,290,000	81,875	-	-
2034	-	-	-	-	-	-	1,330,000	41,562	-	-
	<u>\$ 5,250,000</u>	<u>\$ 507,000</u>	<u>\$ 16,895,000</u>	<u>\$ 4,062,164</u>	<u>\$ 21,090,000</u>	<u>\$ 8,031,436</u>	<u>\$ 26,520,000</u>	<u>\$ 5,578,912</u>	<u>\$ 2,375,000</u>	<u>\$ 47,500</u>

Year Ending June 30,	Series 2016		Series 2018		Series 2018 B		Series 2019		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,450,000	\$ 682,325	\$ 700,000	\$ 907,600	\$ 1,150,000	\$ 1,504,850	\$ 2,900,000	\$ 1,169,356	\$ 11,720,000	\$ 6,930,974
2022	625,000	609,825	250,000	872,600	1,200,000	1,447,350	3,000,000	1,024,356	11,935,000	6,427,474
2023	1,665,000	578,575	480,000	860,100	1,250,000	1,387,350	1,075,000	874,356	10,605,000	5,873,924
2024	2,630,000	495,325	835,000	836,100	1,275,000	1,324,850	1,125,000	820,606	11,395,000	5,378,924
2025	2,775,000	363,825	860,000	794,350	1,350,000	1,261,100	1,180,000	764,356	11,905,000	4,856,100
2026	2,925,000	225,075	925,000	772,850	1,425,000	1,193,600	1,250,000	728,956	12,425,000	4,418,625
2027	2,985,000	166,575	2,250,000	749,725	1,550,000	1,122,350	1,310,000	666,456	12,065,000	3,930,675
2028	3,065,000	91,950	1,375,000	637,225	1,620,000	1,044,850	1,375,000	600,956	11,530,000	3,536,000
2029	-	-	3,430,000	568,475	1,700,000	963,850	1,450,000	532,206	11,240,000	3,110,226
2030	-	-	2,570,000	431,275	1,775,000	878,850	1,515,000	459,706	11,210,000	2,651,438
2031	-	-	1,870,000	357,387	1,840,000	790,100	1,590,000	383,956	10,805,000	2,231,006
2032	-	-	1,550,000	301,287	1,915,000	698,100	1,670,000	352,156	10,810,000	1,849,630
2033	-	-	1,150,000	252,850	2,000,000	621,500	1,720,000	316,669	10,730,000	1,478,544
2034	-	-	3,500,000	215,475	2,325,000	541,500	1,775,000	280,119	8,930,000	1,078,656
2035	-	-	3,130,000	101,725	2,425,000	448,500	1,825,000	240,181	7,380,000	790,406
2036	-	-	-	-	4,100,000	351,500	1,880,000	196,838	5,980,000	548,338
2037	-	-	-	-	3,000,000	187,500	1,935,000	152,188	4,935,000	339,688
2038	-	-	-	-	2,000,000	75,000	2,000,000	103,813	4,000,000	178,813
2039	-	-	-	-	-	-	2,050,000	53,813	2,050,000	53,813
	<u>\$ 18,120,000</u>	<u>\$ 3,213,475</u>	<u>\$ 24,875,000</u>	<u>\$ 8,659,024</u>	<u>\$ 33,900,000</u>	<u>\$ 15,842,700</u>	<u>\$ 32,625,000</u>	<u>\$ 9,721,044</u>	<u>\$ 181,650,000</u>	<u>\$ 55,663,255</u>

Table 4

WEBER SCHOOL DISTRICT
Taxable and Fair Market Value
 Last Five Tax (Calendar) Years

Including Fee in Lieu Valuation

<u>Tax Year</u>	<u>Taxable Value</u>	<u>Adjusted Fair Market Value</u>
2019	\$ 13,436,658,175	\$ 20,510,795,017
2018	12,206,769,052	18,520,744,321
2017	10,706,874,027	16,094,821,191
2016	9,854,617,992	14,744,055,546
2015	9,130,234,035	13,625,639,989

Excluding Fee in Lieu Valuation

<u>Tax Year</u>	<u>Taxable Value</u>	<u>Adjusted Fair Market Value</u>
2019	\$ 13,056,386,484	\$ 20,130,523,326
2018	11,837,079,569	18,151,027,839
2017	10,365,638,668	15,753,585,832
2016	9,512,304,657	14,401,742,217
2015	8,803,257,251	13,298,663,205

Notes:

Source: Property Tax Division, Utah State Tax Commission

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

Table 5

WEBER SCHOOL DISTRICT
Significant Taxpayers in the District
December 31, 2019

<u>Taxpayer</u>	<u>Type of Business</u>	<u>December 31, 2018 Taxable Value</u>	<u>Percentage of Total Taxable Value</u>
Compass Minerals	Manufacturing	\$ 233,428,697	1.74%
Pacificorp	Electric Utility	188,998,134	1.41%
Union Pacific Railroad Co	Transportation	93,100,239	0.69%
Kimberly-Clark Corporation	Manufacturing	91,258,374	0.68%
America First Credit Union	Banking	78,222,683	0.58%
Questar Gas	Natural Gas Utility	73,699,367	0.55%
SMHG Village Development LLC	Land Development	65,608,974	0.49%
Westinghouse Electric	Manufacturing	60,620,040	0.45%
Associated/Fresh Markets Inc.	Groceries	55,821,883	0.42%
Columbia Ogden Medical Center	Medical	54,301,146	0.40%
Totals		<u>\$ 995,059,537</u>	<u>7.41%</u>

Notes:

Source: Office of Weber County Treasurer

Based on the District's 2019 taxable value of: \$ 13,436,658,175

Table 6

WEBER SCHOOL DISTRICT
Summary of Taxable Value
December 31, 2019 and 2018

	<u>2019</u> <u>Taxable Value</u>	<u>Percent of</u> <u>2019</u>	<u>2018</u> <u>Taxable Value</u>
Centrally assessed values:	\$ 680,422,483	5.57%	\$ 673,499,946
Real property:			
Primary residential	8,620,559,001	70.62%	7,698,342,300
Secondary residential	999,565,355	8.19%	854,803,657
Commercial and industrial	2,068,931,176	16.95%	1,968,224,177
FAA and agricultural	74,784,922	0.61%	72,067,372
Unimproved non FAA	112,135,039	0.92%	109,906,545
Total real property	<u>11,875,975,493</u>	<u>97.29%</u>	<u>10,703,344,051</u>
Personal property:			
Primary and secondary mobile homes	25,608,250	0.21%	18,705,585
Other business personal	474,380,258	3.89%	441,529,987
Total personal property	<u>499,988,508</u>	<u>4.10%</u>	<u>460,235,572</u>
Fee-in-lieu property	380,271,691	3.12%	369,716,483
Total assessed properties	<u>\$ 13,436,658,175</u>	<u>110.08%</u>	<u>\$ 12,206,796,052</u>

Source: Utah State Tax Commission

Tables 7, 8 and 9

WEBER SCHOOL DISTRICT
Tax Collection Record of the District

<u>Year Ended December 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 Taxes Levied</u>
2019	\$ 82,097,981	\$ 79,248,103	96.53%	\$ 1,880,422	\$ 81,128,525	98.82%
2018	74,686,836	70,869,522	94.89%	1,334,939	72,204,461	96.68%
2017	66,199,725	63,193,645	95.46%	1,427,544	64,621,189	97.62%
2016	63,644,707	60,855,287	95.62%	1,442,102	62,297,389	97.88%
2015	58,432,232	55,692,287	95.31%	1,227,254	56,919,541	97.41%

Schedule of Property Tax Rates

	<u>Tax Year Ended December 31,</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
State required	0.001661	0.001666	0.001568	0.001677	0.001736
Voted local	0.000907	0.000963	0.001060	0.001124	0.000958
Board local	0.001015	0.001084	0.001027	0.001169	0.001764
Charter school	0.000072	0.000070	0.000075	-	-
Capital local	0.001112	0.001181	0.001300	0.001379	0.000842
Debt service	0.001343	0.001343	0.001343	0.001344	0.001343
Total	<u>0.006110</u>	<u>0.006307</u>	<u>0.006373</u>	<u>0.006693</u>	<u>0.006643</u>

Historical Property Tax Collections by Fund

<u>Year Ended June 30,</u>	<u>Total Funds</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>
2020	\$ 84,390,759	\$ 48,487,899	\$ 17,538,177	\$ 15,422,625	\$ 2,942,058
2019	79,178,681	45,649,124	16,511,385	14,519,692	2,498,480
2018	69,126,151	38,287,094	14,068,282	13,617,846	3,152,929
2017	68,015,380	38,821,746	13,126,286	13,468,371	2,598,977
2016	62,890,946	35,791,896	12,253,000	12,563,203	2,282,847

Notes:

Table 7 excludes collections on fee-in-lieu property.

Levies, rates, and collections include amounts levied for and passed-through to other governments (redevelopment agencies and charter schools).

Table 10

WEBER SCHOOL DISTRICT
General Fund Financial Summary
Years Ending June 30, 2016 through 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues:					
Property taxes	\$ 48,332,344	\$ 45,649,124	\$ 38,287,094	\$ 38,821,746	\$ 35,791,896
Earnings from investments	2,110,734	2,378,376	1,244,609	710,126	779,757
Local	4,550,238	4,606,748	4,997,527	4,275,138	3,358,051
State	179,846,701	171,115,332	160,807,847	150,414,509	143,176,198
Federal	10,276,712	11,494,485	12,169,089	12,174,449	13,304,146
Total revenues	<u>245,116,729</u>	<u>235,244,065</u>	<u>217,506,166</u>	<u>206,395,968</u>	<u>195,542,352</u>
Expenditures:					
Instruction	172,715,409	163,073,408	152,917,336	145,425,939	136,049,564
Support services:					
Students	9,954,500	8,619,897	7,874,762	7,443,929	7,109,418
Instructional staff	3,504,464	3,506,595	3,284,794	3,343,179	3,539,515
District administration	5,170,200	4,839,495	4,406,189	4,005,214	3,841,976
School administration	14,632,014	13,452,901	12,594,479	11,825,070	12,010,081
Central	5,804,810	6,330,730	5,901,495	5,164,663	5,349,486
Operations and maintenance	20,695,509	19,834,639	19,257,179	18,738,762	19,044,682
Student transportation	10,242,545	10,409,363	9,922,984	8,975,715	8,219,183
Total expenditures	<u>242,719,451</u>	<u>230,067,028</u>	<u>216,159,218</u>	<u>204,922,471</u>	<u>194,296,209</u>
Excess of revenues over expenditures	<u>2,397,278</u>	<u>5,177,037</u>	<u>1,346,948</u>	<u>1,473,497</u>	<u>1,246,143</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	30,625	70,557	39,744	8,000	-
Transfers	(291,042)	(265,830)	(270,548)	(2,771,409)	(205,533)
Total other financing sources (uses)	<u>(260,417)</u>	<u>(195,273)</u>	<u>(230,804)</u>	<u>(2,763,409)</u>	<u>(205,533)</u>
Net change in fund balance	2,136,861	4,981,764	1,116,144	(1,289,912)	1,040,610
Fund balances, beginning of year	<u>39,492,630</u>	<u>34,510,866</u>	<u>33,394,722</u>	<u>34,684,634</u>	<u>33,644,024</u>
Fund balances, end of year	<u>\$ 41,629,491</u>	<u>\$ 39,492,630</u>	<u>\$ 34,510,866</u>	<u>\$ 33,394,722</u>	<u>\$ 34,684,634</u>

Notes:

Source: The District's basic financial statements.

Table 11

WEBER SCHOOL DISTRICT
Balance Sheet - General Fund
 June 30, 2016 through 2020

	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Assets:					
Cash and investments	\$ 87,910,353	\$ 81,658,895	\$ 71,670,577	\$ 69,434,499	\$ 69,153,613
Receivables:					
Property taxes	45,363,602	44,744,671	42,253,462	36,673,295	36,575,941
Local	128,910	137,435	141,148	117,358	205,697
State	962,901	1,632,806	1,032,949	739,555	795,173
Federal	4,602,455	4,547,619	3,629,443	4,935,442	11,807,815
Note receivable	374,319	421,748	467,794	512,500	-
Inventories and prepaid items	943,327	599,061	682,815	693,337	674,058
Total assets	<u>\$ 140,285,867</u>	<u>\$ 133,742,235</u>	<u>\$ 119,878,188</u>	<u>\$ 113,105,986</u>	<u>\$ 119,212,297</u>
Liabilities:					
Account and contracts payable	\$ 1,530,379	\$ 5,909,395	\$ 1,211,451	\$ 1,060,960	\$ 3,065,613
Accrued salaries and employee benefits	45,756,745	36,210,976	32,607,764	31,391,096	34,563,263
Unearned revenue:					
State	5,267,014	6,051,865	7,445,536	8,653,312	8,854,740
Federal	67,227	25,975	521,504	1,368,823	1,597,922
Total liabilities	<u>52,621,365</u>	<u>48,198,211</u>	<u>41,786,255</u>	<u>42,474,191</u>	<u>48,081,538</u>
Deferred inflows of resources:					
Unavailable revenue from sale of land	374,319	421,748	467,794	512,500	-
Unavailable property tax revenue	984,213	1,017,305	903,033	850,169	814,885
Property taxes levied for future year	44,676,479	44,612,341	42,210,240	35,874,404	35,631,240
Total deferred inflows of resources	<u>46,035,011</u>	<u>46,051,394</u>	<u>43,581,067</u>	<u>37,237,073</u>	<u>36,446,125</u>
Fund balances:					
Nonspendable:					
Inventories and prepaid items	943,327	599,061	682,815	693,337	674,058
Committed to:					
Economic stabilization	6,000,000	6,000,000	5,000,000	4,750,000	4,500,000
Employee vacation benefit	2,631,805	2,235,426	2,029,029	1,888,560	1,882,369
Contractual obligations	377,653	367,612	361,920	522,416	303,816
Assigned to:					
Early retirement benefit	10,250,000	10,250,000	10,250,000	10,250,000	10,250,000
Other programs	5,648,037	4,486,513	3,286,513	3,286,513	6,206,513
Unassigned	15,778,669	15,554,018	12,900,589	12,003,896	10,867,878
Total fund balances	<u>41,629,491</u>	<u>39,492,630</u>	<u>34,510,866</u>	<u>33,394,722</u>	<u>34,684,634</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 140,285,867</u>	<u>\$ 133,742,235</u>	<u>\$ 119,878,188</u>	<u>\$ 113,105,986</u>	<u>\$ 119,212,297</u>

Notes:

Source: The District's basic financial statements.