

PRELIMINARY OFFICIAL STATEMENT

\$35,000,000*

BOARD OF EDUCATION OF WEBER SCHOOL DISTRICT, UTAH GENERAL OBLIGATION SCHOOL BUILDING BONDS (UTAH SCHOOL BOND GUARANTY PROGRAM) SERIES 2018B

On Tuesday, October 30, 2018, up to 9:30:00 a.m., Mountain Daylight Time, the Board of Education of Weber School District, Utah (the “*Board*”), will receive electronic bids via the PARITY® electronic bid submission system. See the “OFFICIAL NOTICE OF BOND SALE — Procedures Regarding Electronic Bidding.”

The Bonds will be awarded to the successful bidder(s) by a designated officer of the Board by 6:00 p.m., Mountain Daylight Time, on Tuesday, October 30, 2018.

The Board has deemed this Preliminary Official Statement final as of the date hereof, for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission, subject to completion with certain information to be established at the time of sale of the Bonds as permitted by the Rule.

For copies of the Official Notice of Bond Sale, the Preliminary Official Statement, and other related information with respect to the Bonds, contact the Municipal Advisor:

GEORGE K. BAUM & COMPANY
15 West South Temple, Suite 1090
Salt Lake City, Utah 84101
Telephone: (801) 538-0351
Fax: (801) 538-0354
E-Mail: kirk@gkbaum.com

This Preliminary Official Statement is dated October 22, 2018, and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

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**OFFICIAL NOTICE OF BOND SALE
AND
PRELIMINARY OFFICIAL STATEMENT**

\$35,000,000*

**BOARD OF EDUCATION OF WEBER SCHOOL DISTRICT, UTAH
GENERAL OBLIGATION SCHOOL BUILDING BONDS
(UTAH SCHOOL BOND GUARANTY PROGRAM)
SERIES 2018B**

Electronic bids will be received up to 9:30:00 a.m.,
Mountain Daylight Time, via the PARITY® electronic
bid submission system, on Tuesday, October 30, 2018.

* Preliminary; subject to change

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OFFICIAL NOTICE OF BOND SALE

(Bond Sale To Be Conducted Electronically)

\$35,000,000*

**BOARD OF EDUCATION OF WEBER SCHOOL DISTRICT, UTAH
GENERAL OBLIGATION SCHOOL BUILDING BONDS
(UTAH SCHOOL BOND GUARANTY PROGRAM), SERIES 2018B**

Bids will be received electronically (as described under “PROCEDURES REGARDING ELECTRONIC BIDDING” below) by the Business Administrator (the “*Business Administrator*”) of the Board of Education (the “*Board*”) of Weber School District, Utah (the “*District*”), via the PARITY® electronic bid submission system (“*PARITY®*”), at 9:30:00 a.m., Mountain Daylight Time, on Tuesday, October 30, 2018, for the purchase (all or none) of the Board’s \$35,000,000* aggregate principal amount of General Obligation School Building Bonds (Utah School Bond Guaranty Program), Series 2018B (the “*Bonds*”). Pursuant to a resolution of the Board adopted on September 5, 2018, the Board authorized the Business Administrator (or, in the event of the Business Administrator’s absence or incapacity, the Superintendent of the Board, or in the event of the Superintendent’s absence or incapacity, the President of the Board (the “*President*”), or in the event of the absence or incapacity of the Business Administrator, the Superintendent of the Issuer and the President, Douglas R. Hurst, a boardmember of the Board), as the designated officer of the Board (the “*Designated Officer*”), to review and consider the bids on Tuesday, October 30, 2018.

DESCRIPTION OF BONDS: The Bonds will be dated as of the date of issuance and delivery¹ thereof, will be issuable only as fully-registered bonds in book-entry form, will be issued in denominations of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity, and will mature on June 15 of each of the years and in the principal amounts as follows:

<u>DUE</u> <u>JUNE 15</u>	<u>PRINCIPAL</u> <u>AMOUNT*</u>	<u>DUE</u> <u>JUNE 15</u>	<u>PRINCIPAL</u> <u>AMOUNT*</u>
2020	\$1,100,000	2030	\$1,775,000
2021	1,150,000	2031	1,840,000
2022	1,200,000	2032	1,915,000
2023	1,250,000	2033	2,000,000
2024	1,275,000	2034	2,325,000
2025	1,350,000	2035	2,425,000
2026	1,425,000	2036	4,100,000
2027	1,550,000	2037	3,000,000
2028	1,620,000	2038	2,000,000
2029	1,700,000		

* Preliminary; subject to change. See caption “ADJUSTMENT OF PRINCIPAL AMOUNT OF THE BONDS” in this Official Notice of Bond Sale

¹ The anticipated date of delivery of the Bonds is November 20, 2018.

ADJUSTMENT OF PRINCIPAL AMOUNT OF THE BONDS: The Designated Officer may adjust the principal amount of the Bonds maturing on one or more of the dates in order to provide the District with the desired debt service payments and to properly size the issue, consistent with then-current market conditions and applicable federal arbitrage regulations. If the Designated Officer elects to make such an adjustment, the amount of such adjustment will be allocated to increase or decrease the principal amount of the Bonds maturing on one or more of the above-designated maturity dates for the Bonds, all as determined by the Designated Officer, with the advice of George K. Baum & Company, the municipal advisor to the Board (the “*Municipal Advisor*”). The Designated Officer expects to advise the successful bidder as soon as possible, but expects no later than 2:00 p.m., Mountain Daylight Time, on the date of sale, of the amount, if any, by which the aggregate principal amount of the Bonds will be adjusted and the corresponding changes to the principal amount of the Bonds maturing on one or more of the above-designated maturity dates for the Bonds. Any such adjustment will be in an amount of \$5,000 or a whole multiple thereof. The Board will consider the bid as having been made for the adjusted amount of the Bonds. The amount of the total purchase price for the Bonds bid by the successful bidder will be adjusted based upon the adjusted principal amount of the Bonds multiplied by a fraction, the numerator of which is the total purchase price for the Bonds specified in the bid and the denominator of which is \$35,000,000. Otherwise, there will be no change in the amount of the Bonds, the purchase price therefor or the principal amount of the Bonds maturing on the above-designated maturity dates.

RATINGS: The Board will at its own expense pay fees of Moody’s Investors Service, for rating the Bonds. *Any additional ratings shall be at the option of the bidder.*

PURCHASE PRICE: The purchase price bid for the Bonds shall not be less than the principal amount of the Bonds (\$35,000,000).

INTEREST RATES: With respect to the interest rates borne by the Bonds, the following apply:

- (a) an interest rate of more than five percent (5.00%) may not be used;
- (b) the same interest rate shall apply to all Bonds maturing at one time;
- (c) no Bond shall bear more than one rate of interest;
- (d) each interest rate specified in any bid must be in a multiple of one-eighth or one-twentieth of one percent ($1/8^{\text{th}}$ or $1/20^{\text{th}}$ of 1%) per annum;
- (e) interest shall be computed from the dated date of a Bond to its stated maturity date at the single interest rate specified in the bid for the Bonds of such maturity;
- (f) the purchase price must be paid in immediately available funds and no bid will be accepted that contemplates the cancellation of any interest or the waiver of interest or other concession by the bidder as a substitute for immediately available funds;

- (g) any premium must be paid in the funds specified for the payment of the Bonds as part of the purchase price;
- (h) there shall be no supplemental interest coupons; and
- (i) interest shall be computed on the basis of a 360-day year of twelve 30-day months.

Interest will be payable semiannually on June 15 and December 15 of each year, commencing June 15, 2019.

BOND REGISTRAR AND PAYING AGENT; PLACE OF PAYMENT: ZB, National Association dba Zions Bank, Salt Lake City, Utah, will be the paying agent and bond registrar for the Bonds. The Board may remove any paying agent and any bond registrar, and any successor thereto, and appoint a successor or successors thereto. So long as the Bonds are outstanding in book-entry form, the principal of and interest on the Bonds will be paid under the standard procedures of The Depository Trust Company (“DTC”).

REDEMPTION PROVISIONS: The Bonds maturing on or after June 15, 2029, are subject to redemption at the election of the Board on June 15, 2028 (the “*First Redemption Date*”), and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as may be selected by the Board, and at random within each maturity if less than the full amount of any maturity is to be redeemed, upon not less than thirty (30) days’ prior written notice, at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the redemption date. Bonds maturing on or prior to the First Redemption Date are not subject to optional redemption.

SECURITY; STATE OF UTAH GUARANTY: The Bonds will be full general obligations of the Board, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the District, fully sufficient to pay the same as to both principal and interest.

Pursuant to the Utah School Bond Guaranty Act, Title 53A, Chapter 28 of the Utah Code Annotated 1953, as amended, the full faith and credit and unlimited taxing power of the State of Utah will, upon original issuance of the Bonds, be pledged to guarantee full and timely payment of the principal of (at stated maturity) and interest on the Bonds as such payments become due.

AWARD: Award or rejection of bids will be made by the Board, acting through its Designated Officer, on Tuesday, October 30, 2018. The Bonds will be awarded to the responsible bidder offering to pay not less than the principal amount of the Bonds and specifying a rate or rates of interest that result in the lowest effective interest rate to the Board. The effective interest rate to the Board shall be the interest rate per annum determined on a per annum true interest cost (“TIC”) basis by discounting the scheduled semiannual debt service payments of the Board on the Bonds (based on such rate or rates of interest so bid) to the dated date of the Bonds (based on a 360-day year consisting of twelve 30-day months), compounded semiannually and to the bid price.

PROMPT AWARD: The Designated Officer will take action awarding the Bonds or rejecting all bids not later than 6:00 p.m., Mountain Daylight Time, on Tuesday, October 30, 2018, unless such time of award is waived by the successful bidder.

NOTIFICATION: The Municipal Advisor will notify the apparent successful bidder by telephone as soon as possible after the Designated Officer's receipt of bids, that such bidder's bid appears to be the best bid received which conforms to the requirements of this Official Notice of Bond Sale, subject to verification by the Designated Officer not later than 6:00 p.m., Mountain Daylight Time, on Tuesday, October 30, 2018.

PROCEDURES REGARDING ELECTRONIC BIDDING: A prospective bidder must communicate its bid for the Bonds electronically via PARITY® on or before 9:30:00 a.m., Mountain Daylight Time, on Tuesday, October 30, 2018. No bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Official Notice of Bond Sale, the terms of this Official Notice of Bond Sale shall control. For further information about PARITY®, potential bidders may contact George K. Baum & Company, the Municipal Advisor, at 15 West South Temple, Suite 1090, Salt Lake City, Utah 84101, telephone (801) 538-0351 or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021.

For purposes of PARITY®, the time as maintained by PARITY® shall constitute the official time.

Each prospective bidder shall be solely responsible to register to bid via PARITY® as described above. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access PARITY® for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the Board nor i-Deal LLC shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Board nor i-Deal LLC shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The Board is using PARITY® as a communication mechanism, and not as the Board's agent, to conduct the electronic bidding for the Bonds.

FORM OF BID: Each bidder is required to transmit electronically via PARITY® an unconditional bid specifying the lowest rate or rates of interest and the purchase price, which shall not be less than the principal amount of the Bonds, at which the bidder will purchase the Bonds. Each bid must be for all the Bonds herein offered for sale.

For information purposes only, bidders are requested to state in their bids the effective interest rate for the Bonds represented on a TIC basis, as described under "AWARD" above, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of PARITY®; *provided, however*, that in the event a prospective bidder cannot access PARITY® through no fault of its own, it may so notify the

Municipal Advisor by telephone at (801) 538-0351. Thereafter, it may submit its bid by telephone to the Municipal Advisor at (801) 538-0351, who shall transcribe such bid into written form, or by facsimile transmission to the Municipal Advisor at (801) 538-0354, in either case before 9:30:00 a.m., Mountain Daylight Time, on Tuesday, October 30, 2018. For purposes of bids submitted telephonically to the Municipal Advisor (as described above) or by facsimile transmission (as described above), the time as maintained by PARITY® shall constitute the official time. Each bid submitted as provided in this paragraph must specify: (a) an offer to purchase not less than all of the Bonds; and (b) the lowest rate of interest at which the bidder will purchase the Bonds at a price of not less than the principal amount of the Bonds, as described under “AWARD” above. The Municipal Advisor will seal transcribed telephonic bids and facsimile transmission bids for submission to an official of the Board. Neither the Board nor the Municipal Advisor assume any responsibility or liability from the failure of any such transcribed telephonic bid or facsimile transmission (whether such failure arises from equipment failure, unavailability of telephone lines or otherwise). No bid will be received after the time for receiving such bids specified above.

If requested by the Business Administrator, the apparent successful bidder will provide written confirmation of its bid (by facsimile transmission) to the Business Administrator prior to 2:00 p.m., Mountain Daylight Time, on Tuesday, October 30, 2018.

RIGHT OF CANCELLATION: The successful bidder shall have the right, at its option, to cancel its obligation to purchase the Bonds if the Board shall fail to execute the Bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying its bid.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$350,000 (the “*Deposit*”), is required of the successful bidder only. The Deposit shall be payable to the order of the Board in the form of a wire transfer in federal funds as instructed by the Municipal Advisor no later than 2:00 p.m., Mountain Daylight Time, on the date of sale. As an alternative to wiring funds, a bidder may deliver a cashier’s or certified check, payable to the order of the Board, with its bid. If a check is used, it must precede each bid. Such check shall be promptly returned to its respective bidder whose bid is not accepted.

The Board shall, as security for the faithful performance by the successful bidder of its obligation to take up and pay for the Bonds when tendered, cash the Deposit check of the successful bidder and hold the proceeds of the Deposit of the successful bidder or invest the same (at the Board’s risk) in obligations that mature at or before the delivery of the Bonds as described under the caption “MANNER AND TIME OF DELIVERY” below, until disposed of as follows: (a) at such delivery of the Bonds and upon compliance with the successful bidder’s obligation to take up and pay for the Bonds, the full amount of the Deposit held by the Board, without adjustment for interest, shall be applied toward the purchase price of the Bonds at that time, and the full amount of any interest earnings thereon shall be retained by the Board; and (b) if the successful bidder fails to take up and pay for the Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the Board as liquidated damages.

SALE RESERVATIONS: The Board, acting through its Designated Officer, reserves the right: (a) to waive any irregularity or informality in any bid or in the electronic bidding process; (b) to reject any and all bids for the Bonds; and (c) to resell the Bonds as provided by law.

MANNER AND TIME OF DELIVERY: The successful bidder will be given at least seven (7) business days' advance notice of the proposed date of the delivery of the Bonds when that date has been determined. It is now estimated that the Bonds will be delivered in book-entry form on or about Tuesday, November 20, 2018. The Bonds will be delivered as a single bond certificate for each maturity of the Bonds, registered in the name of DTC or its nominee. Delivery of the Bonds will be made in Salt Lake City, Utah, except that the successful bidder may at its option and expense designate some other place of delivery, that expense to include travel expenses of two Board officials or two representatives of the Board and closing expenses. The successful bidder must also agree to pay for the Bonds in federal funds that will be immediately available to the Board in Washington Terrace, Utah, on the day of delivery.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with terms of the contract of sale. All expenses in relation to the providing of CUSIP numbers for the Bonds shall be paid for by the Board.

TAX-EXEMPT STATUS: In the opinion of Chapman and Cutler LLP, Bond Counsel, subject to the Board's compliance with certain covenants, under present law, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such Board covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds.

It is further the opinion of Bond Counsel that under the existing laws of the State of Utah, as presently enacted and construed, interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. Bond Counsel expresses no opinion with respect to any other taxes imposed by the State of Utah or any political subdivision thereof. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers; Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

ISSUE PRICE: The winning bidder shall assist the Board in establishing the issue price of the Bonds and shall execute and deliver to the Board at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications,

substantially in the form attached hereto as *Annex I* with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Board and Bond Counsel. All actions to be taken by the Board under this Official Notice of Bond Sale to establish the issue price of the Bonds may be taken on behalf of the Board by the Municipal Advisor and any notice or report to be provided to the Board may be provided to the Municipal Advisor.

The Board intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “*competitive sale requirements*”) because:

- (a) the Board shall disseminate this Official Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (b) all bidders shall have an equal opportunity to bid;
- (c) the Board may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (d) the Board anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Bond Sale.

Any bid submitted pursuant to this Official Notice of Bond Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the Board shall so advise the winning bidder. The Board shall then treat the first price at which 10% of a maturity of the Bonds (the “*10% test*”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Board if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Board will *not* require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity. Bids will *not* be subject to cancellation in the event that the competitive sale requirements are not satisfied. *Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test in order to establish the issue price of the Bonds.*

In the event the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Board the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

By submitting a bid, each bidder confirms that: (a) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (b) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Bond Sale. Further, for purposes of this Official Notice of Bond Sale:

(a) “public” means any person other than an underwriter or a related party,

(b) “underwriter” means (i) any person that agrees pursuant to a written contract with the Board (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(c) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date that the Bonds are awarded by the Board to the winning bidder.

Any questions regarding the certificate should be directed to Chapman and Cutler LLP, Bond Counsel, 215 South State Street, Suite 800, Salt Lake City, Utah 84111, telephone: 801.536.1426, fax: 801.533.9595, e-mail: bjerke@chapman.com.

LEGAL OPINION AND CLOSING CERTIFICATES: The unqualified approving opinion of Chapman and Cutler LLP covering the legality of the Bonds will be furnished to the successful bidder. Closing certificates will also be furnished, dated as of the date of delivery of and payment for the Bonds, including a statement that there is no litigation pending or, to the knowledge of the signer thereof, threatened affecting the validity of the Bonds.

DISCLOSURE CERTIFICATE: The closing papers will include a certificate executed by the President, the Business Administrator or other officer of the District confirming to the successful bidder that, to the best of the knowledge of the signers thereof, and after reasonable investigation: (a) the Preliminary Official Statement (the "*Preliminary Official Statement*") circulated with respect to the Bonds did not at the time of the acceptance of the bid contain any untrue statement of a material fact or omitted or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (b) the final Official Statement (the "*Official Statement*") did not as of its date and does not at the time of the delivery of the Bonds contain any untrue statement of a material fact or omitted or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, should the Official Statement be supplemented or amended subsequent to the date thereof, the foregoing confirmation as to the Official Statement shall relate to the Official Statement as so supplemented or amended.

CONTINUING DISCLOSURE: The Board covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "*Undertaking*") to provide ongoing disclosure about the Board for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under paragraph (b)(5) of Rule 15c2-12 (the "*Rule*") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Preliminary Official Statement, with such changes as may be agreed upon in writing by the successful bidder. There have been no instances in the previous five years in which the Board failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule.

The successful bidder's obligation to purchase the Bonds shall be conditioned upon the Board delivering the Undertaking on or before the date of delivery of the Bonds.

DELIVERY OF COPIES OF OFFICIAL STATEMENT: The Board shall deliver to the successful bidder on such business day as directed in writing by the successful bidder, which is not earlier than the second business day or later than the seventh business day after the award of the Bonds as described under the caption "AWARD" above, copies of the Official Statement in sufficient quantity, as directed in writing by the successful bidder, to comply with paragraph (b)(4) of the Rule and the Rules of the Municipal Securities Rulemaking Board.

After the original issuance and delivery of the Bonds, if any event relating to or affecting the Board shall occur as a result of which it is necessary in the opinion of counsel for the successful bidder to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a prospective purchaser, the Board shall, for so long as the successful bidder is obligated by the Rule to deliver an Official Statement to prospective purchasers, forthwith prepare and furnish to the successful bidder such information with respect to itself as the successful bidder deems necessary to amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading, in the light of the circumstances existing at the time the Official Statement is delivered to a prospective purchaser.

WAIVER OF CONFLICTS: By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the Board in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the Board in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel. If a bidder does not agree to such consent and waiver, such bidder should not submit a bid for the Bonds.

ADDITIONAL INFORMATION: For copies of this Official Notice of Bond Sale, the Preliminary Official Statement and information regarding the electronic bidding procedures and other related information, contact Preston F. Kirk (kirk@gkbaum.com), George K. Baum & Company, 15 West South Temple, Suite 1090, Salt Lake City, Utah 84101, telephone: (801) 538-0351, fax: (801) 538-0354, the Municipal Advisor. The Preliminary Official Statement (including the Official Notice of Bond Sale) is also available at www.i-dealprospectus.com.

DATED this 22nd day of October, 2018.

BOARD OF EDUCATION OF WEBER SCHOOL
DISTRICT, UTAH

By /s/ Jon S. Ritchie
Jon S. Ritchie
President

[SEAL]

ATTEST:

By /s/ Robert D. Petersen
Robert D. Petersen
Business Administrator

ANNEX 1

CERTIFICATE OF PURCHASER

[TO BE DATED THE CLOSING DATE]

The undersigned, on behalf of _____ (the “*Purchaser*”), hereby certifies as set forth below with respect to the sale and issuance of the \$_____ aggregate principal amount of General Obligation School Building Bonds (Utah School Bond Guaranty Program), Series 2018B (the “*Bonds*”) of the Board of Education of Weber School District, Utah (the “*Issuer*”).

I. Defined Terms

1. “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

2. “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

3. A person is a “*Related Party*” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

4. “*Sale Date*” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October 30, 2018.

5. “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the Purchaser to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

II. General

1. On the Sale Date the Purchaser purchased the Bonds from the Issuer by submitting electronically an “Official Bid Form” responsive to an “Official Notice of Bond Sale” and having

its bid accepted by the Issuer. The Purchaser has not modified the terms of the purchase since the Sale Date.

III. Price

[1. [To be used if at least 3 bids are received] Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in *Schedule A* (the “*Expected Offering Prices*”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as *Schedule B* is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given an exclusive opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.]

[1. [To be used if there are not at least 3 bids received] As of the date of this certificate, for each of the _____ Maturities of the Bonds, the first price at which at least 10% of each of such Maturities of the Bonds was sold to the Public is the respective price listed in *Schedule A*.

2. With respect to each of the _____ Maturities of the Bonds:

(a) As of the date of this certificate, the Purchaser has not sold at least 10% of the Bonds of these Maturities at any price.

(b) As of the date of this certificate, the Purchaser reasonably expects that the first sale to the Public of an amount of Bonds of each of these Maturities equal to 10% or more of each of these Maturities will be at or below the expected sale price listed on the attached *Schedule A* (the “*Expected First Sale Price*”).]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in its documents and with respect to compliance with the federal income tax rules affecting the Bonds, and by Chapman and Cutler LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

Dates as of the day and year first above written.

By:_____

Name:_____

Its:_____

SCHEDULE A

TO CERTIFICATE OF PURCHASER

Re: \$_____, Board of Education of
 Weber School District, Utah
 General Obligation School Building Bonds
 (Utah School Bond Guaranty Program), Series 2018B

The Bonds are dated _____, 2018, and are due on June 15 of the years, in the amounts, bearing interest at the rates, and first sold and offered to the Public as described in the attached Certificate of Purchaser at the prices, in percentages and dollars, as follows:

YEAR	PRINCIPAL AMOUNT (\$)	INTEREST RATE (%)	FIRST SALE PRICE OF AT LEAST 10% (% OF PAR)	EXPECTED OFFERING PRICE (% OF PAR)	TOTAL DOLLAR PRICE BASED ON LOWER OF FIRST SALE PRICE OR OFFER PRICE (\$)
	\$	%	%	%	\$
	_____				_____
Total	\$_____				\$_____

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PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 22, 2018

NEW ISSUE — Issued in Book-Entry Form Only

RATINGS: Moody’s “Aaa” (State of Utah Guaranty)

Moody’s “Aa2” (Underlying)

See “STATE OF UTAH GUARANTY” and “BOND RATINGS” herein.

Subject to compliance by the Board with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. In the opinion of Bond Counsel, under the existing laws of the State of Utah, as presently enacted and construed, interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. See “TAX EXEMPTION” herein for a more complete discussion.

\$35,000,000*

**BOARD OF EDUCATION OF WEBER SCHOOL DISTRICT, UTAH
GENERAL OBLIGATION SCHOOL BUILDING BONDS
(UTAH SCHOOL BOND GUARANTY PROGRAM), SERIES 2018B**

The \$35,000,000* General Obligation School Building Bonds (Utah School Bond Guaranty Program), Series 2018B, dated the date of original issuance (the “Bonds”) are issuable by the Board of Education of Weber School District, Weber County, Utah (the “Board”) as fully-registered bonds and, when initially issued, will be in book-entry form only, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds.

Principal of and interest on the Bonds (interest payable June 15 and December 15 of each year, commencing June 15, 2019) are payable by Zions Bancorporation, National Association, Salt Lake City, Utah, as Paying Agent, to the registered owners thereof, initially DTC. See “THE BONDS — Book-Entry System” herein.

The Bonds are subject to optional redemption prior to maturity as described more fully under the heading “THE BONDS — Redemption Provisions” herein.

The Bonds will be general obligations of the Board payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in Weber School District, Weber County, Utah, fully sufficient to pay the Bonds as to both principal and interest.

Payment of the principal of and interest on the Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the

STATE OF UTAH

under the provisions of the Utah School Bond Guaranty Act. See “STATE OF UTAH GUARANTY” herein.

Dated: Date of Delivery**

Due: June 15, as shown below

Due June 15	Principal Amount*	Interest Rate	Yield**	CUSIP 94766P	Due June 15	Principal Amount*	Interest Rate	Yield**	CUSIP 94766P
2020	\$1,100,000	%	%		2030	\$1,775,000	%	%	
2021	1,150,000				2031	1,840,000			
2022	1,200,000				2032	1,915,000			
2023	1,250,000				2033	2,000,000			
2024	1,275,000				2034	2,325,000			
2025	1,350,000				2035	2,425,000			
2026	1,425,000				2036	4,100,000			
2027	1,550,000				2037	3,000,000			
2028	1,620,000				2038	2,000,000			
2029	1,700,000								

** Yield to par call on June 15, 20__.

The Bonds will be awarded pursuant to competitive bidding held via the PARITY® electronic bid submission system on Tuesday, October 30, 2018, as set forth in the Official Notice of Bond Sale (the date of this Preliminary Official Statement).

George K. Baum & Company, Salt Lake City, Utah, will act as Municipal Advisor.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

This Official Statement is dated _____, 2018, and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

** The anticipated date of delivery is November 20, 2018.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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No dealer, broker, salesperson or any other person has been authorized by the Board of Education of Weber School District, Weber County, Utah (the “*Board*”) or the successful bidder(s) to give any information or to make any representations other than those contained in this Official Statement in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon as having been authorized by the successful bidder(s). This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of, the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the Board or in any other information contained herein since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE SUCCESSFUL BIDDER(S) MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE BONDS. SUCH TRANSACTIONS MAY INCLUDE OVERALLOTMENTS IN CONNECTION WITH THE PURCHASE OF BONDS, THE PURCHASE OF BONDS TO STABILIZE THEIR MARKET PRICE, THE PURCHASE OF BONDS TO COVER THE SUCCESSFUL BIDDER’S(S’) SHORT POSITIONS AND THE IMPOSITION OF PENALTY BIDS. SUCH TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE CUSIP (THE COMMITTEE ON UNIFORM SECURITIES IDENTIFICATION PROCEDURES) IDENTIFICATION NUMBERS ARE PROVIDED ON THE COVER PAGE OF THIS OFFICIAL STATEMENT AND ARE BEING PROVIDED SOLELY FOR THE CONVENIENCE OF BONDHOLDERS ONLY, AND THE BOARD DOES NOT MAKE ANY REPRESENTATION WITH RESPECT TO SUCH NUMBERS OR UNDERTAKE ANY RESPONSIBILITY FOR THEIR ACCURACY. THE CUSIP NUMBERS ARE SUBJECT TO BEING CHANGED AFTER THE ISSUANCE OF THE BONDS AS A RESULT OF VARIOUS SUBSEQUENT ACTIONS INCLUDING, BUT NOT LIMITED TO, A REFUNDING IN WHOLE OR IN PART OF THE BONDS.

THE INFORMATION AVAILABLE AT WEB SITES REFERENCED IN THIS OFFICIAL STATEMENT HAS NOT BEEN REVIEWED FOR ACCURACY AND COMPLETENESS. SUCH INFORMATION HAS NOT BEEN PROVIDED IN CONNECTION WITH THE OFFERING OF THE BONDS AND IS NOT A PART OF THIS OFFICIAL STATEMENT.

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OFFICIAL STATEMENT RELATED TO
\$35,000,000*
BOARD OF EDUCATION OF WEBER SCHOOL DISTRICT, UTAH
GENERAL OBLIGATION SCHOOL BUILDING BONDS
(UTAH SCHOOL BOND GUARANTY PROGRAM), SERIES 2018B

INTRODUCTION

This introduction is only a brief description of the Bonds, as hereinafter defined, the security and source of payment for the Bonds and certain information regarding the Board of Education (the “*Board*”) of Weber School District, Weber County, Utah (the “*District*”). The information contained herein is expressly qualified by reference to the entire Official Statement. Investors should make a full review of the entire Official Statement.

See the following appendices that are attached hereto: “APPENDIX A — BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018;” “APPENDIX B — FORM OF CONTINUING DISCLOSURE UNDERTAKING;” and “APPENDIX C — PROPOSED FORM OF OPINION OF BOND COUNSEL.”

THE BONDS

This Official Statement, including the cover page, introduction and appendices, provides information in connection with the issuance and sale by the Board of its \$35,000,000* General Obligation School Building Bonds (Utah School Bond Guaranty Program), Series 2018B, dated the date of original issuance and delivery (the “*Bonds*” or “*Bond*”), initially issued in book-entry form only.

SECURITY AND SOURCE OF PAYMENT

The Bonds will be general obligations of the Board, payable from the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all of the taxable property in the District, fully sufficient to pay the Bonds as to both principal and interest. See “THE BONDS — Security and Sources of Payment” and “FINANCIAL INFORMATION REGARDING WEBER SCHOOL DISTRICT — Tax Levy and Collection.”

Payment of the principal of and interest on the Bonds when due is guaranteed by the full faith and credit and unlimited taxing power of the State of Utah (the “*State*”) under the provisions of the Utah School Bond Guaranty Act, Chapter 28 of Title 53A (the “*Guaranty Act*”), Utah Code Annotated 1953, as amended (the “*Utah Code*”). See “STATE OF UTAH GUARANTY.”

* Preliminary; subject to change.

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14 (the “*Local Government Bonding Act*”) of the Utah Code, the Registered Public Obligations Act, Chapter 7 of Title 15 of the Utah Code, and the applicable provisions of Title 53A of the Utah Code (collectively, the “*Act*”), (ii) a Resolution of the Board adopted September 5, 2018 (the “*Resolution*”), which provides for the issuance of the Bonds, and (iii) other applicable provisions of law.

The Bonds were authorized at a special bond election held for that purpose on November 7, 2017 (the “*Bond Election*”). The proposition submitted to the voters of the District was as follows:

Shall the Board of Education of Weber School District, Utah, be authorized to issue general obligation bonds (“Bonds”) in an amount not to exceed \$97,000,000 and to mature in no more than twenty-one (21) years from the date or dates of issuance of such Bonds for the purpose of raising money for constructing buildings, acquiring land and furnishings and remodeling and updating existing school property under the charge of the Board of Education, and, to the extent necessary, for providing moneys for the refunding, at or prior to the maturity thereof, of general obligation bonds of the Board authorized hereunder or heretofore issued and now outstanding?

At the Bond Election there were 15,536 votes cast in favor of the issuance of bonds and 10,992 votes cast against the issuance of bonds, for a total vote count of 26,528, with approximately 58.56% in favor of the issuance of bonds.

The Bonds constitute the second series of bonds to be issued from the November 7, 2017 voted authorization. After the sale and delivery of the Bonds, the Board will have \$35,000,000* of authorized, unissued bonds remaining from the November 7, 2017 voted authorization.

The Bonds are being issued for the purposes set forth in the proposition and to pay certain costs of issuance. See “THE BONDS— Sources and Uses of Funds.”

REDEMPTION PROVISIONS

The Bonds are subject to optional redemption prior to maturity. See “THE BONDS — Redemption Provisions.”

REGISTRATION, DENOMINATIONS AND MANNER OF PAYMENT

The Bonds are issuable only as fully-registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“*DTC*”), which will act as securities depository of the Bonds. Purchases of Bonds

* Preliminary; subject to change.

will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds.

Principal of and interest on the Bonds (interest payable June 15 and December 15 of each year, commencing June 15, 2019) are payable by Zions Bancorporation, National Association, Salt Lake City, Utah, as Paying Agent (the “*Paying Agent*”), to the registered owners of the Bonds. So long as DTC is the registered owner, it will, in turn, remit such principal and interest to its participants, for subsequent disbursements to the beneficial owners of the Bonds, as described in “THE BONDS — Book-Entry System.”

TAX-EXEMPT STATUS

Subject to compliance by the Board with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. In the opinion of Bond Counsel, under the existing laws of the State, as presently enacted and construed, interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. See “TAX EXEMPTION” for a more complete discussion.

PROFESSIONAL SERVICES

In connection with the issuance of the Bonds, the following have served the Board in the capacity indicated.

Attorneys for the Board

Heidi J. Alder, Staff Attorney
Weber School District
5320 South Adams Avenue Parkway
Ogden, Utah 84405
Telephone: (801) 476-7800

Bond Registrar and Paying Agent

Zions Bancorporation, National Association
One South Main, 12th Floor
Salt Lake City, Utah 84133-1109
Telephone: (801) 844-7517
Fax: (801) 594-8018

Municipal Advisor

George K. Baum & Company
15 West South Temple, Suite 1090
Salt Lake City, Utah 84101
Telephone: (801) 538-0351
Fax: (801) 538-0354

Bond Counsel

Chapman and Cutler LLP
215 South State Street, Suite 800
Salt Lake City, Utah 84111
Telephone: (801) 533-0066
Fax: (801) 533-9595

CONDITIONS OF DELIVERY, ANTICIPATED DATE, MANNER AND PLACE OF DELIVERY

The Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidder(s), subject to the approval of legality of the Bonds by Chapman and Cutler LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the Board by staff attorney Heidi J. Alder. It is expected that the Bonds, in book-entry form only, will be available for delivery through the facilities of DTC on or about Tuesday, November 20, 2018.

BASIC DOCUMENTATION

The “basic documentation,” which includes the Resolution, the closing documents and other documentation authorizing the issuance of the Bonds and establishing the rights and responsibilities of the Board and other parties to the transaction, may be obtained from the “contact persons” listed below.

CONTACT PERSONS

As of the date of this Official Statement, the chief contact person for the Board concerning the Bonds is:

Robert D. Petersen, Business Administrator
Weber School District
5320 South Adams Avenue Parkway, Washington Terrace, Utah 84405
Telephone: (801) 476-7841; Fax: (801) 476-8139
E-Mail: rpetersen@wsd.net

As of the date of this Official Statement, the chief contact person for the State concerning the State guaranty for the Bonds is:

David Damschen, Utah State Treasurer
350 North State Street, Suite 180, Salt Lake City, Utah 84114
Telephone: (801) 538-1042; Fax: (801) 538-1465
E-Mail: ddamschen@utah.gov

As of the date of this Official Statement, additional requests for information may be directed to George K. Baum & Company, Salt Lake City, Utah (the “*Municipal Advisor*”):

Preston F. Kirk, Senior Vice President and
Matt Dugdale, Senior Vice President
George K. Baum & Company
15 West South Temple, Suite 1090, Salt Lake City, Utah 84101
Telephone: (801) 538-0351; Fax: (801) 538-0354
E-Mail: kirk@gkbaum.com

PUBLIC SALE/ELECTRONIC BID

The Bonds will be awarded pursuant to competitive bidding held via the PARITY® electronic bid submission system on Tuesday, October 30, 2018, as set forth in the Official Notice of Bond Sale (dated the date of this Preliminary Official Statement).

STATE OF UTAH GUARANTY

GUARANTY PROVISIONS

Payment of the principal of and interest on the Bonds when due is guaranteed by the full faith and credit and unlimited taxing power of the State under the provisions of the Guaranty Act. The Guaranty Act establishes the Utah School Bond Default Avoidance Program (the “*Utah School Bond Guaranty Program*”). The State’s guaranty is contained in Section 53A-28-201(2)(a) of the Guaranty Act, which provides:

The full faith and credit and unlimited taxing power of the state is pledged to guarantee full and timely payment of the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, bonds as such payments shall become due (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default o[r] otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration).

In addition, the Guaranty Act provides that the State pledges to and agrees with the holders of bonds guaranteed under the Guaranty Act that the State will not alter, impair or limit the rights vested by the Utah School Bond Guaranty Program with respect to said bonds until said bonds, together with applicable interest, are fully paid and discharged. However, this pledge does not preclude an alteration, impairment or limitation if adequate provision is made by law for the protection of the holders of the bonds.

The Guaranty Act further provides that (i) the guaranty of the State does not extend to the payment of any redemption premium due on any bonds guaranteed under the Guaranty Act and (ii) bonds which are guaranteed by the State for which payment is provided by the deposit of direct obligations of the United States government under the provisions of the Utah Refunding Bond Act, Chapter 27 of Title 11 of the Utah Code, will no longer be secured by the State’s guaranty subsequent to such provision for payment. This is likely to occur only if such bonds are refunded in advance of their maturity. In such an event, such bonds would then be secured solely by the obligations pledged for their payment and not by the State’s guaranty.

GUARANTY PROCEDURES

Under the Guaranty Act, the Business Administrator of the Board is required to transfer moneys sufficient for scheduled debt service payments on the Bonds to the Paying Agent at least 15 days before any principal or interest payment date for the Bonds. If the Business Administrator is unable to transfer the scheduled debt service payment to the Paying Agent at least 15 days before the payment date, the Business Administrator must immediately notify the Paying Agent and the Utah State Treasurer (the “*State Treasurer*”) by (i) telephone and (ii) a writing sent by (a) facsimile transmission and (b) first-class United States mail. In addition, if the Paying Agent has not received the scheduled debt service payment at least 15 days before the scheduled debt service payment date for the Bonds, then the Paying Agent must at least 10 days before the scheduled debt service payment notify the State Treasurer of that failure by (I) telephone and (II) a writing sent by (A) facsimile transmission and (B) first-class United States mail. The Guaranty Act further provides that if sufficient moneys to pay the scheduled debt service payment have not been transferred to the Paying Agent, then the State Treasurer shall, on or before the scheduled payment date, transfer sufficient moneys to the Paying Agent to make the scheduled debt service payment. Payment by the State of a debt service payment on the Bonds discharges the obligation of the Board to the bondholders for that payment, to the extent of the State’s payment, and transfers the Board’s obligation for that payment to the State.

In the event the State is called upon to make payment of principal or interest on the Bonds on behalf of the Board, the State will use cash on hand (or from other legally available moneys) to make the payment. Under the Guaranty Act, the State Treasurer is required to immediately intercept any payments from the Uniform School Fund or from any other source of operating moneys provided by the State to the Board. The intercepted payments will be used to reimburse the State until all obligations of the Board to the State, including interest and penalties, are paid in full. The State does not currently expect to have to advance moneys to the Board pursuant to its guaranty. If, however, at the time the State is required to make a debt service payment under its guaranty on behalf of the Board, sufficient moneys are not on hand and available for that purpose, then the Guaranty Act provides that the State may seek a short-term loan from the Permanent School Fund sufficient to make the required payment (the Permanent School Fund is not required to make such a loan) or issue short-term State debt in the form of general obligation notes as provided in the Guaranty Act. The provisions of the Guaranty Act relating to short-term debt provide that such debt will carry the full faith and credit of the State and will be issued with a maturity of not more than 18 months so that the State could, if necessary, obtain liquidity financing on short notice. Under the State Constitution, debt incurred for this purpose does not count toward the constitutional debt limit of the State.

PURPOSE OF THE GUARANTY

The Guaranty Act is for the protection of the bondholders. Ultimate liability for the payment of the Bonds remains with the Board. Accordingly, the Guaranty Act contains provisions, including interception of state aid to the Board, possible action to compel levy of a tax sufficient to reimburse the State for any payments made to bondholders pursuant to its guaranty and various oversight provisions to assure that the Board, and not the State, will ultimately be responsible for debt service on the Bonds.

The Guaranty Act also charges the State Superintendent of Public Instruction with the responsibility to monitor and evaluate the fiscal solvency of each school board under the Utah School Bond Guaranty Program. The State Superintendent of Public Instruction must immediately report to the Governor and the State Treasurer any circumstances suggesting that a school district will be unable to timely meet its debt service obligations and recommend a course of remedial action.

Since the Guaranty Act's inception, the State has not been called upon to pay principal of and interest on any bonds guaranteed under the Guaranty Act.

STATE OF UTAH – FINANCIAL AND OPERATING INFORMATION

The Comprehensive Annual Financial Report of the State for the fiscal Year Ended June 30, 2018 (the “*CAFR*”), its most recent official statements and continuing disclosure information for its general obligation debt and lease revenue bond debt, and the Master Disclosure Agreement are currently on file with the Municipal Securities Rulemaking Board (the “*MSRB*”) through its Electronic Municipal Market Access System (“*EMMA*”). The financial and operating information with respect to the State contained in the *CAFR*, such official statements and continuing disclosure information, and the Master Disclosure Agreement are hereby included by reference in this Official Statement. The *CAFR*, the State's most current continuing disclosure information and the State's most recent official statements for its general obligation and lease revenue bonds may be found on the internet on the State Treasurer's home page <http://treasurer.utah.gov>. The State Treasurer's home page is not incorporated by reference and is not a part of this Official Statement.

As of the date of this Official Statement, the outstanding general obligation bonds of the State are rated “AAA” by Fitch Ratings (“*Fitch*”), “Aaa” by Moody's Investors Service, Inc. (“*Moody's*”), and “AAA” by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business (“*S&P*”).

THE BONDS

GENERAL

The Bonds will be dated the date of original issuance and delivery and will mature on June 15 of the years and in the amounts as set forth on the cover page of this Official Statement.

The Bonds will bear interest from their date at the rates set forth on the cover page of this Official Statement. Interest on the Bonds is payable semiannually on each June 15 and December 15, commencing June 15, 2019. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Zions Bancorporation, National Association, Salt Lake City, Utah, is the Bond Registrar for the Bonds under the Resolutions (the “*Bond Registrar*”).

The Bonds will be issued as fully-registered bonds, initially in book-entry form only, in the denomination of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

The Bonds are being issued within the constitutional debt limit imposed on boards of education of school districts in the State. See “DEBT STRUCTURE OF WEBER SCHOOL DISTRICT — General Obligation Legal Debt Limit and Additional Debt Incurring Capacity.”

SOURCES AND USES OF FUNDS

The sources and uses of funds in connection with the issuance of the Bonds are estimated to be as follows:

SOURCES:

Par amount of Bonds	\$ _____
Original issue premium ⁽¹⁾	_____
TOTAL	\$ _____

USES:

Project Construction Fund	\$ _____
Costs of issuance ⁽²⁾	_____
TOTAL	\$ _____

(1) Net of original issue discount.

(2) Includes purchaser’s discount, Municipal Advisor fees, legal fees, rating agency fees, registrar and paying agent fees, printing and other miscellaneous costs of issuance.

SECURITY AND SOURCES OF PAYMENT

The Bonds will be general obligations of the Board, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the District, fully sufficient to pay the Bonds as to both principal and interest.

See “FINANCIAL INFORMATION REGARDING WEBER SCHOOL DISTRICT — Property Tax Matters” and “STATE OF UTAH SCHOOL FINANCE.”

Payment of the principal of and interest on the Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the State under the provisions of the Guaranty Act. See “STATE OF UTAH GUARANTY.”

REDEMPTION PROVISIONS

Optional Redemption. The Bonds maturing on or after June 15, 2029, are subject to redemption prior to maturity, at the election of the Board, on June 15, 2028 (the “*First Redemption Date*”), and on any date thereafter, in whole or in part, from such maturities or parts thereof as will be selected by the Board, upon notice given as provided in the Bond Resolution and described below, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed

plus accrued interest thereon to the date fixed for redemption. Bonds maturing on or prior to the First Redemption Date are not subject to optional redemption.

Selection for Redemption. If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds or portion of Bonds of such maturity to be redeemed will be selected at random by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate. The portion of any registered Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or a whole multiple thereof, and in selecting portions of such Bonds for redemption, the Bond Registrar will treat each such Bond as representing that number of Bonds of \$5,000 denomination that is obtained by dividing the principal amount of such Bond by \$5,000.

Notice of Redemption. Notice of redemption will be given by the Bond Registrar by registered or certified mail, not less than 30 nor more than 45 days prior to the redemption date, to the owner thereof, as of the Record Date, as defined in “THE BONDS — Registration and Transfer,” of each Bond that is subject to redemption, at the address of such owner as it appears in the registration books of the Board kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such owner on or prior to the Record Date. Each notice of redemption will state the Record Date, the principal amount, the redemption date, the place of redemption, the redemption price and, if less than all of the Bonds are to be redeemed, the distinctive numbers of the Bonds or portions of Bonds to be redeemed, and will also state that the interest on the Bonds in such notice designated for redemption will cease to accrue from and after such redemption date and that on the redemption date there will become due and payable on each of the Bonds to be redeemed the principal thereof and interest accrued thereon to the redemption date. Each notice of optional redemption may further state that such redemption will be conditioned upon the receipt by the Paying Agent, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of and premium, if any, and interest on such Bonds to be redeemed and that if such moneys have not been so received said notice will be of no force and effect and the Board will not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made and the Bond Registrar will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. Any notice mailed as described above will be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice. Failure to give such notice or any defect therein with respect to any Bond will not affect the validity of the proceedings for redemption with respect to any other Bond.

In addition to the foregoing notice, further notice of such redemption will be given by the Bond Registrar to certain registered national securities depositories and national information services as provided in the Bond Resolution, but no defect in such further notice or any failure to give all or any portion of such further notice will in any manner affect the validity of a call for redemption if notice thereof is given as prescribed above and in the Bond Resolution.

For so long as a book-entry system is in effect with respect to the Bonds, the Bond Registrar will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any DTC participants or any failure of the DTC participants or indirect participants to convey

such notice to any beneficial owner will not affect the sufficiency of the notice or the validity of the redemption of the Bonds. See "THE BONDS — Book-Entry System."

REGISTRATION AND TRANSFER

In the event the book-entry system is discontinued, any Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by such owner's duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any Bond is surrendered for transfer, the Bond Registrar will authenticate and deliver a new fully-registered Bond or Bonds of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the Board, for a like aggregate principal amount.

Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of fully-registered Bonds of the same series, designation, maturity and interest rate of other authorized denominations.

For every such exchange or transfer of the Bonds, the Bond Registrar must make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer of the Bonds.

The Bond Registrar will not be required to transfer or exchange any Bond (i) after the Record Date, as defined below, with respect to any interest payment date to and including such interest payment date, or (ii) after the Record Date with respect to any redemption of such Bond. "*Record Date*" means (a) with respect to each interest payment date, the day that is 15 days preceding such interest payment date, or if such day is not a business day for the Bond Registrar, the next preceding day that is a business day for the Bond Registrar, and (b) with respect to any redemption of any Bond, such Record Date as is specified by the Bond Registrar in the notice of redemption, provided that such Record Date will not be less than 15 calendar days before the mailing of such notice of redemption.

The Board, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever.

BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to

Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an omnibus proxy to the Board as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the omnibus proxy).

As long as the book-entry system is in effect, redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Board or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct and Indirect Participant and not of DTC, the Paying Agent, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Board or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, the Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

DEBT SERVICE ON THE BONDS

PAYMENT DATE	THE BONDS		PERIOD TOTAL	FISCAL TOTAL
	PRINCIPAL*	INTEREST		
June 15, 2019	\$ -	\$ -	\$ -	\$ -
December 15, 2019	-	-	-	-
June 15, 2020	1,100,000	-	-	-
December 15, 2020	-	-	-	-
June 15, 2021	1,150,000	-	-	-
December 15, 2021	-	-	-	-
June 15, 2022	1,200,000	-	-	-
December 15, 2022	-	-	-	-
June 15, 2023	1,250,000	-	-	-
December 15, 2023	-	-	-	-
June 15, 2024	1,275,000	-	-	-
December 15, 2024	-	-	-	-
June 15, 2025	1,350,000	-	-	-
December 15, 2025	-	-	-	-
June 15, 2026	1,425,000	-	-	-
December 15, 2026	-	-	-	-
June 15, 2027	1,550,000	-	-	-
December 15, 2027	-	-	-	-
June 15, 2028	1,620,000	-	-	-
December 15, 2028	-	-	-	-
June 15, 2029	1,700,000	-	-	-
December 15, 2029	-	-	-	-
June 15, 2030	1,775,000	-	-	-
December 15, 2030	-	-	-	-
June 15, 2031	1,840,000	-	-	-
December 15, 2031	-	-	-	-
June 15, 2032	1,915,000	-	-	-
December 15, 2032	-	-	-	-
June 15, 2033	2,000,000	-	-	-
December 15, 2033	-	-	-	-
June 15, 2034	2,325,000	-	-	-
December 15, 2034	-	-	-	-
June 15, 2035	2,425,000	-	-	-
December 15, 2035	-	-	-	-
June 15, 2036	4,100,000	-	-	-
December 15, 2036	-	-	-	-
June 15, 2037	3,000,000	-	-	-
December 15, 2037	-	-	-	-
June 15, 2038	<u>2,000,000</u>	<u> </u>	<u> </u>	<u> </u>
TOTALS	<u>\$35,000,000</u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>

* Preliminary; subject to change.

WEBER SCHOOL DISTRICT

GENERAL

The District, created in 1905, is located in Weber County, Utah (the “County”), and covers approximately 548 square miles. With the exception of Ogden City, which is served by Ogden City School District, the District’s boundaries are coterminous with the County, and include the communities of Farr West City, the City of Harrisville, Hooper City, Huntsville Town, Marriott-Slaterville City, North Ogden City, Plain City, Pleasant View City, Riverdale City, City of Roy, South Ogden City, Uintah City, the City of Washington Terrace, West Haven City, and unincorporated areas located within County. Based on estimates from various sources, approximately 164,738 persons currently reside in the District. The District’s headquarters are located in Washington Terrace, Utah, which is located approximately 30 miles north of Salt Lake City.

The District is ranked as the seventh largest school district among the State’s 41 school districts. It presently operates 43 schools consisting of 27 elementary schools, 9 junior high schools, 5 high schools, 1 alternative high school and 1 special needs school.

The enrollment (actual and projected) of the District as of October 1 for the years specified below is as follows:

<u>YEAR</u>	<u>ELEMENTARY</u>	<u>SECONDARY</u>	<u>SELF CONTAINED</u>	<u>TOTAL</u>	<u>% INCREASE/ DECREASE OVER PRIOR YEAR</u>
2018-19*	16,610	14,969	591	32,170	0.67%
2017-18	16,386	14,876	695	31,957	1.63
2016-17	16,184	14,582	679	31,445	0.79
2015-16	16,078	14,421	699	31,198	0.03
2014-15	16,281	14,131	776	31,188	0.52
2013-14	16,198	14,058	772	31,028	0.96
2012-13	16,043	13,924	765	30,732	0.94
2011-12	15,963	13,650	833	30,446	0.30
2010-11	16,122	13,452	773	30,347	(0.20)
2009-10	16,458	13,117	842	30,417	1.80
2008-09	16,093	13,075	711	29,879	0.70
2007-08	16,295	13,006	796	30,097	3.10
2006-07	15,603	12,702	875	29,180	1.40
2005-06	15,130	12,730	914	28,774	0.80
2004-05	14,807	12,783	937	28,527	1.10
2003-04	14,560	12,828	808	28,196	(0.40)

* Preliminary; subject to change.

The Board maintains an internet site that may be accessed at <http://wsd.net>. *The information available at this internet site is provided by the Board in the course of its normal operations and has not necessarily been reviewed for accuracy or completeness. Such information has not been provided in connection with the offering of the Bonds and is not a part of this Official Statement.*

A copy of the District's Basic Financial Statements for the fiscal year ended June 30, 2018, is attached hereto as APPENDIX A. The District's audited financial statements for the fiscal year ended June 30, 2018 and certain financial and operating information (the "*District Information*") are on file with, and may be obtained from the MSRB through EMMA. The District Information is incorporated in this Official Statement by reference. A copy of the District Information may also be obtained from the Board through its Business Administrator as indicated under "INTRODUCTION — Contact Persons."

The County consists of approximately 575 square miles and is bordered on the north by Box Elder and Cache Counties, on the south by Davis and Morgan Counties, on the west by the Great Salt Lake and on the east by Rich County. Of the 29 counties within the State, the County is ranked as the fourth largest county in the State with an estimated 2017 population of 250,525 persons, according to the U.S. Census Bureau. Ogden City, which is located within the Ogden City School District, is the county seat of the County and covers approximately 27 square miles. Ogden City has an estimated 2017 population of 87,031, according to the U.S. Census Bureau.

The County's predominant business and industry includes education, manufacturing, wholesale and retail distribution, agriculture and government services.

FORM OF GOVERNMENT

Board of Education. The determination of policies for the management of the District is the responsibility of the Board, the members of which are elected by the qualified electors within the District. The District is divided into seven representative precincts, and a member of the Board is elected from each of the seven precincts. Board members serve four-year terms, which are staggered to provide continuity.

The Board is empowered, among other things, to: (i) implement core curriculum, (ii) administer tests which measure the progress of each student, and create plans to improve the student's progress, (iii) implement training programs for school administrators, (iv) purchase, sell and improve school sites, buildings and equipment; (v) construct and furnish school buildings; (vi) establish, locate and maintain elementary, secondary and applied technology schools; (vii) maintain school libraries; (viii) make and enforce all necessary rules and regulations for the control and management of the public schools in the District; (ix) adopt bylaws and rules for its own procedure; and (x) appoint a superintendent of schools, business administrator, and such officers or employees as are deemed necessary for the promotion of the interests of the schools.

Superintendent. The Superintendent of Schools (the "*Superintendent*") is appointed by the Board and is responsible for the actual administration of the schools in the District. The powers and duties of the Superintendent are prescribed by the Board. Pursuant to State law, the Superintendent is required to prepare and submit to the Board an annual budget itemizing

anticipated revenues and expenditures for the next school year. The Superintendent is appointed by the Board for a two-year term and until a successor is appointed.

Business Administrator. The Business Administrator (the “*Business Administrator*”) is appointed by the Board and reports to the Superintendent. The duties of the Business Administrator are, among other things, to (i) attend all meetings of the Board and to keep an official record of the proceedings, (ii) countersign all warrants and claims against the District treasury, (iii) maintain an account and prepare and publish an annual statement of moneys received by the District and amounts paid out of the treasury, and (iv) retain custody of the records and papers of the Board. The Business Administrator is the custodian of all moneys belonging to the District and is required to prepare and submit to the Board a monthly report of the receipts and disbursements of the Business Administrator’s office. The Business Administrator is appointed by the Board for a two-year term and until a successor is appointed.

Current members of the Board, the Superintendent and the Business Administrator and their respective terms in office are as follows:

		<u>YEARS IN SERVICE</u>	<u>EXPIRATION OF TERM</u>
President	Jon S. Ritchie	15	January 2021
Vice President	Dean Oborn	12	January 2019
Board Member	Janis Christensen	4	January 2019
Board Member	Douglas Hurst	9	January 2021
Board Member	Bruce Jardine	1	January 2019
Board Member	Mitzi Kawaguchi	4	January 2019
Board Member	Paul Widdison	2	January 2019
Superintendent	Dr. Jeff Stephens	8	Appointed
Business Administrator	Robert D. Petersen	17	Appointed

EMPLOYEES

The District currently employs approximately 2,372 full-time (approximately 1,824 certificated) employees and approximately 1,628 part-time employees for a total employment of approximately 4,000 employees. The District is a member of the Utah State Retirement System. See “APPENDIX A — BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018 — Notes to Basic Financial Statements — Note 6. State Retirement Plans.”

POST-EMPLOYMENT BENEFITS

The Government Accounting Standards Board (“*GASB*”) issued Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (“*GASB 45*”) and Statement No. 47 (“*GASB 47*”) *Accounting for Termination Benefits*, in June 2004 and in June 2005, respectively. The District’s retirement benefits are covered under *GASB 47* and the District has no so called “other post-employment benefits.”

The District determines its post-employment benefits liability on an annual basis. As of June 30, 2018, the early retirement liability is \$8,942,013, which will be reported on the District’s 2018 annual financial statements.

In an effort to determine how best to address future termination expenses, the Board appointed a task force composed of District representatives and representatives from all employee groups (the “*Task Force*”) to study and make recommendations concerning possible changes/modifications to termination benefits. The decision of the Task Force was to fund the termination benefits liability on a pay-as-you-go basis and monitor the costs of these benefits to ensure that current year outlays can be accommodated by existing budgets. Should the District have challenges in funding these benefits, the Task Force will be reconvened and further recommendations will be made. Since the Task Force met ten years ago, termination benefits have been accommodated within existing budgets. Additionally, \$10,250,000 has been set aside in a designated fund balance to fund the termination benefits liability.

RETIREMENT LIABILITY

The District participates with the Utah Retirement System (“*URS*”). *URS* is funded and administered by the State. Each year, as approved by the State Legislature, *URS* sets rates, enacts rules, and implements policies related with the pensions and benefits the District retirees receive. Starting in FY 2014-15, GASB Statement Number 68 required *URS* to pass on pension and retirement liability to public entities it serves, including the District. Working with the District’s independent auditors and state specialists, this liability will be recorded on the District’s financial statements for the Fiscal Year ending June 30, 2018 in the amount of \$92,282,587.

POPULATION

Based on U.S. Census Bureau and the Utah Population Estimates Committee statistics, it is estimated that approximately 164,738 persons currently reside in the District. Therefore, it is estimated that approximately 66% of the total population of the County is located within the District.

YEAR	THE COUNTY	% INCREASE FROM PRIOR PERIOD	THE STATE	% INCREASE FROM PRIOR PERIOD
2017 Estimate	250,525	1.2%	3,101,833	1.7%
2016 Estimate	247,560	1.6	3,051,217	1.8
2015 Estimate	243,645	1.3	2,995,919	1.8
2014 Estimate	240,475	0.9	2,942,902	1.4
2013 Estimate	238,422	0.8	2,902,787	1.7

Source: U.S. Census Bureau.

Population figures for the (a) incorporated cities and towns and (b) unincorporated area within the District are as follows:

	2017	2016	2015	2014	2013
Farr West City	6,996	6,755	6,616	6,329	6,173
City of Harrisville	6,535	6,376	6,221	6,069	5,907
Hooper City	8,668	8,466	8,214	8,107	7,948
Huntsville Town	637	632	621	617	617
Marriott-Slaterville City	1,778	1,751	1,744	1,740	1,732
North Ogden City	19,465	18,791	18,446	18,172	17,974
Plain City	6,764	6,493	6,299	6,214	6,035
Pleasant View City	10,287	9,716	9,273	8,948	8,620
Riverdale City	8,758	8,710	8,666	8,592	8,570
City of Roy	38,595	38,201	37,964	37,877	37,715
South Ogden City	17,101	17,094	16,955	16,852	16,767
Uintah City	1,340	1,333	1,328	1,333	1,332
City of Washington Terrace	9,152	9,198	9,157	9,177	9,157
West Haven City	<u>13,532</u>	<u>12,329</u>	<u>11,921</u>	<u>11,582</u>	<u>11,241</u>
SUBTOTAL:	149,608	145,845	143,425	141,609	139,788
Unincorporated area	<u>15,130</u>	<u>15,014</u>	<u>14,836</u>	<u>14,550</u>	<u>14,531</u>
TOTAL:	<u>164,738</u>	<u>160,859</u>	<u>158,261</u>	<u>156,159</u>	<u>154,319</u>
% increase from prior period	2.4%	1.6 %	1.3%	1.2%	1.1%

(Source: U.S. Census Bureau.)

PROPERTY VALUE OF PRE-AUTHORIZED CONSTRUCTION IN THE COUNTY

Year	NEW		ADDITIONS, ALTERATIONS AND REPAIRS		TOTAL CONSTRUCTION		% Change from Prior Period
	Number Dwelling Units	Residential Value (\$000)	Non- residential Value (\$000)	Residential Value (\$000)	Non- residential Value (\$000)	Value (\$000)	
2018*	735	\$127,240.3	\$43,624.3	\$10,973.5	\$15,400.7	\$197,238.8	N/A
2017	1,155	220,255.2	58,110.1	14,573.8	50,319.5	343,258.6	(4.6)%
2016	992	189,471.2	109,903.1	16,615.8	43,653.2	359,643.3	24.0
2015	984	160,942.0	72,680.0	13,899.5	42,436.8	289,958.3	5.1
2014	1,004	160,389.7	66,823.9	12,343.8	36,235.8	275,793.2	28.1

* Through June 2018.

(Source: Bureau of Economic and Business Research, University of Utah.)

BUSINESS AND INDUSTRY

Some of the largest employers in the County are as follows:

<u>EMPLOYER</u>	<u>BUSINESS</u>	<u>EMPLOYEES</u>
Department of Treasury (IRS)	Public finance activities (Federal Government)	4,000-4,999
Weber School District	Elementary and secondary schools	4,000-4,999
Intermountain Health Care, Inc.	Healthcare	3,000-3,999
Weber State University	Colleges and universities	2,000-2,999
Autoliv ASP, Inc.	Motor vehicle parts mfg.	2,000-2,999
America First Credit Union	Credit Unions	1,000-1,999
Fresenius USA Mfg. Inc.	Surgical and medical instrument mfg.	1,000-1,999
Home Depot USA Inc.	Retail-Home Improvement	1,000-1,999
Ogden City School District	Elementary and secondary schools	1,000-1,999
State of Utah	General governmental support	1,000-1,999
Wal-mart Associates, Inc.	Warehouse clubs and supercenters	1,000-1,999
Weber County	Government	1,000-1,999
Columbia Ogden Medical Center, Inc.	Healthcare	500-999
Associated Food Stores, Inc.	Grocery	500-999
Elwood Staffing Services, Inc.	Contract staffing services	500-999
Wayfair	Electronic shopping	500-999
LG Resources	Contract staffing services	500-999
Ogden City Corporation	Government	500-999
Marketstar Corporation	Sales and Marketing	500-999
Convergys	Telephone call center	500-999
Ogden Clinic Professional Corporation	Healthcare	500-999
Teleperformance USA	Telemarketing Bureaus and Other	500-999
Conagra Foods	Cookie and Cracker Manufacturing	500-999
BAE Systems Technology Solutions	Engineering Services	500-999
EMC	Computer Systems Design Services	500-999
Smith's Food and Drug	Supermarkets and other Grocery	500-999
Parker Berteau	Fluid Power Cylinder and Actuator Manufacturer	500-999

(Source: Utah Department of Workforce Services, as of September 2018.)

TAXABLE SALES IN THE COUNTY

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Gross Taxable Sales (in \$1,000's)	\$4,387,044	\$4,115,416	\$3,926,992	\$3,719,454	\$3,527,342

(Source: Utah Department of Workforce Services and Weber County, Utah.)

LABOR MARKET DATA OF THE COUNTY

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Civilian Labor Force	124,363	120,584	117,485	114,919	114,544
Employed	119,813	115,956	112,666	109,861	108,338
Unemployed	4,550	4,628	4,819	5,058	6,206
Nonfarm employment:					
Mining	50	56	42	32	0
Construction	6,342	5,889	5,655	5,312	4,853
Manufacturing	14,291	14,597	13,663	12,903	12,414
Trade, transportation and utilities	18,265	18,187	17,880	17,409	16,888
Information	777	765	764	707	737
Financial activities	5,333	5,267	5,179	4,809	4,556
Professional and business services	13,115	12,534	11,568	11,147	10,767
Education, health and social services	14,617	14,379	13,992	13,267	12,932
Leisure and hospitality	9,713	9,256	9,029	8,448	8,565
Other services	2,715	2,639	2,628	2,635	2,651
Government	20,469	20,320	20,296	20,153	20,276
Per Capital Income	NA	NA	\$36,437	\$34,847	\$33,511
Median Household Income Estimates	NA	\$62,768	\$58,786	\$59,293	\$54,055
Average Monthly Nonfarm Wage	\$3,358	\$3,266	\$3,203	\$3,128	\$3,028

(Source: Utah Department of Workforce Services.)

RATE OF UNEMPLOYMENT — ANNUAL AVERAGE

<u>YEAR</u>	<u>THE COUNTY</u>	<u>THE STATE</u>	<u>UNITED STATES</u>
2018*	3.7%	3.1%	3.9%
2017	3.7	3.5	4.2
2016	3.8	3.9	4.9
2015	4.0	3.5	5.3
2014	4.4	3.8	6.2
2013	5.4	4.6	7.4

* August 2018.

(Source: Utah Department of Workforce Services; U.S. Department of Labor.)

DEBT STRUCTURE OF WEBER SCHOOL DISTRICT

For purposes of the information set forth under this heading in the tables entitled “OUTSTANDING GENERAL OBLIGATION BONDED INDEBTEDNESS,” “DEBT SERVICE SCHEDULE OF OUTSTANDING GENERAL OBLIGATION BONDS,” “OVERLAPPING AND PRINCIPAL UNDERLYING GENERAL OBLIGATION DEBT,” “DEBT RATIOS,” and “GENERAL OBLIGATION LEGAL DEBT LIMIT AND ADDITIONAL DEBT INCURRING CAPACITY,” the Bonds are considered issued and outstanding.

OUTSTANDING GENERAL OBLIGATION BONDED INDEBTEDNESS

SERIES	PURPOSE	ORIGINAL AMOUNT	FINAL MATURITY DATE	CURRENT BALANCE OUTSTANDING
2018B	School Building	\$35,000,000*	June 15, 20__	\$ 35,000,000*
2018	School Building	27,000,000	June 15, 2035	27,000,000
2016B	Refunding	4,792,000	June 15, 2019	1,625,000
2016	Refunding	20,835,000	June 15, 2028	20,835,000
2015	Refunding	16,000,000	June 15, 2021	7,875,000
2014	School Building and Refunding	37,785,000	June 15, 2034	31,210,000
2013	School Building	25,000,000	June 15, 2033	21,670,000
2012	School Building	20,000,000	June 15, 2032	17,435,000
2011	Refunding	11,450,000	June 15, 2023	5,250,000
2009	School Building	9,500,000	June 15, 2019	<u>350,000</u>
Total Outstanding Direct Debt.....				<u>\$168,250,000*</u>

* Preliminary; subject to change.

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Weber School District - Outstanding General Obligation Bonds

Fiscal Year Ending June 30	\$35,000,000* Series 2018B		\$27,000,000 Series 2018		\$4,792,000 Series 2016B		\$20,835,000 Series 2016		\$16,000,000 Series 2015		\$37,785,000 Series 2014	
	Principal*	Interest*	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	-	844,600	225,000	1,013,850	1,625,000	21,125	1,325,000	818,075	3,125,000	251,250	2,320,000	1,177,175
2020	1,100,000	1,483,200	1,900,000	1,002,600	-	-	1,390,000	751,825	2,375,000	95,000	2,370,000	1,130,775
2021	1,150,000	1,439,200	700,000	907,600	-	-	1,450,000	682,325	2,375,000	47,500	2,490,000	1,012,275
2022	1,200,000	1,381,700	250,000	872,600	-	-	625,000	609,825	-	-	2,620,000	887,775
2023	1,250,000	1,321,700	480,000	860,100	-	-	1,665,000	578,575	-	-	2,760,000	756,775
2024	1,275,000	1,259,200	835,000	836,100	-	-	2,630,000	495,325	-	-	2,905,000	618,775
2025	1,350,000	1,195,450	860,000	794,350	-	-	2,775,000	363,825	-	-	3,060,000	473,525
2026	1,425,000	1,127,950	925,000	772,850	-	-	2,925,000	225,075	-	-	3,145,000	400,850
2027	1,550,000	1,056,700	2,250,000	749,725	-	-	2,985,000	166,575	-	-	1,050,000	322,225
2028	1,620,000	979,200	1,375,000	637,225	-	-	3,065,000	91,950	-	-	1,090,000	280,225
2029	1,700,000	898,200	3,430,000	568,475	-	-	-	-	-	-	1,135,000	236,625
2030	1,775,000	830,200	2,570,000	431,275	-	-	-	-	-	-	1,180,000	191,225
2031	1,840,000	759,200	1,870,000	357,388	-	-	-	-	-	-	1,215,000	155,825
2032	1,915,000	685,600	1,550,000	301,288	-	-	-	-	-	-	1,250,000	119,375
2033	2,000,000	609,000	1,150,000	252,850	-	-	-	-	-	-	1,290,000	81,875
2034	2,325,000	529,000	3,500,000	215,475	-	-	-	-	-	-	1,330,000	41,563
2035	2,425,000	436,000	3,130,000	101,725	-	-	-	-	-	-	-	-
2036	4,100,000	339,000	-	-	-	-	-	-	-	-	-	-
2037	3,000,000	175,000	-	-	-	-	-	-	-	-	-	-
2038	2,000,000	70,000	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 35,000,000	\$ 17,420,100	\$ 27,000,000	\$ 10,675,475	\$ 1,625,000	\$ 21,125	\$ 20,835,000	\$ 4,783,375	\$ 7,875,000	\$ 393,750	\$ 31,210,000	\$ 7,886,863

Fiscal Year Ending June 30	\$25,000,000 Series 2013		\$20,000,000 Series 2012		\$11,450,000 Series 2011		\$9,500,000 Series 2009		\$33,000,000 Series 2008		Totals		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total Debt Service
2019	300,000	914,069	260,000	520,100	-	210,000	350,000	13,125	-	-	9,530,000	5,783,369	15,313,369
2020	280,000	899,069	280,000	516,200	-	210,000	-	-	-	-	9,695,000	6,088,669	15,783,669
2021	280,000	885,069	375,000	512,000	-	210,000	-	-	-	-	8,820,000	5,695,969	14,515,969
2022	750,000	871,069	415,000	504,500	3,075,000	210,000	-	-	-	-	8,935,000	5,337,469	14,272,469
2023	750,000	833,569	450,000	496,200	2,175,000	87,000	-	-	-	-	9,530,000	4,933,919	14,463,919
2024	1,115,000	796,069	1,510,000	487,200	-	-	-	-	-	-	10,270,000	4,492,669	14,762,669
2025	1,110,000	757,044	1,570,000	441,900	-	-	-	-	-	-	10,725,000	4,026,094	14,751,094
2026	1,130,000	718,194	1,625,000	379,100	-	-	-	-	-	-	11,175,000	3,624,019	14,799,019
2027	1,235,000	672,994	1,685,000	330,350	-	-	-	-	-	-	10,755,000	3,298,569	14,053,569
2028	1,280,000	623,594	1,725,000	279,800	-	-	-	-	-	-	10,155,000	2,891,994	13,046,994
2029	1,740,000	572,394	1,785,000	236,675	-	-	-	-	-	-	9,790,000	2,512,369	12,302,369
2030	2,325,000	502,794	1,845,000	187,588	-	-	-	-	-	-	9,695,000	2,143,081	11,838,081
2031	2,380,000	406,888	1,910,000	136,850	-	-	-	-	-	-	9,215,000	1,816,150	11,031,150
2032	2,425,000	308,713	2,000,000	70,000	-	-	-	-	-	-	9,140,000	1,484,975	10,624,975
2033	4,570,000	205,650	-	-	-	-	-	-	-	-	9,010,000	1,149,375	10,159,375
2034	-	-	-	-	-	-	-	-	-	-	7,155,000	786,038	7,941,038
2035	-	-	-	-	-	-	-	-	-	-	5,555,000	537,725	6,092,725
2036	-	-	-	-	-	-	-	-	-	-	4,100,000	339,000	4,439,000
2037	-	-	-	-	-	-	-	-	-	-	3,000,000	175,000	3,175,000
2038	-	-	-	-	-	-	-	-	-	-	2,000,000	70,000	2,070,000
2039	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$ 21,670,000	\$ 9,967,175	\$ 17,435,000	\$ 5,098,463	\$ 5,250,000	\$ 927,000	\$ 350,000	\$ 13,125	\$ -	\$ -	\$ 168,250,000	\$ 57,186,450	\$ 225,436,450

* Preliminary, Subject to issuance / change in 2019.

OTHER FINANCIAL CONSIDERATIONS

The Board has entered into various agreements for financing its capital needs. See “APPENDIX A — BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018 — Notes to Basic Financial Statements — Note 9. Long-Term Liabilities.”

OVERLAPPING AND PRINCIPAL UNDERLYING GENERAL OBLIGATION DEBT

<u>TAXING ENTITY(1)</u>	<u>2017 TAXABLE VALUE(2)</u>	<u>DISTRICT’S PORTION OF TAXABLE VALUE</u>	<u>DISTRICT’S PERCENTAGE</u>	<u>ENTITY’S GENERAL OBLIGATION DEBT</u>	<u>DISTRICT’S PORTION OF G.O. DEBT</u>
Overlapping:					
Weber County	\$15,023,177,678	\$10,365,638,668	69.0%	\$47,381,904	\$ 32,508,240
Weber Basin Water Conservancy Dist.(3)	58,467,862,398	10,365,638,668	17.7	12,725,000	<u>2,255,987</u>
Total Overlapping General Obligation Debt					\$ 34,764,227
Principal Underlying:					
North Davis Sewer District(4)	\$11,062,233,420	\$ 334,926,134	3.0%	\$47,115,000	\$ 47,115,000
Weber Fire District(5)	4,522,336,515	4,138,300,293	91.5	12,725,000	11,644,395
Washington Terrace	395,931,789	334,926,134	15.7	23,755,000	<u>3,729,535</u>
Total Principal Underlying General Obligation Debt					\$ <u>62,488,930</u>
Total Overlapping and Principal Underlying General Obligation Debt					\$ <u>97,253,157</u>
Total Overlapping General Obligation Debt					\$ 34,764,227
Total Direct General Obligation Bonded Indebtedness					<u>168,250,000*</u>
Total Direct and Overlapping General Obligation Debt					\$ <u>203,014,227*</u>
Total Overlapping and Principal Underlying General Obligation Debt					97,253,157
Total Direct General Obligation Bonded Indebtedness					<u>168,250,000*</u>
Total Direct, Overlapping and Principal Underlying General Obligation Debt					\$ <u>265,503,157*</u>

* Preliminary; subject to change.

- (1) The State’s general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of its general obligation bonds.
- (2) Taxable value used in this table *excludes* the taxable value used to determine uniform fees on tangible personal property. See “FINANCIAL INFORMATION REGARDING WEBER SCHOOL DISTRICT — Property Tax Matters — *Uniform Fees*” and “FINANCIAL INFORMATION REGARDING WEBER SCHOOL DISTRICT — Taxable and Fair Market Value of Property.”
- (3) The Weber Basin Water Conservancy District (“WBWCD”) covers all of the County, Morgan County, Davis County, most of Summit County and a small portion of Box Elder County. WBWCD’s outstanding general obligation bonds are limited ad valorem tax bonds. By law, WBWCD may levy a tax rate of up to .000200 to pay, first, for any outstanding general obligation indebtedness, then for operation and maintenance expenses, then for any other lawful purpose.
- (4) The North Davis Sewer District (“NDS”) covers a small portion of the southern part of the County, as well as a portion of northern part of Davis County. NDS levies a property tax for 37% of its debt service on general obligation bond debt. The remaining 63% of its debt service on general obligation bond debt is paid from user fee revenues and other sources of funds.
- (5) The Weber Fire District levies a property tax for 68% of its debt service on general obligation bond debt. The remaining 32% of its debt service on general obligation bond debt is paid from user fee revenues.

(Source: Property Tax Division, Utah State Tax Commission (as to taxable value).)

DEBT RATIOS

The following table sets forth the ratios of general obligation debt of the Board and the taxing entities listed in the table above entitled “OVERLAPPING AND PRINCIPAL UNDERLYING GENERAL OBLIGATION DEBT” that is expected to be paid from taxes levied specifically for such debt (and not from other revenues) on the taxable value of property within the District, the estimated fair market value of such property and the population of the District. The State’s general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of general obligation debt.

	To 2017 TAXABLE VALUE ⁽¹⁾	To 2017 FAIR MARKET VALUE ⁽²⁾	To 2017 POPULATION ESTIMATE PER CAPITA ⁽³⁾
Direct General Obligation Debt* ..	1.6%	1.1%	\$1,021
Direct and Overlapping General Obligation Debt*	2.0%	1.3%	\$1,232

* Preliminary; subject to change.

(1) Based on the 2017 taxable value of \$10,365,638,668, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.

(2) Based on the 2017 fair market value of \$15,753,585,832, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.

(3) Based on the 2017 population estimate of 164,738 persons.

See “FINANCIAL INFORMATION REGARDING WEBER SCHOOL DISTRICT — Property Tax Matters — *Uniform Fees*” and “FINANCIAL INFORMATION REGARDING WEBER SCHOOL DISTRICT — Taxable and Fair Market Value of Property.”

GENERAL OBLIGATION LEGAL DEBT LIMIT AND ADDITIONAL DEBT INCURRING CAPACITY

The general obligation indebtedness of the Board is limited by State law to 4% of the fair market value of taxable property in the District. The legal debt limit and additional debt incurring capacity of the Board are based on the fair market value for 2017, and are calculated as follows:

2017 Fair Market Value(1)	\$16,094,821,191
“Fair Market Value” x 4% (Debt Limit)	\$643,792,848
<i>Less:</i> General Obligation Debt.....	<u>(168,250,000)*</u>
Additional Debt Incurring Capacity	<u>\$475,542,848*</u>

* Preliminary; subject to change.

(1) For debt incurring capacity only, in computing the fair market value of taxable property in the District, the fair market value of all tax equivalent property (which value *includes* the taxable value used to determine uniform fees on tangible personal property) has been included as a part of the fair market value of the taxable property in the District.

ADDITIONAL BONDS

The Board does not currently anticipate issuing any general obligation bonds within the next 3 years other than refunding bonds.

NO DEFAULTED OBLIGATIONS

The Board has never failed to pay principal of and interest on its financial obligations when due.

FINANCIAL INFORMATION REGARDING WEBER SCHOOL DISTRICT

FUND STRUCTURE AND ACCOUNTING BASIS

The accounting policies of the District conform to all generally accepted accounting principles for governmental units in general and the State's school districts in particular.

The accounts of the District are organized on the basis of funds or groups of accounts, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped by type in the combined financial statements. See "APPENDIX A — BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018 — Notes to Basic Financial Statements — Note 1. Summary of Significant Accounting Policies."

BUDGETS AND BUDGETARY ACCOUNTING

The District operates within the budget requirements for school districts as specified by State law and as interpreted by the State Superintendent of Public Instruction. The Superintendent of each school district is the budget officer of each respective district.

For the fiscal year beginning July 1, the Business Administrator prepares a proposed budget for all funds which is presented to the Board by the Superintendent prior to June 1. State law requires budgets for all governmental fund types and the Board has adopted budgets for those funds.

After a public hearing has been held, the Board, by resolution, legally adopts the final budget prior to June 22. If the tax rate in the proposed budget exceeds the "certified tax rate," the Board shall comply, if required by State law, with the notice and hearing requirements contained in the Property Tax Act, Chapter 2, Title 59, Utah Code (the "*Property Tax Act*") in adopting the budget. See "FINANCIAL INFORMATION REGARDING WEBER SCHOOL DISTRICT — Tax Levy and Collection" and " — Public Hearing on Certain Tax Increases."

Once adopted, the budget can be amended by subsequent Board action. Reductions in appropriations can be approved by the Board upon recommendation of the Superintendent; *however*, increased appropriations require a public hearing prior to amending the budget.

Adjustments in estimated revenue and revisions of appropriations due to operational changes in categorical program funding are integrated into the amended budget approved by the Board.

A final amended budget is legally approved by the Board prior to the end of the fiscal year.

The total budgeted expenditures of a given fund may not exceed the revenues expected to be received for the fiscal year plus the fund balance. Control of the budget is exercised at the program level.

The General Fund (maintenance and operation fund) and Capital Projects Fund (the capital outlay fund) budgets are prepared using the accrual basis of accounting, adjusted for encumbrances. Unencumbered appropriations lapse at year end.

Undistributed Reserve in School Board Budget. A local school board may adopt a budget with an undistributed reserve. The reserve may not exceed 5% of the maintenance and operation budget adopted by each local board in accordance with a scale developed by the State Board of Education. The scale is based on the size of the school district's budget.

Each local board may appropriate all or a part of the undistributed reserve made to any expenditure classification in the maintenance and operation budget by written resolution adopted by majority vote of such board setting forth the reasons for the appropriation.

The board may not use undistributed reserves in the negotiation or settlement of contract salaries for school district employees.

Limits on Appropriation – Estimated Expendable Revenue. A local school board may not make any appropriation in excess of its estimated expendable revenue, including undistributed reserves, for the following fiscal year.

In determining the estimated expendable revenue, any existing deficits arising through excessive expenditures from former years are deducted from the estimated revenue for the ensuing year to the extent of at least 10% of the entire tax revenue of the school district for the previous year.

In the event of financial hardships, a local board may deduct from the estimated expendable revenue for the ensuing year, by fund, at least 25% of the deficit amount.

All estimated balances available for appropriations at the end of the fiscal year shall revert to the funds from which they were appropriated and shall be fund balances available for appropriation in the budget of the following year.

A local school board may reduce a budget appropriation at its regular meeting if notice of the proposed action is given to all board members and the superintendent at least one week prior to the meeting.

An increase in an appropriation may not be made by a local school board unless the following steps are taken: (i) the local school board receives a written request from the superintendent that sets forth the reasons for the proposed increase; (ii) notice of the request is published in a newspaper of general circulation within the school district at least one week prior to a local school board meeting at which the request will be considered; and (iii) the local school board holds a public hearing on the request prior to the board's acting on the request.

School District Interfund Transfers. The State Board of Education may authorize school district interfund transfers for financially distressed districts if the State Board of Education determines the following: (i) the school district has a significant deficit in its maintenance and operations fund which has resulted from circumstances not subject to the administrative decisions of the school district and which cannot be reasonably reduced under Section 53A-19-104 of the Utah Code; and (ii) without the transfer, the school district will not be capable of meeting statewide educational standards adopted by the State Board of Education.

Adoption of Ad Valorem Tax Levy. The governing body of each taxing entity shall, before June 22 of each year, adopt a proposed or, if the tax rate is not more than the certified tax rate, a final tax rate for the taxing entity. The governing body shall report the rate and levy, and any other information prescribed by rules of the county commission for the preparation, review, and certification of the rate, to the county auditor of the county in which the taxing entity is located.

RISK MANAGEMENT

The Board is insured by a combination of insurance and self-insurance. The Board is self-insured for worker's compensation claims and is insured by the State Administrative Services Risk Management Fund for property, casualty, and liability claims, which fund is administered by the Utah State Risk Manager.

The State is self-insured against certain property and liability claims. The State Legislature established the Administrative Services Risk Management Fund to pay for commercial insurance or for the self-insured portion of certain property and liability risks. Revenues are generated from premiums charged to State departments and institutions of higher education and also from local school districts.

The property self-insurance limits for the State are currently \$1 million per claim with an annual aggregate of \$3.5 million and had and has limits of \$500 million at any single building, with overall limits in excess of \$22 billion. Generally, claims in excess of the self-insured limits are covered by insurance policies with private insurance companies. The State has aggregate coverage of \$500 million for earthquake and \$500 million for flood. Earthquake and flood losses above this limit are self-insured by the District. The State is self-insured for all of its liability claims.

As of June 30, 2018, the Administrative Services Risk Management Fund was estimated to have approximately \$_____ million in reserve available to pay for claims incurred. In the opinion of the State's Risk Manager, the available balance will be adequate to cover claims through June 30, 2019. The State Legislature has chosen to fund the Administrative Services Risk

Management Fund at this level, and it has been advised that any extremely large claims would need to be covered by an appropriation.

See “APPENDIX A — BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018 — Notes to Basic Financial Statements — Note 8. Risk Management.”

INVESTMENT OF FUNDS

The State Money Management Act. The State Money Management Act, Title 51, Chapter 7 of the Utah Code (the “*Money Management Act*”), governs and establishes criteria for the investment of all public funds held by public treasurers in the State. The Money Management Act provides a limited list of approved investments, including qualified in-state and permitted out-of-state financial institutions, obligations of the State and political subdivisions of the State, U. S. Treasury and approved federal government agency and instrumentality securities, certain investment agreements and repurchase agreements and investments in corporate securities meeting certain ratings requirements. The Money Management Act establishes the State Money Management Council (the “*Money Management Council*”) to exercise oversight of public deposits and investments. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The Board is currently complying with all of the provisions of the Money Management Act for all Board operating funds.

The Utah Public Treasurers’ Investment Fund. A significant portion of Board funds may be invested in the Utah Public Treasurers’ Investment Fund (“*PTIF*”). The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. All investments in the PTIF must comply with the Money Management Act and rules of the Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.

All securities purchased are delivered versus payment to the custody of the State Treasurer or the State Treasurer’s safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State.

Investment activity of the State Treasurer in the management of the PTIF is reviewed monthly by the Money Management Council and is audited by the State Auditor.

See “APPENDIX A — BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018 — Notes to Basic Financial Statements — Note 2. Deposits and Investments.”

The summaries contained herein were extracted from the District's financial statements for the fiscal years ended June 30, 2014 through June 30, 2018. The summaries have not been audited. See "APPENDIX A — BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018."

WEBER SCHOOL DISTRICT
STATEMENT OF NET POSITION/NET ASSETS — GOVERNMENTAL ACTIVITIES
FISCAL YEARS ENDED JUNE 30, 2014 THROUGH 2018
(This summary has not been audited)

	FISCAL YEAR ENDED JUNE 30				
	2018	2017	2016	2015	2014
ASSETS:					
Cash and investments	\$110,910,471	\$ 87,840,951	\$ 87,451,676	\$ 99,219,619	\$ 94,508,831
Receivables:					
Property taxes	73,441,289	66,411,641	64,252,127	59,536,096	43,656,816
Other local	180,306	360,336	712,707	432,596	449,602
State	1,628,581	1,704,831	1,659,864	1,336,854	1,484,992
Federal	3,718,226	5,027,937	11,807,815	8,775,963	9,080,493
Note receivable	467,794	512,500	-	-	-
Inventories and prepaid items	1,265,048	1,194,061	965,276	1,173,683	1,138,838
Net pension asset		-	3,852	51,694	-
Capital assets:					
Land, construction-in-progress	32,564,450	17,377,984	19,226,331	34,678,275	60,275,007
Other capital assets, net of depreciation	<u>188,372,606</u>	<u>193,473,399</u>	<u>194,366,405</u>	<u>171,930,819</u>	<u>136,632,701</u>
Total assets	<u>412,548,771</u>	<u>373,903,640</u>	<u>380,446,053</u>	<u>377,135,599</u>	<u>347,227,280</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred charges on refunding	3,151,417	3,591,737	3,673,665	2,601,322	1,187,042
Amounts related to pensions	<u>54,144,378</u>	<u>48,743,578</u>	<u>41,172,598</u>	<u>14,086,619</u>	-
Total deferred outflows of resources	56,295,795	<u>52,335,315</u>	<u>44,846,263</u>	<u>\$16,687,619</u>	<u>1,187,042</u>
LIABILITIES:					
Accounts and contracts payable	6,707,163	1,643,814	4,963,660	5,060,338	4,754,279
Accrued salaries and employee benefits	33,333,560	32,102,961	35,903,875	34,549,382	33,472,912
Accrued interest	476,019	449,049	470,423	504,505	277,430
Accrued liabilities			-	-	2,464,375
Unearned revenue:					
Other local			-	37,785	27,935
State	7,445,536	8,653,312	8,854,740	7,568,380	7,836,023
Federal	521,504	1,368,823	1,597,922	588,028	-
Noncurrent liabilities:					
Due within one year	17,190,152	17,171,957	14,994,875	14,900,216	8,566,506
Due in more than one year	<u>242,362,778</u>	<u>250,173,376</u>	<u>260,295,994</u>	<u>242,206,471</u>	<u>122,495,484</u>
Total liabilities	308,036,712	<u>311,563,292</u>	<u>327,081,489</u>	<u>305,415,105</u>	<u>191,016,089</u>
DEFERRED INFLOWS OF RESOURCES:					
Property taxes levied for future year	73,317,053	64,971,393	62,600,629	57,842,618	47,781,544
Amounts related to pensions	<u>45,233,119</u>	<u>15,548,971</u>	<u>11,590,059</u>	<u>8,814,212</u>	-
Total deferred outflows of resources	<u>118,550,172</u>	<u>80,520,310</u>	<u>74,190,688</u>	<u>\$ 66,656,830</u>	<u>47,781,544</u>
NET POSITION:					
Net Investment in capital assets	89,806,911	87,936,112	80,599,396	65,842,911	66,255,619
Restricted for:					
Food services	456,722	296,983	1,838,844	1,908,305	1,648,391
Student Activity	2,324,398	2,179,626	2,215,933	2,160,732	5,289,385
Debt service	1,146,971	1,211,885	1,847,232	1,559,678	1,889,490
Capital projects	13,010,673	9,736,130	7,728,257	18,830,052	13,300,063
Unrestricted	<u>(64,487,993)</u>	<u>(67,205,383)</u>	<u>(70,209,523)</u>	<u>(68,550,073)</u>	<u>21,233,741</u>
Total net assets/position	<u>\$42,257,682</u>	<u>\$34,155,353</u>	<u>\$24,020,139</u>	<u>\$21,751,605</u>	<u>\$109,616,689</u>

WEBER SCHOOL DISTRICT
BALANCE SHEET — GOVERNMENTAL FUNDS
GENERAL FUND
FISCAL YEARS ENDED JUNE 30, 2014 THROUGH 2018
(This summary has not been audited)

	FISCAL YEAR ENDED JUNE 30				
	2018	2017	2016	2015	2014
ASSETS:					
Cash and investments	\$ 71,670,577	\$ 69,434,499	\$ 69,153,613	\$ 67,452,769	\$ 71,038,259
Receivables:					
Property taxes	42,253,462	36,673,295	36,575,941	33,873,834	29,171,837
Other local	141,148	117,358	205,697	333,009	357,492
State	1,032,949	739,555	795,173	742,689	1,484,992
Federal	3,629,443	4,935,442	11,807,815	8,676,078	8,074,564
Due from other funds		-	-	188,589	-
Note receivable	467,794	512,500	-	-	-
Inventories and prepaid items	682,815	693,337	674,058	625,246	530,079
Total assets	<u>\$119,878,188</u>	<u>\$113,105,986</u>	<u>\$119,212,297</u>	<u>\$111,892,214</u>	<u>\$110,657,223</u>
LIABILITIES:					
Accounts and contracts payable	1,211,451	1,060,960	3,065,613	3,052,843	6,344,848
Accrued salaries and employee benefits	32,607,764	31,391,096	34,563,263	33,309,893	32,225,655
Unearned revenue:					
Local	-	-	-	37,785	27,935
State	7,445,536	8,653,312	8,854,740	7,568,380	7,836,023
Federal	521,504	1,368,823	1,597,922	588,028	-
Total liabilities	41,786,255	<u>37,237,073</u>	<u>48,081,538</u>	<u>44,556,929</u>	<u>46,434,461</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue from sale of land	467,794	512,500	-	-	-
Unavailable property tax revenue	903,033	850,169	814,885	849,484	-
Property taxes levied for future year	<u>42,210,240</u>	<u>35,874,404</u>	<u>35,631,240</u>	<u>32,841,777</u>	<u>33,483,338</u>
Total deferred inflows of resources	<u>43,581,067</u>	<u>37,237,073</u>	<u>36,446,125</u>	<u>33,691,261</u>	<u>33,483,338</u>
FUND BALANCES:					
Nonspendable:					
Inventories and prepaid items	682,815	693,337	674,058	625,246	530,079
Committed to:					
Economic stabilization	5,000,000	4,750,000	4,500,000	4,000,000	4,000,000
Employee benefit obligations	2,029,029	1,888,560	1,882,369	1,627,420	1,753,367
Contractual obligations	361,920	522,416	303,816	564,290	664,647
Assigned to:					
Early retirement benefit	10,250,000	10,250,000	10,250,000	10,250,000	10,000,000
Other programs	3,286,513	3,286,513	6,206,513	5,806,513	3,069,629
Unassigned	<u>12,900,589</u>	<u>12,003,896</u>	<u>10,867,878</u>	<u>10,770,555</u>	<u>10,721,702</u>
Total fund balances	<u>34,510,866</u>	<u>33,394,722</u>	<u>34,684,634</u>	<u>33,644,024</u>	<u>30,739,424</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$119,878,188</u>	 <u>\$113,105,986</u>	 <u>\$119,212,297</u>	 <u>\$111,892,214</u>	 <u>\$110,657,223</u>

WEBER SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS — GENERAL FUND
(This summary has not been audited)

	FISCAL YEAR ENDED JUNE 30				
	2018	2017	2016	2015	2014
Revenues:					
Property taxes.....	\$ 38,287,094	\$ 38,821,746	\$ 35,791,896	\$ 36,279,852	\$ 37,781,712
Earnings on investments.....	1,244,609	710,126	779,757	474,106	764,726
Local sources.....	3,981,244	3,421,176	2,490,355	2,693,427	2,021,253
State aid	160,807,847	150,414,509	143,176,198	137,246,612	132,151,205
Federal aid	<u>12,169,089</u>	<u>12,174,449</u>	<u>13,304,146</u>	<u>12,139,642</u>	<u>11,973,096</u>
Total revenues.....	<u>216,489,883</u>	<u>205,542,006</u>	<u>195,542,352</u>	<u>188,833,639</u>	<u>184,691,992</u>
Expenditures:					
Current:					
Instructional services.....	151,901,053	144,571,977	135,181,868	132,077,653	127,829,436
Supporting services:					
Students.....	7,874,762	7,443,929	7,109,418	6,721,162	6,613,916
Instructional staff.....	3,284,794	3,343,179	3,539,515	3,148,960	2,509,097
District administration	4,406,189	4,005,214	3,841,976	3,865,284	4,401,624
School administration	12,594,479	11,825,070	12,010,081	12,238,374	12,089,094
Operation and maintenance of facilities	19,257,179	18,738,762	19,044,682	18,248,638	17,888,671
Transportation.....	9,922,984	8,975,715	8,219,183	7,463,312	7,307,044
Central.....	<u>5,901,495</u>	<u>5,164,663</u>	<u>5,349,486</u>	<u>4,907,261</u>	<u>3,931,078</u>
Total expenditures	<u>215,142,935</u>	<u>204,068,509</u>	<u>194,296,209</u>	<u>188,670,644</u>	<u>182,569,960</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,346,948</u>	<u>1,473,497</u>	<u>1,246,143</u>	<u>162,995</u>	<u>2,122,032</u>
Other financing sources (uses):					
Transfers	(270,548)	(2,771,409)	(205,533)	(2,986,261)	-
Sale of capital assets	<u>39,744</u>	<u>8,000</u>	<u>-</u>	<u>17,088</u>	<u>56,330</u>
Total of other financing sources	<u>(230,804)</u>	<u>(2,763,409)</u>	<u>(205,533)</u>	<u>(2,969,173)</u>	<u>56,330</u>
Net change in fund balances	<u>(1,116,144)</u>	<u>(1,289,912)</u>	<u>1,040,610</u>	<u>(2,806,178)</u>	<u>2,178,362</u>
Fund balances - beginning, as restated	<u>33,394,722</u>	<u>34,684,634</u>	<u>33,644,024</u>	<u>36,450,202</u>	<u>28,561,062</u>
Fund balances - ending.....	<u>\$34,510,866</u>	<u>\$33,394,722</u>	<u>\$34,684,634</u>	<u>\$33,644,024</u>	<u>\$30,739,424</u>

(Source: Information is taken from the District's audited financial statements. This summary itself has not been audited.)

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2014 FUND BALANCE RESTATEMENT

The District engaged Squire, to perform their 2015 financial audit. Squire audits 14 school districts in the State of Utah, and has the reputation of being experts in school accounting. Under the guidance of Squire, the District has restated ending fund balance for Fiscal Year 2014. The restatement has resulted in a General Fund balance increase of \$5,770,607; bringing the Fiscal Year 2014 ending General Fund balance to \$36,510,031.

As recommended by the District's previous auditors, the District recorded a liability of \$3,257,970 on the 2014 General Fund financial statements for termination benefits. Because of GASB's focus on current available resources, Squire recommended, and the District followed such recommendation, not to record a liability in the General Fund for termination benefits.

In June of 2014 the District received a payment from the County for personal property tax revenue. The payment was originally recorded as deferred revenue in the General Fund. Because the property taxes were assessed in 2014, Squire recommended, and the District followed such recommendation, not to record the payment as revenue in 2014; rather than deferred revenue. The amount the was originally deferred that will be restated as revenue in the General Fund is \$2,512,637.

PROPERTY TAX MATTERS

The Property Tax Act provides that all taxable property is required to be assessed and taxed at a uniform and equal rate on the basis of its "fair market value" as of January 1 of each year, unless otherwise provided by law. "Fair market value" is defined in the Property Tax Act as "the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts." Pursuant to an exemption for residential property provided for under the Property Tax Act and Article XIII of the State Constitution, the "fair market value" of residential property is reduced by 45%. The residential exemption is limited to one acre of land per residential unit and to one primary residence per household, except that an owner of multiple residential properties may exempt his or her primary residence and each residential property that is the primary residence of a tenant.

The Property Tax Act provides that the Utah State Tax Commission (the "*State Tax Commission*") shall assess certain types of property ("*centrally-assessed property*"), including (a) properties that operate as a unit across county lines that must be apportioned among more than one county or state, (b) public utility (including railroad) properties, (c) airline operating properties, (d) geothermal resources and (e) mines, mining claims and appurtenant machinery, facilities and improvements. All other taxable property ("*locally-assessed property*") is required to be assessed by the county assessor of the county in which such locally-assessed property is located. Each county assessor must update property values annually based upon a systematic review of current market data by using a mass appraisal system and must also complete a detailed review of property characteristics for each parcel of property at least once every five years. The Property Tax Act requires that the State Tax Commission conduct an annual investigation in each county to

determine whether all property subject to taxation is on the assessment rolls and whether the property is being assessed at its “fair market value.”

The State Tax Commission and the county assessors utilize various valuation methods, as determined by statute, administrative regulation or accepted practice, to determine the “fair market value” of taxable property.

Uniform Fees. An annual statewide uniform fee is levied on tangible personal property in lieu of the ad valorem tax. The uniform fee is based on the value of motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. The current uniform fee is established at 1.5% of the fair market value of motor vehicles that weigh 12,001 pounds or more, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State, excluding exempt property such as aircraft and property subject to a fixed age-based fee. The uniform fee for motor homes is 1.0% and for certain aircraft is \$25. Motor vehicles weighing 12,000 pounds or less are subject to an age-based fee that is due each time the vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$5 to \$150, depending on the age of the vehicle. Recreation vehicles (except motor homes), motorcycles, watercraft (except large watercraft), snowmobiles and certain small motor vehicles required to be registered with the State are also subject to an aged-based fee that ranges from \$7.75 to \$700, depending on the age of the vehicle. The revenues collected from the various uniform fees are distributed by the county to the taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed.

Property Tax Valuation Agency Fund. The State Legislature requires each county to annually impose a multicounty assessing and collecting levy to fund a Property Tax Valuation Agency Fund (the “PTVAF”) and a Multicounty Appraisal Trust (the “*Multicounty Trust*”). Disbursements to counties from the PTVAF are to be used to offset costs of assessing and collecting property taxes; improve the accurate valuation and uniform assessment levels of property and improve the efficiency of the property tax system and are based on various administrative rules. Funds deposited into the Multicounty Trust are to be used to provide funding for a statewide computer assisted mass appraisal system that is intended to promote, among other things, the accurate valuation of property, the establishment and maintenance of uniform assessment levels within and among counties, and the efficient administration of the property tax system, including the costs of assessment, collection and distribution of property taxes. A county may levy an additional tax to (a) promote the accurate valuation and uniform assessment levels of property, (b) promote the efficient administration of the property tax system, including the costs of assessment, collection and distribution of property taxes, (c) fund state mandated actions and (d) establish reappraisal programs.

TAX LEVY AND COLLECTION

The State Tax Commission must assess all centrally-assessed property by May 1 of each year. County assessors must assess all locally-assessed property before May 22 of each year. The State Tax Commission apportions the value of centrally-assessed property to the various taxing entities within each county and reports such values to county auditors before June 8. The governing body of each taxing entity must adopt a proposed tax rate or, if the tax rate is not more

than the certified tax rate, a final tax rate, before June 22; *provided* if the governing body has not received the taxing entity's certified tax rate at least seven days prior to June 22, the governing body of the taxing entity must, no later than 14 days after receiving the certified tax rate from the county auditor, adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate. County auditors must forward to the State Tax Commission a statement prepared by the legislative body of each taxing entity showing the amount and purpose of each levy. Upon determination by the State Tax Commission that the tax levies comply with applicable law and do not exceed maximum permitted rates, the State Tax Commission notifies county auditors to implement the levies. If the State Tax Commission determines that a tax levy established by a taxing entity exceeds the maximum levy permitted by law, the State Tax Commission must lower the levy to the maximum levy permitted by law, notify the taxing entity that the rate has been lowered and notify the county auditor (of the county in which the taxing entity is located) to implement the rate established by the State Tax Commission.

On or before July 22 of each year, the county auditors must mail to all owners of real estate shown on their assessment rolls notice of, among other things, the value of the property, itemized tax information for all taxing entities and the date their respective county boards of equalization will meet to hear complaints. Taxpayers owning property assessed by a county assessor may file an application within statutorily defined time limits based on the nature of the contest with the appropriate county board of equalization for the purpose of contesting the assessed valuation of their property. The county board of equalization must render a decision on each appeal in the time frame prescribed by the Property Tax Act. Under certain circumstances, the county board of equalization must hold a hearing regarding the application, at which the taxpayer has the burden of proving that the property sustained a decrease in fair market value. Decisions of the county board of equalization may be appealed to the State Tax Commission, which must decide all appeals relating to real property by March 1 of the following year. Owners of centrally-assessed property, or any county with a showing of reasonable cause, may, on or before the later of August 1 or a day within 90 days of the date the notice of assessment is mailed by the State Tax Commission, apply to the State Tax Commission for a hearing to contest the assessment of centrally-assessed property. The State Tax Commission must render a written decision within 120 days after the hearing is completed and all post-hearing briefs are submitted. The county auditor makes a record of all changes, corrections and orders, and delivers before November 1 the corrected assessment rolls to the county treasurers. On or before November 1, each county treasurer furnishes each taxpayer a notice containing, among other things, the kind and value of the property assessed to the taxpayer, the street address of the property, where applicable, the amount of the tax levied on the property and the year the property is subject to a detailed review.

Without an extension by a county legislative body, taxes are due November 30, or if a Saturday, Sunday or holiday, the next business day. Each county treasurer is responsible for collecting all taxes levied on real property within that county. There are no prior claims to such taxes. As taxes are collected, each county treasurer must pay to the State and each taxing entity within the county its proportionate share of the taxes, on or before the tenth day of each month. Delinquent taxes are subject to a penalty of 2.5% of the amount of the taxes or \$10, whichever is greater. Unless the delinquent taxes and penalty are paid before January 31 of the following year, the amount of delinquent taxes and penalty bears interest at the federal funds rate target established by the Federal Open Markets Committee plus 6% from the January 1 following the delinquency

date until paid (provided that said interest may not be less than 7% or more than 10%). If delinquent taxes have not been paid by March 15 following the lapse of four years from the delinquency date, the affected county advertises and sells the property at a final tax sale held in May or June of the fifth year after assessment.

The process described above changes if a county or other taxing entity proposes a tax rate in excess of the certified tax rate (as described under “FINANCIAL INFORMATION REGARDING WEBER SCHOOL DISTRICT — Public Hearing on Certain Tax Increases” below). If such an increase is proposed, the taxing entity must adopt a proposed tax rate before June 22. In addition, the county auditor must include certain information in the notices to be mailed by July 22, as described above, including information concerning the tax impact of the proposed increase on the property and the time and place of the public hearing described in “FINANCIAL INFORMATION REGARDING WEBER SCHOOL DISTRICT — Public Hearing on Certain Tax Increases” below. In most cases, notice of the public hearing must also be advertised by publication. After the public hearing is held, the taxing entity may adopt a resolution levying a tax in excess of the certified tax rate. A resolution levying a tax in excess of the certified tax rate must be forwarded to the county auditor by August 17. The final tax notice is then mailed by November 1.

PUBLIC HEARING ON CERTAIN TAX INCREASES

Each taxing entity that proposes to levy a tax rate that exceeds the “certified tax rate” may do so, by resolution, only after holding a properly noticed public hearing. Generally, the certified tax rate is the rate necessary to generate the same property tax revenue that the taxing entity budgeted for the prior year, with certain exclusions. For purposes of calculating the certified tax rate, county auditors are to use the taxable value of property on the assessment rolls, exclusive of eligible new growth. With certain exceptions, the certified tax rate for the minimum school levy, debt service voted on by the public and certain state and county assessing and collecting levies are the actual levies imposed for such purposes and no hearing is required for these levies.

Among other requirements, on or before July 22 of the year in which such an increase is proposed, the county auditor must mail to all property owners a notice of the public hearing. In most cases, the taxing entity must also advertise the notice of the public hearing by publication in a newspaper. Such notices must state, among other things, the value of the property, the time and place of the public hearing, and the tax impact of the proposed increase.

HISTORICAL DISTRICT TAX RATES

	TAX YEAR ENDED DECEMBER 31				
	2018	2017	2016	2015	2014
Basic School Levy(1).....	0.001666	0.001568	0.001675	0.001736	0.001419
Voted Local Levy(2).....	0.000963	0.001060	0.001123	0.000958	0.001010
Board Local Levy(3).....	0.001084	0.001027	0.001168	0.001229	0.001866
Capital Local Levy(4).....	0.001181	0.001300	0.001378	0.001377	0.000888
Debt Service(5).....	0.001343	0.001343	0.001343	0.001343	0.001343
Charter School Levy.....	<u>0.000070</u>	<u>0.000075</u>	<u>0.000000</u>	<u>0.000000</u>	<u>0.000000</u>
Total.....	<u>0.006307</u>	<u>0.006373</u>	<u>0.006687</u>	<u>0.006643</u>	<u>0.006526</u>

- (1) Set by law for the District’s portion of the State Minimum School Program.
- (2) General maintenance and operation revenue. The maximum tax rate for the Voted Local Levy is .002000. However, when considering the maximum tax rate of .002000, the Board-Approved Local Levy of .000400 is considered to be part of the Voted Local Levy and, to the extent levied, would reduce the effective maximum tax rate for the Voted Local Levy to the extent of such levy. *As of the date of this Official Statement, the District is authorized by residents of the District to impose a tax rate of not to exceed .001091 for its Voted Local Levy.*
- (3) Restricted to class size reduction.
- (4) Capital outlay bonding, construction and renovation.
- (5) No maximum limitation applies to levies made to provide for payment of the principal of and interest on general obligation bonds authorized by vote of school district electors.

TAXABLE AND FAIR MARKET VALUE OF PROPERTY

Excluding Fee-In-Lieu/Age Based Valuation

YEAR	TAXABLE VALUE(1)	% CHANGE OVER PRIOR YEAR	ESTIMATED FAIR MARKET VALUE(2)	% CHANGE OVER PRIOR YEAR
2017	\$10,365,638,668	9.0%	\$15,753,585,832	9.4%
2016	9,512,304,662	8.1	14,401,742,217	8.3
2015	8,803,257,251	8.1	13,298,663,205	8.5
2014	8,144,787,395	4.7	12,254,092,220	5.3
2013	7,779,791,910	2.5	11,638,332,612	2.6

Including Fee-In-Lieu/Age Based Valuation

YEAR	TAXABLE VALUE(1)	% CHANGE OVER PRIOR YEAR	ESTIMATED FAIR MARKET VALUE(2)	% CHANGE OVER PRIOR YEAR
2017	\$10,706,874,027	8.6%	\$16,094,821,191	9.2%
2016	9,854,617,992	7.9	14,744,055,546	8.2
2015	9,130,234,035	8.1	13,625,639,989	8.5
2014	8,448,690,470	4.4	12,557,995,295	5.1
2013	8,090,784,419	2.4	11,949,325,120	2.5

- (1) Source: Property Tax Division, Utah State Tax Commission.
- (2) Estimated fair market value has been calculated by dividing the taxable value of primary residential property by .55, which eliminates the 45% exemption on primary residential property granted under the Property Tax Act. See “FINANCIAL INFORMATION REGARDING WEBER SCHOOL DISTRICT — Property Tax Matters.”

See “FINANCIAL INFORMATION REGARDING WEBER SCHOOL DISTRICT — Historical Summaries of Taxable Values of Property.”

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HISTORICAL SUMMARIES OF TAXABLE VALUES OF PROPERTY

**Weber School District
Historical Summaries of Taxable Values of Property
Tax Years 2013 through 2017**

	2017		2016		2015		2014		2013	
	TAXABLE VALUE	% OF T.V.	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE	TAXABLE VALUE
<i>Set by State Tax Commission— Centrally Assessed</i>										
Total centrally assessed.....	\$ <u>632,152,236</u>	5.9%	\$ <u>579,828,745</u>	\$ <u>434,160,707</u>	\$ <u>388,462,878</u>	\$ <u>340,150,557</u>				
<i>Set by County Assessor—Locally Assessed</i>										
Real property:										
Primary residential	6,572,847,498	61.4%	5,962,657,262	5,007,983,245	4,711,632,688	4,724,407,943				
Secondary residential	737,593,298	6.9	686,796,936	629,634,857	686,806,068	802,522,765				
Commercial and industrial	1,832,467,863	17.1	1,729,915,955	1,574,069,115	1,499,409,854	1,484,338,497				
FAA	18,282,125	0.2	18,160,446	19,233,815	19,729,049	19,578,071				
Unimproved Non-FAA-Vacant...	81,428,078	0.8	59,035,190	58,491,609	70,853,462	88,127,693				
Agricultural	<u>54,812,583</u>	<u>0.5</u>	<u>52,945,169</u>	<u>32,890,343</u>	<u>27,206,386</u>	<u>27,906,829</u>				
Total real property	\$ <u>9,297,431,445</u>	<u>86.8%</u>	\$ <u>8,509,510,958</u>	\$ <u>7,322,302,984</u>	\$ <u>7,016,137,507</u>	\$ <u>7,146,881,798</u>				
Personal property:										
Primary mobile homes	12,421,258	0.1%	13,321,971	14,500,430	16,667,173	17,205,515				
Other business personal property	<u>423,633,729</u>	<u>4.0</u>	<u>409,642,988</u>	<u>373,823,274</u>	<u>363,638,664</u>	<u>387,926,825</u>				
Total personal property	\$ <u>436,054,987</u>	<u>4.1%</u>	\$ <u>422,964,959</u>	\$ <u>388,323,704</u>	\$ <u>380,305,837</u>	\$ <u>405,132,340</u>				
Fee in lieu/age based property	<u>341,235,359</u>	<u>3.2</u>	<u>342,313,329</u>	<u>303,903,075</u>	<u>311,612,935</u>	<u>42,595,907</u>				
Total locally assessed	\$ <u>9,733,486,432</u>	<u>90.9%</u>	\$ <u>8,932,475,917</u>	\$ <u>7,710,626,688</u>	\$ <u>7,708,056,279</u>	\$ <u>7,594,610,045</u>				
Total taxable value	\$ <u>10,706,874,027</u>	<u>100.0%</u>	\$ <u>9,854,617,992</u>	\$ <u>8,448,690,470</u>	\$ <u>8,096,519,157</u>	\$ <u>7,934,760,602</u>				
Total taxable value (less fee in lieu/age based property)	\$ <u>10,365,638,668</u>	<u>96.8%</u>	\$ <u>9,512,304,662</u>	\$ <u>8,144,787,395</u>	\$ <u>7,784,906,222</u>	\$ <u>7,892,164,695</u>				

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

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TAX COLLECTION RECORD

Tax Year End 12/31	Total Taxes Levied	Treasurer's Relief(1)	Net Taxes Assessed	Current Collections(2)	Delinquent and Miscellaneous Collections(3)	Total Collections(4)	% of Current Collections to Net Taxes Assessed	% of Total Collections to Net Taxes Assessed
2017	\$65,455,006	\$1,529,865	\$63,925,141	\$62,484,261	\$2,303,606	\$64,787,867	97.75%	101.35%
2016	63,644,707	1,390,213	62,254,494	60,855,287	2,002,662	62,857,949	97.75	100.97
2015	58,432,232	1,205,363	57,226,869	55,692,887	2,117,840	57,810,727	97.32	101.02
2014	53,305,882	1,171,463	52,134,419	50,727,500	2,430,812	53,158,312	97.30	101.96
2013	51,914,184	980,438	50,933,746	49,301,176	2,830,665	52,131,841	96.79	102.35

- (1) Treasurer's Relief includes abatements. These Treasurer's Relief items are levied against the property, but are never collected and paid to the entity.
- (2) Includes sales of real and personal property.
- (3) Delinquent, Personal Property and Miscellaneous Collections include interest and miscellaneous delinquent collections.
- (4) The District collected Uniform Fees (fee in-lieu payments) for tax year 2017 of \$5,058,293; for tax year 2016 of \$5,134,700; for tax year 2015 of \$4,904,652; for tax year 2014 of \$4,558,546; and for tax year 2013 of \$4,664,888 from tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State.
- (Source: Weber County, Utah Comprehensive Annual Financial Reports for the Years Ended December 31, 2013, 2014, 2015, 2016 and 2017.)

SOME OF THE LARGEST TAXPAYERS IN THE COUNTY

TAXPAYER	TYPE OF BUSINESS	2017 TAXABLE VALUE(1)(2)	% OF THE DISTRICT'S 2017 TAXABLE VALUE
Boyer Corporation	Construction/Real Estate	\$ 298,970,188	2.2%
Compass Minerals Ogden Inc. (GSL Minerals)	Mining	267,193,271	1.9
Fresenius Medical Care	Manufacturing	191,172,328	1.4
PacifiCorp	Utility/Electrical	189,333,806	1.4
IHC Health Services/McKay Dee	Medical Services/Hospitals	101,273,328	0.7
Questar Gas	Utility/Natural Gas	97,918,274	0.7
Union Pacific Railroad	Rail Transportation	88,695,165	0.6
Wal-Mart	Retail	82,331,488	0.6
Newgate Mall Holdings	Real Estate	73,941,452	0.5
America First Credit Union	Financial Services	<u>67,488,928</u>	<u>0.5</u>
	TOTAL:	\$1,458,318,228	10.6%*

* Total may not add due to rounding.

(1) Taxable value does not include personal property accounts with a taxable value less than \$250,000.

(2) Taxable value does not include real estate parcels with a taxable value less than \$250,000.

(Source: Weber County, Utah Comprehensive Annual Financial Reports for the Year Ended December 31, 2017 and Utah State Tax Commission.)

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STATE OF UTAH SCHOOL FINANCE

SOURCES OF FUNDS

Funding for schools in the State is provided from local school district sources consisting of property taxes imposed by the local school district (“*Local District Funding*”), State sources that are funded primarily by State imposed personal income taxes and corporate franchise taxes (“*State Funding*”) and federal sources (“*Federal Funding*”). For the fiscal year ended June 30, 2018, approximately 20.9% of the District’s General Fund funding was provided by Local District Funding, approximately 73.2% from State Funding and approximately 5.9% from Federal Funding. See also APPENDIX A—BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED 2018.

LOCAL DISTRICT FUNDING

School districts are authorized by State law to levy taxes, certain of which require voter approval, on real property for various purposes. Funding for operation and maintenance is derived primarily through a minimum tax levy (the “*Minimum Tax Levy*”) by each school district at a rate established each year by the State. Imposition of this Minimum Tax Levy is required for a school district to qualify for receipt of contributions by the State for such purposes. Additional tax levies for, among other things, educational programs and capital outlay and debt service to finance capital outlays may be made at the option of a school district. Certain of such levies will entitle a school district to State guaranteed levels of funding or receipt of specific additional contributions from the State. The Board has received all voter approval necessary for the taxes it currently levies. See also “FINANCIAL INFORMATION REGARDING THE DISTRICT—Historical Tax Rates” above.

STATE FUNDING

Under its school funding program, the State guarantees that in connection with the Minimum Tax Levy and certain of a school district’s additional tax levies each school district will receive certain amounts based primarily on the number of students attending schools in such district. To the extent that such levies do not generate receipts at least equal to such guaranteed amounts, the State contributes funds to the school district in the amount of the shortfall. If a school district’s receipts from such levies reach such prescribed levels, there is no State contribution to such district. Further, school district receipts from the Minimum Tax Levy in excess of the guaranteed amounts are required to be paid over to the State for distribution to other school districts.

In addition to any contributions relating to shortfalls described above, the State annually appropriates fixed amounts to fund certain programs and services statewide. Funds for contributions to school districts and for other programs and services are appropriated from the State Uniform School Fund and the Education Fund, which are funded primarily from personal income taxes and corporate franchise taxes. State Funding is also available, under certain circumstances, to school districts for payment of a portion of capital costs.

FEDERAL FUNDING

Federal Funding is provided for various school programs including child nutrition, and vocational and special education.

SUMMARY OF STATE AND FEDERAL FUNDS

The District received the following in State and federal funds:

	Fiscal Year Ended June 30 (unaudited)				
	2018	2017	2016	2015	2014
<i>State Funds</i>					
General Fund	\$160,807,847	\$150,414,509	\$143,176,198	\$137,246,612	\$132,781,205
Capital Projects Fund	125,823	683,334	81,821	30,343	0
Other Governmental Funds ..	<u>2,335,304</u>	<u>2,324,199</u>	<u>2,216,025</u>	<u>2,181,545</u>	<u>2,003,828</u>
Total.....	<u>\$163,268,974</u>	<u>\$153,422,042</u>	<u>\$145,474,044</u>	<u>\$139,458,500</u>	<u>\$134,155,033</u>
% change over prior year	6.42%	5.46%	4.31%	3.95%	3.51%
<i>Federal Funds</i>					
General Fund	\$12,169,089	\$12,174,449	\$13,304,146	\$12,139,642	\$11,973,096
Other Governmental Funds ..	<u>6,231,967</u>	<u>6,500,512</u>	<u>6,531,529</u>	<u>6,820,597</u>	<u>6,704,014</u>
Total.....	<u>\$18,401,056</u>	<u>\$18,674,961</u>	<u>\$19,835,675</u>	<u>\$18,960,239</u>	<u>\$18,677,110</u>
% change over prior year	(1.47%)	(5.85%)	4.62%	1.52%	4.59%

(Source: Information taken from the District’s audited financial statements for the indicated years. This summary has not been audited.)

See “FINANCIAL INFORMATION REGARDING WEBER SCHOOL DISTRICT — Five-Year Financial Summaries.”

ABSENCE OF LITIGATION

The attorney for the Board, Heidi J. Alder, has advised that, to the best of her knowledge after due inquiry, there is no pending or threatened litigation that would legally stop, enjoin, or prohibit the issuance, sale or delivery of the Bonds.

TAX EXEMPTION

FEDERAL INCOME TAXATION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Board has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Board's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Board with respect to certain material facts within the Board's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "*Code*"), includes provisions for an alternative minimum tax ("*AMT*") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("*AMTI*"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Bonds. The AMT for corporations is repealed for taxable years beginning after December 31, 2017.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "*Issue Price*") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the "*OID Bonds*") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Board complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the

alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount (the "*Revised Issue Price*"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "*Service*") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such

tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Board as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

UTAH INCOME TAXATION

In the opinion of Bond Counsel, under the existing laws of the State of Utah, as presently enacted and construed, interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. Bond Counsel expresses no opinion with respect to any other taxes imposed by the State or any political subdivision thereof. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

APPROVAL OF LEGAL PROCEEDINGS

The authorization and issuance of the Bonds are subject to the approval of Chapman and Cutler LLP, Bond Counsel to the Board. Certain legal matters will be passed upon for the Board by staff attorney Heidi J. Alder. The approving opinion of Bond Counsel will be delivered with the Bonds in substantially the form set forth in APPENDIX C of this Official Statement and will be made available upon request from the contact persons as indicated under “INTRODUCTION — Contact Persons.”

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

CONTINUING DISCLOSURE

The Board will enter into a Continuing Disclosure Undertaking (the “*Undertaking*”) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the MSRB pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 (the “*Rule*”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. No person, other than the Board and the State, as described below, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Undertaking, including termination, amendment and remedies, are set forth in the form of Undertaking attached as APPENDIX B.

Except as described below, there have been no instances in the previous five years in which the Board failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule. A failure by the Board to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See “APPENDIX B — FORM OF CONTINUING DISCLOSURE UNDERTAKING — Consequences of Failure of the Issuer to Provide Information.” A failure by the Board to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

In February 2018, it came to the attention of the Board that its audited financial statements and annual financial information for the years ended June 15, 2013, and June 15, 2015, had not been posted its \$7,775,000 General Obligation Refunding Bonds, Series 2005 (the “*Series 2005 Bonds*”) on EMMA. Such audited financial statements and annual financial information was available for its other outstanding bonds. Since the Series 2005 Bonds matured on June 15, 2016 and were no longer outstanding, the Board determined the posting of such information was no longer material.

The State has entered into a Master Continuing Disclosure Agreement (the “*Master Disclosure Agreement*”) for the benefit of the beneficial owners of the bonds, including the Bonds, guaranteed by the State pursuant to the Guaranty Act. See “STATE OF UTAH GUARANTY.” In the Master Disclosure Agreement, the State has undertaken to send certain information annually and to provide notice of certain events to the MSRB pursuant to the Rule, but solely as to its responsibilities under its guaranty. See “STATE OF UTAH GUARANTY — State of Utah — Financial and Operating Information.” The Board is responsible for continuing disclosure under the Rule for all other matters relating to the Bonds.

Bond Counsel expresses no opinion as to whether the Undertaking or the Master Disclosure Agreement complies with the requirements of the Rule.

BOND RATINGS

As of the date of this Official Statement, the Bonds have been rated “Aaa” by Moody’s, based upon the State’s Guaranty Act. Moody’s generally rates all bond issues guaranteed by the Guaranty Act of the State “Aaa.” Additionally, as of the date of this Official Statement, Moody’s has given the Bonds an underlying rating of “Aa2.”

Any explanation of the significance of the ratings may only be obtained from the rating service furnishing the same. There is no assurance that the ratings given will be maintained for any period of time or that the ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

MUNICIPAL ADVISOR

The Board has entered into an agreement with the Municipal Advisor whereunder the Municipal Advisor provides financial recommendations and guidance to the Board with respect to preparation for sale of the Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this Official Statement and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the Board, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

INDEPENDENT AUDITORS

The financial statements for the year ended June 30, 2018, included in this Official Statement, have been audited by Squire & Company, PC (“*Squire*”), as stated in its report in APPENDIX A to this Official Statement. Squire has not participated in the preparation or review of this Official Statement. Based upon Squire’s nonparticipation, it has not consented to the use of its name in this Official Statement.

MISCELLANEOUS

All quotations contained herein from and summaries and explanations of the State Constitution, statutes, programs and laws of the State, court decisions and the Resolutions, do not purport to be complete, and reference is made to the State Constitution, statutes, programs, laws, court decisions and the Resolutions for full and complete statements of their respective provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representation of fact.

The appendices attached hereto are an integral part of this Official Statement and should be read in conjunction with the foregoing material.

This Preliminary Official Statement is in form deemed final for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.

This Official Statement and its distribution and use have been duly authorized by the Board.

BOARD OF EDUCATION OF WEBER SCHOOL
DISTRICT, UTAH

By: _____
President

APPENDIX A

BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

The Basic Financial Statements for the Year Ended June 30, 2018 are contained herein. Copies of current and prior financial reports are available upon request from the contact persons as indicated under “INTRODUCTION — Contact Persons.”

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WEBER SCHOOL DISTRICT

Financial Statements

Year Ended June 30, 2018

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WEBER SCHOOL DISTRICT
5320 Adams Avenue Parkway
Ogden, Utah 84405

October 12, 2018

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 (District) for the fiscal year ending June 30, 2018.

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

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

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

Independent audits. Squire & Company, PC, a firm of licensed certified public accountants, has audited the District’s financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2018 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 the District’s financial statements for the year ending June 30, 2018 are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report

The independent audit of the financial statements of the District was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair

presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separately issued 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. The District's MD&A can be found immediately following the report of the independent auditors.

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

The major purpose of the District is to provide public education for those who reside within the boundaries of the District located in Weber County, Utah. To accomplish this purpose, for the school year 2017-2018, the District services four traditional high schools, nine junior high schools, and twenty-nine elementary schools. The District also offers various special purpose programs. These special programs include an alternative high school and Weber Innovations Center. The District serves approximately 31,957 students.

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

All annual appropriations lapse at fiscal year end with the exception of those indicated as a fund balance commitment. During May of each year, the District 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.

If the District does not exceed the certified tax rate, a public hearing is held prior to June 22 at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August or September when data is available to set 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. The District's fiscal 2018 balances and projected revenue are sufficient to meet the fiscal 2019 budget as presented to the public in June of 2018.

Economic condition and outlook. The economic outlook of the District 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 2018 Economic Report to the Governor prepared by the Utah Economical Council, every major industrial sector in Utah expanded in 2017. Utah's annual employment growth rate was among the strongest in the nation boasting a growth rate of 3%. The strongest growth rate came from the construction sector with a 5.4% growth rate which was fueled by robust residential and commercial activity. Utah boasted the third fastest population growth in the nation during 2017. The consensus forecast predicts moderate job and wage growth, low unemployment, and net in-migration in calendar year 2018.

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% to \$3,311 in 2018 from \$3,184 in 2017. Additionally, the overall taxable value of property within the District increased by 8.6% to \$10.7 billion while the overall tax rate decreased by 4.8% to 0.006393.

Student growth and facilities. The Governor's Office of Planning and Budget estimates steady student growth in Utah schools over the next few years. This growth is expected to impact Weber School District. However, new charter schools that have opened and expanded in Weber County have had an impact on the District's enrollment. Notwithstanding the addition and expansion of charter schools, steady growth is expected to continue for the next five years in the District. This means that on the average, over 100 students will be added to the enrollment every year.

Student growth brings additional state aid. However, student growth also adds fixed operational costs to the District. Accordingly, the District has made effective use of boundary changes and portable classroom units to manage the shifting student enrollments. In 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 a remodel of Fremont High School has commenced. Additionally, Roy Junior High School will be rebuilt, and an expansion of Weber Innovation High School will add capacity and replace aging facilities.

As the District continues to grow, student counts will be carefully monitored so that available financing resources will have the greatest impact. Current projections indicate most of the growth in the north and west areas of the District.

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

Cash management and investments. The District maintains a cash and investment pool that is available for use by all funds. The District invests in corporate bonds, government agencies, and the Public Treasurers' Investment Fund.

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

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

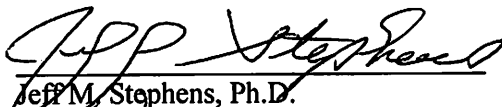
Risk management. The District is self-insured for workers' compensation. Unemployment compensation is handled on a cost-of-benefits-reimbursement basis with the State of Utah. The District participates in the Utah State Risk Management system for property and liability insurance. This is a

pooled arrangement where the participating entities pay annual premiums, which are designed to pay claims and build sufficient reserves so that the system will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base.


Early retirement benefits. Certain employees are eligible to receive healthcare and stipend benefits upon early retirement. These are considered termination benefits by the District. Nine years ago, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 47 which relates to termination benefits. The District finances these benefits primarily as premiums and stipends are paid. The District has assigned resources in its General Fund to provide for this obligation.

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

Respectfully submitted,



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



Robert D. Petersen, Ph.D.
Business Administrator



Independent Auditor's Report

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, 2018, 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, 2018, 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.

Supplementary 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 and 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 October 12, 2018, 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.

A handwritten signature in black ink that reads "Aguirre & Company, PC". The signature is written in a cursive style.

Orem, Utah
October 12, 2018

Management's Discussion and Analysis

This section of the annual financial report of Weber School District (the District) presents our discussion and analysis of the District's financial performance during the year ended June 30, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's total net position improved over the course of this year's operations by \$8.1 million. Federal and state funding increased by \$9.6 million and property tax revenue increased by \$1.1 million compared to the prior year to contribute to this improvement.
- 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. In February 2018, the District issued \$27,000,000 in general obligation bonds (with a premium of \$1.5 million) to help finance construction costs.
- The unassigned fund balance in the *general fund* increased by \$0.9 million to \$12.9 million (or 6.0% of *general fund* budgeted expenditures) while the fund balance assigned to economic stabilization increased by \$0.3 million to \$5.0 million.
- District enrollment increased by 512 students or 1.6% from October 1, 2016 to October 1, 2017.

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 individual parts of the District, reporting the District's 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 of the District's assets and liabilities, as well as deferred outflows and inflows of resources. All of the 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's assets and deferred outflows of resources and its liabilities and deferred inflows of resources—is one way to measure the District's financial health. Over time, increases or decreases in the District's net position are indicators of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the number of students enrolled.

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 of the funds of the District 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 left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you 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, information is provided after the governmental funds statements that explains 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 \$42.3 million at the close of the most recent fiscal year (see chart in next page):

- A significant portion of the District's net position (\$89.8 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 and obligations under capital leases less unspent bond proceeds) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- An additional portion of the District's net position (\$17.0 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 \$64.5 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 2018, the District, reported a net pension liability plus deferred outflows/inflows of resources related to pensions of \$84.4 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, 2018 and 2017
(in millions of dollars)

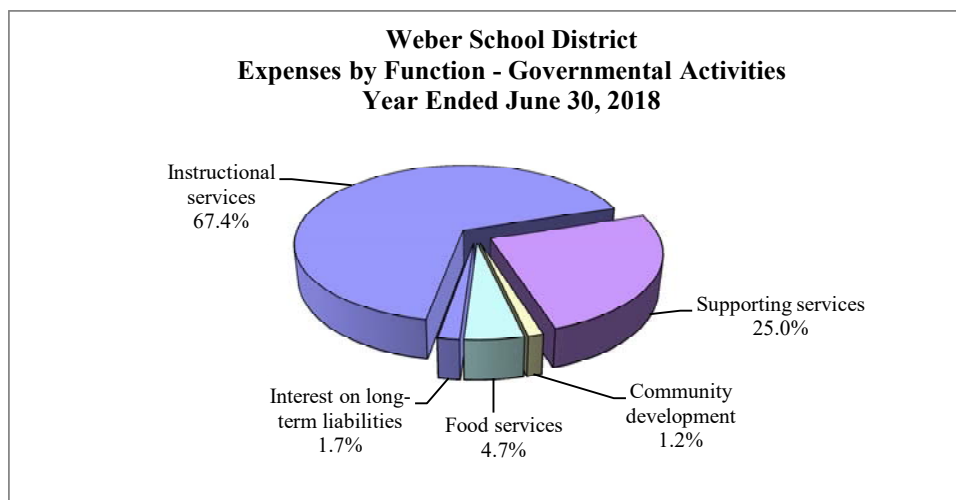
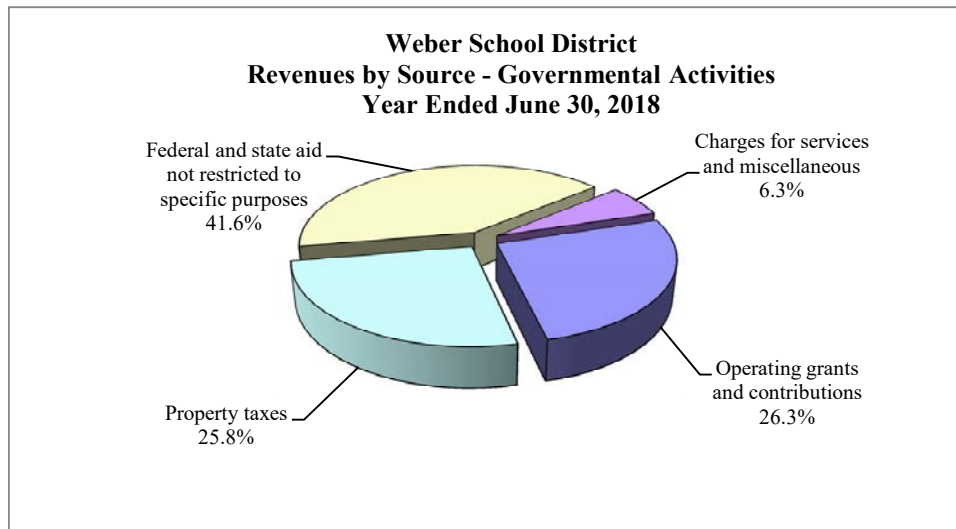
	Governmental activities		Total change 2018-2017
	2018	2017	
Other assets	\$ 191.7	\$ 163.0	\$ 28.7
Capital assets	<u>220.9</u>	<u>210.9</u>	<u>10.0</u>
Total assets	412.6	373.9	38.7
Deferred outflows of resources	56.3	52.3	4.0
Other liabilities	48.4	44.2	4.2
Long-term liabilities outstanding	<u>259.6</u>	<u>267.3</u>	<u>(7.7)</u>
Total liabilities	308.0	311.5	(3.5)
Deferred inflows of resources	118.6	80.5	38.1
Net position:			
Net investment in capital assets	89.8	87.4	2.4
Restricted	17.0	15.6	1.4
Unrestricted	<u>(64.5)</u>	<u>(68.8)</u>	<u>4.3</u>
Total net position	<u>\$ 42.3</u>	<u>34.2</u>	<u>\$ 8.1</u>

Changes in Net Position. The District's total revenues increased by 5.2% to \$267.8 million (see chart on next page). Of the District's revenue, 67.9% comes from federal and state funding and 25.8% from property taxes. The total cost of all programs and services increased by \$15.3 million, or 6.3%. The District's 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 \$3,311 in 2018 from \$3,184 in 2017.
- Property tax revenue is the result of applying tax rates to taxable property. The overall taxable value of property within the District increased by 8.6% to \$10.7 billion while the overall tax rate decreased by 4.8% to 0.006373.
- The total cost of all governmental activities this year was \$259.7 million. Personnel costs increased by 6.1% due mainly to increases in base salaries and insurance costs.

WEBER SCHOOL DISTRICT'S Changes in Net Position
Years Ended June 30, 2018 and 2017
(in millions of dollars)

	<u>Governmental activities</u>		<u>Total change</u>
	<u>2018</u>	<u>2017</u>	<u>2018-2017</u>
Revenues:			
Program revenues:			
Charges for services	\$ 13.3	\$ 12.6	\$ 0.7
Operating grants and contributions	70.3	66.5	3.8
General revenues:			
Property taxes	69.2	68.1	1.1
Federal and state aid not restricted to specific purposes	111.5	105.6	5.9
Earnings on investments	2.1	1.2	0.9
Miscellaneous	1.4	0.6	0.8
Total revenues	<u>267.8</u>	<u>254.6</u>	<u>13.2</u>
Expenses:			
Instructional services	174.7	163.5	11.2
Supporting services:			
Students	7.8	7.4	0.4
Instructional staff	3.2	3.3	(0.1)
District administration	4.6	4.1	0.5
School administration	13.0	12.3	0.7
Central	5.9	5.4	0.5
Operation and maintenance of facilities	19.4	18.8	0.6
Transportation	11.1	10.1	1.0
Contributions to other governments	3.2	2.6	0.6
Food services	12.3	12.0	0.3
Interest on long-term liabilities	4.5	4.9	(0.4)
Total expenses	<u>259.7</u>	<u>244.4</u>	<u>15.3</u>
Increase in net position	8.1	10.2	(2.1)
Net position - beginning	<u>34.2</u>	<u>24.0</u>	<u>10.2</u>
Net position - ending	<u><u>\$ 42.3</u></u>	<u><u>\$ 34.2</u></u>	<u><u>\$ 8.1</u></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 \$68.2 million or \$16.0 million more than the previous year (see chart below).

**WEBER SCHOOL DISTRICT'S Change in Fund Balances - Governmental Funds
Year Ended June 30, 2018
(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>	
Revenues	\$ 216.5	\$ 14.1	\$ 14.2	\$ 24.8	\$ 269.6
Expenditures	(215.2)	(14.1)	(35.3)	(25.2)	(289.8)
Other financing sources (uses)	(0.2)	-	36.2	0.2	36.2
Net change in fund balances	1.1	-	15.1	(0.2)	16.0
Fund balances - beginning	33.4	1.3	9.4	8.1	52.2
Fund balances - ending	<u>\$ 34.5</u>	<u>\$ 1.3</u>	<u>\$ 24.5</u>	<u>\$ 7.9</u>	<u>\$ 68.2</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. *Restricted* includes net fund resources of the District that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or creditors. Restrictions include tax revenues levied for specific purposes. The unrestricted fund balance is, in turn, subdivided between committed, assigned, and unassigned portions. *Committed* balances reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. *Assigned* balances in the *general fund* and other governmental funds are those that do not meet the requirements of restricted or committed but that are intended to be used for specific purposes. *Unassigned* balances in the *general fund* are all other available net fund resources. At June 30, 2018, the District's combined governmental fund balance is \$68.2 million (\$1.3 million in nonspendable, \$30.1 million in restricted, \$10.4 million in committed, \$13.5 million in assigned, and \$12.9 million in unassigned fund balances).

WEBER SCHOOL DISTRICT'S Fund Balances - Governmental Funds
June 30, 2018
(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	\$ 0.7	\$ -	\$ -	\$ 0.6	\$ 1.3
Restricted	-	1.3	24.5	4.3	30.1
Committed to:					
Economic stabilization	5.0	-	-	-	5.0
Employee vacation benefit	2.0	-	-	-	2.0
Students	-	-	-	3.0	3.0
Other purposes	0.4	-	-	-	0.4
Assigned to:					
Early retirement benefit	10.2	-	-	-	10.2
Other programs	3.3	-	-	-	3.3
Unassigned	12.9	-	-	-	12.9
Total fund balances	<u>\$ 34.5</u>	<u>\$ 1.3</u>	<u>\$ 24.5</u>	<u>\$ 7.9</u>	<u>\$ 68.2</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 assigned *general fund* resources toward economic stabilization; an additional \$250,000 was assigned during 2018.

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 \$3.6 million and actual expenditures were less than the amount budgeted by \$1.6 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 addition by the State Charter School Board of new charter schools within the District's boundaries. Prior to 2008, District enrollment growth had been slow. However, enrollment growth from 2007 to 2008 was at a historic high of 965 students. Then two new charter schools were added and the District's enrollment from 2008 to 2009 dropped by 218 students. Growth jumped again from 2009 to 2010 by 538 students to 30,417. In 2011, two new charter schools were approved by the State Charter School Board resulting in a decline in District enrollment of 70 students. From 2012 to 2015, enrollment growth increased at a slow but steady rate. One new charter school opened within the District's boundaries in 2016. At the same time, enrollment caps for existing charter schools have been raised. With these changes, District enrollment growth from 2015 to 2016 was minimal. Enrollment from 2016 to 2017 grew by 247 to 31,445. District enrollment from 2017 to 2018 grew by 512 students to a historic high of 31,957 in the 2017-2018 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, 2012 through 2018**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Regular schools:							
Elementary	16,213	16,354	16,517	16,564	16,441	16,490	16,687
Junior high	7,249	7,374	7,380	7,373	7,314	7,503	7,646
High	6,961	7,004	7,131	7,248	7,443	7,452	7,624
Total enrollment	<u>30,423</u>	<u>30,732</u>	<u>31,028</u>	<u>31,185</u>	<u>31,198</u>	<u>31,445</u>	<u>31,957</u>
Change from prior year	76	309	296	157	13	247	512

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2018 amounts to \$220.9 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, and furniture and equipment. The total increase in capital assets for the current year was \$10.0 million or 4.7%.

**WEBER SCHOOL DISTRICT'S Capital Assets
June 30, 2018 and 2017**

(net of accumulated depreciation, in millions of dollars)

	<u>Governmental activities</u>		<u>Total change</u>
	<u>2018</u>	<u>2017</u>	<u>2018-2017</u>
Land	\$ 17.3	\$ 17.4	\$ (0.1)
Construction in progress	15.2	-	15.2
Buildings and improvements	176.8	183.9	(7.1)
Furniture and equipment	11.6	9.6	2.0
Total capital assets	<u>\$ 220.9</u>	<u>\$ 210.9</u>	<u>\$ 10.0</u>

The *capital projects fund* is used to account for costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. In November of 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, 2018, \$15.2 million of the bond proceeds of the \$27.0 million in bonds issued in 2018 have been spent on the construction projects.

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

Long-term Debt. At the end of the current fiscal year, the District had total bonded debt outstanding of \$142.4 million (net of unamortized amounts for bond premiums). Payment of the debt is backed by the full faith and credit of the District’s taxpayers as well as the state of Utah under provisions of The Guaranty Act. The District’s total debt increased by \$20.5 million, or 15.1%, during the current year.

During 2018, the District issued \$27.0 million in new bonds, with a premium of \$1.5 million. The District also issued capital lease obligations totaling \$6.8 million to acquire school buses and computer equipment.

WEBER SCHOOL DISTRICT'S Outstanding Debt
June 30, 2018 and 2017
(net of accumulated amortization, in millions of dollars)

	<u>Governmental activities</u>		<u>Total change</u>
	<u>2018</u>	<u>2017</u>	<u>2018-2017</u>
General obligation bonds	\$ 133.3	\$ 115.8	\$ 17.5
Unamortized amounts for bond premiums	9.1	8.4	0.7
Net bonds payable	142.4	124.2	18.2
Obligations under capital leases	12.6	10.0	2.6
Notes payable	1.4	1.7	(0.3)
Total outstanding debt	<u>\$ 156.4</u>	<u>\$ 135.9</u>	<u>\$ 20.5</u>

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2018 is \$643.8 million. General obligation debt at June 30, 2018 is \$142.4 million, resulting in a legal debt margin of \$501.4 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 2035.

Additional information on the District’s long-term debt can be found in Note 9 to the basic financial statements.

Contacting the District’s Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District’s finances and to demonstrate the District’s 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, 2018

	<u>Governmental Activities</u>
Assets:	
Cash and investments	\$ 110,910,471
Receivables:	
Property taxes	73,441,289
Local	180,306
State	1,628,581
Federal	3,718,226
Note receivable	467,794
Inventories and prepaid items	1,265,048
Capital assets:	
Land and construction in progress	32,564,450
Other capital assets, net of accumulated depreciation	<u>188,372,606</u>
Total assets	412,548,771
Deferred outflows of resources:	
Deferred charges on bond refunding	3,151,417
Amounts related to pensions	<u>53,144,378</u>
Total deferred outflows of resources	56,295,795
Liabilities:	
Accounts and contracts payable	6,707,163
Accrued salaries and employee benefits	33,333,560
Accrued interest	476,019
Unearned revenue:	
State	7,445,536
Federal	521,504
Noncurrent liabilities:	
Due and payable within one year	17,190,152
Due and payable in more than one year	<u>242,362,778</u>
Total liabilities	308,036,712
Deferred inflows of resources:	
Property taxes levied for future year	73,317,053
Amounts related to pensions	<u>45,233,119</u>
Total deferred inflows of resources	118,550,172
Net position:	
Net investment in capital assets	89,806,911
Restricted for:	
Debt service	1,146,971
Capital outlay	13,010,673
Students	2,324,398
Food services	456,722
Unrestricted	<u>(64,487,993)</u>
Total net position	<u><u>\$ 42,257,682</u></u>

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

WEBER SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2018

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	\$ 174,676,125	\$ 8,581,706	\$ 52,524,728	\$ (113,569,691)
Supporting services:				
Students	7,755,111	-	2,602,431	(5,152,680)
Instructional staff	3,240,197	-	182,007	(3,058,190)
District administration	4,559,954	-	466,551	(4,093,403)
School administration	13,003,428	-	251,932	(12,751,496)
Central	5,890,204	-	-	(5,890,204)
Operation and maintenance of facilities	19,402,232	-	535,315	(18,866,917)
Transportation	11,109,572	563,339	5,076,096	(5,470,137)
Contributions to other governments	3,152,929	-	-	(3,152,929)
Food services	12,289,711	4,189,855	8,617,271	517,415
Interest on long-term liabilities	4,549,784	-	-	(4,549,784)
Total school district	<u>\$ 259,629,247</u>	<u>\$ 13,334,900</u>	<u>\$ 70,256,331</u>	(176,038,016)
General revenues:				
Property taxes levied for:				
General purposes				38,303,809
Debt service				14,074,422
Capital outlay				13,623,789
Other governments (pass-through)				3,152,929
Total property taxes				69,154,949
Federal and state aid not restricted to specific purposes				111,463,699
Earnings on investments				2,082,721
Miscellaneous				1,438,976
Total general revenues				184,140,345
Change in net position				8,102,329
Net position - beginning				34,155,353
Net position - ending				<u>\$ 42,257,682</u>

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

WEBER SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2018

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Assets:					
Cash and investments	\$ 71,670,577	\$ 1,596,237	\$ 30,054,996	\$ 7,588,661	\$ 110,910,471
Receivables:					
Property taxes	42,253,462	15,283,167	13,439,628	2,465,032	73,441,289
Local	141,148	-	-	39,158	180,306
State	1,032,949	-	-	595,632	1,628,581
Federal	3,629,443	-	-	88,783	3,718,226
Note receivable	467,794	-	-	-	467,794
Inventories and prepaid items	682,815	-	-	582,233	1,265,048
Total assets	<u>\$ 119,878,188</u>	<u>\$ 16,879,404</u>	<u>\$ 43,494,624</u>	<u>\$ 11,359,499</u>	<u>\$ 191,611,715</u>
Liabilities:					
Accounts and contracts payable	\$ 1,211,451	\$ -	\$ 5,267,847	\$ 227,865	\$ 6,707,163
Accrued salaries and employee benefits	32,607,764	-	-	725,796	33,333,560
Unearned revenue:					
State	7,445,536	-	-	-	7,445,536
Federal	521,504	-	-	-	521,504
Total liabilities	41,786,255	-	5,267,847	953,661	48,007,763
Deferred inflows of resources:					
Unavailable revenue from sale of land	467,794	-	-	-	467,794
Unavailable property tax revenue	903,033	326,629	287,229	51,631	1,568,522
Property taxes levied for future year	42,210,240	15,267,532	13,425,880	2,413,401	73,317,053
Total deferred inflows of resources	43,581,067	15,594,161	13,713,109	2,465,032	75,353,369
Fund balances:					
Nonspendable:					
Inventories and prepaid items	682,815	-	-	582,233	1,265,048
Restricted for:					
Debt service	-	1,285,243	-	-	1,285,243
Capital projects	-	-	24,513,668	-	24,513,668
Food services	-	-	-	1,969,802	1,969,802
Students	-	-	-	2,310,675	2,310,675
Committed to:					
Economic stabilization	5,000,000	-	-	-	5,000,000
Employee vacation benefit	2,029,029	-	-	-	2,029,029
Contractual obligations	361,920	-	-	-	361,920
Students	-	-	-	3,078,096	3,078,096
Assigned to:					
Early retirement benefit	10,250,000	-	-	-	10,250,000
Other programs	3,286,513	-	-	-	3,286,513
Unassigned	12,900,589	-	-	-	12,900,589
Total fund balances	<u>34,510,866</u>	<u>1,285,243</u>	<u>24,513,668</u>	<u>7,940,806</u>	<u>68,250,583</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 119,878,188</u>	<u>\$ 16,879,404</u>	<u>\$ 43,494,624</u>	<u>\$ 11,359,499</u>	<u>\$ 191,611,715</u>

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

WEBER SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2018

Total fund balances for governmental funds \$ 68,250,583

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	\$ 17,329,346	
Construction in progress	15,235,104	
Buildings and improvements, net of \$165,351,095 accumulated depreciation	176,731,200	
Furniture and equipment, net of \$22,708,708 accumulated depreciation	11,641,406	220,937,056

Some of the District's 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. 2,036,316

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	(133,250,000)	
Bond premiums, net of \$3,145,960 accumulated amortization	(9,068,090)	
Deferred charges on bond refunding, net of \$1,972,945 accumulated amortization	3,151,417	
Accrued interest	(476,019)	
Obligations under capital leases	(12,551,395)	
Notes payable	(1,429,816)	
Net pension liability	(92,282,587)	
Deferred outflows of resources related to pensions	53,144,378	
Deferred inflows of resources related to pensions	(45,233,119)	
Early retirement obligation	(8,942,013)	
Accrued vacation	(2,029,029)	(248,966,273)

Total net position of governmental activities **\$ 42,257,682**

WEBER SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Revenues:					
Property taxes	\$ 38,287,094	\$ 14,068,282	\$ 13,617,846	\$ 3,152,929	\$ 69,126,151
Earnings on investments	1,244,609	-	411,575	426,537	2,082,721
School lunch sales	-	-	-	4,189,855	4,189,855
Local	3,981,244	-	78,874	8,419,826	12,479,944
State	160,807,847	-	125,823	2,335,304	163,268,974
Federal	12,169,089	-	-	6,281,967	18,451,056
Total revenues	216,489,883	14,068,282	14,234,118	24,806,418	269,598,701
Expenditures:					
Current:					
Instructional services	151,901,053	-	-	9,273,077	161,174,130
Supporting services:					
Students	7,874,762	-	-	-	7,874,762
Instructional staff	3,284,794	-	-	-	3,284,794
District administration	4,406,189	-	-	-	4,406,189
School administration	12,594,479	-	-	-	12,594,479
Central	5,901,495	-	-	-	5,901,495
Operation and maintenance					
of facilities	19,257,179	-	-	-	19,257,179
Transportation	9,922,984	-	-	-	9,922,984
Food services	-	-	-	12,816,650	12,816,650
Contributions to other governments	-	-	-	3,152,929	3,152,929
Capital outlay	-	-	30,335,124	-	30,335,124
Debt service:					
Principal retirement	-	9,540,000	4,502,294	-	14,042,294
Interest and fiscal charges	-	4,579,503	325,810	-	4,905,313
Bond issuance costs	-	-	140,594	-	140,594
Total expenditures	215,142,935	14,119,503	35,303,822	25,242,656	289,808,916
Excess (deficiency) of revenues over (under) expenditures	1,346,948	(51,221)	(21,069,704)	(436,238)	(20,210,215)
Other financing sources (uses):					
Proceeds from general obligation bonds issued	-	-	27,000,000	-	27,000,000
Premium on bonds issued	-	-	1,474,798	-	1,474,798
Capital leases	-	-	6,820,526	-	6,820,526
Proceeds from sale of capital assets	39,744	-	866,000	-	905,744
Transfers	(270,548)	-	-	270,548	-
Total other financing sources (uses)	(230,804)	-	36,161,324	270,548	36,201,068
Net change in fund balances	1,116,144	(51,221)	15,091,620	(165,690)	15,990,853
Fund balances - beginning	33,394,722	1,336,464	9,422,048	8,106,496	52,259,730
Fund balances - ending	<u>\$ 34,510,866</u>	<u>\$ 1,285,243</u>	<u>\$ 24,513,668</u>	<u>\$ 7,940,806</u>	<u>\$ 68,250,583</u>

The notes to the financial statements are an integral part of this 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, 2018

Net change in fund balances-total governmental funds \$ 15,990,853

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	\$	19,253,123	
Proceeds from sale of capital assets		(905,744)	
Gain on sale of capital assets		746,552	
Depreciation expense		<u>(9,052,964)</u>	10,040,967

Property taxes and proceeds from the sale of land collected several months after the District's fiscal year end are not considered available revenues in the governmental funds and are, instead, counted as deferred inflows of resources at year end. They are, however, recorded as revenues in the statement of activities when levied. 28,798

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		(27,000,000)	
Proceeds from bond premiums		(1,474,798)	
Principal payments of bond principal		9,540,000	
Principal payments of notes payable		267,552	
Accrued interest		(26,970)	
Amortization of bond refunding costs		(440,320)	
Amortization of bond premiums		822,819	
Capital leases issued		(6,820,526)	
Principal payments of capital leases		<u>4,234,742</u>	(20,897,501)

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		2,786,199	
Early retirement benefits expense		293,481	
Vacation benefits expense		<u>(140,468)</u>	2,939,212

Change in net position of governmental activities \$ 8,102,329

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

WEBER SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 40,349,354	\$ 39,500,000	38,287,094	\$ (1,212,906)
Earnings on investments	850,000	1,100,000	1,244,609	144,609
Local	2,500,000	3,500,000	3,981,244	481,244
State	155,088,865	156,163,243	160,807,847	4,644,604
Federal	13,995,842	12,600,000	12,169,089	(430,911)
Total revenues	<u>212,784,061</u>	<u>212,863,243</u>	216,489,883	3,626,640
Expenditures:				
Current:				
Instructional services	146,352,500	153,037,201	151,901,053	1,136,148
Supporting services:				
Students	7,705,750	7,902,249	7,874,762	27,487
Instructional staff	4,026,500	3,698,572	3,284,794	413,778
District administration	5,410,250	4,276,140	4,406,189	(130,049)
School administration	15,144,000	12,567,152	12,594,479	(27,327)
Central	8,452,500	5,611,150	5,901,495	(290,345)
Operation and maintenance of facilities	22,082,000	20,165,520	19,257,179	908,341
Transportation	9,076,400	9,510,154	9,922,984	(412,830)
Total expenditures	<u>218,249,900</u>	<u>216,768,138</u>	215,142,935	1,625,203
Excess (deficiency) of revenues over (under) expenditures	(5,465,839)	(3,904,895)	1,346,948	5,251,843
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	39,744	39,744
Transfers	-	(1,300,000)	(270,548)	1,029,452
Total other financing sources (uses)	<u>-</u>	<u>(1,300,000)</u>	<u>(230,804)</u>	<u>1,069,196</u>
Net change in fund balances	(5,465,839)	(5,204,895)	1,116,144	6,321,039
Fund balances - beginning	<u>24,216,731</u>	<u>33,394,722</u>	<u>33,394,722</u>	<u>-</u>
Fund balances - ending	<u>\$ 18,750,892</u>	<u>\$ 28,189,827</u>	<u>\$ 34,510,866</u>	<u>\$ 6,321,039</u>

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the 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 more significant accounting policies of the District are described below.

Reporting Entity – The Board of Education, comprised of seven elected individuals, is the primary governing authority for the District. As required by GAAP, these financial statements present the District and its component unit, Weber School District Foundation, 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 the District’s operations.

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

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: 1) fees and charges paid by students and other recipients of goods or services offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

The *fund financial statements* provide information about the District’s funds, including its 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.
- The *debt service fund* accounts for resources accumulated and payments made for principal and interest on general obligation school building bonds.

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

- 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 within 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 cash is received by the District.

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 District 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.
- Copies of the proposed budget are made available for public inspection and review by the patrons of the District by June 1.

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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- If the District does not exceed the certified tax rate, a public hearing is held prior to June 22 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, 2018 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 – Activity between funds that are representative of lending/borrowing arrangements outstanding at year end are referred to as either "due to/from other funds."

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

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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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. Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

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

Unearned revenue – Unearned revenue for the District represents amounts received on grants whose purpose restrictions have not been met. Revenue is recognized on restricted grants only when all restrictions on the 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.

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, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources.. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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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 and proprietary fund 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 related debt less unspent bond proceeds), 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.

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

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

- Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District’s highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the District 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 of Education has resolved to commit fund balance amounts in the governmental funds to the following purposes:

- 1) 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 of Education filed with the Utah State Board of Education and Utah State Auditor.
 - 2) Employee vacation benefit for unpaid compensated absences.
 - 3) Contractual obligations that will be completed after June 30, 2018.
 - 4) 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 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.

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.

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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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.

2. DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A summary of cash and investments at June 30, 2018 as reported on the financial statements is as follows:

Carrying amount of deposits	\$ 5,332,018
Carrying amount of investments	<u>105,578,453</u>
Total cash and investments	<u><u>\$ 110,910,471</u></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 its 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, high-grade commercial paper, banker’s acceptances, repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the state of Utah.

The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. The District considers the rules 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, 2018, the District’s carrying amount of cash deposits is \$5,332,018, 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, 2018, the Foundation’s carrying amount of cash deposits is \$128,162, 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, 2018, the District has investments in the PTIF of \$57,124,282. 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. The Council provides regulatory oversight for the PTIF. Participant accounts with the PTIF are not insured or otherwise guaranteed by the state of Utah. Participants

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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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 primarily consists of money market securities held by the Utah State Treasurer, including investment-grade corporate notes (87%), money market mutual funds (1%), top-rated commercial paper (10%), repurchase agreements (1%), and certificates of deposit (1%). The portfolio has a weighted average maturity of 52 days. The PTIF is not rated. 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, 2018, the par value of these investments was \$45,985,000. The Foundation's investments are in mutual funds holding equity and debt securities. The maturities of these investments as of June 30, 2018 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	\$ 39,985,000	\$ 6,385,000	\$ 13,500,000	\$ 20,100,000
Government agencies	6,000,000	-	3,325,000	2,675,000
Public Treasurers' Investment Fund	57,124,282	57,124,282	-	-
Weber School District Foundation:				
Marketable securities	2,469,171	2,469,171	-	-
Total investments	<u>\$ 105,578,453</u>	<u>\$ 65,978,453</u>	<u>\$ 16,825,000</u>	<u>\$ 22,775,000</u>

- **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 and bankers' acceptances to 270 days or less and fixed-income securities to 15 months or less. 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. The District's policy for reducing its exposure to credit risk is to comply with the Act and related rules. The Act and related rules limit investments in commercial paper to a first-tier rating and 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. The District has no investment policy that would further limit its investment choices.
- **Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy for managing this risk is to comply with the Act and related rules. The Act limits investments in commercial paper and or corporate obligations to 5% of the District's total portfolio with a single issuer. The District places no other limits on the amount it may invest in any one 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

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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securities that are in the possession of an outside party. The District’s 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.

3. FAIR VALUE MEASUREMENTS

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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 has the following recurring fair value measurements as of June 30, 2018:

<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	\$ 39,985,000	\$ -	39,985,000	\$ -
Government agencies	6,000,000	6,000,000	-	-
Public Treasurers' Investment Fund	57,124,282	-	57,124,282	-
Weber School District Foundation:				
Marketable securities	2,469,171	2,469,171	-	-
Total investments	<u>\$ 105,578,453</u>	<u>\$ 8,469,171</u>	<u>\$ 97,109,282</u>	<u>\$ -</u>

4. PROPERTY TAXES

District Property Tax Revenue – The property tax revenue of the District is collected and distributed by the county treasurer as an agent of the District. 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.

An annual uniform fee based on the age of motor vehicles is levied in lieu of an ad valorem tax on motor vehicles 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, 2018, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2018 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.

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Notes to Basic Financial Statements
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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 the boundaries of the District) 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, 2018, incremental taxes levied by the District for the redevelopment agencies total \$2,399,891 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, 2018, the charter school levy totals \$753,038 recorded as revenue with an equivalent amount of expenditure for contribution to other governments in the *pass-through taxes* special revenue fund.

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 17,377,984	\$ -	\$ (48,638)	\$ 17,329,346
Construction in progress	-	15,235,104	-	15,235,104
Total capital assets, not being depreciated	17,377,984	15,235,104	(48,638)	32,564,450
Capital assets, being depreciated:				
Buildings and improvements	342,082,295	-	-	342,082,295
Furniture and equipment	30,634,387	4,018,019	(302,292)	34,350,114
Total capital assets, being depreciated	372,716,682	4,018,019	(302,292)	376,432,409
Accumulated depreciation for:				
Buildings and improvements	(158,251,391)	(7,099,704)	-	(165,351,095)
Furniture and equipment	(20,991,892)	(1,953,260)	236,444	(22,708,708)
Total accumulated depreciation	(179,243,283)	(9,052,964)	236,444	(188,059,803)
Total capital assets, being depreciated, net	193,473,399	(5,034,945)	(65,848)	188,372,606
Governmental activities capital assets, net	<u>\$ 210,851,383</u>	<u>\$ 10,200,159</u>	<u>\$ (114,486)</u>	<u>\$ 220,937,056</u>

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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For the year ended June 30, 2018, depreciation expense was charged to functions of the District as follows:

Governmental activities:	
Instructional services	\$ 6,306,403
Supporting services:	
District administration	73,874
School administration	512,564
Central	72,625
Operation and maintenance of facilities	263,817
Transportation	1,292,606
Food services	<u>531,075</u>
Total depreciation expense, governmental activities	<u>\$ 9,052,964</u>

The District is obligated at June 30, 2018 under construction commitments as follows:

Project	Project Authorized	Costs to Date	Costs to Complete
Pleasant View Elementary	\$ 23,816,380	\$ 4,737,364	\$ 19,079,016
Remuda Elementary	26,235,778	7,030,027	19,205,751
Fremont Addition	<u>5,911,251</u>	<u>3,467,713</u>	<u>2,443,538</u>
	<u>\$ 55,963,409</u>	<u>\$ 15,235,104</u>	<u>\$ 40,728,305</u>

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

6. STATE RETIREMENT PLANS

Description of Plans – Eligible employees of the District 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

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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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.

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, 2018, District required contribution rates for the plans were as follows:

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
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	<u>Defined Benefit Plans Rates</u>		<u>District Rates</u>	<u>Totals</u>
	<u>District Contribution</u>	<u>Amortization of UAAL *</u>	<u>for 401(k) Plan</u>	
Tier 1 Noncontributory System	12.25%	9.94%	1.50%	23.69%
Tier 2 Contributory System **	8.50%	9.94%	1.58%	20.02%
Tier 2 Defined Contribution Plan **	0.08%	9.94%	10.00%	20.02%

* The District is required to contribute additional amounts based on covered-employee payroll to finance the unfunded actuarial accrued liability (UAAL) of the Tier 1 plans.

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

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

For the year ended June 30, 2018, District and employee contributions to the plans were as follows:

	<u>District Contributions *</u>	<u>Employee Contributions</u>
Tier 1 Noncontributory System	\$ 22,800,810	\$ -
Tier 2 Contributory System	3,805,782	-
Tier 2 Defined Contribution Plan	347,502	-
401(k) Plan	2,354,901	1,905,100
457 Plan and other individual plans	-	340,995

* Required contributions from Tier 2 plans to finance the unfunded actuarial accrued liability of the Tier 1 plans are reported as contributions to the Tier 2 plans.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions – At June 30, 2018, the District reported an asset of zero and a liability of \$92,282,587 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	\$ -	\$ 92,116,260
Tier 2 Contributory System	-	166,327
Total	<u>\$ -</u>	<u>\$ 92,282,587</u>

The net pension liability (asset) was measured as of December 31, 2017 and the total pension liability was determined by an actuarial valuation as of January 1, 2017, rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability (asset) is equal to the ratio of the District's actual contributions compared to the total of all employer contributions during the plan year. The

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

following presents the District's proportion (percentage) of the collective net pension liability (asset) at December 31, 2017 and the change in its proportion since the prior measurement date for each plan:

	Proportionate Share	
	2017	Change
Tier 1 Noncontributory System	3.7669782%	0.0603175%
Tier 1 Contributory System	0.0000000%	-0.0472535%
Tier 2 Contributory System	1.8864876%	0.1249136%

For the year ended June 30, 2018, the District recognized pension expense of \$24,153,970 for the defined benefit pension plans and pension expense of \$2,354,901 for the defined contribution plans. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,227	\$ 5,491,649
Changes of assumptions	23,482,548	716,965
Net difference between projected and actual earnings on pension plan investments	15,163,203	38,399,051
Changes in proportion and differences between contributions and proportionate share of contributions	860,280	625,454
District contributions subsequent to the measurement date	13,632,120	-
Total	\$ 53,144,378	\$ 45,233,119

The \$13,632,120 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of December 31, 2017 will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. 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:

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2019	\$ 2,670,530
2020	4,929,177
2021	(5,119,156)
2022	(8,350,688)
2023	(35,338)
Thereafter	184,614

Actuarial Assumptions – The total pension liability in the January 1, 2017 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, 2017 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2016. Changes of assumptions that affected measurement of the total pension liability since the prior measurement date include a decrease in the earnings assumptions from 7.20% to 6.95%, a decrease in the inflation assumption from 2.60% to 2.50%, and increases in life expectancy for most groups based on a new post retirement mortality table using actual experience. Additional changes of assumptions include a decrease to the wage inflation assumption from 3.35% to 3.25% and a decrease to the payroll growth assumption from 3.1% to 3.0%.

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 Basic Financial Statements
Continued

<u>Asset Class</u>	<u>Expected Return Arithmetic Basis</u>		
	<u>Target Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.90%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
Total	<u>100%</u>		<u>4.75%</u>
Inflation			<u>2.50%</u>
Expected arithmetic nominal return			<u>7.25%</u>

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return of 4.45% that is net of investment expense.

Discount rate – The discount rate used to measure the total pension liability 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.

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 calculated using the discount rate of 6.95%, as well as what the District’s proportionate share of the net pension liability 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	\$ 201,128,766	\$ 92,116,260	\$ 1,003,743
Tier 2 Contributory System	<u>1,958,414</u>	<u>166,327</u>	<u>(1,215,630)</u>
Total	<u>\$ 203,087,180</u>	<u>\$ 92,282,587</u>	<u>\$ (211,887)</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 Basic Financial Statements
Continued

Payables to the pension plans – At June 30, 2018, the District reported payables of \$5,833,160 for contributions to defined benefit pension plans and \$609,496 for contributions to defined contribution plans.

7. EARLY RETIREMENT BENEFIT

Retiree Health Coverage – In accordance with Board of Education policy, the District provides health coverage to certain retirees who are not yet eligible for Medicare. Retirees receiving this benefit must contribute the same out-of-pocket premium percentage required by active employees. Teachers may receive up to ten years of single coverage and seven years of couple or family coverage. To receive this benefit, a teacher must have ten years of service in the District and qualify for retirement under the Utah State Retirement 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 in the District 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 with the District prior to age 55 and qualify to retire under the Utah State Retirement Systems. At June 30, 2018, 166 retirees are eligible to receive health coverage. During the year, the District paid \$1,405,150 for retiree health coverage. The projected estimated future cost of post-employment supplemental coverage of current retirees is \$4,517,323. The post-employment healthcare benefits are financed on a pay-as-you-go basis.

Stipends – In accordance with Board of Education policy, the District provides early retirement incentive stipends to certain retirees. All employees are eligible for these stipends if they meet certain criteria. To receive a stipend an employee must have ten years of service in the District, qualify to retire under the Utah State Retirement 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. During the year, the District paid \$1,802,086 for retiree stipends. The projected estimated future cost of early retirement incentives of current retirees is \$4,424,690. The early retirement incentives are financed on a pay-as-you-go basis.

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 Basic Financial Statements
Continued

9. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2018 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Payable Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 115,790,000	\$ 27,000,000	\$ (9,540,000)	\$ 133,250,000	\$ 9,530,000
Unamortized bond premiums	8,416,111	1,474,798	(822,819)	9,068,090	-
Net bonds payable	124,206,111	28,474,798	(10,362,819)	142,318,090	9,530,000
Net pension liability	120,352,188	(1,129,432)	(26,940,169)	92,282,587	-
Obligations under capital leases	9,965,611	6,820,526	(4,234,742)	12,551,395	2,894,052
Notes payable	1,697,368	-	(267,552)	1,429,816	257,370
Early retirement obligation	9,235,494	2,913,755	(3,207,236)	8,942,013	2,682,604
Accrued vacation	1,888,561	235,941	(95,473)	2,029,029	1,826,126
Total governmental activity long-term liabilities	<u>\$ 267,345,333</u>	<u>\$ 37,315,588</u>	<u>\$ (45,107,991)</u>	<u>\$ 259,552,930</u>	<u>\$ 17,190,152</u>

General Obligation Bonds – General obligation school building bonds payable at June 30, 2018, 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>
2009	School building	\$ 9,500,000	4.25%	June 15, 2019	\$ 350,000
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	17,435,000
2013	School building	25,000,000	3.50% to 5.00%	June 15, 2033	21,670,000
2014	School building and bond refunding	37,785,000	2.40% to 5.00%	June 15, 2034	31,210,000
2015	Refunding	16,000,000	2.00% to 5.00%	June 15, 2021	7,875,000
2016	Refunding	20,835,000	2.00% to 5.00%	June 15, 2028	20,835,000
2016B	Refunding	4,792,000	3.80%	June 15, 2019	1,625,000
2018	School building	27,000,000	2.50% to 5.00%	June 15, 2035	27,000,000
Total general obligation bonds payable as of June 30, 2018					<u>\$ 133,250,000</u>

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2018, including interest payments, are listed as follows:

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

Year Ending June 30,	Principal	Interest	Total
2019	\$ 9,530,000	\$ 4,938,768	\$ 14,468,768
2020	8,595,000	4,605,468	13,200,468
2021	7,670,000	4,256,768	11,926,768
2022	7,735,000	3,955,768	11,690,768
2023	8,280,000	3,612,218	11,892,218
2024-2028	45,860,000	12,592,244	58,452,244
2029-2033	37,620,000	5,323,751	42,943,751
2034-2035	7,960,000	358,762	8,318,762
Total	<u>\$ 133,250,000</u>	<u>\$ 39,643,747</u>	<u>\$ 172,893,747</u>

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. 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, 2018, the total unamortized amount of bond premiums was \$9,068,090, resulting in total outstanding net direct debt of \$142,318,090. The legal debt limit at June 30, 2018 was \$643,792,848. The legal debt limit less net direct debt equaled an estimated additional debt incurring capacity of \$501,474,758.

Servicing Long-term Liabilities – Payments on the general obligation bonds are made by the *debt service fund* from property taxes and earnings on investments. Compensated absences and early retirement benefits will be paid by the fund in which the employee worked, including the *general fund* and other governmental funds.

Obligation Under Capital Leases – 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, 2018 is \$2,197,526 (net of accumulated depreciation of \$136,130) of buses.

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

Year Ending June 30,	Lease Payments
2019	\$ 4,233,244
2020	3,612,463
2021	2,620,306
2022	1,951,552
2023	524,183
Thereafter	<u>556,085</u>
Total minimum lease payments	13,497,833
Amount representing interest	<u>(946,438)</u>
Present value of minimum lease payments	<u>\$ 12,551,395</u>

Notes Payable – The District has three notes payable. Two of the notes are with the federal government, of which one note is interest free and the other has a stated interest rate of 2.00% percent. The third note payable is with a financial institution with a stated interest rate of 2.87%. The annual requirements to

WEBER SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

amortize the notes payable outstanding as of June 30, 2018, including interest payments, are listed as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 257,370	\$ 32,561	\$ 289,931
2020	247,352	26,629	273,981
2021	253,332	20,649	273,981
2022	259,485	14,496	273,981
2023	265,815	8,165	273,980
2024	146,462	1,652	148,114
Total	<u>\$ 1,429,816</u>	<u>\$ 104,152</u>	<u>\$ 1,533,968</u>

9. 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 the financial statements of the District.

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, District administration believes such disallowance, if any, would not be significant.

10. INTERFUND BALANCES AND TRANSFERS

During 2018, the District transferred \$270,548 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 Four Plan (Calendar) Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tier 1 Noncontributory System:				
District's proportion of the net pension liability (asset)	3.7669782%	3.7066607%	3.7448814%	3.7382783%
District's proportionate share of the net pension liability (asset)	\$ 92,116,260	\$ 120,129,793	\$ 117,637,449	\$ 93,925,314
District's covered payroll	\$ 103,839,781	\$ 103,264,794	\$ 103,427,458	\$ 105,232,505
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	88.71%	116.33%	113.74%	89.26%
Plan fiduciary net position as a percentage of the total pension liability	89.2%	84.9%	84.5%	87.2%
Tier 1 Contributory System:				
District's proportion of the net pension liability (asset)	0.0000000%	0.0472535%	0.1171831%	0.2285232%
District's proportionate share of the net pension liability (asset)	\$ -	\$ 25,893	\$ 73,433	\$ 25,057
District's covered payroll	\$ -	\$ 12,667	\$ 37,121	\$ 84,377
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll		204.41%	197.82%	29.70%
Plan fiduciary net position as a percentage of the total pension liability		93.4%	92.4%	98.7%
Tier 2 Contributory System:				
District's proportion of the net pension liability (asset)	1.8648760%	1.7645740%	1.7644955%	1.7058098%
District's proportionate share of the net pension liability (asset)	\$ 166,327	\$ 196,502	\$ (3,852)	\$ (51,694)
District's covered payroll	\$ 18,535,638	\$ 14,446,694	\$ 11,393,880	\$ 8,345,525
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.90%	1.36%	-0.03%	-0.62%
Plan fiduciary net position as a percentage of the total pension liability	97.4%	95.1%	100.2%	103.5%

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

WEBER SCHOOL DISTRICT
Schedules of District Contributions
Utah Retirement Systems
Last Four Reporting Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tier 1 Noncontributory System:				
Contractually required contribution	\$ 22,800,810	\$ 22,643,632	\$ 22,601,840	\$ 22,477,461
Contributions in relation to the contractually required contribution	<u>(22,800,810)</u>	<u>(22,643,632)</u>	<u>(22,601,840)</u>	<u>(22,477,461)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 104,061,381	\$ 103,353,852	\$ 103,387,123	\$ 104,131,499
Contributions as a percentage of covered payroll	21.91%	21.91%	21.86%	21.59%
Tier 1 Contributory System:				
Contractually required contribution	\$ -	\$ 561	\$ 3,347	\$ 11,450
Contributions in relation to the contractually required contribution	<u>-</u>	<u>(561)</u>	<u>(3,347)</u>	<u>(11,450)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ -	\$ 3,167	\$ 18,944	\$ 66,261
Contributions as a percentage of covered payroll		17.71%	17.67%	17.28%
Tier 2 Contributory System:				
Contractually required contribution	\$ 3,805,782	\$ 3,023,201	\$ 2,351,304	\$ 1,798,368
Contributions in relation to the contractually required contribution	<u>(3,805,782)</u>	<u>(3,023,201)</u>	<u>(2,351,304)</u>	<u>(1,798,368)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 20,594,182	\$ 16,548,171	\$ 12,880,505	\$ 9,958,803
Contributions as a percentage of covered payroll	18.48%	18.27%	18.25%	18.06%
Tier 2 Defined Contribution Plan:				
Contractually required contribution	\$ 347,502	\$ 286,834	\$ 233,923	\$ 188,382
Contributions in relation to the contractually required contribution	<u>(347,502)</u>	<u>(286,834)</u>	<u>(233,923)</u>	<u>(188,382)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,468,151	\$ 2,862,509	\$ 2,333,584	\$ 1,916,593
Contributions as a percentage of covered payroll	10.02%	10.02%	10.02%	9.83%

These schedules only present information for the District's 2015 and subsequent reporting periods; prior-year information is not available.

WEBER SCHOOL DISTRICT
Notes to Required Supplementary Information
Year Ended June 30, 2018

A. CHANGES IN ASSUMPTIONS-UTAH RETIREMENT SYSTEMS

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%.
- With the decrease in the assumed rate of inflation, both the payroll growth and wage inflation assumptions were decreased by 0.15% from the prior year's assumption.

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 rate of salary increases assumption for most groups was modified.
- The payroll growth assumption was decreased from 3.50% to 3.25%.
- The post retirement mortality assumption for female educators showed an improvement.
- Minor adjustments to the preretirement mortality assumption were made.
- Certain demographic assumptions were changed that generally resulted in a) an increase in members anticipated to terminate employment prior to retirement, b) a slight decrease in members expected to become disabled, and c) a slight increase in the expected age of retirement.

B. SCHEDULES OF DISTRICT CONTRIBUTIONS-UTAH RETIREMENT SYSTEMS

Contributions as a percentage of covered-employee payroll may be different than the Utah State Retirement Board certified rate due to rounding or other administrative issues. Required contributions from Tier 2 plans to finance the unfunded actuarial accrued liability of the Tier 1 plans are reported as contributions to the Tier 2 plans.

WEBER SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2018
With Comparative Totals for 2017

	<u>2018</u>			<u>2017</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Property taxes	\$ 39,500,000	\$ 38,287,094	\$ (1,212,906)	\$ 38,821,746
Earnings on investments	1,100,000	1,244,609	144,609	710,126
Local	3,500,000	3,981,244	481,244	3,421,176
State	156,163,243	160,807,847	4,644,604	150,414,509
Federal	12,600,000	12,169,089	(430,911)	12,174,449
Total revenues	<u>212,863,243</u>	<u>216,489,883</u>	<u>3,626,640</u>	<u>205,542,006</u>
Expenditures:				
Current:				
Salaries	137,532,583	137,280,344	252,239	129,928,310
Employee benefits	58,115,554	57,211,228	904,326	54,902,305
Purchased professional services	8,300,000	8,527,510	(227,510)	8,307,915
Purchased property services	1,363,000	1	1,362,999	(19,596)
Other purchased services	1,022,000	922,483	99,517	768,458
Supplies	7,095,000	7,710,171	(615,171)	6,917,506
Property	2,875,000	4,007,209	(1,132,209)	2,942,591
Other	465,000	(516,011)	981,011	321,020
Total expenditures	<u>216,768,137</u>	<u>215,142,935</u>	<u>1,625,202</u>	<u>204,068,509</u>
Excess (deficiency) of revenues over (under) expenditures	(3,904,894)	1,346,948	5,251,842	1,473,497
Other financing sources (uses):				
Proceeds from sale of capital assets	-	39,744	39,744	8,000
Transfers	(1,300,000)	(270,548)	1,029,452	(2,771,409)
Total other financing sources (uses)	<u>(1,300,000)</u>	<u>(230,804)</u>	<u>1,069,196</u>	<u>(2,763,409)</u>
Net change in fund balances	(5,204,894)	1,116,144	6,321,038	(1,289,912)
Fund balances - beginning	<u>33,394,722</u>	<u>33,394,722</u>	<u>-</u>	<u>34,684,634</u>
Fund balances - ending	<u>\$ 28,189,828</u>	<u>\$ 34,510,866</u>	<u>\$ 6,321,038</u>	<u>\$ 33,394,722</u>

WEBER SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service Fund
Year Ended June 30, 2018
With Comparative Totals for 2017

	2018			2017
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 13,956,600	\$ 14,068,282	\$ 111,682	\$ 13,126,286
Expenditures:				
Debt service:				
Principal retirement	9,540,000	9,540,000	-	8,927,000
Interest and other charges	4,573,756	4,579,503	(5,747)	4,879,327
Bond issuance costs	50,000	-	50,000	32,063
Total expenditures	<u>14,163,756</u>	<u>14,119,503</u>	<u>44,253</u>	<u>13,838,390</u>
Deficiency of revenues under expenditures	(207,156)	(51,221)	155,935	(712,104)
Other financing sources (uses):				
Proceeds from general obligation bonds issued	-	-	-	4,792,000
Payment to refunded bond escrow agent	-	-	-	(4,760,518)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,482</u>
Net change in fund balances	(207,156)	(51,221)	155,935	(680,622)
Fund balances - beginning	<u>1,336,464</u>	<u>1,336,464</u>	-	<u>2,017,086</u>
Fund balance - ending	<u><u>\$ 1,129,308</u></u>	<u><u>\$ 1,285,243</u></u>	<u><u>\$ 155,935</u></u>	<u><u>\$ 1,336,464</u></u>

WEBER SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects Fund
Year Ended June 30, 2018
With Comparative Totals for 2017

	<u>2018</u>			<u>2017</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Property taxes	\$ 13,738,400	\$ 13,617,846	\$ (120,554)	\$ 13,468,371
Earnings on investments	350,000	411,575	61,575	240,954
Local	150,000	78,874	(71,126)	-
State	1,060,000	125,823	(934,177)	683,334
Total revenues	<u>15,298,400</u>	<u>14,234,118</u>	<u>(1,064,282)</u>	<u>14,392,659</u>
Expenditures:				
Capital outlay:				
Land and buildings:				
Buildings	10,000,000	16,205,909	(6,205,909)	6,002,305
Land and improvements	3,500,000	1,374,073	2,125,927	91,868
Salaries and benefits	1,104,295	1,090,980	13,315	1,043,264
Purchased services	700,000	412,428	287,572	200,620
Supplies and materials	1,000,000	554,239	445,761	746,435
Total land and buildings	<u>16,304,295</u>	<u>19,637,629</u>	<u>(3,333,334)</u>	<u>8,084,492</u>
Equipment and textbooks:				
School buses	1,700,000	-	1,700,000	1,976,635
Vehicles	150,000	373,868	(223,868)	184,170
Software	500,000	432,551	67,449	609,371
Textbooks	2,000,000	2,299,503	(299,503)	165,216
Other instructional equipment	12,000,000	7,591,573	4,408,427	3,315,232
Total equipment and textbooks	<u>16,350,000</u>	<u>10,697,495</u>	<u>5,652,505</u>	<u>6,250,624</u>
Total capital outlay	<u>32,654,295</u>	<u>30,335,124</u>	<u>2,319,171</u>	<u>14,335,116</u>
Debt service:				
Principal retirement	3,000,000	4,502,294	(1,502,294)	3,588,520
Interest and fiscal charges	450,000	325,810	124,190	362,585
Bond issuance costs	350,000	140,594	209,406	-
Total debt service	<u>3,800,000</u>	<u>4,968,698</u>	<u>(1,168,698)</u>	<u>3,951,105</u>
Total expenditures	<u>36,454,295</u>	<u>35,303,822</u>	<u>1,150,473</u>	<u>18,286,221</u>
Deficiency of revenues under expenditures	(21,155,895)	(21,069,704)	86,191	(3,893,562)
Other financing sources:				
Proceeds from general obligation bonds issued	27,000,000	27,000,000	-	-
Premium on bonds issued	1,334,150	1,474,798	140,648	-
Capital leases issued	4,000,000	6,820,526	2,820,526	2,441,517
Proceeds from sale of capital assets	866,000	866,000	-	917,229
Transfers	1,000,000	-	(1,000,000)	2,520,000
Total other financing sources	<u>34,200,150</u>	<u>36,161,324</u>	<u>1,961,174</u>	<u>5,878,746</u>
Net change in fund balances	13,044,255	15,091,620	2,047,365	1,985,184
Fund balances - beginning	<u>9,422,048</u>	<u>9,422,048</u>	<u>-</u>	<u>7,436,864</u>
Fund balances - ending	<u>\$ 22,466,303</u>	<u>\$ 24,513,668</u>	<u>\$ 2,047,365</u>	<u>\$ 9,422,048</u>

WEBER SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Lunch	Student Activities	Foundation	Pass-Through Taxes	
Assets:					
Cash and investments	\$ 2,096,418	\$ 2,752,833	\$ 2,739,410	\$ -	\$ 7,588,661
Receivables:					
Property taxes	-	-	-	2,465,032	2,465,032
Local	-	2,783	36,375	-	39,158
State	595,632	-	-	-	595,632
Federal	88,783	-	-	-	88,783
Inventories and prepaid items	568,510	-	13,723	-	582,233
Total assets	<u>\$ 3,349,343</u>	<u>\$ 2,755,616</u>	<u>\$ 2,789,508</u>	<u>\$ 2,465,032</u>	<u>\$ 11,359,499</u>
Liabilities:					
Accounts and contracts payable	\$ 94,421	\$ 124,068	\$ 9,376	\$ -	\$ 227,865
Accrued salaries and employee benefits	716,610	9,186	-	-	725,796
Total liabilities	811,031	133,254	9,376	-	953,661
Deferred inflows of resources:					
Unavailable property tax revenue	-	-	-	51,631	51,631
Property taxes levied for future year	-	-	-	2,413,401	2,413,401
Total deferred inflows of resources	-	-	-	2,465,032	2,465,032
Fund Balances:					
Nonspendable:					
Inventories and prepaid items	568,510	-	13,723	-	582,233
Restricted for:					
Food services	1,969,802	-	-	-	1,969,802
Students	-	-	2,310,675	-	2,310,675
Assigned to:					
Students	-	2,622,362	455,734	-	3,078,096
Total fund balances	<u>2,538,312</u>	<u>2,622,362</u>	<u>2,780,132</u>	<u>-</u>	<u>7,940,806</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,349,343</u>	<u>\$ 2,755,616</u>	<u>\$ 2,789,508</u>	<u>\$ 2,465,032</u>	<u>\$ 11,359,499</u>

WEBER SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2018

	Special Revenue Funds				Total Nonmajor Governmental Funds
	School Lunch	Student Activities	Foundation	Pass-Through Taxes	
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ 3,152,929	\$ 3,152,929
Earnings on investments	-	258,528	168,009	-	426,537
Contributions	-	5,990,055	1,142,240	-	7,132,295
Tuition	-	797,199	-	-	797,199
Student fees	-	490,332	-	-	490,332
Lunch sales	4,189,855	-	-	-	4,189,855
State	2,335,304	-	-	-	2,335,304
Federal	6,281,967	-	-	-	6,281,967
Total revenues	12,807,126	7,536,114	1,310,249	3,152,929	24,806,418
Expenditures:					
Current:					
Instructional services	-	7,426,618	1,846,459	-	9,273,077
Food services	12,816,650	-	-	-	12,816,650
Contributions to other governments	-	-	-	3,152,929	3,152,929
Total expenditures	12,816,650	7,426,618	1,846,459	3,152,929	25,242,656
Excess (deficiency) of revenues over (under) expenditures	(9,524)	109,496	(536,210)	-	(436,238)
Other financing sources:					
Transfers	-	-	270,548	-	270,548
Net change in fund balances	(9,524)	109,496	(265,662)	-	(165,690)
Fund balances - beginning	2,547,836	2,512,866	3,045,794	-	8,106,496
Fund balances - ending	\$ 2,538,312	\$ 2,622,362	\$ 2,780,132	\$ -	\$ 7,940,806

WEBER SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
School Lunch
Nonmajor Special Revenue Fund
Year Ended June 30, 2018
With Comparative Totals for 2017

	2018			2017
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Lunch sales	\$ 4,161,400	\$ 4,189,855	\$ 28,455	\$ 4,120,259
State	2,350,000	2,335,304	(14,696)	2,324,199
Federal	6,760,500	6,281,967	(478,533)	6,500,512
Total revenues	13,271,900	12,807,126	(464,774)	12,944,970
Expenditures:				
Current:				
Salaries	4,206,606	4,065,439	141,167	3,974,120
Employee benefits	1,453,095	1,399,069	54,026	1,372,787
Purchased services	150,000	127,431	22,569	138,724
Supplies and materials	1,200,000	851,749	348,251	796,108
Food	5,700,000	5,073,852	626,148	4,873,921
Equipment	350,000	309,785	40,215	335,811
Other	2,220,467	989,325	1,231,142	-
Total expenditures	15,280,168	12,816,650	2,463,518	11,491,471
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(2,008,268)	(9,524)	1,998,744	1,453,499
Fund balances - beginning	2,547,836	2,547,836	-	1,932,332
Fund balances - ending	\$ 539,568	\$ 2,538,312	\$ 1,998,744	\$ 3,385,831

WEBER SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Student Activities
Nonmajor Special Revenue Fund
Year Ended June 30, 2018
With Comparative Totals for 2017

	<u>2018</u>			<u>2017</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
Revenues:				
Earnings on investments	\$ 20,000	\$ 258,528	\$ 238,528	\$ 3,537
Tuition	-	797,199	797,199	305,647
Local	980,000	5,990,055	5,010,055	4,989,282
Student fees	5,500,000	490,332	(5,009,668)	600,175
Total revenues	<u>6,500,000</u>	<u>7,536,114</u>	<u>1,036,114</u>	<u>5,898,641</u>
Expenditures:				
Current:				
Salaries and benefits	850,000	770,580	79,420	670,834
Purchased services	400,000	678,492	(278,492)	724,616
Supplies	7,312,346	5,621,163	1,691,183	4,596,252
Equipment	200,000	257,776	(57,776)	145,237
Other	50,000	98,607	(48,607)	61,182
Total expenditures	<u>8,812,346</u>	<u>7,426,618</u>	<u>1,385,728</u>	<u>6,198,121</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(2,312,346)	109,496	2,421,842	(299,480)
Fund balances - beginning	<u>2,512,866</u>	<u>2,512,866</u>	<u>-</u>	<u>2,812,346</u>
Fund balances - ending	<u>\$ 200,520</u>	<u>\$ 2,622,362</u>	<u>\$ 2,421,842</u>	<u>\$ 2,512,866</u>

WEBER SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances
Weber School District Foundation
Nonmajor Special Revenue Fund
Years Ended June 30, 2018 and 2017

	2018	2017
Revenues:		
Earnings on investments	\$ 168,009	\$ 196,817
Contributions	1,142,240	1,456,009
Total revenues	1,310,249	1,652,826
Expenditures:		
Current:		
Salaries	186,163	171,809
Employee benefits	75,448	68,941
Purchased services	13,047	36,977
Supplies	1,570,789	1,193,272
Other	1,012	1,145
Total expenditures	1,846,459	1,472,144
Excess (deficiency) of revenues over (under) expenditures	(536,210)	180,682
Other financing sources:		
Transfers	270,548	251,409
Net change in fund balances	(265,662)	432,091
Fund balances - beginning	3,045,794	2,613,703
Fund balances - ending	\$ 2,780,132	\$ 3,045,794

WEBER SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Pass-Through Taxes
Nonmajor Special Revenue Fund
Year Ended June 30, 2018
With Comparative Totals for 2017

	<u>2018</u>			<u>2017</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	3,152,929	\$ (347,071)	\$ 2,598,977
Total revenues	3,500,000	3,152,929	(347,071)	2,598,977
Expenditures:				
Current:				
Contributions to other governments	3,500,000	3,152,929	347,071	2,598,977
Total expenditures	3,500,000	3,152,929	347,071	2,598,977
Excess (deficiency) of revenues over (under) expenditures/net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

Table 1

WEBER SCHOOL DISTRICT
General Obligation Overlapping Indebtedness
June 30, 2018

Entity	2017 Taxable Value	District's Portion of Assessment	District's Percent	General Obligation Debt	Overlapping Debt
Weber County	\$ 15,254,834,412	\$ 10,706,874,027	70.2%	\$ 47,381,904	\$ 33,255,823
Cities:					
Washington Terrace	402,222,574	402,222,574	100.0%	1,439,000	1,439,000
Other Districts:					
Weber Basin Water Conservancy District	59,023,437,942	10,462,470,231	17.7%	18,618,938	3,300,385
North Davis County Sewer District	11,117,672,657	1,499,248,086	13.5%	23,755,000	3,203,426
Total overlapping general obligation debt					41,198,634
Total direct general obligation bonded indebtedness					133,250,000
Total direct and overlapping general obligation debt					<u>\$ 174,448,634</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 the district. The percentage shown represents the portion of the District's 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 2017 Taxable Value</u>	<u>To Adjusted Fair Market Value</u>	<u>Per Capita Debt Ratio</u>
Direct general obligation debt	1.33%	0.88%	\$ 863.91
Direct and overlapping general obligation debt	1.63%	1.08%	\$ 1,058.95

Notes:

Based on the State of Utah's December 31, 2017 taxable value for Weber School District of: \$ 10,706,874,027

Based on the State of Utah's December 31, 2017 adjusted fair market value for the District of: \$ 16,094,821,191

Based on the U.S. Bureau of the Census estimate for Weber County of 247,560 less Ogden City's population estimate of 86,701. Ogden City does not lie within the District's boundaries therefore, Weber School District's 2017 population estimate is 164,738.

Table 3

WEBER SCHOOL DISTRICT
Debt Service Schedule of Outstanding Bonds (By Year)
June 30, 2018

Year Ending June 30,	Series 2009		Series 2011		Series 2012		Series 2013		Series 2014		Grand Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2019	\$ 350,000	\$ 13,125	\$ -	\$ 210,000	\$ 260,000	\$ 520,100	\$ 300,000	\$ 914,068	\$ 2,320,000	\$ 1,177,175	
2020	-	-	-	210,000	280,000	516,200	280,000	899,068	2,370,000	1,130,775	
2021	-	-	-	210,000	375,000	512,000	280,000	885,068	2,490,000	1,012,275	
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	
2035	-	-	-	-	-	-	-	-	-	-	
	<u>\$ 350,000</u>	<u>\$ 13,125</u>	<u>\$ 5,250,000</u>	<u>\$ 927,000</u>	<u>\$ 17,435,000</u>	<u>\$ 5,098,464</u>	<u>\$ 21,670,000</u>	<u>\$ 9,844,572</u>	<u>\$ 31,210,000</u>	<u>\$ 7,886,862</u>	

Year Ending June 30,	Series 2015		Series 2016		Series 2016B		Series 2018		Totals		Grand Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2019	\$ 3,125,000	\$ 251,250	\$ 1,325,000	\$ 818,075	\$ 1,625,000	\$ 21,125	\$ 225,000	\$ 1,013,850	\$ 9,530,000	\$ 4,938,768	\$ 14,468,768
2020	2,375,000	95,000	1,390,000	751,825	-	-	1,900,000	1,002,600	8,595,000	4,605,468	13,200,468
2021	2,375,000	47,500	1,450,000	682,325	-	-	700,000	907,600	7,670,000	4,256,768	11,926,768
2022	-	-	625,000	609,825	-	-	250,000	872,600	7,735,000	3,955,768	11,690,768
2023	-	-	1,665,000	578,575	-	-	480,000	860,100	8,280,000	3,612,218	11,892,218
2024	-	-	2,630,000	495,325	-	-	835,000	836,100	8,995,000	3,233,468	12,228,468
2025	-	-	2,775,000	363,825	-	-	860,000	794,350	9,375,000	2,830,644	12,205,644
2026	-	-	2,925,000	225,075	-	-	925,000	772,850	9,750,000	2,496,069	12,246,069
2027	-	-	2,985,000	166,575	-	-	2,250,000	749,725	9,205,000	2,141,869	11,346,869
2028	-	-	3,065,000	91,950	-	-	1,375,000	637,225	8,535,000	1,890,194	10,425,194
2029	-	-	-	-	-	-	3,430,000	568,475	8,090,000	1,614,170	9,704,170
2030	-	-	-	-	-	-	2,570,000	431,275	7,920,000	1,312,882	9,232,882
2031	-	-	-	-	-	-	1,870,000	357,387	7,375,000	1,056,950	8,431,950
2032	-	-	-	-	-	-	1,550,000	301,287	7,225,000	799,374	8,024,374
2033	-	-	-	-	-	-	1,150,000	252,850	7,010,000	540,375	7,550,375
2034	-	-	-	-	-	-	3,500,000	215,475	4,830,000	257,037	5,087,037
2035	-	-	-	-	-	-	3,130,000	101,725	3,130,000	101,725	3,231,725
	<u>\$ 7,875,000</u>	<u>\$ 393,750</u>	<u>\$ 20,835,000</u>	<u>\$ 4,783,375</u>	<u>\$ 1,625,000</u>	<u>\$ 21,125</u>	<u>\$ 27,000,000</u>	<u>\$ 10,675,474</u>	<u>\$ 133,250,000</u>	<u>\$ 39,643,747</u>	<u>\$ 172,893,747</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>
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
2014	8,448,670,470	12,557,995,295
2013	8,090,784,419	11,949,325,120

Excluding Fee in Lieu Valuation

<u>Tax Year</u>	<u>Taxable Value</u>	<u>Adjusted Fair Market Value</u>
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
2014	8,144,787,395	12,254,092,220
2013	7,779,791,910	11,638,332,612

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, 2017

Taxpayer	Type of Business	December 31, 2017 Taxable Valuation	Percentage of Total Assessed Valuation
Compass Minerals	Manufacturing	\$ 258,040,126	2.41%
Pacificorp	Electric Utility	158,935,761	1.48%
Union Pacific Railroad Co	Transportation	93,419,130	0.87%
Questar Gas	Natural Gas Utility	70,880,229	0.66%
Kimberly-Clark Corporation	Manufacturing	69,570,459	0.65%
America First Credit Union	Banking	69,337,260	0.65%
Associated/Fresh Markets Inc.	Groceries	53,155,788	0.50%
Columbia Ogden Medical Center	Medical	51,876,410	0.48%
Westinghouse Electric	Manufacturing	47,933,366	0.45%
Cole Mt Riverdale UT LLC	Retail	40,962,386	0.38%
Totals		<u>\$ 914,110,915</u>	<u>8.53%</u>

Notes:

Source: Office of Weber County Treasurer

Based on the District's 2017 taxable value of: \$ 10,706,874,027

Table 6

WEBER SCHOOL DISTRICT
Summary of Taxable Value
December 31, 2017 and 2016

	<u>2017</u> <u>Taxable Value</u>	<u>Percent of</u> <u>2017</u>	<u>2016</u> <u>Taxable Value</u>
Centrally assessed values:	\$ 632,152,236	6.41%	\$ 579,828,745
Real property:			
Primary residential	6,572,847,498	66.70%	5,962,657,262
Secondary residential	737,593,298	7.48%	686,796,936
Commercial and industrial	1,832,467,863	18.60%	1,729,915,955
FAA and agricultural	73,094,708	0.74%	71,105,615
Unimproved non FAA	81,428,078	0.83%	59,035,190
Total real property	<u>9,297,431,445</u>	<u>94.35%</u>	<u>8,509,510,958</u>
Personal property:			
Primary and secondary mobile homes	12,421,258	0.13%	13,321,971
Other business personal	423,633,729	4.30%	409,642,988
Total personal property	<u>436,054,987</u>	<u>4.43%</u>	<u>422,964,959</u>
Fee-in-lieu property	<u>341,235,359</u>	<u>3.46%</u>	<u>342,313,329</u>
Total assessed properties	<u>\$ 10,706,874,027</u>	<u>108.65%</u>	<u>\$ 9,854,617,991</u>

Source: Utah State Tax Commission

Tables 7, 8 and 9

**WEBER SCHOOL DISTRICT
Tax Collection Record of the District**

Year Ended December 31,	Total Taxes Levied	Current Collections	Percent Current Collections	Collections for Prior Years	Total Collections	Percent of Total Taxes Levied
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%
2014	53,305,882	50,727,500	95.16%	1,862,158	52,589,658	98.66%
2013	51,914,184	49,301,176	94.97%	2,306,565	51,607,741	99.41%

Schedule of Property Tax Rates

	Tax Year Ended December 31,				
	2017	2016	2015	2014	2013
State required	0.001568	0.001677	0.001736	0.001419	0.001535
Voted local	0.001060	0.001124	0.000958	0.001010	0.001083
Board local	0.001027	0.001169	0.001764	0.001866	0.002006
Charter school	0.000075	-	-	-	-
Capital local	0.001300	0.001379	0.000842	0.000888	0.000953
Debt service	0.001343	0.001344	0.001343	0.001343	0.001343
Total	0.006373	0.006693	0.006643	0.006526	0.006920

Historical Property Tax Collections by Fund

Year Ended June 30,	Total Funds	General Fund	Debt Service	Capital Projects	Other Governmental Funds
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
2015	57,176,050	36,279,852	11,344,042	7,500,752	2,051,404
2014	56,541,836	37,781,712	10,973,365	7,786,759	-

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, 2014 through 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues:					
Property tax	\$ 38,287,094	\$ 38,821,746	\$ 35,791,896	\$ 36,279,852	\$ 37,781,712
Earnings from investments	1,244,609	710,126	779,757	474,106	764,726
Local	3,981,244	3,421,176	2,490,355	2,693,427	2,021,253
State	160,807,847	150,414,509	143,176,198	137,246,612	132,151,205
Federal	12,169,089	12,174,449	13,304,146	12,139,642	11,973,096
Total revenues	<u>216,489,883</u>	<u>205,542,006</u>	<u>195,542,352</u>	<u>188,833,639</u>	<u>184,691,992</u>
Expenditures:					
Instruction	151,901,053	144,571,977	135,181,868	132,077,653	127,829,436
Support services					
Students	7,874,762	7,443,929	7,109,418	6,721,162	6,613,916
Instructional staff	3,284,794	3,343,179	3,539,515	3,148,960	2,509,097
District administration	4,406,189	4,005,214	3,841,976	3,865,284	4,401,624
School administration	12,594,479	11,825,070	12,010,081	12,238,374	12,089,094
Central	5,901,495	5,164,663	5,349,486	4,907,261	3,931,078
Operations and maintenance	19,257,179	18,738,762	19,044,682	18,248,638	17,888,671
Student transportation	9,922,984	8,975,715	8,219,183	7,463,312	7,307,044
Total expenditures	<u>215,142,935</u>	<u>204,068,509</u>	<u>194,296,209</u>	<u>188,670,644</u>	<u>182,569,960</u>
Excess of revenues over expenditures	<u>1,346,948</u>	<u>1,473,497</u>	<u>1,246,143</u>	<u>162,995</u>	<u>2,122,032</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	39,744	8,000	-	17,088	56,330
Transfers	(270,548)	(2,771,409)	(205,533)	(2,986,261)	-
Total other financing sources (uses)	<u>(230,804)</u>	<u>(2,763,409)</u>	<u>(205,533)</u>	<u>(2,969,173)</u>	<u>56,330</u>
Net change in fund balance	1,116,144	(1,289,912)	1,040,610	(2,806,178)	2,178,362
Fund balances, beginning of year	<u>33,394,722</u>	<u>34,684,634</u>	<u>33,644,024</u>	<u>36,450,202</u>	<u>28,561,062</u>
Fund balances, end of year	<u>\$ 34,510,866</u>	<u>\$ 33,394,722</u>	<u>\$ 34,684,634</u>	<u>\$ 33,644,024</u>	<u>\$ 30,739,424</u>

Notes:

Source: The District's basic financial statements.

In 2015, fund balance was restated.

Table 11

WEBER SCHOOL DISTRICT
Balance Sheet - General Fund
 June 30, 2014 through 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assets:					
Cash and investments	\$ 71,670,577	\$ 69,434,499	\$ 69,153,613	\$ 67,452,769	\$ 70,497,293
Receivables:					
Property taxes	42,253,462	36,673,295	36,575,941	33,873,834	29,171,837
Local	141,148	117,358	205,697	333,009	9,917,048
State	1,032,949	739,555	795,173	742,689	-
Federal	3,629,443	4,935,442	11,807,815	8,676,078	-
Note receivable	467,794	512,500	-	-	-
Due from other funds	-	-	-	188,589	-
Other assets	-	-	-	-	540,966
Inventories and prepaid items	682,815	693,337	674,058	625,246	530,079
Total assets	<u>\$ 119,878,188</u>	<u>\$ 113,105,986</u>	<u>\$ 119,212,297</u>	<u>\$ 111,892,214</u>	<u>\$ 110,657,223</u>
Liabilities:					
Account and contracts payable	\$ 1,211,451	\$ 1,060,960	\$ 3,065,613	\$ 3,052,843	\$ 2,965,704
Accrued salaries and employee benefits	32,607,764	31,391,096	34,563,263	33,309,893	32,346,829
Termination benefits	-	-	-	-	3,257,970
Unearned revenue					
Local	-	-	-	37,785	27,935
Other governments	-	-	-	-	7,836,023
State	7,445,536	8,653,312	8,854,740	7,568,380	-
Federal	521,504	1,368,823	1,597,922	588,028	-
Total liabilities	<u>41,786,255</u>	<u>42,474,191</u>	<u>48,081,538</u>	<u>44,556,929</u>	<u>46,434,461</u>
Deferred inflows of resources:					
Unavailable revenue from sale of land	467,794	512,500	-	-	-
Unavailable property tax revenue	903,033	850,169	814,885	849,484	-
Property taxes levied for future year	42,210,240	35,874,404	35,631,240	32,841,777	33,483,338
Total deferred inflows of resources	<u>43,581,067</u>	<u>37,237,073</u>	<u>36,446,125</u>	<u>33,691,261</u>	<u>33,483,338</u>
Fund balances:					
Nonspendable:					
Inventories and prepaid items	682,815	693,337	674,058	625,246	530,079
Committed to:					
Economic stabilization	5,000,000	4,750,000	4,500,000	4,000,000	4,000,000
Employee vacation benefit	2,029,029	1,888,560	1,882,369	1,627,420	1,753,367
Contractual obligations	361,920	522,416	303,816	564,290	664,647
Assigned to:					
Early retirement benefit	10,250,000	10,250,000	10,250,000	10,250,000	10,000,000
Other programs	3,286,513	3,286,513	6,206,513	5,806,513	3,069,629
Unassigned	12,900,589	12,003,896	10,867,878	10,770,555	10,721,702
Total fund balances	<u>34,510,866</u>	<u>33,394,722</u>	<u>34,684,634</u>	<u>33,644,024</u>	<u>30,739,424</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 119,878,188</u>	<u>\$ 113,105,986</u>	<u>\$ 119,212,297</u>	<u>\$ 111,892,214</u>	<u>\$ 110,657,223</u>

Notes:

Source: The District's basic financial statements.

In 2015, fund balance was restated.

APPENDIX B

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER PARAGRAPH (b)(5) OF RULE 15C2-12

[TO BE DATED CLOSING DATE]

THIS CONTINUING DISCLOSURE UNDERTAKING (the “*Agreement*”) is executed and delivered by the Board of Education of Weber School District, Utah (the “*Issuer*”), in connection with the issuance of \$_____ General Obligation School Building Bonds (Utah School Bond Guaranty Program), Series 2018B (the “*Bonds*”). The Bonds are being issued pursuant to a Resolution of the Issuer adopted on September 5, 2018 (the “*Resolution*”).

In consideration of the issuance of the Bonds by the Issuer and the purchase of such Bonds by the beneficial owners thereof, the Issuer covenants and agrees as follows:

Section 1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the Issuer as of the date set forth above, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule (as defined below). The Issuer represents that it and the State (pursuant to the Utah School Bond Guaranty Act, Chapter 28, Title 53A, Utah Code Annotated, 1953, as amended) will be the only obligated persons with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after issuance of the Bonds.

Section 2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

“*Annual Financial Information*” means the financial information and operating data described in *Exhibit I*.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“*Audited Financial Statements*” means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I*.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

“*Reportable Event*” means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

“*Reportable Events Disclosure*” means dissemination of a notice of a Reportable Event as set forth in Section 5.

“*Rule*” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“*State*” means the State of Utah.

“*Undertaking*” means the obligations of the Issuer pursuant to Sections 4 and 5.

Section 3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds maturing in each of the following years are as follows:

JUNE 15 OF THE YEAR	CUSIP NUMBER	JUNE 15 OF THE YEAR	CUSIP NUMBER

The Final Official Statement relating to the Bonds is dated _____, 2018 (the “*Final Official Statement*”). The Issuer will include the CUSIP Number in all disclosure described in Sections 4 and 5 of this Agreement.

Section 4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

Section 5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State at the time of delivery of such information. References to “material” in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

Section 6. CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION. The Issuer shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. The beneficial owners of 25% or more in principal amount of the Bonds outstanding may challenge the adequacy of the information provided under this Agreement and seek specific performance by court order to cause the Issuer to provide the information as required by this Agreement. A default under this

Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

Section 7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the Issuer by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or change in the identity, nature, or status of the Issuer, or type of business conducted; or

(ii) this Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) the amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the Issuer or any other obligated person (such as bond counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

Section 8. TERMINATION OF UNDERTAKING. The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The Issuer shall give notice to EMMA in a timely manner if this Section is applicable.

Section 9. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence

of a Reportable Event. If the Issuer is changed, the Issuer shall disseminate such information to EMMA.

Section 11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

Section 12. RECORDKEEPING. The Issuer shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 13. ASSIGNMENT. The Issuer shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

Section 14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

(Signature page follows.)

DATED as of the day and year first above written.

BOARD OF EDUCATION OF WEBER SCHOOL
DISTRICT, UTAH

By _____
President

[SEAL]

Address: 5320 South Adams Avenue Parkway
Washington Terrace, Utah 84405

ATTEST AND COUNTERSIGN:

By _____
Business Administrator

EXHIBIT I

**ANNUAL FINANCIAL INFORMATION AND TIMING
AND AUDITED FINANCIAL STATEMENTS**

“*Annual Financial Information*” means financial information and operating data of the type contained in the Official Statement under the following captions:

CAPTION	PAGE
DEBT STRUCTURE OF WEBER SCHOOL DISTRICT	
— Outstanding General Obligation Bonded Indebtedness.....	
— Debt Ratios	
FINANCIAL INFORMATION REGARDING WEBER SCHOOL DISTRICT	
— Five-Year Financial Summaries.....	
— Historical District Tax Rates	
— Taxable and Fair Market Value of Property.....	
— Historical Summaries of Taxable Value of Property.....	
— Tax Collection Record.....	
— Some of the Largest Taxpayers in the County	

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 200 days after the last day of the Issuer’s fiscal year, beginning with the fiscal year ended June 30, 2019. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared pursuant to generally accepted accounting principles applicable to governmental units in general and Utah school districts in particular. Audited Financial Statements will be submitted to EMMA within 30 days after availability to Issuer.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Issuer will disseminate a notice of such change as required by Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE BONDS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Issuer*
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the Bonds, Chapman and Cutler LLP, Bond Counsel, proposes to issue their final approving opinion in substantially the following form:

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Re: \$ _____
Board of Education of Weber School District, Utah
General Obligation School Building Bonds
(Utah School Bond Guaranty Program),
Series 2018B

We hereby certify that we have examined a certified copy of the proceedings of the Board of Education of Weber School District, Utah (the “*Board*”), passed preliminary to the issuance by the Board of its General Obligation School Building Bonds (Utah School Bond Guaranty Program), Series 2018B (the “*2018B Bonds*”), in the amount of \$_____, dated as of the date hereof, being in fully-registered form, in denominations of \$5,000 and any whole multiple thereof, due on June 15 of each of the years, in the amounts and bearing interest as follows:

June 15 OF THE YEAR	AMOUNT MATURING	INTEREST RATE PER ANNUM
	\$	%

The 2018B Bonds are subject to redemption prior to maturity at the times, in the manner and on the terms and conditions set forth in each of the 2018B Bonds. We are of the opinion that such proceedings show lawful authority for the issuance of the 2018B Bonds under the laws of the State of Utah now in force.

We further certify that we have examined the form of bond prescribed in the proceedings authorizing the issuance of the 2018B Bonds and find the same in due form of law. In our opinion, the 2018B Bonds, to the amount named, are valid and legally binding upon the Board and all taxable property in Weber School District, Utah, is subject to the levy of taxes to pay the same without limitation as to rate or amount. It is to be understood that the rights of the owners of the 2018B Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that enforcement of the rights of the owners of the 2018B Bonds may also be subject to the exercise of judicial discretion in appropriate cases.

The guaranty of timely payment of the 2018B Bonds provided by the Utah School Bond Guaranty Act is a valid and binding obligation of the State of Utah.

It is our opinion that, subject to the Board's compliance with certain covenants, under present law, interest on the 2018B Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such Board covenants could cause interest on the 2018B Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the 2018B Bonds. Ownership of the 2018B Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the 2018B Bonds.

It is further our opinion that under the existing laws of the State of Utah, as presently enacted and construed, interest on the 2018B Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. No opinion is expressed with respect to any other taxes imposed by the State of Utah or any political subdivision thereof. Ownership of the 2018B Bonds may result in other state and local tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the 2018B Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the 2018B Bonds.

In rendering this opinion, we have relied upon certifications of the Board with respect to certain material facts within the Board's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

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