

**SOUTH WEBER CITY**

**Annual Financial Report  
For the Fiscal Year Ended June 30, 2011  
(With Accountants' Report Therein)**

# SOUTH WEBER CITY

## Table of Contents For The Fiscal Year Ended June 30, 2011

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### Financial Section:

Independent Auditors' Report.....	1
Management's Discussion and Analysis .....	3
Basic Financial Statements:	
Government-wide Fund Financial Statements:	
Statement of Net Assets.....	9
Statement of Activities .....	11
Government Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	12
Reconciliation of the Government Funds Balance Sheet to the Statement of Net Assets.....	13
Statement of Revenues, Expenditures, and Changes in Fund Balances Government Funds .....	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities.....	15
Proprietary Fund Financial Statements:	
Statement of Net Assets – Proprietary Funds.....	16
Statement of Revenues, Expenses, and Changes in Fund Net Assets Proprietary Funds .....	18
Statement of Cash Flows – Proprietary Funds .....	19
Notes to the Financial Statements .....	20

### Required Supplementary Information:

Budgetary Comparison Schedule – General Fund .....	34
Budgetary Comparison Schedule – Special Revenue Recreation Fund .....	35

### Supplementary Information – Statements and Schedules:

Governmental Funds	
Budgetary Comparison Schedules:	
Special Revenue Fund Park Impact Fees.....	37
Capital Improvement Fund .....	38
Special Revenue Fund Road Impact Fees .....	39
Special Revenue Fund County Fair Days .....	40
Special Revenue Fund Recreation Impact Fees.....	41
Special Revenue Fund Public Safety Impact Fees .....	42
Combining Balance Sheet Nonmajor Governmental Funds.....	43
Combining Statement of Revenues, Expenditure, and Changes in Fund Balance Nonmajor Governmental Funds .....	44

Auditors' Opinion on State Compliance .....	45
Independent Auditor's Report on Internal Control Over Financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with government auditing standards.....	47



**GILBERT & STEWART**  
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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council  
South Weber City, Utah

December 12, 2011

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of South Weber City, Utah as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of South Weber City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of South Weber City as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued a report dated December 12, 2011, on our consideration of South Weber City's internal control over financial reporting and on our test of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison 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 information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise South Weber City's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

  
GILBERT & STEWART  
*Certified Public Accountants*

# South Weber City

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2011

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South Weber City's management presents to the readers of its financial statements this narrative information. It contains an overview and analysis of the financial position and results of operations as of and for the twelve months ended June 30, 2011. As management of the City, we encourage readers to consider information contained in this discussion.

### FINANCIAL HIGHLIGHTS

The assets of South Weber City exceeded its liabilities at the end of the current fiscal year by \$20,979,453 (net assets). Of this amount, \$3,046,415 (unrestricted assets) is available to meet ongoing obligations of citizens and creditors. Net assets increased by \$3,406,068.

The City's Governmental activities reported a combined ending fund balance of \$10,505,994. Of the combined total fund balance, \$835,421 is available for spending at the discretion of the City (unreserved and undesignated fund balance).

The unassigned fund balance of the general fund at June 30, 2011, totaled \$277,276 and is 16.5% of the general fund total revenues for the year. Total debt for South Weber City increased approximately \$3,202,000. Since the City has increased the total fund balance, the financial position of the City has improved this year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to South Weber City's basic financial statements: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains information in addition to the basic financial statements that will help the reader gain a more in-depth understanding of the City.

**Government-wide financial statements** give readers a broad overview of the entire City's financial position, and changes in financial position, similar to consolidated financial statements in a private sector business. These statements consist of the statement of net assets and the statement of activities.

The statement of net assets shows South Weber City's entire assets and liabilities with the difference shown as net assets. Increases or decreases over time in net assets gives an indicator as to whether the financial condition of South Weber City is improving or declining.

The statement of activities shows the changes to net assets that occurred during the most recent fiscal year. These changes are recorded on an accrual basis when the underlying event that causes the change occurs, regardless of when the cash transaction takes place.

Both of the government-wide financial statements distinguish between activities that are largely supported by taxes and intergovernmental revenues and those whose operations are entirely or largely financed by user charges and fees. The governmental activities for South Weber City include general government, streets, parks, recreation, and other departments. The business-type activities include water, garbage, storm sewer, and sewer operations.

The government-wide financial statements include only the financial statements of South Weber City. The City does not have any component units.









































































































