

**EMERY COUNTY SCHOOL DISTRICT  
FINANCIAL STATEMENTS  
JUNE 30, 2000**

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## INDEPENDENT AUDITOR'S REPORT

Emery County School Board  
Emery County School District  
Huntington, Utah 84528

We have audited the accompanying general purpose financial statements of Emery County School District as of and for the fiscal year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of Emery County School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 general purpose 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 opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Emery County School District at June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 22, 2000, on our consideration of Emery County School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Emery County School District, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

  
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KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

August 22, 2000  
Richfield, Utah

Fiduciary Fund Type	Account Groups		Totals Memorandum Only
	General Fixed Assets	General Long Term Debt	
Agency			
386,020	-	-	4,716,791
-	-	-	50,073
-	-	-	24,270
-	-	-	51,830
-	-	-	169,522
-	-	-	116,874
-	4,725,681	-	4,725,681
-	55,068,897	-	55,068,897
-	16,672,749	-	16,672,749
-	2,232,324	-	2,232,324
-	-	-	250,000
-	-	5,767,008	5,767,008
<u>386,020</u>	<u>78,699,651</u>	<u>5,767,008</u>	<u>89,846,019</u>
-	-	-	335,357
-	-	-	841,281
-	-	-	545,116
386,020	-	-	386,020
-	-	-	26,222
-	-	4,605,000	4,605,000
-	-	820,534	820,534
-	-	341,474	341,474
<u>386,020</u>	<u>-</u>	<u>5,767,008</u>	<u>7,901,004</u>
-	78,699,651	-	78,699,651
-	-	-	69,459
-	-	-	181,000
-	-	-	140,784
-	-	-	2,854,121
-	<u>78,699,651</u>	<u>-</u>	<u>81,945,015</u>
<u>386,020</u>	<u>78,699,651</u>	<u>5,767,008</u>	<u>89,846,019</u>



**EMERY COUNTY SCHOOL DISTRICT  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES**

For The Fiscal Year Ended June 30, 2000

	Governmental Fund Types				Totals
	General	Special Revenue	Debt Service	Capital Projects	Memorandum Only
<b>REVENUE:</b>					
Local Sources:					
Property Taxes	3,960,244	1,086,459	2,270,638	2,807,537	10,124,878
Interest	335,280	-	-	-	335,280
Other	137,192	308,292	-	148,815	594,299
State Sources	8,492,928	265,287	-	27,243	8,785,458
Federal Sources	824,138	510,944	-	-	1,335,082
<b>TOTAL REVENUE</b>	<u>13,749,782</u>	<u>2,170,982</u>	<u>2,270,638</u>	<u>2,983,595</u>	<u>21,174,997</u>
<b>EXPENDITURES:</b>					
Instruction	10,058,931	219,103	-	382,743	10,660,777
Support Services:					
Students	388,690	1,094	-	-	389,784
Instructional Staff	284,679	20,159	-	34,689	339,527
District General Administration	289,166	-	-	-	289,166
School Administration	1,316,094	-	-	-	1,316,094
Business	213,593	-	-	24,965	238,558
Operation and Maintenance of Plant	13,255	13,428	-	696,731	723,414
Student	751,786	-	-	-	751,786
Non-Instructional Services:					
Food Services	-	857,673	-	-	857,673
Other Services	-	1,043,844	-	-	1,043,844
Facilities Acquisition and Constr. Services	-	-	-	1,034,715	1,034,715
Debt Service:					
Principal	-	-	1,975,000	-	1,975,000
Interest and Fiscal Charges	-	-	295,638	-	295,638
<b>TOTAL EXPENDITURES</b>	<u>13,316,194</u>	<u>2,155,301</u>	<u>2,270,638</u>	<u>2,173,843</u>	<u>19,915,976</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	433,588	15,681	-	809,752	1,259,021
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In (Out)	<u>(578,911)</u>	<u>578,911</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	(145,323)	594,592	-	809,752	1,259,021
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>1,608,180</u>	<u>(424,490)</u>	<u>-</u>	<u>802,653</u>	<u>1,986,343</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>1,462,857</u></u>	<u><u>170,102</u></u>	<u><u>-</u></u>	<u><u>1,612,405</u></u>	<u><u>3,245,364</u></u>

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

Special Revenue			Debt Service		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
1,085,914	1,086,459	545	2,272,223	2,270,638	(1,585)
-	-	-	-	-	-
305,000	308,292	3,292	-	-	-
257,329	265,287	7,958	-	-	-
500,053	510,944	10,891	-	-	-
-	-	-	-	-	-
<u>2,148,296</u>	<u>2,170,982</u>	<u>22,686</u>	<u>2,272,223</u>	<u>2,270,638</u>	<u>(1,585)</u>
211,597	219,103	(7,506)	-	-	-
1,400	1,094	306	-	-	-
17,908	20,159	(2,251)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,391	13,428	(11,037)	-	-	-
-	-	-	-	-	-
862,000	857,673	4,327	-	-	-
1,065,914	1,043,844	22,070	-	-	-
-	-	-	-	-	-
-	-	-	1,975,000	1,975,000	-
-	-	-	297,223	295,638	1,585
<u>2,161,210</u>	<u>2,155,301</u>	<u>5,909</u>	<u>2,272,223</u>	<u>2,270,638</u>	<u>1,585</u>
(12,914)	15,681	28,595	-	-	-
<u>578,911</u>	<u>578,911</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>565,997</u>	594,592	<u>28,595</u>	<u>-</u>	-	-
	<u>(424,490)</u>			-	
	<u>170,102</u>			<u>-</u>	

Totals (Memorandum Only)

<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
9,823,723	10,124,878	301,155
250,000	335,280	85,280
481,227	594,299	113,072
8,783,352	8,785,458	2,106
1,385,926	1,335,082	(50,844)
1,233,404	-	(1,233,404)
<u>21,957,632</u>	<u>21,174,997</u>	<u>(782,635)</u>
10,999,767	10,660,777	338,990
400,264	389,784	10,480
392,228	339,527	52,701
291,056	289,166	1,890
1,316,543	1,316,094	449
254,756	238,558	16,198
702,174	723,414	(21,240)
753,670	751,786	1,884
862,000	857,673	4,327
1,065,914	1,043,844	22,070
2,081,040	1,034,715	1,046,325
1,975,000	1,975,000	-
297,223	295,638	1,585
<u>21,391,635</u>	<u>19,915,976</u>	<u>1,475,659</u>
565,997	1,259,021	693,024
-	-	-
<u>565,997</u>	1,259,021	<u>693,024</u>
	<u>1,986,343</u>	
	<u>3,245,364</u>	

**EMERY COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS**

**June 30, 2000**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Emery County School District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

**A. Reporting Entity**

For financial reporting purposes, the Board of Education of Emery County School District is the lowest level of government exercising oversight responsibility for all activities related to public school education in Emery County, Utah. Financial statements are presented for all of the funds and account groups considered by the Utah Department of Education to be a part of the District. The reporting entity includes all components considered to be financially accountable to the District as defined by GASB Statement 14.

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The accounts of the government are organized and operated on the basis of funds and account groups. A fund is an independent fiscal accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The government has the following fund types and account groups:

**Governmental Funds:**

Governmental Funds are used to account for the government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). Measurable means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

**EMERY COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2000**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

General Fund: The General Fund (Maintenance and Operation Fund) is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Fund: The Special Revenue Fund accounts for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects). The District has two Special Revenue Funds:

Non K-12 Fund - A fund used to account for the operation of the programs authorized by Utah State law as Non K-12 Funds.

School Lunch Fund - A school lunch fund is used to account for the operation of the School Lunch Program. The Fund is deemed to be a special revenue fund as a result of substantial state and federal subsidies.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources and the payment of general long-term debt principal, interest and related costs.

Capital Projects Fund - The Capital Projects Fund accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

**Fiduciary Funds:**

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement. Fiduciary Funds include the following fund type:

Agency Funds - Agency funds are used to account for assets held by the District as an agency for individuals. The District has an agency fund for individual schools. This is an expendable agency fund used to account for monies invested with the District and in checking accounts of individual schools.

**Account Groups:**

General Fixed Asset - Property and equipment used in Governmental Fund type operations (i.e. those which relate to the general activities and services of the District) are accounted for in the General Fixed Assets Account Group, rather than in the Governmental Funds.

**EMERY COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2000**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

General Long-Term Debt Account Group - Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group rather than in the governmental funds.

**C. Assets, Liabilities and Equity**

**Deposits and Investments:**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments are stated at cost.

**Fixed Assets:**

General fixed assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Assets acquired through gifts or donations are recorded at their estimated fair market value at time of acquisition. In accordance with Generally Accepted Accounting Principles, no provision is made for depreciation of assets in the general fixed assets group.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the government) are not capitalized.

**Fund Balance:**

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**D. Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. The District does not record encumbrances at year end. Any unperformed contracts at year end are appropriated for in the succeeding years' budget.

**EMERY COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2000**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Reserves**

The District records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use.

The District has a reserve for inventory, capital outlay, and purchase commitments. These accounts are used to segregate a portion of the fund balance.

**F. Memorandum Only - Total Columns:**

Total columns on the general purpose financial statements are captioned as "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

**G. Budgets and Budgetary Accounting:**

The following procedures are used in establishing the budgetary data reflected in the financial statements. Each budget is presented on the modified accrual basis of accounting.

1. During May of each year, the Superintendent of Schools submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. This budget includes proposed expenditures and the means of financing them. Included also is the final amended budget for the current year ending June 30.
2. Copies of the proposed budget are made available for public inspection and review by the District's patrons.
3. A public hearing is held prior to June 15 in which the budget is legally adopted by resolution of the Board of Education after obtaining taxpayer input. Budgets are legally adopted for all funds except for the Agency Funds for which the board has oversight responsibility.
4. Any revisions during the operating year due to unforeseen expenditures, adjustments in estimated revenues, or changes in categorical program funding (funds that are restricted for a specific purpose) must be approved by the Board of Education.

**EMERY COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2000**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents".

**Deposits:**

Emery County School District's deposits in bank accounts at June 30, 2000, was \$993,816. Of this amount \$208,745 was insured by federal depository insurance. Utah State statutes do not require deposits to be collateralized, however, financial institutions must be approved by the State Money Management Council. The book balance at June 30, 2000, was \$978,777.

**Investments:**

Statutes authorize the District to invest in obligations of the U. S. Treasury, agencies and instrumentalities, commercial paper rated A-1 by Standards & Poor's Corporation or P-1 by Moody's Commercial Paper Record, Bankers' acceptances, repurchase agreements and the state treasurer's investment pool. The District is also authorized to enter into reverse repurchase agreements. At year end the District had \$3,281,846 invested with the Utah State Treasurer's Pool.

The District's investments are categorized below to give an indication of the risk assumed by the District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District in the District's name, and includes deposits collateralized by securities held by the District in the District's name. Category 2 includes uninsured and unregistered investments for which the investments are held by a broker or dealer in the District's name, and includes deposits collateralized by securities held by the pledging institution in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer but not in the District's name, and includes deposits not insured or collateralized.



**EMERY COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2000

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

Emery County School District's investments at year end are shown below:

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Amount/ Market Value</u>
Investments:				
Repurchase Agreements	<u>-</u>	<u>-</u>	<u>456,168</u>	456,168
Other Items:				
State Treasurer's Investment Pool				<u>3,281,846</u>
Total Investments				<u>3,738,014</u>

The Utah Public Treasurer's Investment Fund is an external deposit and investment pool wherein governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. These monies are invested primarily in money market securities and contain no withdrawal restrictions. As such, the monies invested in this fund are not insured and are subject to the same market risks as any similar investment in money market funds.

**NOTE 3 - INVENTORY**

These accounts represent supplies and materials purchased and available for use at the end of this fiscal year. USDA inventories, held by the school food service fund as deferred revenue, are priced at the value specified by the Department of Agriculture. The other inventory items are supplies valued at cost. A reserve in the fund balance has been provided for the value of the purchased inventory.

**NOTE 4 - PROPERTY TAXES**

Property tax revenue of Emery County School District is levied, collected and distributed by Emery County as required by state law. Utah statutes establish the process by which taxes are levied and collected. The County Assessor is required to assess property as of January 1, and complete the tax rolls by May 15. By July 21, the County Treasurer is to mail notices of assessed value 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. Approved changes in assessed value are made by the County Auditor by October 15. By November 1, the Auditor is to deliver the completed assessment rolls to the State Treasurer. Tax notices are mailed with a due date of November 30.

The property tax revenues for the fiscal year ended June 30, 2000 are based on the collection in the fiscal year of taxes assessed prior to June 30, 2000. These taxes are collected by Emery County and remitted to the District throughout the fiscal year.

**EMERY COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2000**

**NOTE 5 - GENERAL FIXED ASSETS**

The following is a statement of changes in the General Fixed Assets as of June 30, 2000:

	<u>Balance June 30, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2000</u>
Building Sites	4,487,396	238,285	-	4,725,681
Buildings	50,378,493	4,690,404	-	55,068,897
Equipment and Furniture	5,362,462	12,015,378	705,091	16,672,749
Vehicles	2,207,985	24,339	-	2,232,324
<b>Totals</b>	<u><u>62,436,336</u></u>	<u><u>16,968,406</u></u>	<u><u>705,091</u></u>	<u><u>78,699,651</u></u>

**NOTE 6 - LONG-TERM RECEIVABLE**

On September 1, 1999, the District entered into a three year pooling agreement with eleven other school districts, the Utah High School Activities Association and the Utah School Boards Association to obtain the best health and dental insurance possible at the lowest possible cost. Each of the entities were required to deposit one and one-half months estimated premium with the pool. The Emery District deposited \$250,000. It is anticipated that the deposit will be returned to the District after three years.

**NOTE 7 - LONG-TERM DEBT**

**General Obligation Bonds:**

General Obligation School Building Bonds - Series 1996 Interest is payable December 15 and June 15. The following is a summary of debt service charges for to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	2,065,000	123,260	2,188,260
2002	540,000	32,400	572,400
<b>Total</b>	<u><u>2,605,000</u></u>	<u><u>155,660</u></u>	<u><u>2,760,660</u></u>

General Obligation School Building Bonds - Series 1998. Interest is payable December 15 and June 15. The following is a summary of debt service charges for to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	-	86,538	86,538
2002	1,615,000	86,538	1,701,538
2003	385,000	15,881	400,881
<b>Total</b>	<u><u>2,000,000</u></u>	<u><u>188,957</u></u>	<u><u>2,188,957</u></u>

**EMERY COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2000**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

The following is a schedule of changes in General Obligation Bonds debt service:

	Date of Issue	Interest Rate	Total Issued	Outstanding June 30, 1999	Current Year Changes		Outstanding June 30, 2000
					Issued	Matured	
General Obligation Bonds							
Series 1996	1996	4-6%	9,990,000	4,580,000	-	1,975,000	2,605,000
General Obligation Bonds							
Series 1998	1998	4.375%	2,000,000	2,000,000	-	-	2,000,000
Total			11,990,000	6,580,000	-	1,975,000	4,605,000

The following is a five year maturity of debt service:

	Principal	Interest	Total
2000/2001	2,065,000	204,453	2,269,453
2001/2002	2,155,000	113,593	2,268,593
2002/2003	385,000	15,785	400,785
Totals	4,605,000	333,831	4,938,831

**EMERY COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2000**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Post-Employment Benefits:**

The District has two early retirement policies available to all qualifying employees. Under policy GCPCA/GDPCA an employee may retire at age 62 and be paid 55% of the difference between the salary on step one, lane one of the current salary schedule and their current step and lane. The percentage drops to 50% when the person retires at age 63 and 45% when the person retires at age 64. In addition, the District will pay health and life insurance costs for the retiree until the person reaches age 65, at which point all benefits are terminated.

Under policy GCPCAA a person is eligible for early retirement when they have accumulated 75 points (a combination of age and service) with at least 15 years of service. An annual pension equal to twenty-two percent (22%) of the employee's placement on the regular schedule, minus leeway, will be paid to the retiree for a maximum of five (5) years, or until the retiree reaches age 65. The District will also pay health and life insurance costs for five years or until the retiree reaches age 65. After the five year period, if the retiree has not reached age 65, he/she may purchase insurance through Public Employees Health Plan at group rates under the COBRA program.

In addition, qualifying employees will receive reimbursement of unused sick leave according to the formula of fifty percent (50%) of the daily rate for certified substitutes up to a maximum of 180 days. All benefits terminate the month following the death of the retiree. The District is obligated to pay 100% of the benefits costs under the early retirement programs and funds both programs with current revenues.

Six new employees elected the early retirement and entered into the District's plans and six terminated benefits during the 2000 fiscal year leaving the number of participants at twenty-eight at year end. The District recorded \$247,051.76 of expenditures during the fiscal year. The District has a liability of \$820,533.58 as of June 30, 2000, to provide benefits to these retirees in future years.

**Post-Retirement Benefits:**

Under District policy teachers are compensated for post retirement. They receive post-employment benefits up to 15 years after retirement.

	<u>Benefits Payable</u>
2001	299,190.52
2002	225,391.01
2003	143,109.70
2004	81,654.76
2005	71,187.59
Total	820,533.58

**EMERY COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2000

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Compensated Absences:**

Compensated absences of Emery County School District in the general long-term debt account group represent accrued vacation and sick leave at June 30, 2000, in the amount of 341,474.

The following is a summary of changes in Long-Term Debt:

	<u>Balance June 30, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2000</u>
General Long-Term Debt - 1996	4,580,000	-	1,975,000	2,605,000
General Long-Term Debt - 1998	2,000,000	-	-	2,000,000
Retirement Benefits	856,898	210,687	247,052	820,534
Compensated Absences	-	341,474		341,474
Totals	<u>7,436,898</u>	<u>552,161</u>	<u>2,222,052</u>	<u>5,767,008</u>

**NOTE 8 - COMMITMENTS**

Emery County School District has commitments at year end in the amount of \$181,000. The commitments are for the purchase and installation of playground equipment at the six elementary schools in the District.

**NOTE 9 - PENSION PLAN**

**Local Governmental - Cost Sharing:**

**Plan Description:**

Emery County School District contributes to the Local Governmental Contributory Retirement System and the Local Governmental Noncontributory Retirement System both of which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). The System provides retirement benefits, annual cost of living allowances, death benefits and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 (Chapter 49) as amended, which also establishes the Utah State Retirement

**EMERY COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2000**

**NOTE 9 - PENSION PLAN (CONTINUED)**

Office (Office) for the administration of the Utah Retirement Systems and plans. Chapter 49 places the Systems, the Office and related plans and programs under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that included financial statements and required supplementary information for the Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

**Funding Policy:**

Plan members are required to contribute a percent of their covered salary (all or part may be paid by employer) to the respective systems to which they belong; 6.00% to the Noncontributory System. Emery County School District is required to contribute a percent of covered salary to the following systems; 9.67% to the Contributory System and 14.16% to the Noncontributory System. The contribution rates are the actuarially determined rates and are approved by the Board as authorized by Chapter 49.

Emery County School District contributions to the various systems for the years ending June 30, 2000, 1999 and 1998 respectively were; for the Contributory System, \$21,472.90, \$19,249.32 and \$23,599.72; for the Noncontributory System, \$1,394,376.62, 1,266,888.50 and 1,415,787.29 respectively. The contributions were equal to the required contributions for each year.

**NOTE 10 - RISK MANAGEMENT**

Emery County School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries and disasters. The District has joined with other public entities in a common risk management and insurance program operated by the State of Utah Division of Risk management. The District pays premiums to this risk pool, the Utah State Risk Management Fund, for its general insurance coverage. The pool is self sustaining through member premiums and reinsures through commercial companies for claims in excess of specified amounts for certain types of risks. The District is subject to a minimal deductible for claims of the risk pool. The District has joined the Utah School Board Risk Management Mutual Insurance Association which is a risk pool for Workers' Compensation. The District has purchased commercial insurance for other risks of loss including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the last three fiscal years.

**EMERY COUNTY SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS**

June 30, 2000

	Special Revenue Funds		
	Non K-12	School Lunch	
<b>ASSETS</b>			
Cash	104,793	56,006	160,799
Accounts Receivable:			
Local Sources:			
Other	1,605	-	1,605
State Sources	-	30,772	30,772
Federal Sources	24,630	-	24,630
Inventories	-	95,681	95,681
TOTAL ASSETS	131,028	182,459	313,487
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts Payable	148	503	651
Accrued Wages Payable	77,663	-	77,663
Accrued Liabilities	-	38,849	38,849
Deferred Revenue	-	26,222	26,222
Total Liabilities	77,811	65,574	143,385
Fund Balance:			
Undesignated	53,217	116,885	170,102
Total Fund Balance	53,217	116,885	170,102
TOTAL LIABILITIES AND FUND BALANCE	131,028	182,459	313,487

**EMERY COUNTY SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL REVENUE FUND TYPE**

For The Fiscal Year Ended June 30, 2000

	Special Revenue Funds		Totals
	Non K-12 Fund	School Lunch Fund	Memorandum Only
REVENUE:			
Local Sources:			
Property Taxes	1,086,459	-	1,086,459
Other	4,102	304,190	308,292
State Sources	166,842	98,445	265,287
Federal Sources	54,053	456,891	510,944
TOTAL REVENUE	1,311,456	859,526	2,170,982
EXPENDITURES:			
Instruction	219,103	-	219,103
Support Services:			
Students	1,094	-	1,094
Instructional Staff	20,159	-	20,159
Operation and Maintenance of Plant	13,428	-	13,428
Non-Instructional Services:			
Food Services	-	857,673	857,673
Other Services	1,043,844	-	1,043,844
TOTAL EXPENDITURES	1,297,628	857,673	2,155,301
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	13,828	1,853	15,681
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	33,872	545,039	578,911
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	47,700	546,892	594,592
FUND BALANCE - BEGINNING OF YEAR	5,517	(430,007)	(424,490)
FUND BALANCE - END OF YEAR	53,217	116,885	170,102

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



School Lunch Fund			Totals (Memorandum Only)		
<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
-	-	-	1,065,914	1,086,459	20,545
305,000	304,190	(810)	305,000	308,292	3,292
97,000	98,445	1,445	263,329	265,287	1,958
<u>456,000</u>	<u>456,891</u>	<u>891</u>	<u>510,053</u>	<u>510,944</u>	<u>891</u>
<u>858,000</u>	<u>859,526</u>	<u>1,526</u>	<u>2,144,296</u>	<u>2,170,982</u>	<u>26,686</u>
-	-	-	211,597	219,103	(7,506)
-	-	-	1,400	1,094	306
-	-	-	17,908	20,159	(2,251)
-	-	-	2,391	13,428	(11,037)
858,000	857,673	327	858,000	857,673	327
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,065,914</u>	<u>1,043,844</u>	<u>22,070</u>
<u>858,000</u>	<u>857,673</u>	<u>327</u>	<u>2,157,210</u>	<u>2,155,301</u>	<u>1,909</u>
-	1,853	1,853	(12,914)	15,681	28,595
<u>-</u>	<u>545,039</u>	<u>545,039</u>	<u>12,914</u>	<u>578,911</u>	<u>565,997</u>
<u>-</u>	<u>546,892</u>	<u>546,892</u>	<u>-</u>	<u>594,592</u>	<u>594,592</u>
	<u>(430,007)</u>			<u>(424,490)</u>	
	<u>116,885</u>			<u>170,102</u>	

**EMERY COUNTY SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS**

**For The Fiscal Year Ended June 30, 2000**

	<u>Balance</u> <u>June 30, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2000</u>
<b>SCHOOL FUND ACCOUNTS</b>				
<b>ASSETS</b>				
Cash	288,154	1,099,296	1,040,015	347,435
<b>LIABILITIES</b>				
Due to Student Groups:				
Emery High School	70,253	357,533	340,898	86,888
Green River High School	29,598	88,934	93,440	25,092
San Rafael Jr. High School	16,314	162,634	154,184	24,764
Canyon View Jr. High School	53,155	109,874	109,534	53,495
Huntington Elementary	4,315	65,044	55,329	14,030
Cleveland Elementary	17,927	52,344	46,773	23,498
Ferron Elementary	48,782	113,066	108,133	53,715
Castle Dale Elementary	13,172	57,942	50,281	20,833
Cottonwood Elementary	15,461	52,036	51,036	16,461
Book Cliff Elementary	19,177	39,889	30,407	28,659
<b>TOTAL LIABILITIES</b>	<u>288,154</u>	<u>1,099,296</u>	<u>1,040,015</u>	<u>347,435</u>
<b>DUE TO OTHER SCHOOLS</b>				
<b>ASSETS</b>				
Cash	48,739	-	10,154	38,585
<b>LIABILITIES</b>				
Due to Other Schools	48,739	-	10,154	38,585
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash	336,893	1,099,296	1,050,169	386,020
<b>LIABILITIES</b>				
Due to Student Groups	288,154	1,099,296	1,040,015	347,435
Due to Other Schools	48,739	-	10,154	38,585
<b>TOTAL LIABILITIES</b>	<u>336,893</u>	<u>1,099,296</u>	<u>1,050,169</u>	<u>386,020</u>

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Emery County School Board  
Emery County School District  
Huntington, Utah 84528

We have audited the financial statements of Emery County School District as and for the year ended June 30, 2000, and have issued our report thereon dated August 22, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Emery County School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of Emery County School District in a separate letter dated August 22, 2000.

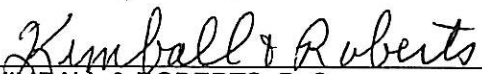
### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Emery County School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Emery County School Board  
Emery County School District  
Page -2-

However, we noted other matters involving the internal control over financial reporting that we have reported to the management of Emery County School District in a separate letter dated August 22, 2000.

This report is intended for the information of management and federal and state agencies. However, this report is a matter of public record and its distribution is not limited.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

August 22, 2000  
Richfield, Utah

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Emery County School Board  
Emery County School District  
Huntington, Utah 84528

### Compliance

We have audited the compliance of Emery County School District with the types of compliance requirements described in the *U. S. Office of Management of and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. Emery County School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Emery County School District's management. Our responsibility is to express an opinion on Emery County School District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Emery County School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Emery County School District's compliance with those requirements.

In our opinion, Emery County School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

### Internal Control Over Compliance

The management of the Emery County School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Emery County School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirement of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

August 22, 2000  
Richfield, Utah

**EMERY COUNTY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For The Fiscal Year Ended June 30, 2000**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the comprehensive annual financial statements of Emery County School District.
2. No reportable conditions relating to the audit of the financial statements are reported in the Auditor's report on Internal Control and Compliance With Laws and Regulations.
3. No instances of noncompliance material to the financial statements of Emery County School District were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award program is reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Emery County School District expresses an unqualified opinion.
6. There were no findings relative to the major federal award programs for Emery County School District.
7. The programs tested as major programs include: Special Education Cluster - IDEA, Part B 84.027 and IDEA Preschool 84.173.
8. The threshold for distinguishing Type A and B programs is \$300,000 of federal awards expended.
9. Emery County School District was determined to be a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None.

**EMERY COUNTY SCHOOL DISTRICT  
SCHEDULE OF FEDERAL AWARDS EXPENDED**

**For The Fiscal Year Ended June 30, 2000**

<u>Federal Grantor/Pass Through Grantor</u>	<u>Federal DFDA Number</u>	<u>Pass-Thru Grantor's Number</u>	<u>Disbursement/ Expenditures</u>
Direct Assistance:			
Department of Education:			
Impact Aid - PL 81-874	84.041	N/A	<u>21,461</u>
Total Department of Education			<u>21,461</u>
Total Direct Assistance			<u>21,461</u>
Indirect Assistance:			
Department of Agriculture:			
Pass Thru State Department of Education:			
Food Distribution - Commodities	10.555	N/A	58,496
Federal School Lunch - Lunch Reimbursement	10.555	00-42-25	62,471
Federal School Lunch - Free & Reduced Price	10.555	00-43-25	263,010
Federal School Lunch - Breakfast Program	10.553	00-44-25	70,148
Pass Thru Emery County:			
Forest Reserve	10.665	N/A	<u>12,691</u>
Total Department of Agriculture			<u>466,816</u>
Department of Labor			
Pass Thru State Department of Education:			
School To Work USDDL	17.249	99-22-12	<u>3,089</u>
Total Department of Labor			<u>3,089</u>



(Continued)

EMERY COUNTY SCHOOL DISTRICT  
SCHEDULE OF FEDERAL AWARDS EXPENDED

For The Fiscal Year Ended June 30, 2000

<u>Federal Grantor/Pass Through Grantor</u>	<u>Federal DFDA Number</u>	<u>Pass-Thru Grantor's Number</u>	<u>Disbursement/ Expenditures</u>
Department of Education:			
Pass Thru State Department of Education:			
Adult Education	84.002	00-33-12	14,743
Title I - ESEA Flow Through	84.010	00-10-05	204,476
IDEA Preschool Flow Through	84.173	00-52-05	26,386
IDEA - Preschool Program Enhancement	84.173	00-52-05	7,751
Drug-Free Schools	84.186	00-16-03	9,600
Title II Part A - Math & Science	84.281	00-16-03	321
Title II Part A - Math & Science	84.281	99-16-03	11,382
Class Size Reduction	84.340A	00-05-03	54,961
IDEA Part B Flow Through	84.027	00-19-05	284,623
IDEA Part B Flow Through	84.027	99-19-05	10,669
Fed VoEd Carl Perkins	84.048	00-21-12	42,962
Federal Emergency Immigrant	84.162	00-57-05	11,550
Title VI	84.151	00-91-03	27,002
Fed - Tech Literacy Challenge	84.318	98-07-03	29,506
Fed - Tech Literacy Challenge	84.318	99-07-03	65,314
Fed - Tech Literacy Challenge	84.318	00-07-03	<u>13,039</u>
Total Department of Education			<u>814,285</u>
Department of Health and Human Services:			
Pass Thru State Department of Education:			
Aids Education	93.938	00-06-03	<u>498</u>
Total Department of Health and Human Services			<u>498</u>
Corporation for National Community Services::			
Pass Thru State Department of Education:			
Service Learning	94.004	98-53-80	<u>10,136</u>
Total Corporation for National Community Services			<u>10,136</u>
Total Indirect Assistance			<u>1,294,824</u>
Total Assistance			<u><u>1,316,285</u></u>

**EMERY COUNTY SCHOOL DISTRICT  
SCHEDULE OF FEDERAL AWARDS EXPENDED**

**For The Fiscal Year Ended June 30, 2000**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

**General:**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Emery County School District. The reporting entity, Emery County School District, is defined in Note 1 to Emery County School District's general purpose financial statements. Federal awards received directly from federal agencies as well as federal awards passed-through other government agencies are included on the Schedule of Expenditures of Federal Awards as expended. Most of the awards are reimbursement based, therefore, as expenditures of federal funds are made revenue is recognized.

**Basis of Accounting:**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting for assistance received by governmental fund types, which is described in Note 1 to Emery County School District's general purpose financial statements.

**NOTE B - NONCASH FEDERAL FINANCIAL ASSISTANCE**

Noncash federal awards are received from commodities consumed during the year, expressed at market value. School districts participating in the USDA Food Distribution Program during the 1999 - 2000 year were sent a monthly report by the state detailing market value of USDA goods received for the month. Noncash federal awards are based on these reports and estimates. Ending USDA inventory is reflected in the financial statements as deferred revenue.

**NOTE C - ACCOUNTS RECEIVABLE**

The general purpose financial statements include accounts receivable from federal programs. These receivables are accrued according to the same basis of accounting as the general purpose financial statements. The receivables reflect federal awards that have been expended by year end and not yet reimbursed.

**EMERY COUNTY SCHOOL DISTRICT  
SCHEDULE OF PRIOR AUDIT FINDINGS**

**For The Fiscal Year Ended June 30, 2000**

There were no prior audit findings.

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## AUDITOR'S REPORT ON STATE LEGAL COMPLIANCE

Emery County School Board  
Emery County School District  
Huntington, Utah 84528

We have audited the general purpose financial statements of Emery County School District, for the year ended June 30, 2000, and have issued our report thereon dated August 22, 2000. As part of our audit, we have audited Emery County School District's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah's Legal Compliance Audit Guide for the year ended June 30, 2000. The District received the following major State assistance programs from the State of Utah:

Minimum School Programs (State Office of Education)  
State Liquor Control Tax - Child Nutrition (State Office of Education)

The District also received the following nonmajor grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of Emery County School District's financial statements):

Arts Education (State Office of Education)  
Substance Abuse (State Office of Education)  
Drivers Education (State Office of Education)

Our audit also included testwork on the District's compliance with those general compliance requirements identified in the Compliance Manual for audits of Local Governments in Utah including:

Public Debt  
Cash Management  
Purchasing Requirements  
Budgetary Compliance  
Property Tax  
Other Compliance Requirements

The management of Emery County School District is responsible for the District's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in a separate management letter. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Emery County School District, complied, in all material respects, with the general compliance requirement identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to its major State assistance program for the fiscal year ended June 30, 2000.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

August 22, 2000  
Richfield, Utah