

# EMERY SCHOOL DISTRICT

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Emery County School District  
List of Elected and Appointed Officials  
June 30, 2007

**Elected Officials**

<u>Members of the Board of Education</u>	<u>Present Term Began</u>	<u>Present Term Expires</u>	<u>Initial Appointment</u>
Sam Singleton Precinct I	January 1, 2005	January 3, 2009	January 2001
Laurel Johansen President of the Board Precinct II	January 1, 2005	January 3, 2009	January 1997
Rue Ware Vice President of the Board Precinct III	January 1, 2005	January 3, 2009	January 2001
Marie Johnson Precinct IV	January 1, 2007	January 3, 2011	November 1990
Royd Hatt Precinct V	January 1, 2007	January 3, 2011	July 1989

**Appointed Officials**

Kirk Sitterud Superintendent	July 2006	July 2008	July 1997
Jared Black Business Administrator	January 2007	January 2009	January 2007

The term of office for a board member is four years, whereas the term of office of the Superintendent and Business Administrator is two years.

# **1. FINANCIAL SECTION**

# *Kimball & Roberts*

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Emery County School District as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Emery County School District's management. Our responsibility is to express an opinion 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, each major fund, and the aggregate remaining fund information of Emery County School District as of June 30, 2007, and the respective budgetary comparison for the general fund 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 also issued our report dated September 10, 2007, 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 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 read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Emery County School Board  
Emery County School District

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Emery County School District's basic financial statements. The combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 also not a required part of the basic financial statements of Emery County School District. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

September 10, 2007  
Richfield, Utah

## Management Discussion and Analysis

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As management of the Emery County School District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2007.

### Financial Highlights

- ❖ As of the close of the current fiscal year, all of the District's governmental funds reported positive fund balances for a total of \$7,212,025; a decrease of \$1,164,553 in comparison with the prior year. Of the total fund balance amount, \$1,797,196 is reserved for specific programs, \$307,004 for debt service, \$196,553 reserved for construction commitments, and \$89,909 reserved for inventories. The balance, \$4,821,363, represents 20.49% of actual expenditures and is available for spending at the district's discretion (unreserved fund balance).
- ❖ On June 15, 2007, the District completed the final payment on the General Obligation School Bonds, Series 2002. The 2004 Bond Series still has a balance of \$1,257,000 which is scheduled to be completed at the end of FY10. This reflects 2.0% of the School District's legal debt limit of \$62,368,582.
- ❖ At the end of FY07, the District has completed the building of a new gymnasium located in Green River, Utah directly connected to the existing high school. The gymnasium is 11,244 square feet and was designed by Kevin Madson & Associates in Provo, UT. The general contractor was Wade Payne Construction of Orem, UT. The mechanical and electrical subcontractors were Redd Mechanical, of Blanding, UT, and Canyon Electric of Mapleton, UT, respectively. LeRoy Maxfield, the District's Supervisor of Building and Grounds, was the project supervisor and inspector. The gymnasium includes two full size locker rooms, a referee's locker room, utility mezzanine, lobby, bleachers, sound system, and outside patio. The final cost of this building was \$2,646,559 purchased through the capital outlay funds.
- ❖ On June 14, 2007 the Emery County School Board (Board) passed the Staff Longevity Policy (GCBDC/GDBDC). An employee becomes eligible to receive annual deposits into their 401(k) once he/she has completed fifteen years of service in the District (details explained in Note #5). Consequently, the Early Retirement Policies GCPCAA, GDPCA, and the Retirement Buy-Out Policy GCPCAB have been rescinded. This action has discontinued retirement stipends and district purchased health coverage for employees who retire after FY07. The contracts for retired employees before June, 2007 will be continued until their termination date. After Fiscal Year 2012 when all current retirees' contracts will be completed, the District will no longer qualify for a Postemployment Benefit or Termination Benefit liability as stated in the GASB #45 and #47 statements.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 15-16 of this report.

**Fund financial statements.** A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: government funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resource available at the end of the fiscal year. Such information may be useful in evaluating near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.



The District maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and the capital projects fund, all of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these governmental funds is provided in the form of *combining statements and schedules* elsewhere in this report.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages *17-21* of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government entity. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs.

The District uses an agency fund to account for resources held for school's accounts including student activities and groups. The basic fiduciary fund financial statement can be found on page 22 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages *23-36* of this report.

**Other information.** The combining and individual fund financial statements and schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages *37-43* of this report.

#### **Government -wide financial analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$23,105,075 at the close of the most recent fiscal year.

## Net Assets

	<b>Governmental Activities</b>		
	<u>2007</u>	<u>2006</u>	<u>Total Change</u>
Current and other assets	\$ 18,246,245	\$ 18,894,259	\$ (648,014)
Capital assets	<u>18,672,840</u>	<u>16,432,468</u>	<u>2,240,372</u>
Total assets	36,919,085	35,326,727	1,592,358
Long-term liabilities outstanding	1,823,593	1,986,308	(162,715)
Other liabilities	<u>11,990,417</u>	<u>11,401,429</u>	<u>588,988</u>
Total liabilities	13,814,010	13,387,737	426,273
Net assets:			
Invested in capital assets, net of related debt	17,415,840	14,710,468	2,705,372
Restricted	2,390,662	2,146,813	243,849
Unrestricted	<u>3,298,573</u>	<u>5,081,709</u>	<u>(1,783,136)</u>
Total net assets	<u>\$ 23,105,075</u>	<u>\$ 21,938,990</u>	<u>\$ 1,166,085</u>

The largest portion of the District's net assets (75.3%) reflects investment in capital assets (e.g., land, water stock, buildings and improvements, and furniture and equipment) 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 assets (10.35%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$3,298,573) may be used to meet the District's ongoing obligations to students, employees, and creditors.

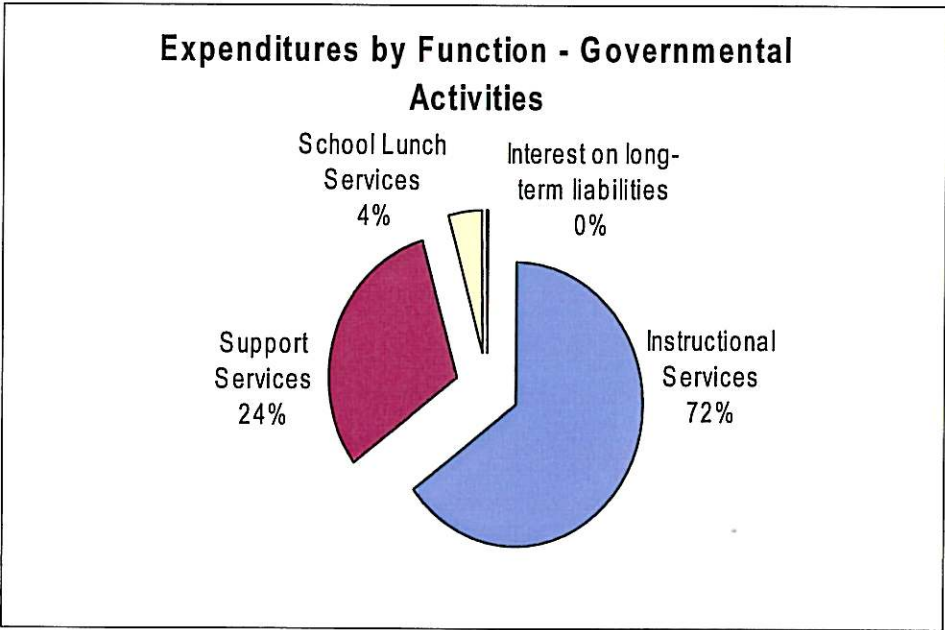
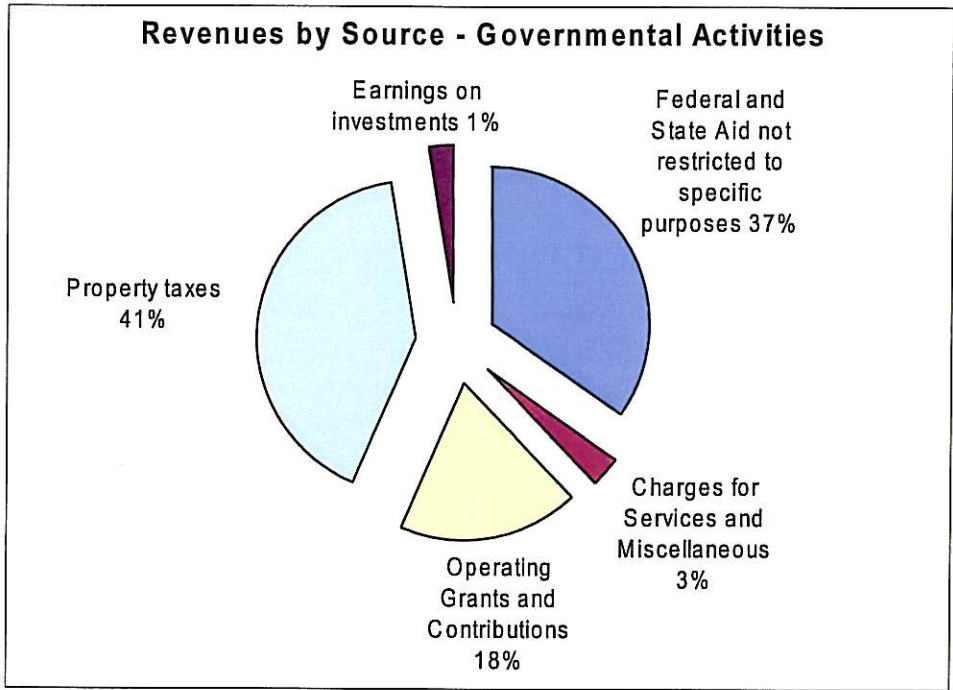
There was a decrease of \$648,014 in Current Assets from FY06; the decrease is a result of the gymnasium built in Green River from current funds of \$2,646,559. The difference of the decrease of current assets and the gymnasium is all other funds had a positive increase for FY07.

The total net assets of the District increased by \$1,166,085 during the current fiscal year. The following discussion and analysis on governmental activities focuses on this increase.

**Governmental activities.** The key elements of the increase of the District's net assets for the year ended June 30, 2007 are as follows:

	Governmental activities		Increase (Decrease) from Fiscal 2006
	2007	2006	
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 331,628	\$ 309,123	\$ 22,505
Operating grants and contributions	4,157,523	3,680,311	477,212
General revenues:			
Property taxes	9,210,393	8,664,036	546,357
Federal and state aid not restricted to specific purposes	7,775,017	7,648,163	126,854
Earnings on investments	550,875	411,367	139,508
Miscellaneous	332,762	219,667	113,095
Total revenues	<u>22,358,198</u>	<u>20,932,667</u>	<u>1,425,531</u>
<b>Expenses:</b>			
Instructional services	13,736,508	12,153,189	1,583,319
Supporting services:			
Students	440,002	392,265	47,737
Instructional staff	332,410	318,722	13,688
District administration	359,625	364,266	(4,641)
School administration	1,668,200	1,371,892	296,308
Business	296,456	248,223	48,233
Operation and maintenance of facilities	2,449,003	2,218,868	230,135
Transportation	946,786	951,160	(4,374)
School Lunch services	903,664	870,734	32,930
Interest on long-term liabilities	59,459	76,470	(17,011)
Total expenses	<u>21,192,113</u>	<u>18,965,789</u>	<u>2,226,324</u>
<b>Increase (decrease) in net assets</b>	1,166,085	1,966,878	(800,793)
<b>Net assets - beginning</b>	<u>21,938,990</u>	<u>19,972,112</u>	<u>1,966,878</u>
<b>Net assets - ending</b>	<u>\$ 23,105,075</u>	<u>\$ 21,938,990</u>	<u>\$ 1,166,085</u>

- ❖ The largest difference in revenue reflects the increase in Property Taxes. The increase reflects the first *new growth* to the tax base seen for Emery County in many years. The revenue for new growth taxes received district wide was \$438,621 and accounts for 80% of the difference from FY06. The operating grants and contributions increased in several areas: \$182,766 increased funding in special education, both state and federal; \$72,511 increase in state block grants; and \$95,186 in a new state math improvement grant. The remaining \$126,749 is spread over several various state/federal grants.
- ❖ Earnings on investments also received a substantial increase because of the District's cash investment in the Public Treasurer's Investment Fund that reported returns of 5.01% at the end of FY06 and 5.25% for FY07.
- ❖ The increase in Miscellaneous revenue is directly related to the change of Emery High's construction program from being financially directed by Utah Housing Authority (UHA) to being self-funded in the general fund. A house is built by students on school property in close proximity to the high school, and is sold when project is completed. The sale produced income to the program of \$121,147.
- ❖ The largest difference in expenditures is in Instruction where the increase in salaries and benefits were \$745,218 or 47%. The salary schedules were increased by 5.5% for the certified and administrative, and 5.75% for classified; all employees received steps/lanes increases. Health insurance premiums increased by 4%; this is a combination of rates increasing for our insurance self-funded pool by 9%, but includes a decrease in premiums purchased by the district from PEHP Silver to Altius Silver plan. The district covers 100% of Altius Silver plan for full-time employees. Dental plans reflected an increase of 6.32%.
- ❖ Emery High's construction program change from UHA adds to the instruction increase giving an additional \$88,596 in expenses. A depreciation expense of \$584,898 or 52% and early retirement expense of \$330,620 or 80% was charged to the instruction function.
- ❖ An increase of \$905,295 for salaries and benefits were reflected in all funds and functions. The depreciation expenses of \$1,124,804 were allocated to the functions according to percent of total expenses.



**Financial Analysis of the District’s Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**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. The unreserved fund balance is divided between designated balances and undesignated balances. The District has designated portions of the unreserved fund balance to earmark resources for certain government-wide liabilities and post employment obligations that are not recognized in the governmental funds. Undesignated balances in the general fund are required by state law to be appropriated in the following year's budget. Fund balances of debt service, capital projects, and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion.

- ❖ *General fund.* The general fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved and undesignated fund balance was \$1,847,551 while the total fund balance was \$3,554,740. The unreserved and undesignated fund balance increased by \$537,261 while the total fund balance also increased by \$694,665. Key factors of this change are as follows:
- ❖ Total state revenues increased in 2007 by \$536,478 or 5.0%. This was largely the result of a 6% increase in the Weighted Pupil Unit (WPU) with a decrease of only 18 students or 0.7%. The federal revenues also had a small increase of \$50,108 or 4.4% over all programs.
- ❖ Local property tax revenue increased \$546,357 or 6.3%. This resulted from slightly higher property valuations and \$133,644,349 of adjusted new growth for Emery County.
- ❖ The District has benefited from three consecutive years of substantial increases in the Earnings on Investments. Interest Earnings have increased by 34% or \$139,508 in FY07. These earnings were allocated based on the cash balances of each fund.
- ❖ Expenditures for the general fund increased \$1,419,512 or 9.1% during the current fiscal year. The instruction programs resulted in 72% of the increase or \$1,018,330.
- ❖ Expenses in all functions represent an increase of a 5.5% Cost of Living increase for certified and administrative and 5.75% for classified giving an increase of \$659,375. The steps/lanes were funded for \$155,990 increase. A 4% increase in health benefits (\$87,787), and 6.32% increase in dental benefits of \$9,957. Also included in the fringe benefit increases are retirement, social security, unemployment, and industrial insurance. General fund salaries totaled \$9,956,869 with benefits at \$4,678,255 (47% of salaries) for a sum of \$14,635,124 which represents 86% of all general fund expenditures.

*Debt Service Fund.* The debt service fund has a total fund balance of \$308,781, which is reserved for the payment of debt service on general obligation bonds. The fund balance increased \$62,590 or 10.6% of revenues.

*Capital Projects Fund.* The capital projects fund has a total fund balance of \$2,625,777, a decrease of \$1,972,525 from FY06, all of which is restricted for acquisition of capital assets and purchase of supplies, and related expenditures. The drastic reduction in fund balance is attributed to \$2,646,559 being spent for the building of a new gymnasium at Green River High.

*Other Governmental Funds.* The other governmental funds consist of the Non K-12 fund and the School Lunch fund. The Non K-12 has a total fund balance of \$562,964 with \$90,007 being reserved for programs. The School Lunch has a total fund balance of \$159,763 with \$71,015 being reserved for inventories. The Non K-12 fund shows a positive increase of fund balance of \$153,549. The School Lunch fund also had an increase in fund balance of \$40,362 this year.

### **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget for the general fund was \$2,716,339 or 16.4% of total general fund expenditures and may be summarized as follows:

- ❖ \$2,110,951 or 77.7% of the increase in instructional services
- ❖ An additional 2% on the salary schedules was given when it was verified revenues were available from additional new growth from the County Auditor, which was June 29<sup>th</sup>, 2006 after the original budget was passed.

### **Capital Asset and Debt Administration**

*Capital Assets.* The capital projects fund is used to account for the 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.

Capital assets at June 30, 2007 and 2006 are outlined below:

Capital Assets  
(Net of Accumulated Depreciation)

	Governmental activities	
	2007	2006
Land	\$ 349,397	\$ 349,397
Water Stock	212,595	212,595
Buildings and improvements	16,434,475	14,232,273
Furniture and equipment	617,363	582,528
Vehicles	1,059,010	1,055,675
Total capital assets, net of depreciation	<u>\$ 18,672,840</u>	<u>\$ 16,432,468</u>

Additional information on the District's capital assets can be found in Note 4 to the basic financial statements.

*Debt administration.* On June 25, 1996 by a 70% margin, the public voted to authorize the District to issue \$15,000,000 general obligation bonds for construction of a new physical education/higher education facility, renovation of existing school facilities and related equipment and improvements. This debt authorization was sought to construct new, larger, more modern facilities, to better serve student and community needs, and to take advantage of modern technology.

On August 1, 1996, the District issued \$9,990,000 of general obligation bonds. Final payment on that debt was made in June 2002.

On April 1, 1998, the District issued \$2,000,000 of general obligation bonds. That issue was retired in June of 2003.

On May 1, 2002, the District issued \$1,500,000 of general obligation bonds. That issue was also retired in June of 2007.

On June 11, 2004, the District issued \$1,510,000 of general obligation bonds. With this issuance the \$15,000,000 general obligation bonds authorized by voters in 1996 has been finalized, and \$13,743,000 of the \$15,000,000 has been retired. Total bonded indebtedness as of June 30, 2006 is \$1,257,000.

Outstanding Debt

	Governmental activities	
	2007	2006
General Obligation Bonds	<u>\$ 1,257,000</u>	<u>\$ 1,722,000</u>

Additional information on the District's long-term debt can be found in Note 7 to the basic financial statements.



**Changing Enrollment within the District**

The components of changing enrollment are migration and the kindergarten to grade 12 (K-12) differential. The K-12 differential is the size of grade 12 leaving, and the size of the kindergarten students entering the District in a given year. District births and number of students per grade are known data. Growth would occur if the number of kindergarten students entering the District would exceed the number of grade 12 students leaving the District. Declining enrollment would occur if the number of grade 12 students leaving the District were greater than the number of kindergarten students entering the District, provided all other factors remained constant.

After many years of consistent declining enrollment, the district now has a five-year projection of a stabilized enrollment.

Enrollment Changes (2008-2012)

Birth Year of Kindergarten Students	2002	2003	2004	2005	2006
District Fiscal Year	2008	2009	2010	2011	2012
Kindergarten Students Entering	167	168	175	179	180
12th Grade Leaving	187	170	179	183	135
<b>K-12 Differential</b>	<b>-20</b>	<b>-2</b>	<b>-4</b>	<b>-4</b>	<b>45</b>

Projected Enrollment (2008-2012)

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2011</u>
2,242	2,240	2,236	2,232	2,277

**Requests for Information**

This financial report is designed to provide a general overview of the Emery School District’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, Emery School District, PO Box 120, Huntington, UT 84528.

# **BASIC FINANCIAL STATEMENTS**

**EMERY COUNTY SCHOOL DISTRICT**  
**Statement of Net Assets**  
June 30, 2007

	<b>Governmental Activities 2007</b>
<b>Assets:</b>	
Current Assets:	
Cash and investments	\$ 8,731,544
Receivables:	
Property taxes	8,586,025
Other governments	696,163
Other	142,604
Inventories	89,909
Capital Assets:	
Land and water stock	561,992
Other capital assets, net of accumulated depreciation	18,110,848
Total assets	36,919,085
<b>Liabilities:</b>	
Current Liabilities:	
Accounts payable	1,072,920
Accrued interest	1,777
Accrued wages	934,118
Accrued payroll liabilities	502,957
Deferred revenue:	
Property taxes	8,524,225
Bond liability due within one year	481,000
Leave and retirement liability due within one year	473,420
Noncurrent Liabilities:	
Bonds liability due in more than one year	776,000
Leave and retirement liability due in more than one year	1,047,593
Total liabilities	13,814,010
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	17,415,840
Reserved for:	
General fund programs	1,707,189
School lunch inventory	71,015
Materials Inventory	18,894
Non K-12 programs	90,007
Debt service	307,004
Capital projects committed	196,553
Unrestricted	3,298,573
Total net assets	\$ 23,105,075
Total Liabilities and Net Assets	36,919,085

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

**EMERY COUNTY SCHOOL DISTRICT**  
**Statement of Activities**  
Year Ended June 30, 2007

Functions	Expenses	Charges for Services	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
			Operating Grants and Contributions	Governmental Activities		
<b>Governmental activities:</b>						
Instructional services	13,736,506	\$ 27,242	\$ 3,394,548	\$ -	\$ (10,314,716)	
Supporting services:						
Students	440,002	-	156,024	-	(283,978)	
Instructional staff	332,410	-	8,087	-	(324,323)	
District administration	359,625	-	-	-	(359,625)	
School administration	1,668,200	-	-	-	(1,668,200)	
Business	296,456	-	-	-	(296,456)	
Operation and maintenance of facilities	2,449,003	-	1,681	-	(2,447,322)	
Transportation	946,786	2,535	-	-	(944,251)	
School lunch services	903,664	301,851	597,183	-	(4,630)	
Interest on long-term liabilities	59,459	-	-	-	(59,459)	
Total school district	<u>21,192,112</u>	<u>\$ 331,628</u>	<u>\$ 4,157,523</u>	<u>\$ -</u>	<u>(16,702,961)</u>	
<b>General revenues:</b>						
Property taxes levied for:						
General purposes					5,365,387	
Transportation					480,626	
Recreation					704,918	
Debt service					567,138	
Capital outlay					2,092,324	
Federal and state aid not restricted to specific purposes					7,775,017	
Earnings on investments					550,875	
Miscellaneous					332,762	
Total general revenues					<u>17,869,047</u>	
Change in net assets					1,166,086	
Net assets - beginning					21,938,989	
Net assets - ending					<u>\$ 23,105,075</u>	

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

**EMERY COUNTY SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2007

	<u>Major Funds</u>			<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>		
<b>Assets:</b>					
Cash and investments	\$ 4,553,341	\$ 306,001	\$ 3,203,254	\$ 668,948	\$ 8,731,544
Receivables:					
Property taxes	5,388,737	506,406	2,012,287	678,595	8,586,025
Other governments	637,592			58,571	696,163
Other receivables	138,925			3,679	142,604
Inventories			18,894	71,015	89,909
Total assets	<u>\$ 10,718,595</u>	<u>\$ 812,407</u>	<u>\$ 5,234,435</u>	<u>\$ 1,480,808</u>	<u>\$ 18,246,245</u>
<b>Liabilities and fund balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 464,458	\$ -	\$ 606,627	\$ 1,835	\$ 1,072,920
Accrued Wages	853,012			81,106	934,118
Accrued payroll benefits	502,957				502,957
Deferred revenue:					
Property taxes	5,343,428	503,626	2,002,031	675,140	8,524,225
Total liabilities	<u>7,163,855</u>	<u>503,626</u>	<u>2,608,658</u>	<u>758,081</u>	<u>11,034,220</u>
<b>Fund Balances:</b>					
<b>Reserved for:</b>					
Inventories			18,894	71,015	89,909
Programs	1,707,189			90,007	1,797,196
Construction commitments			196,553		196,553
<b>Unreserved:</b>					
General fund	1,847,551				1,847,551
Debt service		308,781			308,781
Capital projects fund			2,410,330		2,410,330
Special revenue funds				561,705	561,705
Total fund balances	<u>3,554,740</u>	<u>308,781</u>	<u>2,625,777</u>	<u>722,727</u>	<u>7,212,025</u>
Total liabilities and fund balances	<u>\$ 10,718,595</u>	<u>\$ 812,407</u>	<u>\$ 5,234,435</u>	<u>\$ 1,480,808</u>	<u>\$ 18,246,245</u>

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

**EMERY COUNTY SCHOOL DISTRICT**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets**  
June 30, 2007

**Total fund balances for governmental funds** \$ 7,212,025

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

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

Land	\$ 349,397	
Water stock	212,595	
Buildings and improvements, net	16,434,475	
Furniture and equipment, net	617,363	
Vehicles, net	<u>1,059,010</u>	18,672,840

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is \$1,777. (1,777)

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at year-end are:

Bonds payable	(1,257,000)	
Unamortized premiums	0	
Accrued vacation	(322,579)	
Early retirement payable	<u>(1,198,434)</u>	<u>(2,778,013)</u>

**Total net assets of governmental activities** \$ 23,105,075

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

**EMERY COUNTY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
Year Ended June 30, 2007

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
<b>Revenues:</b>					
Property taxes	\$ 5,877,557	\$ 560,293	\$ 2,076,598	\$ 695,945	\$ 9,210,393
Earnings on investments	278,938	27,443	212,078	32,416	550,875
School lunch sales				301,851	301,851
Other local sources	336,744		12,490	6,168	355,402
State aid	9,873,949			370,554	10,244,503
Federal aid	1,169,206			518,831	1,688,037
Other Financing Sources	-	-			-
Total revenues	<u>17,536,394</u>	<u>587,736</u>	<u>2,301,166</u>	<u>1,925,765</u>	<u>22,351,061</u>
<b>Expenditures:</b>					
Current:					
Instructional services	11,040,760			871,714	11,912,474
Supporting services:					
Students	440,002				440,002
Instructional staff	332,410				332,410
District administration	303,385				303,385
School administration	1,537,092				1,537,092
Business	285,208				285,208
Operation and maintenance of facilities	2,151,409			1,468	2,152,877
Transportation	901,794				901,794
School lunch services				858,672	858,672
Capital outlay			4,283,691		4,283,691
Debt service:					
Principal retirement		465,000			465,000
Interest and fiscal charges		60,146			60,146
Total expenditures	<u>16,992,060</u>	<u>525,146</u>	<u>4,283,691</u>	<u>1,731,854</u>	<u>23,532,751</u>
Excess (deficiency) of revenues over (under) expenditures	<u>544,334</u>	<u>62,590</u>	<u>(1,982,525)</u>	<u>193,911</u>	<u>(1,181,690)</u>
<b>Other financing sources (uses):</b>					
Sale of capital assets	7,137		10,000		17,137
Total other financing sources (uses)	<u>7,137</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>17,137</u>
Net change in fund balances	551,471	62,590	(1,972,525)	193,911	(1,164,553)
<b>Fund balances - beginning</b>	<u>3,003,269</u>	<u>246,191</u>	<u>4,598,302</u>	<u>528,816</u>	<u>8,376,578</u>
<b>Fund balances - ending</b>	<u>\$ 3,554,740</u>	<u>\$ 308,781</u>	<u>\$ 2,625,777</u>	<u>\$ 722,727</u>	<u>\$ 7,212,025</u>

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

**EMERY COUNTY 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, 2007

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**Net change in fund balances-total governmental funds** \$ (1,164,553)

Amounts reported for governmental activities in the statement of activities are 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 furniture and equipment and \$50,000 for buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 3,366,856	
Loss on disposal of capital assets	8,321	
Proceeds from sales of capital assets	(10,000)	
Depreciation expense	(1,124,804)	2,240,373

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Repayment of bond principal	465,000	
Interest expense - general obligation bonds	687	465,687

In the statement of activities, certain operating expenses - compensated absences (sick leave), termination benefits (early retirement) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, accrued vacation decreased by \$37,854, early retirement payable increased by \$413,275.

(375,421)

**Change in net assets of governmental activities** \$ 1,166,086



**EMERY COUNTY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Fund**

Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 5,312,699	\$ 5,827,677	\$ 5,877,557	\$ 49,880
Earnings on investments	200,000	500,000	278,938	(221,062)
Other local sources	144,418	317,968	336,744	18,776
State aid	9,605,293	9,861,533	9,873,949	12,416
Federal aid	1,012,942	1,108,146	1,169,206	61,060
Uses of Fund Balance				-
Total revenues	<u>16,275,352</u>	<u>17,615,324</u>	<u>17,536,394</u>	<u>(78,930)</u>
<b>Expenditures:</b>				
Current:				
Instructional services	10,860,572	12,971,523	11,040,760	1,930,763
Supporting services:				
Students	431,026	508,098	440,002	68,096
Instructional staff	329,541	346,278	332,410	13,868
District administration	295,341	310,709	303,385	7,324
School administration	1,431,993	1,561,043	1,537,092	23,951
Business	240,567	290,148	285,208	4,940
Operation and maintenance of facilities	2,062,773	2,384,196	2,151,409	232,787
Transportation	940,151	936,308	901,794	34,514
Total expenditures	<u>16,591,964</u>	<u>19,308,303</u>	<u>16,992,060</u>	<u>2,316,243</u>
Excess of revenues over expenditures	<u>(316,612)</u>	<u>(1,692,979)</u>	<u>544,334</u>	<u>2,237,313</u>
<b>Other financing sources (uses):</b>				
Sale of Capital Assets			7,137	(7,137)
Net change in fund balances	<u>(316,612)</u>	<u>(1,692,979)</u>	<u>551,471</u>	<u>2,230,176</u>
<b>Fund balances - beginning</b>			<u>3,003,269</u>	
<b>Fund balances - ending</b>			<u>\$ 3,554,740</u>	

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

**EMERY COUNTY SCHOOL DISTRICT**  
**Statement of Fiduciary Net Assets**  
**Agency Fund**  
**June 30, 2007**

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	<u>Student Activities Fund</u>
<b>Assets:</b>	
Cash and investments	<u>292,866</u>
<b>Liabilities</b>	
Due to student groups	<u>292,866</u>
Total liabilities	<u>292,866</u>

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

EMERY COUNTY SCHOOL DISTRICT  
Notes to Financial Statements

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Emery County School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

**Reporting Entity** – The Board of Education, comprised of five elected individuals, is the primary governing authority for the District. As required by GAAP, these financial statements represent the District. For financial reporting purposes, the Board of Education is the lowest level of government exercising oversight responsibility for all activities related to public school education in Emery County, Utah.

**Government-wide and fund financial statements** – The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement focus, basis of accounting, and financial statement presentation** – The government-wide financial statements are reported using *the economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

EMERY COUNTY SCHOOL DISTRICT  
Notes to Financial Statements  
(continued)

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Governmental fund financial statements are reported using the *current financial resources measurement focus* and *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 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

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 District, except those required to be accounted in another fund.
- ❖ The *capital outlay fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.
- ❖ 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.

Additionally, the District reports the following fund types:

- ❖ The *special revenue funds* are used for sources that are set aside for a specific purpose. Emery School District accounts for the Non K-12 programs and the Child Nutrition Program in this fund type.
- ❖ The *agency fund* is 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. Because of a change in auditing guidelines, in FY08 the District will be changing the schools program accounts into a school accounting special revenue fund. Funds held by the District for groups such as student clubs and classes will still be reported in the agency fund.

EMERY COUNTY SCHOOL DISTRICT  
Notes to Financial Statements  
(continued)

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When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**Budgetary Data** – Budgets are presented on the modified accrual basis of accounting for all governmental funds. Budgets are not adopted on a District level for the student activities agency fund. All annual appropriations lapse at fiscal year end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- ❖ During June of each year, the District Superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1<sup>st</sup>. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30<sup>th</sup>.
- ❖ Copies of the proposed budget are made available for public inspection and review by the District's patrons.
- ❖ If the District does not exceed the certified tax rate, a public hearing is held prior to June 22<sup>nd</sup> 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 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.
- ❖ Minor interim adjustments in estimated revenue and appropriations during the year ended June 30, 2007 have been included in the final budget approved by the Board, as presented in the financial statements.
- ❖ Expenditures may not legally exceed budgeted appropriations at the fund level.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenue variances will be negative, and overall fund expenditure variances will be positive.

EMERY COUNTY SCHOOL DISTRICT  
Notes to Financial Statements  
(continued)

**Deposits and Investments** – The District’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, including investments in the Public Treasurers’ Investment Fund (PTIF).

Investments are reported at fair value. Changes in the fair value of investments are recorded as investment income. The PTIF’s reported value is basically the same as the fair value of the Fund’s shares.

**Inventories** – Inventories are valued at cost, using the moving average method with the exception of the treatment of donated inventories described below. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**Capital Assets** – Capital assets, which include land, water stock, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets with an initial, individual cost of more than \$5,000 for equipment and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded as estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Buildings and improvements, furniture, and equipment of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	50
Building improvements and portable classrooms	20
Computer Equipment	5
Furniture and Equipment	10
Vehicles and Buses	10

EMERY COUNTY SCHOOL DISTRICT  
Notes to Financial Statements  
(continued)

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**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. The unused sick leave is reimbursed in the event of a retirement with a maximum of 180 days at \$27.50 per day if the employee has worked for a minimum of 15 consecutive years for the District with those years qualifying for Utah Retirement Service credit. The vacation leave is accrued to a maximum of 30 days while the employee is still employed with the District. There is not a reimbursement for vacation days upon retirement.

Sick leave pay plus related payroll taxes is accrued when the liability has incurred (for employees that have reached their 15<sup>th</sup> year of service) in the government-wide financial statements.

**Long-term Obligations** – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity** – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use of a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

EMERY COUNTY SCHOOL DISTRICT  
Notes to Financial Statements  
(continued)

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**2. DEPOSITS AND INVESTMENTS**

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2007, as shown on the financial statements is as follows:

Demand deposits	\$ 201,130
Investments	<u>8,823,280</u>
Total cash and investments	<u>\$ 9,024,410</u>
Governmental funds	\$ 8,731,544
Fiduciary funds	<u>292,866</u>
Total cash and investments	<u>\$ 9,024,410</u>

The District complies with the State Money Management Act (Utah Code Section 51, Chapter 7) (Act) and related Rules of the Money Management Council (Council) in handling its depository and investing transactions. District funds are deposited in qualified depositories as defined by the Act.

**Custodial Credit Risk**

*Deposits* - Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District's policy for managing custodial credit risk is to adhere to the Act. The Act requires all deposits of the District to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Council. As of June 30, 2007, \$49,249 of the District's bank balances of \$201,020 was uninsured and uncollateralized.

**Credit Risk**

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The District's policy for limiting the credit risk of investments is to comply with the Money Management Act.

The District is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.



EMERY COUNTY SCHOOL DISTRICT  
Notes to Financial Statements  
(continued)

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For the year ended June 30, 2007, the District had investments of \$8,645,180 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair value by investment mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**3. PROPERTY TAXES**

The property tax revenue of the District is collected and distributed by the Emery County treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The county assessor is required to assess real property as of January 1 and complete the tax rolls by May 15. By July 21, the county auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The county auditor makes approved changes in assessed value by November 1 and on this same date the county auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30. Delinquent taxes are subject to a 2% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15 of the following year, these delinquent taxes, including penalties, are subject to an interest charge at an annual rate equal to the federal discount rate plus 6%; the interest period is from January 1 until date paid.

The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes motor vehicle fees as property tax revenue when the County collects it.

EMERY COUNTY SCHOOL DISTRICT  
Notes to Financial Statements  
(continued)

As of June 30, 2007, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2007 or earlier. It is expected that all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period. The property taxes receivable and property taxes deferred revenue accounts at June 30, 2007 are summarized as follows:

	General	Debt Service	Capital Projects	Other Governmental Funds	Totals
<b>Property Taxes - Receivable</b>					
Levied for current and prior years	\$ 45,309	\$ 2,780	\$ 10,256	\$ 3,455	\$ 61,800
Levied for future years	5,343,428	503,626	2,002,031	675,140	8,524,225
	<u>\$ 5,388,737</u>	<u>\$ 506,406</u>	<u>\$ 2,012,287</u>	<u>\$ 678,595</u>	<u>\$ 8,586,025</u>
<b>Property Taxes - Deferred Revenue</b>					
Levied for future year and uncollected	\$ 5,343,428	\$ 503,626	\$ 2,002,031	\$ 675,140	\$ 8,524,225
	<u>\$ 5,343,428</u>	<u>\$ 503,626</u>	<u>\$ 2,002,031</u>	<u>\$ 675,140</u>	<u>\$ 8,524,225</u>

**EMERY COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**  
*(continued)*

**4. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 349,397	\$ -	\$ -	\$ 349,397
Water stock	212,595	-	-	212,595
Total capital assets, not being depreciated	561,992	-	-	561,992
Capital assets, being depreciated:				
Buildings and improvements	43,548,265	3,007,078	-	46,555,343
Furniture and equipment	1,866,301	140,794	(148,962)	1,858,133
Vehicles	2,487,316	218,984	(186,658)	2,519,642
Total capital assets, being depreciated	47,901,882	3,366,856	(335,620)	50,933,118
Accumulated depreciation for:				
Buildings and improvements	(29,315,993)	(804,875)	-	(30,120,868)
Furniture and equipment	(1,283,773)	(104,280)	147,283	(1,240,770)
Vehicles	(1,431,641)	(215,649)	186,658	(1,460,632)
Total accumulated depreciation	(32,031,407)	(1,124,804)	333,941	(32,822,270)
Total capital assets, being depreciated, net	15,870,475	2,242,052	(1,679)	18,110,848
Governmental activities capital assets, net	<u>\$ 16,432,467</u>	<u>\$ 2,242,052</u>	<u>\$ (1,679)</u>	<u>\$ 18,672,840</u>

Depreciation expense was charged to functions of the District as follows:

<b>Governmental activities:</b>	
Instructional services	\$ 584,898
Supporting services:	
District administration	56,240
School administration	78,736
Business	11,248
Operation and maintenance of facilities	303,697
Transportation	44,992
School lunch services	44,992
Total depreciation expense, governmental activities	<u>\$ 1,124,804</u>

EMERY COUNTY SCHOOL DISTRICT  
Notes to Financial Statements  
(continued)

The District is obligated at June 30, 2007, under construction commitments as follows:

Project	Authorized Amount	Costs to Date	Costs to Complete
Flooring:			
Bookcliff Elementary	\$ 21,164	-	\$ 21,164
Green River High	14,752	-	14,752
San Rafael Junior High	5,832	-	5,832
Ferron Elementary	2,973	-	2,973
Cleveland Elementary	4,996	-	4,996
Heating Upgrades:			
San Rafael Junior High	46,000	-	46,000
Canyon View Junior High	45,000	-	45,000
Parking Lot Surfacing at Green River High	55,836	-	55,836
<b>TOTAL</b>	<b>\$ 196,553</b>	<b>\$ -</b>	<b>\$ 196,553</b>

**5. RETIREMENT PLANS**

**Defined Benefit Plans** – The District contributes to the State and School Contributory and State and School Noncontributory Retirement System (collectively, the Systems) which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (URS). URS provides refunds of retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code annotated 1953, as amended. The Utah State Retirement Act in Chapter 49 provides for the administration of the URS and plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. 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.

Plan members in the State and School Contributory Retirement System are required to contribute 1.00% of annual covered salary, and the District contributes 14.73% of annual covered salary. For employees participating in the State and School Noncontributory System, the District contributes 14.22% of annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Utah State Retirement Board.

EMERY COUNTY SCHOOL DISTRICT  
Notes to Financial Statements  
(continued)

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The District's contributions to the State and School Contributory Retirement System for the years ended June 30, 2007, 2006, and 2005 are \$21,217, \$18,362, and \$19,849, respectively, and the employee contributions were \$1,441, \$1,322, and \$ 1,429, respectively. The District's contributions to the State and School Noncontributory Retirement System for the years ended June 30, 2007, 2006, and 2005 are \$1,271,688, \$1,116,715, and \$1,136,321, respectively. The contributions were equal to the required contributions for each year.

**Defined Contribution Plans** – The District also participates in a defined contribution plan under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Noncontributory Retirement System have a contribution of 1.5% of covered salaries automatically made by the District. Employees participating in the Systems can make additional contributions to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The employer 401(k) contributions for the years ended June 30, 2007, 2006 and 2005 are \$151,429, \$150,210, and \$155,720, respectively; the employee contributions for the years ending June 30, 2007, 2006, and 2005 are \$236,318, \$220,837, and \$226,212, respectively. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by URS.

The District also offers its employees a deferred compensation plan created in accordance with IRS Code Section 457. The plan, available to all qualified employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. Employee contributions to the Section 457 plan for the years ended June 30, 2007, 2006 and 2005 are \$24,294, \$17,507, and \$11,648, respectively. The assets of the plan are administered and held by URS.

**Early Retirement Incentive** – The District provides two early retirement incentive programs adopted in March, 2003. Under policy GCPCAA, eligibility is restricted to those employees under age 65 with a minimum of 15 years of service in the District who have accumulated 75 points through a combination of age and years of service with the District. Those qualifying under this program, may receive a salary benefit for a maximum 4 years or until the retiree reaches age sixty-five (65), whichever occurs first. During the first year of retirement the District will pay 22%, the second year 18%, the third year 16%, and the fourth year 14% of employee's professional contract minus leeway.

Under policy GDPCA, an employee may retire at age 62 and be paid 35% of the difference between the salary on step one, lane one, of the current salary schedule and their current step and lane.

EMERY COUNTY SCHOOL DISTRICT  
Notes to Financial Statements  
(continued)

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The District will provide single or double coverage health insurance and life insurance for the retiree on both plans for the maximum 4 years or until the retiree becomes eligible for Medicare, provided the employee has participated in the health insurance program for a minimum of 3 previous consecutive years.

In addition, qualifying employees will receive reimbursement of unused sick leave according to the formula of 50% of the daily rate for certified substitutes up to a maximum of 180 days. In the event of a death of the retiree, stipends will continue for the surviving spouse at the rate of 50%. Single coverage health insurance shall also be provided the surviving spouse. Both stipend and health insurance coverage shall continue until the end of the retiree's contract at which time all benefits shall terminate.

The benefits for 12 employees were terminated during the 2007 fiscal year. The number of participants at year end was 41. The District's direct payments to retirees and health benefits in the years ended June 30, 2007 and 2006 are \$519,541 and \$573,796, respectively. Future retirement payments are recognized on an accrual basis as an expense in the government-wide statements in the year of retirement and are funded with current funds. This liability is paid from the fund from which the employee retires. The District has a liability of \$1,198,434 as of June 30, 2007, to provide benefits to these retirees in future years.

The District recognizes the financial responsibilities associated with GASB Statement No. 45: *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, and GASB Statement No. 47: *Accounting for Termination Benefits*. Requirements under these statements will be implemented on the District's financial statements beginning with FY09 (July 1, 2008 to June 30, 2009).

Because these two statements require significant accounting changes for post-employment and termination benefits, the District liability for Early Retirement Incentives would increase dramatically in FY09. Consequently, the Board of Education unanimously rescinded Early Retirement policies GCPCAA and GDPCA, as well as the Employee Purchase of Service Credit policy GCPCAB on June 13, 2007. The contracts for employees who have previously retired under these policies will be continued until their termination date.

In place of these policies, the Board approved policy GCBDC/GDBDC, called the Staff Longevity Benefit. Under this new policy, employees with between sixteen and thirty years of service in Emery County School District will receive an annual deposit into their 401(k) equal to a base amount of \$1,000 plus .3% of the employee's base salary for each year of employment. After the 30<sup>th</sup> year of service, the annual deposit will be equal to a base amount of \$250 plus .3% of the employee's base salary.

EMERY COUNTY SCHOOL DISTRICT  
Notes to Financial Statements  
(continued)

Additional retro-pay deposits will be given to active employees who have completed sixteen or more years of service with the District as of July 31, 2007. These deposits will be equal to a \$1,050 base amount plus .7% of the employee's 2006-2007 base salary, multiplied by the eligible number of completed years of service as of July 31, 2007. Catch-up deposits will also be made to qualifying employees. These deposits are intended to equalize the overall value of this benefit.

Compensated absences of the District represent accrued sick leave for employees over 15 years of service at June 30, 2007, in the amount of \$322,579.

**6. RISK MANAGEMENT**

The 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 Management Fund, for its general insurance coverage. The pool is self sustaining through member premiums and reinsured 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. Unemployment compensation is handled on a cost of benefits reimbursement basis with the State of Utah.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the last three fiscal years.

**7. LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2007 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	1,722,000	\$ -	\$ (465,000)	\$ 1,257,000	\$ 481,000
Total bonds payable, net	1,722,000	-	(465,000)	1,257,000	481,000
Accrued sick leave	360,433		(37,854)	322,579	32,258
Early retirement payable	785,159	413,275	-	1,198,434	441,162
Total governmental activity long-term liabilities	<u>2,867,592</u>	<u>\$ 413,275</u>	<u>\$ (502,854)</u>	<u>\$ 2,778,013</u>	<u>\$ 954,420</u>

EMERY COUNTY SCHOOL DISTRICT  
Notes to Financial Statements  
(continued)

Payments on the general obligation bonds are made by the debt service fund from property taxes. On May 5, 2004, the Board of Education of Emery County approved the issuance of \$1,510,000 in general obligation bonds which completes the resolution passed in June 1996 wherein the voters authorized the sale of \$15,000,000 of general obligation bonds.

Early retirement benefits are paid by the fund in which the employee worked. Accrued sick leave payable represents a potential liability and will be paid in a lump sum out of current revenues from the fund in which the employee worked when the employee retires and the liability becomes due.

General obligation bonds – series 2002 required payments beginning June 15, 2004 and was completed in June, 2007 with the final principal and interest payment. The series of 2004 bond payments began June 15, 2005. The following is a summary of debt service charges to maturity:

	Principal	Interest	Total
2007-2008	\$ 481,000	\$ 43,250	\$ 524,250
2008-2009	497,000	27,857	524,857
2009-2010	279,000	10,463	289,463
<b>Totals</b>	<b>\$ 1,257,000</b>	<b>\$ 81,570</b>	<b>\$ 1,338,570</b>

**8. RESTRICTED NET ASSETS**

The government-wide statement of net assets reports \$2,390,662 of restricted net assets, of which \$1,797,196 is restricted by enabling legislation, \$89,909 inventory, \$307,004 debt service, and \$196,553 by issued construction contracts.

**9. ADJUSTMENT OF FUND BALANCE**

During the year, it was determined that the construction program's reserved balance of \$143,194 needed to be reclassified from the capital outlay fund to the general operating fund because of the change in the funding of the program from Utah Housing Authority to the District.



**EMERY COUNTY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Major Debt Service Fund**  
Year Ended June 30, 2007

	2007		Variance with Final Budget - Positive (Negative)
	Final Budgeted Amounts	Actual Amounts	
<b>Revenues:</b>			
Property tax	\$ 550,300	\$ 560,293	\$ 9,993
Earnings on investments		27,443	27,443
Total revenues	550,300	587,736	37,436
<b>Expenditures:</b>			
Debt service:			
Bond principal	465,000	465,000	-
Bond interest	59,147	60,146	(999)
Miscellaneous Expenditures	26,153	-	26,153
Total expenditures	550,300	525,146	25,154
Excess (deficiency) of revenues over (under) expenditures	-	62,590	62,590
Net change in fund balances	-	62,590	62,590
<b>Fund balance - beginning</b>		246,191	
<b>Fund balance - ending</b>		\$ 308,781	

**EMERY COUNTY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Major Capital Outlay Fund**  
Year Ended June 30, 2007

	2007		Variance with Final Budget - Positive (Negative)
	Final Budgeted Amounts	Actual Amounts	
<b>Revenues:</b>			
Local sources:			
Property taxes	\$ 2,063,042	\$ 2,076,598	\$ 13,556
Earnings on investments		212,078	212,078
Other	11,500	12,490	990
Total local sources	<u>2,074,542</u>	<u>2,301,166</u>	<u>226,624</u>
Total revenues	<u>2,074,542</u>	<u>2,301,166</u>	<u>226,624</u>
<b>Expenditures:</b>			
Instruction	780,418	492,974	287,444.00
Support Services			
Students	3,350	1,663	1,687.00
Instructional Staff	29,243	23,101	6,142
Business	35,000	13,631	21,369
Operation and Maintenance of Facilities	3,685,636	3,735,004	(49,368)
Non-Instructional Services:			
Food Services	<u>25,000</u>	<u>17,318</u>	<u>7,682</u>
Total facility expenses	<u>4,558,647</u>	<u>4,283,691</u>	<u>274,956</u>
Bond selling expense			-
Total expenditures	<u>4,558,647</u>	<u>4,283,691</u>	<u>274,956</u>
Excess (deficiency) of revenues over (under) expenditures	(2,484,105)	(1,982,525)	501,580
<b>Other Financing Sources (Uses):</b>			
General obligation bond proceeds	-		-
Use of Designated Fund Balance			-
Sale of capital assets	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	<u>(2,474,105)</u>	<u>(1,972,525)</u>	<u>501,580</u>
<b>Fund balance - beginning</b>		<u>4,598,302</u>	
<b>Fund balance - ending</b>		<u>\$ 2,625,777</u>	

**EMERY COUNTY SCHOOL DISTRICT**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
June 30, 2007

	<u>Special Revenue</u>		<b>Total Nonmajor Governmental Funds</b>
	<u>School Lunch</u>	<u>Non K-12 Programs</u>	
<b>Assets:</b>			
Cash and investments	\$ 93,576	\$ 575,372	\$ 668,948
Receivables:			
Property taxes	-	678,595	678,595
Other	3,679		3,679
Other governments	28,655	29,916	58,571
Inventories	71,015	-	71,015
Total assets	<u>\$ 196,925</u>	<u>\$ 1,283,883</u>	<u>\$ 1,480,808</u>
<b>Liabilities:</b>			
Accounts payable	\$ 1,776	\$ 59	\$ 1,835
Accrued wages	35,386	45,720	81,106
Deferred revenue:			
Property taxes	-	675,140	675,140
Total liabilities	<u>37,162</u>	<u>720,919</u>	<u>758,081</u>
<b>Fund balances:</b>			
Unreserved:			
Reserved for inventories	71,015	-	71,015
Reserved for programs	-	90,007	90,007
Undesignated	88,748	472,957	561,705
Total fund balances	<u>159,763</u>	<u>562,964</u>	<u>722,727</u>
Total liabilities and fund balances	<u>\$ 196,925</u>	<u>\$ 1,283,883</u>	<u>\$ 1,480,808</u>

**EMERY COUNTY SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
Year Ended June 30, 2007

	<u>Special Revenue</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>School Lunch</u>	<u>Non K-12 Programs</u>	
<b>Revenues:</b>			
Property tax	\$ -	\$ 695,945	\$ 695,945
Student fees	-	6,168	6,168
Lunch sales	301,851	-	301,851
Earnings on investments	1,102	31,314	32,416
State aid	107,166	263,388	370,554
Federal aid	488,915	29,916	518,831
Total revenues	<u>899,034</u>	<u>1,026,731</u>	<u>1,925,765</u>
<b>Expenditures:</b>			
Current:			
Instructional services	-	871,714	871,714
Supporting services:			
Operation and maintenance of facilities	-	1,468	1,468
School lunch services	858,672	-	858,672
Total expenditures	<u>858,672</u>	<u>873,182</u>	<u>1,731,854</u>
Excess of revenues over expenditures	40,362	153,549	193,911
Net change in fund balances	40,362	153,549	193,911
<b>Fund balances - beginning</b>	<u>119,401</u>	<u>409,415</u>	<u>528,816</u>
<b>Fund balances - ending</b>	<u>\$ 159,763</u>	<u>\$ 562,964</u>	<u>\$ 722,727</u>

**EMERY COUNTY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
*Non K-12 Programs*  
**Nonmajor Special Revenue Fund**  
Year Ended June 30, 2007

	2007		Variance with Final Budget - Positive (Negative)
	Final Budgeted Amounts	Actual Amounts	
<b>Revenues:</b>			
Local sources:			
Property taxes	\$ 691,645	\$ 695,945	\$ 4,300
Community school fees			-
Summer school fees			-
Fees	5,393	6,168	775
Earnings on investments		31,314	31,314
Total local sources	<u>697,038</u>	<u>733,427</u>	<u>36,389</u>
State sources:			
Adult high school completion	41,292	41,292	-
Preschool	185,096	185,096	-
Retirement and social security	37,000	37,000	-
Total state sources	<u>263,388</u>	<u>263,388</u>	<u>-</u>
Federal sources:			
Special education preschool grant	29,916	29,916	-
Total federal sources	<u>29,916</u>	<u>29,916</u>	<u>-</u>
Other Financing Sources:			
Total Other Sources	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>990,342</u>	<u>1,026,731</u>	<u>36,389</u>
<b>Expenditures:</b>			
Current:			
Salaries	619,842	585,487	34,355
Employee benefits	285,678	262,167	23,511
Purchased services	2,199	1,666	533
Utilities	1,500	1,468	32
Supplies	166,634	21,021	145,613
Equipment	780	1,047	(267)
Other	326	326	-
Total expenditures	<u>1,076,959</u>	<u>873,182</u>	<u>203,777</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(86,617)</u>	153,549	<u>240,166</u>
<b>Fund balances - beginning</b>		409,415	
<b>Fund balances - ending</b>		<u>\$ 562,964</u>	

**EMERY COUNTY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**School Lunch**  
**Nonmajor Special Revenue Fund**  
Year Ended June 30, 2007

	2007		Variance with Final Budget - Positive (Negative)
	Final Budgeted Amounts	Actual Amounts	
<b>Revenues:</b>			
Local sources:			
Lunch sales - children	\$ 260,900	\$ 275,883	\$ 14,983
Lunch Sales - adult	18,500	25,968	7,468
Earnings on investments		1,102	1,102
Total local sources	<u>279,400</u>	<u>302,953</u>	<u>23,553</u>
State sources:			
State lunch program	<u>70,000</u>	<u>107,166</u>	<u>37,166</u>
Total state sources	<u>70,000</u>	<u>107,166</u>	<u>37,166</u>
Federal sources:			
Federal lunch program	61,208	64,612	3,404
Free and reduced assistance	266,000	262,263	(3,737)
Breakfast program	95,000	105,206	10,206
Donated Commodities	<u>50,000</u>	<u>56,834</u>	<u>6,834</u>
Total federal sources	<u>472,208</u>	<u>488,915</u>	<u>16,707</u>
Other Financing Sources:			
Total revenues	<u>821,608</u>	<u>899,034</u>	<u>77,426</u>
<b>Expenditures:</b>			
Current:			
Salaries	307,526	311,593	(4,067)
Employee benefits	148,192	147,386	806
Purchased services	2,500	2,431	69
Supplies	37,066	26,315	10,751
Food	324,272	368,186	(43,914)
Uniform allowance	<u>2,052</u>	<u>2,761</u>	<u>(709)</u>
Total expenditures	<u>821,608</u>	<u>858,672</u>	<u>(37,064)</u>
Net change in fund balances	<u>-</u>	<u>40,362</u>	<u>40,362</u>
<b>Fund balances - beginning</b>		<u>119,401</u>	
<b>Fund balances - ending</b>		<u>\$ 159,763</u>	

**EMERY COUNTY SCHOOL DISTRICT**  
**Statement of Changes in Assets and Liabilities**  
*Student Activities Agency Fund*  
Year Ended June 30, 2007

	<u>Net Assets at July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Net Assets at June 30, 2007</u>
<b>Assets:</b>				
Cash and investments	\$ 295,130	\$ 972,332	\$ 974,596	\$ 292,866
<b>Liabilities:</b>				
Due to student organizations:				
<b>Elementary Schools:</b>				
Bookcliff Elementary	\$ 22,172	\$ 26,764	\$ 28,960	\$ 19,976
Castle Dale Elementary	10,108	35,160	37,210	8,058
Cleveland Elementary	8,669	46,122	43,668	11,123
Cottonwood Elementary	38,631	47,811	43,790	42,652
Ferron Elementary	33,451	51,781	58,221	27,011
Huntington Elementary	12,605	66,137	60,101	18,641
Total elementary schools	<u>125,636</u>	<u>273,775</u>	<u>271,950</u>	<u>127,461</u>
<b>Junior High Schools:</b>				
Canyon View	\$ 18,641	\$ 103,279	\$ 95,936	\$ 25,984
San Rafael	47,994	123,049	132,145	38,898
Total junior high schools	<u>66,635</u>	<u>226,328</u>	<u>228,081</u>	<u>64,882</u>
<b>High Schools:</b>				
Emery High	\$ 71,846	\$ 351,029	\$ 347,722	\$ 75,153
Emery High Lunch Account	2,050	47,889	48,610	1,329
Green River High	28,963	73,311	78,233	24,041
Total high schools	<u>102,859</u>	<u>472,229</u>	<u>474,565</u>	<u>100,523</u>
Total due to student organizations	<u>295,130</u>	<u>972,332</u>	<u>974,596</u>	<u>292,866</u>
Total liabilities	<u>\$ 295,130</u>	<u>\$ 972,332</u>	<u>\$ 974,596</u>	<u>\$ 292,866</u>

# *Kimball & Roberts*

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

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

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Emery County School District as and for the year ended June 30, 2007, which collectively comprise Emery County School District's basic financial statements and have issued our report thereon dated September 10, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Emery County School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Emery County School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Emery County School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency or combination of control deficiencies, that adversely affects Emery County School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Emery County School District's financial statements that is more than inconsequential will not be prevented or detected by Emery County School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Emery County School District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.




Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Emery County School District in a separate letter dated September 10, 2007.

This report is intended solely for the information and use of the audit committee, management, school board, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

September 10, 2007  
Richfield, Utah

# *Kimball & Roberts*

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

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, 2007. 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2007.

## 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 caused by error or fraud 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 solely for the information and use of the audit committee, management, school board, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
\_\_\_\_\_  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

September 10, 2007  
Richfield, Utah

**EMERY COUNTY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Fiscal Year Ended June 30, 2007**

**A. SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

\* Material weakness identified?  Yes  No  
 \* Significant deficiency identified that is not considered to be a material weakness?  Yes  No

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal Control over major programs:

\* Material weaknesses identified?  Yes  No  
 \* Reportable conditions identified that are not considered to be material weaknesses?  Yes  None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of circular A-133?  Yes  No

Identification of major programs.

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.027	U. S. Department of Education - Special Education Grants to States
84.173	U. S. Department of Education - Special Education Preschool Grants

Dollar threshold used to distinguish between Type A and Type B programs \$300,000

Auditee qualified as low-risk auditee?  Yes  No

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

No significant matters were noted.

**C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No significant matters were noted.

**EMERY COUNTY SCHOOL DISTRICT  
EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2007**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements or Expenditures
<b><u>Direct Assistance:</u></b>			
<b>U.S. Department of Agriculture</b>			
Impact Aide - PL-874 Title VIII	84.041	n/a	\$ 28,424
Total Department of Education			<u>28,424</u>
Total Direct Assistance			<u>\$ 28,424</u>
<b><u>Indirect Assistance:</u></b>			
<b>U.S. Department of Agriculture</b>			
Passed Through Utah State Department of Education			
Federal School Lunch - Breakfast Program	10.553	07-44	\$ 105,206
Federal School Lunch - Lunch Reimbursement Section	10.555	07-42	57,404
Federal School Lunch - Free & Reduced Section 11	10.555	07-43	262,263
Food Distribution - Commodities	10.565	n/a	56,834
Federal School Lunch - Fruits & Vegetables	10.582	07-51	7,208
Passed Through Emery County			
Schools & Roads - Grants to Counties	10.666	n/a	13,682
Total U.S. Department of Agriculture			<u>\$ 502,597</u>
<b>U.S. Department of Education</b>			
Passed Through Utah State Department of Education			
Title I - ESEA Flow Through	84.010	07-08	\$ 264,109
IDEA Part B Flow Through	84.027	07-19	539,219
Fed VoEd Carl Perkins	84.048	07-21	43,315
Emergency Immigrant	84.162	07-57	5,452
IDEA Preschool Flow Through	84.173	07-52	33,372
Drug Free Schools	84.186	07-09	9,170
FIE Earmark Grant	84.215	07-14	50,071
Innovative Programs	84.298	07-80	4,244
Educational Technology	84.318	07-07	3,988
Class Size Reduction	84.367	07-06	123,436
Total U.S. Department of Education			<u>\$ 1,076,376</u>
<b>U.S. Department of Health and Human Services</b>			
Passed Through State Jordan School District			
Administrative Outreach	93.779	n/a	\$ 10,970
Total Department of Health and Human Services			<u>\$ 10,970</u>
Total Indirect Assistance			<u>\$ 1,589,943</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 1,618,367</u></u>

**EMERY COUNTY SCHOOL DISTRICT  
SCHEDULE OF FEDERAL AWARDS EXPENDED  
For The Fiscal Year Ended June 30, 2007**

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

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

**General:**

The accompanying Schedule of Federal Awards Expended 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 basic 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 Federal Awards 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 Federal Awards Expended 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 basic 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 2006 - 2007 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.

**NOTE C - ACCOUNTS RECEIVABLE**

The basic financial statements include accounts receivable from federal programs. These receivables are accrued according to the same basis of accounting as the basic 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, 2007**

There were no prior audit findings.

# *Kimball & Roberts*

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

## AUDITOR'S REPORT ON STATE LEGAL COMPLIANCE

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Emery County School District, for the year ended June 30, 2007, and have issued our report thereon dated September 10, 2007. 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, 2007. 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):

Drivers Education (State Office of Education)  
Professional Development (State Office of Education)  
UPASS (State Office of Education)  
Adult 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

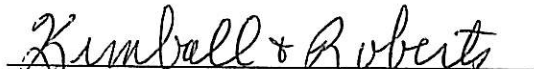
The management of Emery County School District is responsible for the District's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.



We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 letter dated September 10, 2007. 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, 2007.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

September 10, 2007  
Richfield, Utah

## **2. OTHER SECTION**

**EMERY SCHOOL DISTRICT**  
**General Fund**  
**Revenues by Source**  
**1998-2007**

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Year Ended June 30	Property Taxes	Interest on Investments	Other Local	State Sources	Federal Sources	Total Revenues
1998	\$ 4,336,438	\$ 529,905	\$ 110,982	\$ 8,318,530	\$ 689,615	\$ 13,985,470
1999	\$ 3,649,041	\$ 358,426	\$ 170,373	\$ 8,792,595	\$ 673,515	\$ 13,643,950
2000	\$ 3,960,244	\$ 335,280	\$ 137,192	\$ 8,492,928	\$ 824,138	\$ 13,749,782
2001	\$ 4,132,482	\$ 427,035	\$ 101,533	\$ 9,127,089	\$ 818,349	\$ 14,606,488
2002	\$ 4,643,637	\$ 158,595	\$ 129,747	\$ 9,545,613	\$ 921,053	\$ 15,398,645
2003	\$ 4,676,463	\$ 161,573	\$ 193,525	\$ 8,635,044	\$ 1,660,515	\$ 15,327,120
2004	\$ 4,446,636	\$ 127,451	\$ 243,687	\$ 8,897,733	\$ 1,111,819	\$ 14,827,326
2005	\$ 4,696,260	\$ 231,039	\$ 116,467	\$ 9,127,844	\$ 1,132,131	\$ 15,303,741
2006	\$ 4,815,940	\$ 411,367	\$ 193,887	\$ 9,337,471	\$ 1,119,098	\$ 15,877,763
2007	\$ 5,877,557	\$ 278,938	\$ 343,881	\$ 9,873,949	\$ 1,169,206	\$ 17,543,531

**Revenues by Source as a Percentage of Total Revenue**

---

Year Ended June 30	Property Taxes	Interest on Investments	Other Local	State Sources	Federal Sources	Total Revenues
1998	31%	4%	1%	59%	5%	100%
1999	27%	3%	1%	64%	5%	100%
2000	29%	2%	1%	62%	6%	100%
2001	28%	3%	1%	62%	6%	100%
2002	30%	1%	1%	62%	6%	100%
2003	31%	1%	1%	56%	11%	100%
2004	30%	1%	2%	60%	7%	100%
2005	31%	2%	1%	60%	7%	100%
2006	30%	3%	1%	59%	7%	100%

**EMERY SCHOOL DISTRICT**  
**General Fund**  
**Expenditures and Transfers by Function**  
**1998-2007**

Year Ended 30-Jun	Instruction		Students	Instructional Staff		District Administration		School Admin	Business	Operation & Maintenance		Transportation	Non-Instructional and Transfers	Total Expenditures
	Instruction	Students		Instructional Staff	District Administration	School Admin	Business			Operation & Maintenance				
1998	\$ 10,943,365	\$ 365,781	\$ 365,781	\$ 292,485	\$ 175,838	\$ 1,218,588	\$ 187,430	\$ 228,040	\$ 585,785	\$ -	\$ 13,997,312			
1999	\$ 10,800,038	\$ 386,395	\$ 386,395	\$ 331,282	\$ 209,701	\$ 1,250,492	\$ 188,280	\$ 16,072	\$ 739,643	\$ 111,340	\$ 14,033,243			
2000	\$ 10,058,931	\$ 388,690	\$ 388,690	\$ 284,679	\$ 289,166	\$ 1,316,094	\$ 213,593	\$ 13,255	\$ 751,786	\$ 578,911	\$ 13,895,105			
2001	\$ 10,288,996	\$ 350,942	\$ 350,942	\$ 279,074	\$ 254,696	\$ 1,458,409	\$ 218,312	\$ 623,997	\$ 834,265	\$ -	\$ 14,308,691			
2002	\$ 10,455,545	\$ 365,498	\$ 365,498	\$ 276,423	\$ 255,893	\$ 1,347,279	\$ 215,112	\$ 614,627	\$ 837,626	\$ 2,593	\$ 14,370,596			
2003	\$ 10,433,994	\$ 376,591	\$ 376,591	\$ 264,018	\$ 261,523	\$ 1,345,881	\$ 220,305	\$ 615,590	\$ 799,350	\$ -	\$ 14,317,252			
2004	\$ 10,257,132	\$ 432,837	\$ 432,837	\$ 294,542	\$ 313,552	\$ 1,473,468	\$ 241,676	\$ 725,853	\$ 879,562	\$ -	\$ 14,618,622			
2005	\$ 10,311,487	\$ 457,717	\$ 457,717	\$ 345,853	\$ 299,942	\$ 1,466,782	\$ 235,051	\$ 1,394,112	\$ 937,731	\$ -	\$ 15,448,675			
2006	\$ 10,022,430	\$ 392,265	\$ 392,265	\$ 318,722	\$ 299,726	\$ 1,445,499	\$ 237,466	\$ 1,959,063	\$ 897,377	\$ -	\$ 15,572,548			
2007	\$ 11,045,463	\$ 440,002	\$ 440,002	\$ 332,410	\$ 303,385	\$ 1,537,092	\$ 285,208	\$ 2,151,409	\$ 901,794	\$ -	\$ 16,996,763			

**Expenditures and Transfers as a Percentage of Total Expenditures**

Year Ended 30-Jun	Instruction		Students	Instructional Staff		District Administration		School Administration	Business	Operation & Maintenance		Transportation	Non-Instructional and Transfers	Total
	Instruction	Students		Instructional Staff	District Administration	School Administration	Business			Operation & Maintenance				
1998	78%	3%	3%	2%	1%	9%	1%	2%	4%	0%	100%			
1999	77%	3%	3%	2%	1%	9%	1%	0%	5%	1%	100%			
2000	72%	3%	3%	2%	2%	9%	2%	0%	5%	4%	100%			
2001	72%	2%	2%	2%	2%	10%	2%	4%	6%	0%	100%			
2002	73%	3%	3%	2%	2%	9%	1%	4%	6%	0%	100%			
2003	73%	3%	3%	2%	2%	9%	2%	4%	6%	0%	100%			
2004	70%	3%	3%	2%	2%	10%	2%	5%	6%	0%	100%			
2005	67%	3%	3%	2%	2%	9%	2%	9%	6%	0%	100%			
2006	64%	3%	3%	2%	2%	9%	2%	13%	6%	0%	100%			
2007	65%	3%	3%	2%	2%	9%	2%	13%	5%	0%	100%			

**EMERY COUNTY SCHOOL DISTRICT**  
Statement of Values, Taxes Levied, and Taxes Collected  
Tax Years 1997-2006

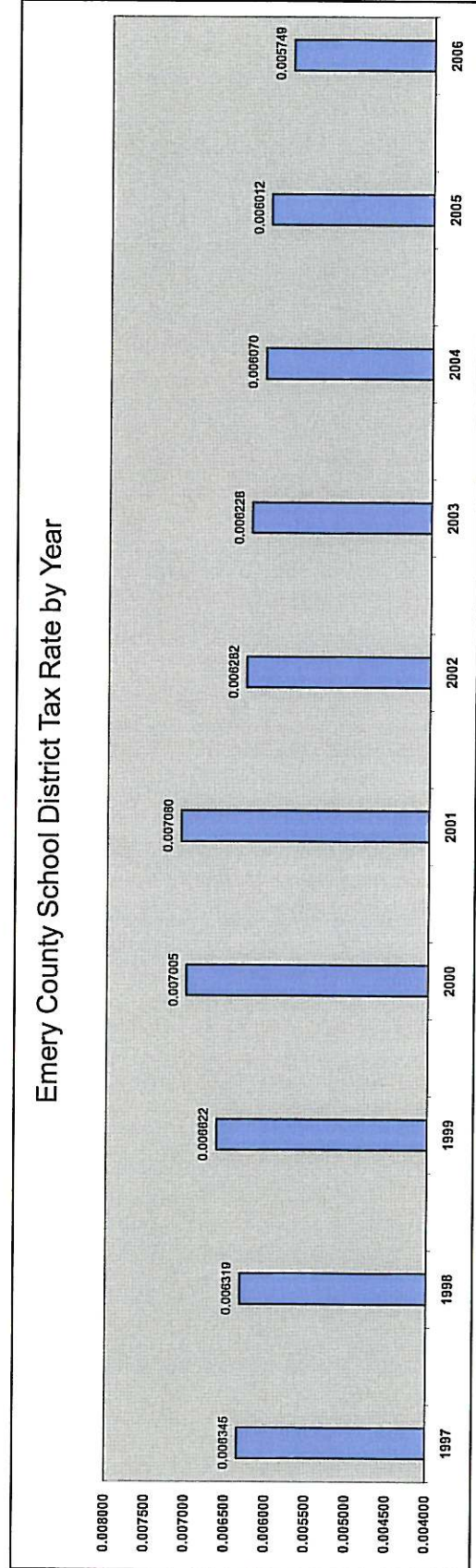
Tax Year	Taxable Value	Tax Rate	Total Taxes Levied	Treasurer's Relief	Collected		Other Collections			Total Collections
					Amount	Percent	Fee	In Lieu	Misc	
1997	\$ 1,457,015,286	0.006808	\$ 9,919,360	\$ 211,999	\$ 9,707,361	97.86%	\$ 356,195	\$ 52,283	\$ 10,115,839	
1998	\$ 1,456,235,147	0.006350	\$ 9,247,093	\$ 165,290	\$ 9,081,803	98.21%	\$ 347,361	\$ 120,429	\$ 9,549,593	
1999	\$ 1,441,259,666	0.006752	\$ 9,731,385	\$ 212,399	\$ 9,518,986	97.82%	\$ 318,492	\$ 291,957	\$ 10,129,435	
2000	\$ 1,353,428,696	0.007005	\$ 9,480,768	\$ 218,038	\$ 9,262,730	97.70%	\$ 403,433	\$ 195,149	\$ 9,861,312	
2001	\$ 1,302,763,354	0.007080	\$ 10,041,220	\$ 277,981	\$ 9,763,239	97.23%	\$ 355,661	\$ 269,917	\$ 10,388,817	
2002	\$ 1,236,582,307	0.006282	\$ 8,203,537	\$ 216,981	\$ 7,986,556	97.36%	\$ 416,528	\$ 137,866	\$ 8,540,950	
2003	\$ 1,289,934,142	0.006228	\$ 8,135,711	\$ 303,164	\$ 7,832,547	96.27%	\$ 380,000	\$ 212,215	\$ 8,503,130	
2004	\$ 1,372,863,860	0.006070	\$ 8,336,055	\$ 144,886	\$ 8,191,169	98.26%	\$ 379,397	\$ 169,263	\$ 8,739,829	
2005	\$ 1,346,336,039	0.006012	\$ 8,094,616	\$ (41,737)	\$ 8,136,353	100.52%	\$ 398,946	\$ 128,738	\$ 8,664,037	
2006	\$ 1,492,375,240	0.005749	\$ 8,579,664	\$ (72,864)	\$ 8,652,528	100.85%	\$ 394,197	\$ 163,667	\$ 9,210,392	

EMERY COUNTY SCHOOL DISTRICT  
Statement of Values and Collections Per Student

Tax Year	Taxable Value	Total Collections	Student Count	Taxable Value Per Student	Taxes Collected Per Student
1994	\$ 1,540,327,742	\$ 12,483,964	3347	\$ 460,211.46	\$ 3,729.90
1995	\$ 1,468,695,000	\$ 9,773,898	3332	\$ 440,784.81	\$ 2,933.34
1996	\$ 1,473,458,005	\$ 9,758,501	3313	\$ 444,750.38	\$ 2,945.52
1997	\$ 1,457,015,286	\$ 10,115,839	3228	\$ 451,367.81	\$ 3,133.78
1998	\$ 1,456,235,147	\$ 9,549,593	3101	\$ 469,601.79	\$ 3,079.52
1999	\$ 1,441,259,666	\$ 10,129,435	2973	\$ 484,782.94	\$ 3,407.14
2000	\$ 1,353,428,696	\$ 9,861,312	2714	\$ 498,684.12	\$ 3,633.50
2001	\$ 1,302,763,354	\$ 10,388,817	2508	\$ 519,443.12	\$ 4,142.27
2002	\$ 1,236,582,307	\$ 8,540,950	2442	\$ 506,380.96	\$ 3,497.52
2003	\$ 1,289,934,142	\$ 8,503,130	2434	\$ 529,964.73	\$ 3,493.48
2004	\$ 1,372,136,828	\$ 8,739,829	2366	\$ 579,939.49	\$ 3,693.93
2005	\$ 1,346,336,039	\$ 8,664,037	2338	\$ 575,849.46	\$ 3,705.75
2006	\$ 1,492,375,240	\$ 9,210,392	2320	\$ 643,265.19	\$ 3,970.00

**EMERY SCHOOL DISTRICT**  
**Property Tax Rates (Per \$1) - Direct and Overlapping Governments**  
**Tax Years 1997-2006**

Tax Year	School Year	Emery School District	Incorporated Municipalities							Other Taxing Districts			Judgment Levies				
			Emery County	Castle Dale	Clawson	Cleveland	Elmo	Emery	Ferron	Green River	Huntington	Orangeville	Water Conservancy	Castle Valley Special Service	Emery School District	Emery County	Water Conservancy
1997	1997-98	0.006345	0.004240	0.002036	0.001518	0.001458	0.002383	0.002748	0.004059	0.002221	0.002906	0.000318	0.002936	0.000463	0.000202	0.000008	0.000155
1998	1998-99	0.006319	0.004221	0.002095	0.003228	0.001636	0.003008	0.002902	0.000000	0.002336	0.002906	0.000318	0.001916	0.000031	0.000000	0.000000	0.000000
1999	1999-00	0.006622	0.004219	0.001961	0.001282	0.001566	0.002721	0.002591	0.000000	0.002073	0.002295	0.000319	0.001927	0.000130	0.000135	0.000009	0.000095
2000	2000-01	0.007005	0.004474	0.001843	0.000937	0.001321	0.002393	0.002481	0.000000	0.001753	0.002103	0.000341	0.002119				
2001	2001-02	0.007080	0.004754	0.001885	0.000839	0.001361	0.002300	0.002392	0.000000	0.001887	0.002141	0.000352	0.002247				
2002	2002-03	0.006282	0.004612	0.001864	0.000908	0.001328	0.002223	0.002349	0.000000	0.001859	0.002140	0.000373	0.002592	0.000335	0.000296	0.000022	0.000134
2003	2003-04	0.006228	0.004558	0.001857	0.000847	0.001309	0.002173	0.002267	0.000000	0.001775	0.002202	0.000368	0.002380				
2004	2004-05	0.006070	0.004434	0.001809	0.000822	0.001276	0.002145	0.002284	0.000000	0.001872	0.002188	0.000400	0.002359				
2005	2005-06	0.006012	0.004416	0.001811	0.000772	0.001257	0.002069	0.002283	0.000000	0.001858	0.002169	0.000399	0.002265				
2006	2006-07	0.005749	0.004420	0.001778	0.000729	0.001241	0.002054	0.002104	0.000000	0.001717	0.002164	0.000396	0.002210				



# EMERY COUNTY SCHOOL DISTRICT

## Ten Largest Taxpayers

### Tax Year 2006

Taxpayer	Type of Business	2006 Taxable Value	% of the District's Taxable Value
Pacificorp (Utah Power)	Power	\$ 903,184,749	59.47%
XTO Energy, Inc.	Oil and Gas	\$ 68,905,495	4.54%
Conocophillips Company	Oil and Gas	\$ 62,677,037	4.13%
Anadarko Petroleum	Oil and Gas	\$ 59,831,257	3.94%
Deseret Generation and Transmission	Power	\$ 53,412,802	3.52%
Canyon Fuel Company, LLC.	Coal	\$ 35,815,544	2.36%
Genwal Resources Inc	Coal	\$ 24,249,741	1.60%
UAMPS	Power	\$ 18,482,100	1.22%
Co-Op Mining	Coal	\$ 16,763,350	1.10%
Consolidation Coal	Coal	\$ 11,069,954	0.73%
Total		<u>\$ 1,254,392,029</u>	<u>82.61%</u>

### Tax Year 2005

Taxpayer	Type of Business	2005 Taxable Value	% of the District's Taxable Value
Pacificorp (Utah Power)	Electric Power Generation	\$ 816,226,046	59.45%
Conocophillips Company	Oil and Gas	\$ 51,563,350	3.76%
Deseret Generation and Transmission	Electric Power Generation	\$ 50,683,347	3.69%
Genwal Resources Inc	Mining	\$ 45,292,454	3.30%
Anadarko Petroleum	Oil and Gas	\$ 43,880,117	3.20%
Chevron USA	Oil and Gas	\$ 36,983,037	2.69%
Arch Coal Inc Skyline Mine	Mining	\$ 34,364,443	2.50%
Co-Op Mining	Mining	\$ 18,986,729	1.38%
UAMPS	Electric Power Generation	\$ 17,692,040	1.29%
Provo City Power	Electric Power Generation	\$ 10,288,740	0.75%
Total		<u>\$ 1,125,960,303</u>	<u>82.01%</u>



**EMERY SCHOOL DISTRICT**  
**Computation of Legal Debt Margin**  
**for years 2005-2007**

	<b>2005</b>	<b>2006</b>	<b>2007</b>
Total Assessed Property Value	\$ 1,372,968,954	\$ 1,346,336,039	\$ 1,492,375,240
Total Fee-In-Lieu and Age-Based Property	\$ 58,718,143	\$ 57,295,077	\$ 62,701,266
Total Assessed Value	<u>\$ 1,431,687,097</u>	<u>\$ 1,403,631,116</u>	<u>\$ 1,555,076,506</u>
Assessed Value X 4% (Debt Limit)	\$ 57,267,484	\$ 56,145,245	\$ 62,203,060
Less: General Obligation Debt	<u>\$ 2,100,000</u>	<u>\$ 1,722,000</u>	<u>\$ 1,257,000</u>
Legal Debt Margin	<u>\$ 55,167,484</u>	<u>\$ 54,423,245</u>	<u>\$ 60,946,060</u>

**Note:**

The General Obligation Bonded Debt of the District is limited by Utah law to 4% of the value of the taxable property therein. Values stated above are from the Utah State Tax Commission Summary of Final Valuations for Tax Year 2004.

EMERY COUNTY SCHOOL DISTRICT  
Ratio of Net Bonded Debt to Taxable Value  
and Net Bonded Debt Per Capita  
1997-2006

Year Ended 30-Jun	Tax Year	Estimated Population	Taxable Values (\$)	Net Bonded Debt	Ratio of Net Bonded Debt to Taxable Value	Net Bonded Debt Per Capita
1997	1996	11,089	\$ 1,457,015,286	\$ 8,235,000	0.00565	\$ 742.63
1998	1997	11,059	\$ 1,456,235,147	\$ 6,455,000	0.00443	\$ 583.69
1999	1998	11,095	\$ 1,441,259,666	\$ 6,580,000	0.00457	\$ 593.06
2000	1999	10,782	\$ 1,353,428,696	\$ 4,605,000	0.00340	\$ 427.10
2001	2000	10,473	\$ 1,302,763,354	\$ 2,540,000	0.00195	\$ 242.53
2002	2001	10,540	\$ 1,236,582,307	\$ 1,885,000	0.00152	\$ 178.84
2003	2002	10,477	\$ 1,289,934,142	\$ 2,600,000	0.00202	\$ 248.16
2004	2003	10,600	\$ 1,372,136,828	\$ 2,100,000	0.00153	\$ 198.11
2005	2004	10,491	\$ 1,346,336,039	\$ 2,170,000	0.00161	\$ 206.84
2006	2005	10,438	\$ 1,492,375,240	\$ 1,722,000	0.00115	\$ 164.97

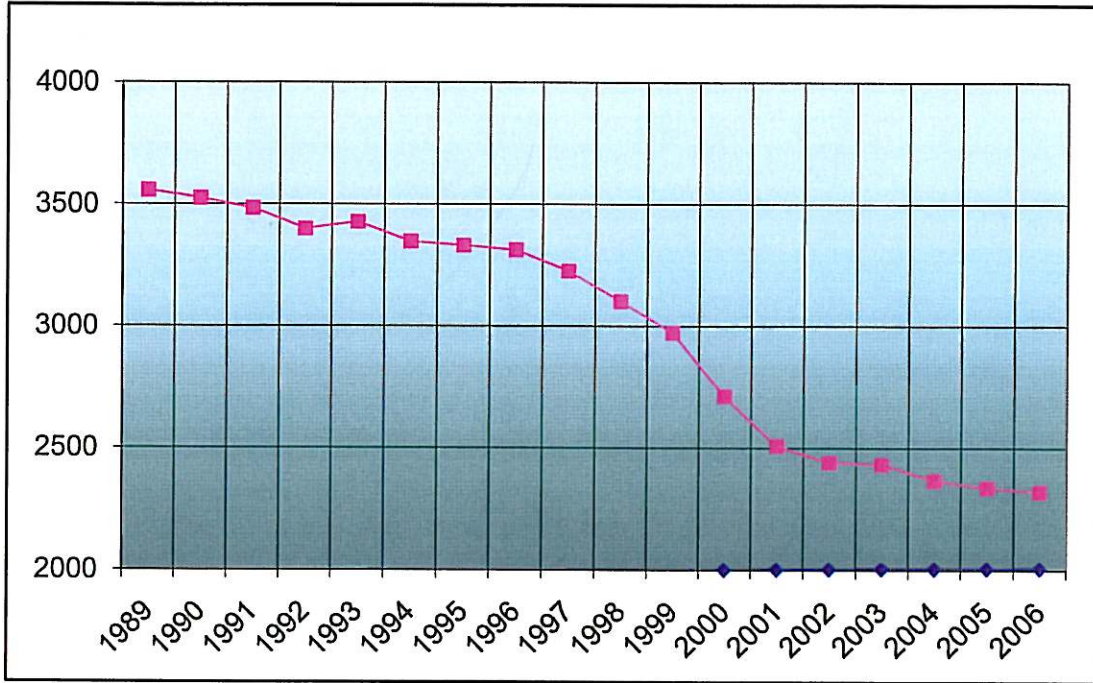
**EMERY SCHOOL DISTRICT**  
**Ratio Annual Debt Service to Total**  
**General Fund Expenditures**  
**1998-2007**

Year Ended 30-Jun	Principal	Interest and Paying Agent Fees	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
1998	\$ 1,780,000	\$ 358,473	\$ 2,138,473	\$ 13,997,312	15.28%
1999	\$ 1,875,000	\$ 390,535	\$ 2,265,535	\$ 14,033,243	16.14%
2000	\$ 1,975,000	\$ 295,638	\$ 2,270,638	\$ 13,316,194	17.05%
2001	\$ 2,065,000	\$ 212,007	\$ 2,277,007	\$ 14,320,735	15.90%
2002	\$ 2,155,000	\$ 121,951	\$ 2,276,951	\$ 15,114,483	15.06%
2003	\$ 385,000	\$ 78,481	\$ 463,481	\$ 14,880,846	3.11%
2004	\$ 410,000	\$ 56,400	\$ 466,400	\$ 14,618,622	3.19%

# EMERY COUNTY SCHOOL DISTRICT

Student Enrollment as of October 1

For Years 1989-2006



1-Oct of Year	Count	% Change from Previous Year
1989	3,556	
1990	3,525	-0.87%
1991	3,484	-1.16%
1992	3,400	-2.41%
1993	3,429	0.85%
1994	3,347	-2.39%
1995	3,332	-0.45%
1996	3,313	-0.57%
1997	3,228	-2.57%
1998	3,101	-3.93%
1999	2,973	-4.13%
2000	2,714	-8.71%
2001	2,508	-7.59%
2002	2,442	-2.63%
2003	2,434	-0.33%
2004	2,366	-2.79%
2005	2,338	-1.18%
2006	2,320	-0.77%

Emery County School District  
 Enrollment By School  
 October 1, 1995-2006

School											Increase or			
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	1995-2006	% change 1995-2006
Book Cliff Elementary	146	144	160	163	173	153	138	161	155	144	122	117	(29)	-20%
Castle Dale Elementary	268	268	249	229	209	208	175	167	169	161	158	170	(98)	-37%
Cleveland Elementary	174	186	197	178	161	146	139	128	140	138	132	151	(23)	-13%
Cottonwood Elementary	255	246	221	252	234	210	210	213	190	203	194	182	(73)	-29%
Ferron Elementary	384	354	326	311	307	263	241	218	230	199	227	231	(153)	-40%
Huntington Elementary	370	375	402	404	375	363	321	322	359	346	354	365	(5)	-1%
Canyon View Jr High	322	326	304	284	250	250	227	235	229	235	224	213	(109)	-34%
San Rafael Jr High	490	491	452	408	377	345	325	336	312	304	274	254	(236)	-48%
Green River High	103	117	117	106	108	100	112	97	105	114	127	120	17	17%
Emery High	820	806	800	766	779	676	620	565	545	522	526	517	(303)	-37%
Total	3,332	3,313	3,228	3,101	2,973	2,714	2,508	2,442	2,434	2,366	2,338	2,320	(1,012)	-30%

EMERY COUNTY SCHOOL DISTRICT  
FTE COUNT

For School Years 1994-2007

SCHOOL/DEPARTMENT	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05*	05-06	06-07	% Change for Years 94-07
CASTLE DALE	15	13	13	13	13	10	10.5	10	9	9	8	8.5	7.5	8
CLEVELAND	11	11	11	10	10	9	8	7.5	7.5	8.5	8.5	7.5	6.5	8
FERRON	20	18.5	19	20	18	17	17	14	14	14	12.5	12.5	12	6.5
BOOK CLIFF	7.5	8	8	8	8	8	9	9.5	8	8	8	8	8	12
HUNTINGTON	17.5	19	19	20	21	21	20	19	18	18	20.07	19.64	19.64	8
COTTONWOOD	16	16	16	14	14	14	12	12	12	12	11	10	10	8
CANYON VIEW	17	18.5	18.5	18.5	18.5	16.5	15.51	14.93	13.58	14	14	14	14	10
SAN RAFAEL	24	23.5	23.67	23	22	20	18.15	19.22	17.22	17.58	16.07	14.51	13.93	14
GREEN RIVER HIGH	9	9	9	9	9	9	9	9	9	9	9	9	9	9
EMERY HIGH	34	34	34.17	34.5	33.13	32.75	31.86	30.86	27.36	27.88	26.45	23.39	23.39	9
<b>Total Certified</b>	<b>171</b>	<b>170.5</b>	<b>171.34</b>	<b>170</b>	<b>166.63</b>	<b>157.25</b>	<b>151.02</b>	<b>146.01</b>	<b>135.66</b>	<b>136.96</b>	<b>133.09</b>	<b>124.54</b>	<b>124.46</b>	<b>-27.22%</b>
ED. ASSISTANTS	53.12	55.27	62.49	59.59	60.42	58.47	58.81	59.57	56.61	54.3	39.53	37.56	41.25	8
SECRETARIES	10.96	11.44	11.88	11.88	11.88	12	12.07	11.38	11.32	11.32	11.32	11.32	11.32	6.5
CUSTODIANS	21.38	23.38	22	23.75	24.38	24.75	24.63	24.13	24	23	23.5	23	23	12
MAINT	10	10	11	11	11	11	11	11	10	9	10.4	10.6	9.6	12
BUS	16.48	17.04	18.7	16.9	16.07	19.84	20.05	18.89	17.34	18.29	11.91	10.62	10.62	8
LUNCH	33.09	32.34	30.17	30.75	29	24	22.75	18.84	18.34	17.92	14.6	14.59	15.28	8
<b>Total Classified</b>	<b>145.03</b>	<b>149.47</b>	<b>156.24</b>	<b>153.87</b>	<b>152.75</b>	<b>150.06</b>	<b>149.31</b>	<b>143.81</b>	<b>137.61</b>	<b>133.83</b>	<b>111.26</b>	<b>107.69</b>	<b>111.07</b>	<b>-23.42%</b>
<b>Total FTE's</b>	<b>316.03</b>	<b>319.97</b>	<b>327.58</b>	<b>323.87</b>	<b>319.38</b>	<b>307.31</b>	<b>300.33</b>	<b>289.82</b>	<b>273.27</b>	<b>270.79</b>	<b>244.35</b>	<b>232.23</b>	<b>235.53</b>	<b>-25.47%</b>

\* Beginning with the 2004-05 year, Classified FTE's are calculated using 8 hours as full-time.