



2012-13

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ending June 30, 2013

2500 SOUTH STATE
SALT LAKE CITY, UTAH 84115
graniteschools.org



Comprehensive Annual Financial Report

for the
Fiscal Year Ended
June 30, 2013

GRANITE SCHOOL DISTRICT

2500 South State Street
Salt Lake City, Utah 84115-3110
www.graniteschools.org

Gayleen Gandy, President of the Board
Dr. Martin W. Bates, Superintendent
David F. Garrett, Business Administrator/Treasurer

Prepared by:
Chris A. Lewis, Director of Accounting Services

GRANITE SCHOOL DISTRICT

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Section I
Introductory







Business Administration - Accounting Services

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November 27, 2013

To the Board of Education and Patrons of Granite School District (the District):

State of Utah law requires that school districts publish within five months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2013 and is comprehensive to include all governmental activities for which the District is financially accountable.

Management of the District is expressly responsible for both the content and presentation of the report. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects. To provide a reasonable basis for such a representation, management of the District has established a comprehensive internal control framework designed to both protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

Squire & Company, PC, a firm of licensed certified public accountants, has audited the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2013 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2013 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the District

The District was created December 15, 1904 by a resolution of the Salt Lake County Commissioners. Located immediately south of Salt Lake City, the District covers almost 300 square miles and includes several urban and suburban communities comprising approximately the northern half of the county.

The District is a legally separate entity enjoying all rights and privileges accorded political subdivisions in the State of Utah. The District is fiscally independent. Policymaking and legislative authority are vested in the Board of Education (the Board) consisting of seven members who are elected from among the District's seven precincts. Board members serve four-year staggered terms with no more than four board members elected every two years. The Board has the power to determine its own budget, incur bonded debt, levy taxes and also can sue or be sued without recourse to any other body of government.

The major purpose of the District is to provide public education. In 1904, the District's student population stood at 4,258. Through the years, it increased to a high of 78,819 for the 1992-93 school year and then declined to 68,075 for the 2007-08 school year. Enrollment has increased slightly since then. The number of students enrolled for the 2012-13 school year was 70,158. To accomplish its purpose, the District operates 62 elementary schools, 16 junior high schools, 8 accredited high schools, and 6 special program schools. In addition, the District offers an adult and community education program for non-traditional students. The District is an equal opportunity employer and actively recruits teachers from universities throughout the nation.

For accounting purposes, the District is not treated as a single entity. Instead, it is treated as a collection of smaller, separate accounting entities known as funds. Funds are created to segregate and keep track of specific activities or to attain certain objectives in accordance with special regulations, restrictions, or limitations. Utah law requires the District to have a balanced budget for its funds and requires that all annual appropriations lapse at fiscal year end with the exception of those indicated as fund balance commitments.

In the months preceding each year, the District superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30. If the proposed budget does not include a tax increase, a public hearing is held before the beginning of the next fiscal year according to Utah law at which time the budget is legally adopted by the Board after obtaining taxpayer input. If the proposed budget does include a tax increase, the Board accepts a tentative budget to begin the year and within a few months holds a public hearing on the tax increase at which time the budget is legally adopted by the Board after obtaining taxpayer input. Once adopted, the budget acts as the financial operating plan for the entire year. The Board, upon recommendation of the Superintendent, can reduce the budget during the year. To increase the budget, however, the Board must conduct another public hearing prior to approving the increase.

The level at which expenditures may not exceed appropriations has been interpreted by the State Superintendent of Public Instruction to be the total budgeted expenditures of a given fund. Therefore, as a

matter of practicality, the budget of the District is usually amended only once each year when the Board also takes action on the new fiscal year budget.

Local Economy

The economic condition of the District is largely dependent upon two major factors. First, the broader state economy that is increasingly tied to the national and global economies and second, the views of the governor's office and state legislature toward funding public education with the resources generated by the state. State funding for education is always a significant issue in Utah because children represent such a large percentage of the population. When compared to other states, there are two factors that put the state in a difficult situation when it comes to generating tax revenue to fund public education. Utah is near the middle in terms of household income, and Utah has larger households. The result is less income available per child. Utah is near

the top when measuring the share of income devoted to education and yet is currently the state with the lowest per-pupil funding. While the state's demographics cause budget difficulties for public education, the governor has established education as his top budget priority. The governor's budget recommendations for fiscal year 2014 include an additional \$298 million in education. The governor understands the essential and undeniable link between a highly educated workforce and long-term, robust economic growth. Even with these and potential additional financial constraints, the District has and will continue to maintain a balanced budget as required by state law.

Utah has a highly diversified economy which aids in Utah's continuing recovery from the severe national recession that ended in 2009. In fact, Utah is recovering more quickly than the nation. Utah's employment growth during 2013 is expected to increase to 3.5% while the nation holds steady at 1.4%. With job growth near the long-term average, the unemployment rate will fall to 5.4%. Housing and construction are expected to play a leading role in the strengthening recovery. The number of residential construction permits increased by 20% in 2012 and is expected to increase another 20% in 2013. Nonresidential construction will continue to lag. This sector needs another year of strong employment growth in the state to reduce commercial vacancy rates and improve development feasibility. Personal income in Utah is expected to increase by 4.5%, 1.6 percentage points above the anticipated U.S. increase. Taxable sales are expected to increase by 5.4% from \$47.1 billion to \$49.6 billion between 2012 and 2013. Utah's efforts to attract business to the state has aided in Utah's recovery. In 2012, the American Legislative Exchange Council named Utah #1 for Economic Outlook for the fifth consecutive year and Forbes Magazine awarded Utah the top spot on its annual "Best States for Business and Careers" for the third consecutive year.

Major Initiatives

The Board has established major District-level tasks and initiatives to focus District energies and resources on efforts that will most benefit District students. High priority initiatives include continued outreach to and cooperation with school community councils, instructional audits in all elementary and secondary classrooms, enhancement of the Granite Technical Institute, educational accountability for student achievement and benchmark data; concentrated student services interventions; early intervention via preschool programs and extended day kindergarten; and improvement efforts in K-12 literacy and English and world languages. These initiatives are intended to increase achievement for every student and increase college and career readiness.

Economic conditions and low borrowing rates created a favorable climate to finance major building projects with general obligation debt. The District received voter authorization in November 2009 to issue \$256 million in bonds over the next several years. Since that time, the District has issued bonds in the amount of \$80 million (May 2010), \$102.9 million (July 2011), \$36.5 million (September 2012), and \$11.6 million (June 2013) leaving \$25.0 million remaining to be issued. Bond proceeds are being used with the building projects well underway. The District rebuilt two existing high schools, Granger High School and Olympus High School that opened for the 2013-2014 school year. Construction of the Neil Armstrong Academy, the rebuild of Hartvigsen (a special program school), and the remodel of Stansbury Elementary is underway. Air conditioning is being added to all existing schools.

Relevant Financial Policies and Issues

The District maintains a cash and investment pool that is available for use by all funds. The District invests all possible balances on a daily basis in overnight interest-bearing savings accounts and with the Utah Public Treasurers' Investment Fund. All bank accounts are interest-bearing money market accounts earning interest

on any temporarily idle funds. All investment activities fall within the guidelines of the State of Utah Money Management Act and the Money Management Council (Council) which governs the District's investment policies and provides a measure of depository protection. The Council issues a list of qualified depositories to public treasurers quarterly and monitors the maximum amount of public funds each depository is eligible to hold in accordance with the laws and the rules of the Council. State law and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. The Council does not require collateralization of deposits. The District considers the actions of the Council to be helpful oversight for protection of its uninsured and uncollateralized bank deposits.

The District has incurred the following long-term obligations:

- The District, by issuing bonds, has obligations to repay the bondholders over the life of the bonds. The obligation for the bonds and the associated premium at June 30, 2013 is \$211.2 million. The District shifted a tax levy from the *Capital Projects Fund* to establish a debt service levy which will provide the resources to repay the bondholders according to schedule. Creating the debt service levy did not increase property taxes in the District.
- The District, by offering compensated absences benefits as well as early retirement and pension benefits including long-term disability medical insurance, has obligations to individuals who will receive these benefits in the future. The obligation, with required components actuarially determined at the end of the 2012-13 fiscal year, is \$38.8 million. The District has accumulated sufficient resources over time and has set them aside as committed fund balance in the *General Fund* to fully finance these obligations.
- Workers compensation, unemployment, and health and accident are the other long-term obligation as discussed in the notes to the basic financial statements. The District has sufficient resources in the *General Fund* to pay these obligations as they come due.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Granite School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This is the 20th consecutive year that the District has received this prestigious award. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.


The District also received the Association of School Business Officials (ASBO) International's Certificate of Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. This award certifies that the report substantially conforms to the principles and standards of financial

reporting as recommended by the Association of School Business Officials International. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials and is also valid for a period of one year. This is also the 20th consecutive year the District has received this prestigious award.

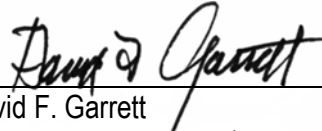
The preparation of this report on a timely basis could not have been performed without the efficient and dedicated employees in all of the business departments. Special appreciation is expressed to Chris Lewis of the Accounting Services Department, where the major portion of this presentation has been compiled.

We would also like to thank President Gayleen Gandy and the members of the Board of Education for their interest and support in conducting the financial affairs of the District.

Respectfully submitted,



Dr. Martin W. Bates
Superintendent of Schools



David F. Garrett
Business Administrator/Treasurer

THE GRANITE SCHOOL DISTRICT
List of Elected and Appointed Officials
June 30, 2013

Elected Officials

	<u>Initial Appointment</u>	<u>Present Term Began</u>	<u>Present Term Expires</u>
Gayleen Gandy, President Precinct VII	January, 2007	January, 2011	December, 2014
Terry H. Bawden, Vice President Precinct V	January, 2007	January, 2011	December, 2014
Dan Lofgren, Member Precinct I	January, 2009	January, 2013	December, 2016
Connie Anderson, Member Precinct II	January, 2009	January, 2013	December, 2016
Connie Burgess, Member Precinct III	January, 2003	January, 2011	December, 2014
Sarah R. Meier, Member Precinct IV	January, 1997	January, 2013	December, 2016
Julene M. Jolley, Member Precinct VI	January, 1999	January, 2011	December, 2014

The term of office for a Board member is four years, beginning on the first Monday in January following the election. All three Board members who's present term expired December, 2012 were re-elected in November, 2012. Their new terms will begin in January, 2013 and expire December, 2016.

Appointed Officials

	<u>Initial Appointment</u>	<u>Present Term Began</u>	<u>Present Term Expires</u>
Dr. Martin W. Bates Superintendent	September, 2010	June, 2012	June, 2014
David F. Garrett Business Administrator/Treasurer	September, 1987	January, 2013	December, 2014

The term of office of the Superintendent and Business Administrator/Treasurer is two years.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Granite School District
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Granite School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading "Ron McCulley", written over a horizontal line.

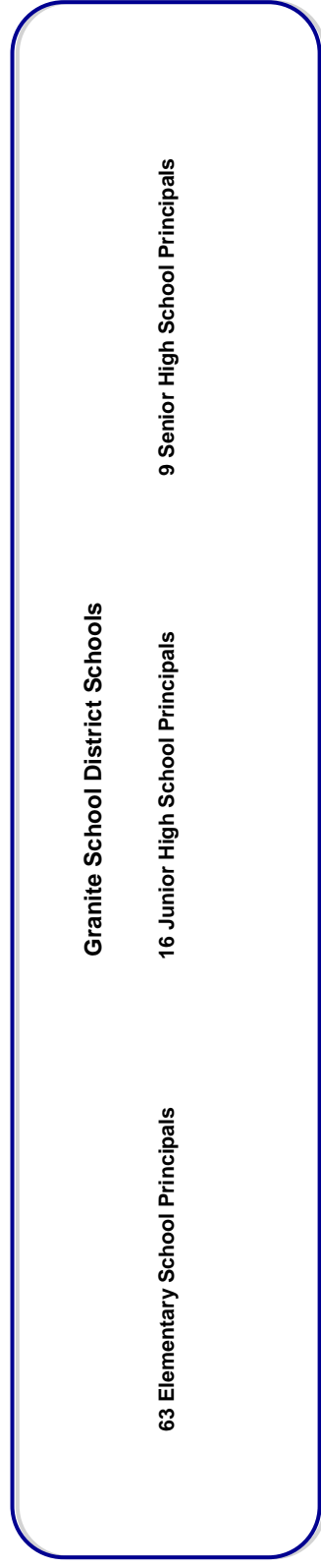
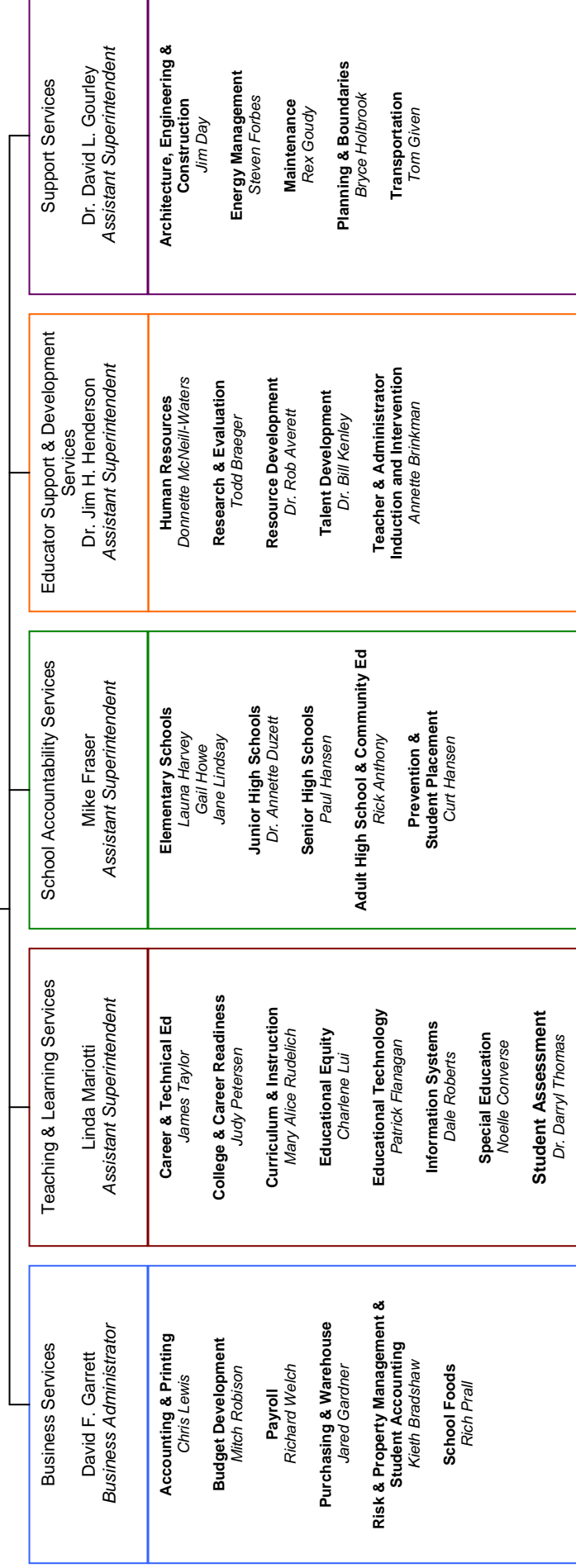
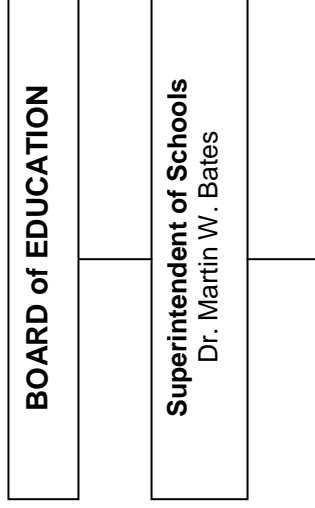
Ron McCulley, CPPB, RSBO
President

A handwritten signature in black ink, reading "John D. Musso", written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



ADMINISTRATION 2013-14



The map displays the Salt Lake City School District, which is divided into several precincts labeled with Roman numerals: Precinct I, Precinct II, Precinct III, Precinct IV, Precinct V, Precinct VI, and Precinct VII. The district is bounded by the Jordan River to the west and the Wasatch Mountains to the north. Major roads shown include I-15, I-80, and I-215. Key landmarks include the University of Utah, the State Capitol Building, and the Jordan River. The map also shows surrounding areas like Wasatch Mountains, Quairn Mountains, and the Jordan School District. A legend in the bottom left corner identifies symbols for Elementary Schools (blue circle), Junior High Schools (blue square), Senior High Schools (blue triangle), and District Centers (blue dot). A scale bar in the bottom right corner indicates distances in miles (0, 1, 2).

Section II
Financial







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Independent Auditor's Report

Board of Education
Granite School District

Report on the Basic Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Granite School District (the District) as of and for the year ended June 30, 2013, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Granite School District as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress – district retirement plan and long-term disability plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Agui & Company, PC

Orem, Utah
November 27, 2013

Management's Discussion and Analysis

As management, we present the following narrative overview and analysis of the Granite School District's financial activities for the year ended June 30, 2013. We encourage readers to consider it in conjunction with the transmittal letter on pages 1 to 5 and the basic financial statements which begin on page 26.

Financial Highlights

- The District's net position is \$466.4 million at the end of the fiscal year. Of this amount, \$106.6 million (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- To address the need to replace and renovate aging school buildings, the District continued to carry out its long-term capital plan financed primarily with general obligation bonds. As of the end of the fiscal year, the District has remaining authorization of \$25.0 million. Bond proceeds are being and will be used to rebuild Granger High School, Olympus High School, and Hartvigsen School as well as build the new Neil Armstrong Academy and remodel Stansbury Elementary. Construction is well under way on many of these projects. During the year ended June 30, 2013, the District spent \$104.5 million on land, new buildings, renovation of old buildings, vehicles, and equipment. The District's long-range capital plan outlines the major capital projects for the next several years.
- The District's total net position decreased by \$20.5 million or 4.2% over the previous year. Most of this decrease is attributable to the use of net position restricted for capital projects to continue rolling out the major capital projects in the District's plan.
- As of June 30, 2013, the District's governmental funds reported combined ending fund balances of \$140.9 million, a decrease of \$66.1 million in comparison with the prior year. The decrease is mostly from the use of fund balance that was restricted for capital projects. The majority of the fund balances are either nonspendable, restricted, committed, or assigned for specific purposes.
- At the end of the current fiscal year, employee benefit-related long-term obligations were \$38.8 million. The District has committed and assigned sufficient fund balance to finance the full unfunded actuarial accrued liability for these obligations.

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. This report also contains other information in addition 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 position* presents information on all of the assets, liabilities, and deferred inflows of resources of the District, with the remainder reported as net position. Over time, increases or decreases in

net position 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 net position of the District changed during the most recent fiscal year. All changes in net position are reported using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The government-wide financial statements can be found on pages 26 and 27.

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 financial compliance with legal requirements. The fund financial statements provide detailed information about the most significant funds. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds - Most of the District's day-to-day operations are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps readers determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

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 District'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 seven 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* and the *Capital Projects Fund*, which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining and individual fund statements and schedules section of 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 28 to 32.

Proprietary funds - The District maintains two proprietary funds, both of which are internal service funds: *Printing Services Fund* and *Employee Benefits Self-Insurance Fund*. Internal service funds are an

accounting device used to accumulate and allocate costs internally among the District's various functions. The internal service funds have been included within governmental activities in the government-wide financial statements.

The two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 33 to 35.

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 36 to 54.

Other information - In addition to the basic financial statements and related notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide a District retirement benefit and long-term disability benefits to its employees. Required supplementary information can be found on page 55 of this report.

The combining and individual fund statements and schedules section is presented immediately following the notes to the basic financial statements on pages 58 to 70.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. The District reports total net position of \$466.4 million at June 30, 2013. This is a decrease of \$20.5 million or 4.2% lower than the previous year. Most of this decrease is attributable to use of net position restricted for capital projects to continue work on the major capital projects. At June 30, 2013, the investment in capital assets of \$338.8 million was 72.6% of all net position and represents the capital assets that are used to provide services to students in the form of school buildings, buses, computers, furniture, etc. net of accumulated depreciation, less any related debt (general obligation bonds payable less unspent bond proceeds). Consequently, these assets are not available for future spending needs. At June 30, 2013, long-term liabilities were \$242.7 million (which was 76.0% of all liabilities), representing an increase of \$45.9 million. This increase is attributable to the issuance of new general obligation school construction bonds and an associated premium.

A portion (4.5%) of the District's net position represents resources that are subject to external restrictions on how they may be used. Restricted net position decreased by \$40.3 million from \$61.3 million to \$21.0 million during the 2013 fiscal year due primarily to a decrease in the amount of net position being restricted for long-term construction projects. The remaining portion (22.9%) of the District's net position is unrestricted and may be used at the discretion of the District's Board of Education and management.

Governmental Activities - Assets increased by \$14.5 million and liabilities increased by \$33.0 million, resulting in a decrease of net position of \$20.5 million or 4.2% during the year ended June 30, 2013. As the District carries out its long-term capital plan, current assets are obtained from long-term financing which are eventually exchanged for capital assets. Additionally, the debt associated with that long-term financing

represents liabilities that have to be repaid. The following list highlights some of the key changes during the year:

GRANITE SCHOOL DISTRICT'S Net Position

(millions of dollars)

June 30, 2013 and 2012

	2013	2012	Total Change 2013-12
Current and other assets	\$ 381.7	\$ 448.4	\$ (\$66.7)
Capital assets	539.9	458.7	81.2
Total assets	921.6	907.1	14.5
Other liabilities	76.7	89.6	(12.9)
Long-term liabilities	242.7	196.8	45.9
Total liabilities	319.4	286.4	33.0
Deferred inflows of resources	135.8	133.8	2.0
Net position:			
Net investment in capital assets	338.8	321.0	17.8
Restricted	21.0	61.3	(40.3)
Unrestricted	106.6	104.6	2.0
Total net position	\$ 466.4	\$ 486.9*	\$ (\$20.5)

* Restated (See Note 5.)

- **Operating grants and contributions** - Overall, operating grants and contributions shows an increase of \$10.3 million in 2013. This was primarily due to; 1) \$7.2 million in CTE funding that was previously classified as federal and state grants not restricted to specific programs and 2) a \$2.6 million increase in Title I funding.
- **Property taxes** - Property tax revenue increased by \$3.7 million over the prior year. The primary factors in the overall increase was an increase in the board local levy as this levy replaced five other levies according to State law.
- **Federal and state grants and contributions not restricted to specific programs** - Federal and state grants and contributions not restricted to specific programs decreased by \$8.7 million in 2013. The primary factors in the overall decrease was the \$7.2 million in CTE funding that was previously classified as federal and state grants not restricted to specific programs and is now classified as operating grants and contributions.
- **Miscellaneous revenue** - Overall, miscellaneous revenue increased by \$8.0 million in 2013. This was due primarily to; 1) a \$4.1 million increase in medical premiums received and 2) a \$4.6 million decrease in medical and prescription claims costs.

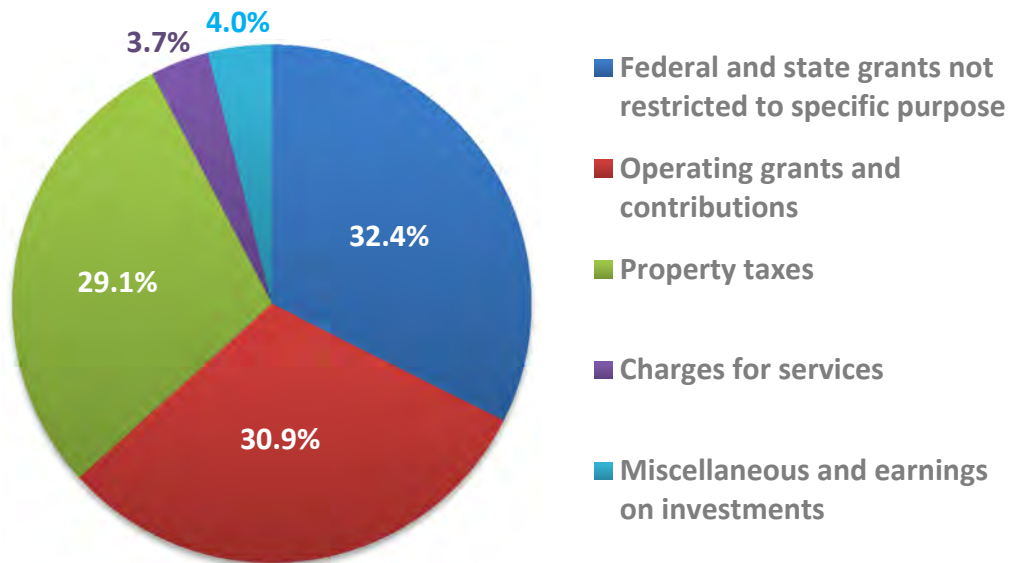
GRANITE SCHOOL DISTRICT'S Changes in Net Position
(millions of dollars)
Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>	<u>Total Change 2013-2012</u>
Revenues:			
Program revenues:			
Charges for services	\$ 18.7	\$ 19.2	\$ (0.5)
Operating grants and contributions	157.9	147.6	10.3
General revenues:			
Property taxes	148.6	144.9	3.7
Federal and state aid not restricted to specific purposes	165.8	174.5	(8.7)
Rental fees	2.0	1.5	0.5
Proceeds from economic development agencies	1.4	1.4	-
Foundation contributions	0.8	1.1	(0.3)
Earnings on investments	1.9	0.7	1.2
Gain on sale of capital assets	0.8	0.1	0.7
Miscellaneous	<u>13.4</u>	<u>5.4</u>	<u>8.0</u>
Total revenues	<u>511.3</u>	<u>496.4</u>	<u>14.9</u>
Expenses:			
Instructional services	354.5	297.9	56.6
Supporting services:			
Students	19.7	18.1	1.6
Instructional staff	16.1	15.1	1.0
District administration	3.4	3.3	0.1
School administration	27.1	26.3	0.8
Central	10.7	9.8	0.9
Operation and maintenance of facilities	54.1	48.5	5.6
Transportation	11.3	10.2	1.1
School lunch services	25.7	24.6	1.1
Non-instructional services	1.3	15.7	(14.4)
Interest on long-term liabilities	<u>7.9</u>	<u>7.5</u>	<u>0.4</u>
Total expenses	<u>531.8</u>	<u>477.0</u>	<u>54.8</u>
Increase in net position	<u>(20.5)</u>	<u>19.5</u>	<u>(40.0)</u>
Net position - beginning	<u>486.9</u>	<u>467.4*</u>	<u>19.5</u>
Net position - ending	<u><u>\$ 466.4</u></u>	<u><u>\$ 486.9</u></u>	<u><u>\$ (20.5)</u></u>

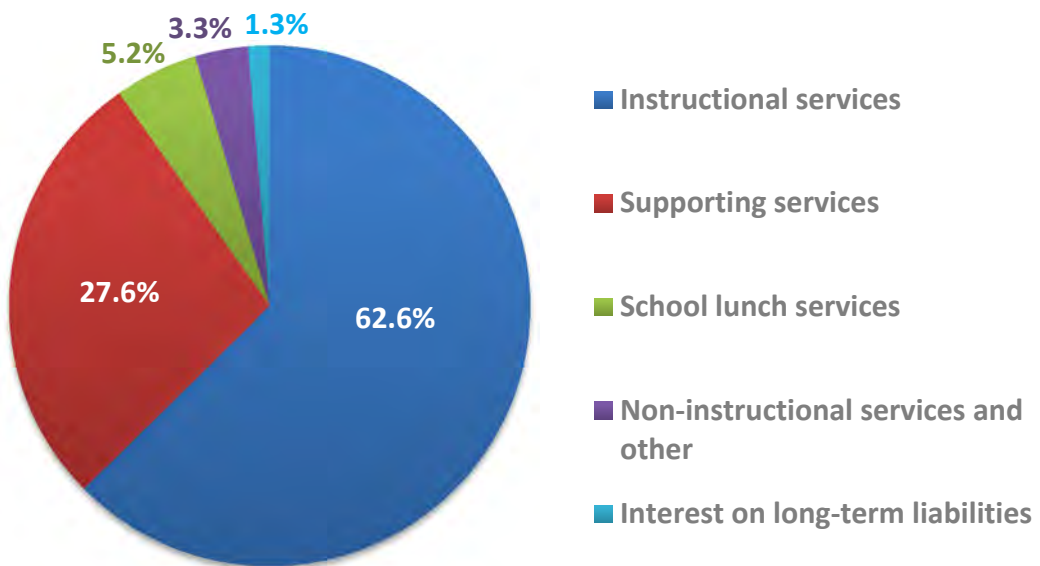
* Restated (See Note 5.)

GRANITE SCHOOL DISTRICT
Year Ended June 30, 2013

Revenues by Source



Expenses by Function



- **Instructional services** – Instructional services increased \$56.6 in 2013. This increase was not an actual increase, but rather was due to the necessary reclassification of expenses that had previously been coded to other functions.
- **Operation and maintenance of facilities** – Overall, expenses incurred to operate and maintain the District's facilities increased by \$5.6 million over the prior year. This was due to continued installation of air conditioning in many of the District's schools resulting in increased operational costs.
- **Non-instructional services** – Non-instructional services decreased by \$14.4 million in 2013. This decrease was not an actual decrease, but again was due to reclassifying some non-instructional expenses as instructional.

Financial Analysis of the District's Funds

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.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into nonspendable, restricted, and unrestricted portions. Nonspendable includes inventories and prepaid items that are not expected to be converted to cash. Restricted includes net fund resources of the District that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or creditors. Restrictions include tax revenues levied for specific purposes. The unrestricted fund balance is, in turn, subdivided between committed, assigned, and unassigned portions. Committed balances reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. Assigned balances in the *General Fund* are those that do not meet the requirements of restricted or committed but that are intended to be used for specific purposes. Unassigned balances in the *General Fund* are all other available net fund resources. At June 30, 2013, the District's combined governmental fund balance is \$140.9 million (\$5.2 million in nonspendable, \$29.6 million in restricted, \$72.9 million in committed, \$26.1 million in assigned, and \$7.1 million in unassigned fund balances).

Total fund balances in the governmental funds decreased by a net \$66.1 million during the year ended June 30, 2013 to \$140.9 million. The primary factor for the decrease is \$61.8 decrease in the *Capital Projects Fund* attributable to the use of committed fund balance to continue work on the long-term capital projects under way. There was also a \$3.7 million decrease in fund balance assigned to self insurance due to a District adjustment.

General Fund Budgetary Highlights

The Board revised the 2013 budget during the year. Budget amendments reflected changes in programs and related funding. Final budgeted revenues were \$3.9 million or 0.9% lower than original estimates. The most significant differences may be summarized as follows:

- **State revenue – (\$10.6) million or (3.9%)** - The decrease in the budget for state revenue is due primarily to timing related to expenses for state programs. Certain expenditures planned to

occur in the 2012-13 fiscal year did not occur by June 30, 2013 resulting in less state revenue being recognized.

- Federal revenue – \$6.3 million or 16.1% – Federal revenues are higher in the 2013 final budget due to the nature of the competitive application and award process in obtaining federal grants. The number of additional federal awards from year to year is unknown at the time the original budget is compiled.

The difference between the original budget and the final amended budget for total expenditures was a decrease of \$3.7 million or 0.8% in total expenditures. The most significant differences is attributable to a \$2.3 million or 0.8% decrease in instructional services caused by state program funding that has been moved to 2013-14.

Actual revenues were \$4.2 million less than amounts anticipated in the final budget. The decrease is due primarily to timing related to expenses for federal and state programs. Certain expenditures planned to occur in the 2013-14 fiscal year did not occur by June 30, 2013 resulting in less federal and state revenue being recognized.

Actual expenditures were \$7.9 million less than the final amended budget. The decrease is due primarily to timing related to expenses for federal and state programs. Certain expenditures planned to occur in the 2012-13 fiscal year did not occur by June 30, 2013.

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2013, amounts to \$539.9 million net of accumulated depreciation. This investment in capital assets includes land, land improvements, buildings and improvements, furniture and equipment, and vehicles. The total increase in capital assets for the current fiscal year was approximately 17.7%.

The *Capital Projects Fund* accounts for the costs incurred for acquiring and improving sites, constructing and remodeling facilities, and procuring vehicles and equipment necessary for providing educational programs for all students within the District. At June 30, 2013, the District had several construction projects underway or nearing completion. Of those, the major ones were:

- Rebuild of Granger High School estimated at \$72.9 million when finished
- Rebuild of Olympus High School estimated at \$73.1 million when finished
- Rebuild of Hartvigsen School estimated at \$20.5 million when finished
- Construction of the new Neil Armstrong Academy estimated at \$17.2 million when finished
- Remodel of Stansbury Elementary School estimated at \$9.8 million when finished
- The installation of air conditioning in every school

The following chart summarizes capital assets at June 30, 2013 and 2012:

GRANITE SCHOOL DISTRICT'S Capital Assets
June 30, 2012 and 2011
(net of accumulated depreciation, millions of dollars)

	2013	2012	Total Change 2013-12
Land	\$ 35.4	\$ 34.9	\$ 0.5
Construction in progress	206.0	131.1	74.9
Buildings and improvements	267.3	265.0	2.3
Land improvements	12.9	11.9	1.0
Vehicles	6.5	6.6	(0.1)
Furniture and Equipment	11.8	9.2	2.6
Total capital assets	<u>\$ 539.9</u>	<u>\$ 458.7</u>	<u>\$ 81.2</u>

Additional information on the District's capital assets can be found in Note 6 to the basic financial statements.

Debt Administration

The District issued new bonds during the fiscal year for \$36.5 million (Series 2012) and \$11.6 million (Series 2013). The District had \$211.2 million in net outstanding general obligation bonds at the end of the fiscal year. The general obligation bonded debt is limited by Utah law to 4% of the fair market value of the total taxable property. The current unused legal debt capacity is \$1,008.7 million.

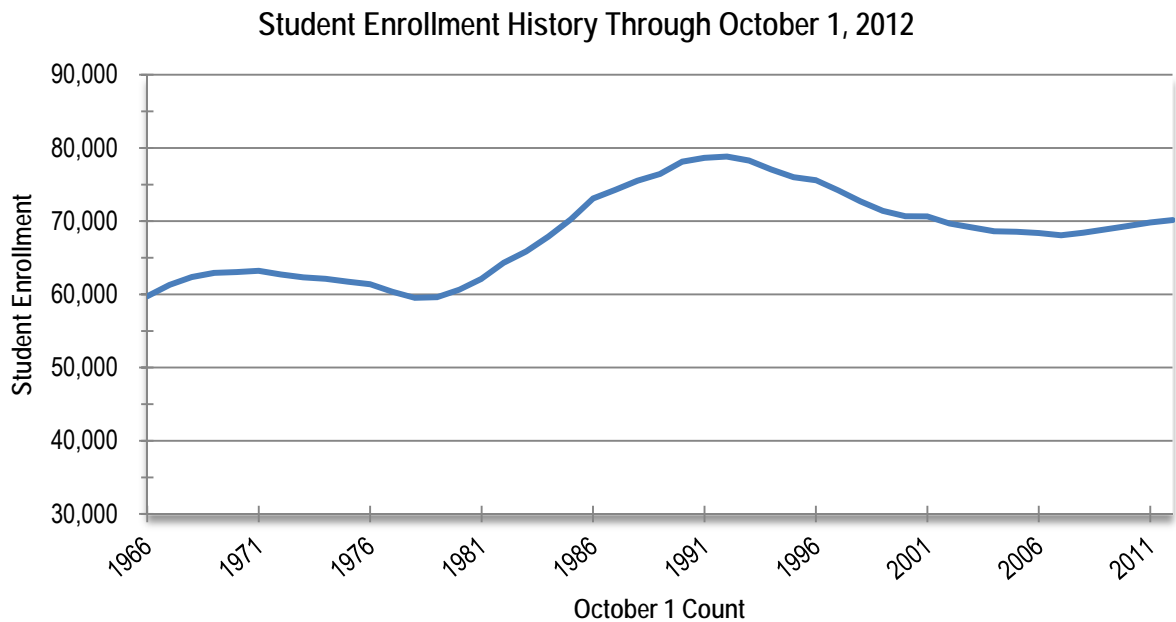
Additional information on the District's outstanding obligations can be found in Note 13 to the basic financial statements.

Student Enrollment

The District's enrollment has been relatively flat for the last 5 years, with approximately 68,000 students each year. Student enrollment peaked during the 1992-1993 year at 78,819 students. Enrollment subsequently declined every year until the fall of 2008. On October 1, 2012, student enrollment was 70,158, which is 344 more students than the prior-year level.

Enrollment has declined in some east side neighborhoods as the population has aged and there are fewer school age children remaining. However, parts of the west side have seen moderate growth as new neighborhoods have been built which accounts for the overall increase in enrollment. Much of the new growth in Salt Lake County has been south of the District.

The District receives state funding based upon the number of students that are served. As enrollment changes, so does state funding. If funding declines it becomes increasingly difficult to balance the District's budget and to provide for all of the critical funding needs. Every year, the District looks at student population by school to identify possible closures of underutilized buildings.



Requests for Information

This financial report is designed to provide our citizens, taxpayers, students and all other interested parties with a general overview of the District's finances and to show accountability for tax dollars and funding from other governments. If you have questions about this report or need additional financial information, contact the Business Administrator, Granite School District, 2500 South State Street, Salt Lake City, UT 84115-3110.



Basic Financial Statements

GRANITE SCHOOL DISTRICT

Statement of Net Position

June 30, 2013

	Governmental Activities
Assets:	
Cash and investments	\$ 215,574,818
Receivables:	
Property taxes	138,935,297
Other local	1,809,789
State	2,343,606
Federal	16,785,055
Prepaid items	442,017
Inventories	4,850,741
Net other post employment benefit asset	962,548
Capital assets:	
Land, construction in progress, and water stock	241,402,460
Other capital assets, net of accumulated depreciation	298,506,536
Total assets	921,612,867
Liabilities:	
Accounts and contracts payable	15,853,511
Accrued interest	754,417
Accrued salaries and related benefits	48,017,721
Unearned revenue:	
Local	1,527,180
State	8,678,669
Federal	1,880,782
Long-term liabilities:	
Portion due or payable within one year	20,394,650
Portion due or payable after one year	222,274,831
Total liabilities	319,381,761
Deferred inflows of resources:	
Property taxes levied for future year	135,851,267
Net position:	
Net investment in capital assets	338,844,364
Restricted for:	
Capital projects	10,351,497
Schools and scholarships	411,517
School lunch	10,206,132
Unrestricted	106,566,329
Total net position	\$ 466,379,839

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

GRANITE SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2013

Activities or Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental activities:				
Instructional services	\$ 354,542,451	\$ 12,286,477	\$ 111,608,335	\$ (230,647,639)
Supporting services:				
Students	19,653,926	-	7,609,783	(12,044,143)
Instructional staff	16,067,242	458,503	5,724,022	(9,884,717)
District administration	3,419,032	-	-	(3,419,032)
School administration	26,973,888	-	956,237	(26,017,651)
Central	10,686,443	-	-	(10,686,443)
Operation and maintenance of facilities	54,117,354	-	532,496	(53,584,858)
Transportation	11,333,916	364,166	8,291,555	(2,678,195)
School lunch services	25,721,960	4,848,097	23,203,735	2,329,872
Noninstructional services	1,298,056	782,815	-	(515,241)
Interest on long-term liabilities	7,928,415	-	-	(7,928,415)
Total school district	<u>\$ 531,742,683</u>	<u>\$ 18,740,058</u>	<u>\$ 157,926,163</u>	<u>(355,076,462)</u>
General revenues:				
Property taxes levied for:				
Basic state supported program (set by state legislature)				34,227,540
Voted local				33,170,238
Board local				44,551,776
Capital outlay				20,835,056
Debt service				15,776,595
Total property taxes				<u>148,561,205</u>
Federal and state grants and contributions not restricted to specific programs				165,766,056
Rental fees				2,053,394
Earnings on investments				1,860,492
Proceeds from economic development agencies				1,418,711
Foundation contributions				781,534
Gain on sale of capital assets				762,898
Miscellaneous				<u>13,398,910</u>
Total general revenues				<u>334,603,200</u>
Change in net position				(20,473,262)
Net position - beginning, as restated				<u>486,853,101</u>
Net position - ending				<u>\$ 466,379,839</u>

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

GRANITE SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2013

	Major Funds		Other	Total
	<i>General</i>	<i>Capital Projects</i>	Governmental Funds	Governmental Funds
Assets:				
Cash and investments	\$ 134,844,685	\$ 33,543,127	\$ 22,553,387	\$ 190,941,199
Receivables:				
Property taxes	104,112,081	19,706,007	15,117,209	138,935,297
Other local	1,519,629	177,824	75,730	1,773,183
State	523,513	-	1,820,093	2,343,606
Federal	16,149,504	-	635,551	16,785,055
Inventories	3,669,481	-	1,144,125	4,813,606
Prepaid items	332,267	97,666	10,350	440,283
Due from other funds	154,633	-	-	154,633
Total assets	\$ 261,305,793	\$ 53,524,624	\$ 41,356,445	\$ 356,186,862
Liabilities:				
Accounts and contracts payable	\$ 1,112,408	\$ 13,653,534	\$ 1,056,627	\$ 15,822,569
Accrued salaries and related benefits	44,968,638	40,091	2,909,044	47,917,773
Unearned revenue:				
Local	1,506,997	20,183	-	1,527,180
State	8,678,669	-	-	8,678,669
Federal	1,955,335	-	-	1,955,335
Due to other funds	-	-	26,718	26,718
Total liabilities	58,222,047	13,713,808	3,992,389	75,928,244
Deferred inflows of resources:				
Unavailable property tax revenue	2,605,528	484,918	367,186	3,457,632
Property taxes levied for future year	101,786,514	19,274,079	14,790,674	135,851,267
Total deferred inflows of resources	104,392,042	19,758,997	15,157,860	139,308,899
Fund balances:				
Nonspendable:				
Inventories	3,669,481	-	1,144,125	4,813,606
Prepaid items	332,267	97,666	10,350	440,283
Restricted for:				
Capital projects	-	19,954,153	-	19,954,153
Debt service	-	-	169,543	169,543
Schools and scholarships	-	-	411,517	411,517
School lunch	-	-	9,052,252	9,052,252
Committed to:				
Economic stabilization	21,811,871	-	-	21,811,871
Employee benefits	38,799,309	-	-	38,799,309
Contractual obligations	873,691	-	-	873,691
District activity programs	-	-	10,521,089	10,521,089
Foundation	-	-	897,320	897,320
Assigned to:				
Self insurance	12,405,824	-	-	12,405,824
Employee benefits	5,451,851	-	-	5,451,851
Planned projects	8,285,154	-	-	8,285,154
Unassigned	7,062,256	-	-	7,062,256
Total fund balances	98,691,704	20,051,819	22,206,196	140,949,719
Total liabilities, deferred inflows of resources, and fund balances	\$ 261,305,793	\$ 53,524,624	\$ 41,356,445	\$ 356,186,862

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

GRANITE SCHOOL DISTRICT

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2013

Total fund balances for governmental funds	\$	140,949,719
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Total net position reported for governmental activities in the statement of net position are different because:

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

Land	\$	35,388,557	
Construction in progress		205,980,682	
Water stock		33,221	
Buildings and improvements, net of \$283,866,665 accumulated depreciation		267,395,459	
Land improvements, net of \$21,117,446 accumulated depreciation		12,885,224	
Vehicles, net of \$19,026,357 accumulated depreciation		6,450,948	
Furniture and equipment, net of \$23,248,586 accumulated depreciation		<u>11,594,075</u>	539,728,166

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

Unavailable property tax revenue	3,457,632	
Unavailable interest subsidies on Build America Bonds	<u>74,553</u>	3,532,185

Certain retirement benefit payments in excess of actuarially required amounts are recognized as expenditures in governmental funds.

962,548

Internal service funds are used by the District to charge the costs of printing and risk management (medical, industrial, and unemployment compensation insurance) services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position balances at year-end are:

15,004,704

Long-term liabilities applicable to the District's governmental funds are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities--both current and long-term--are reported in the statement of net position. Balances of long-term liabilities and related accounts at year-end are:

Bonds payable	(197,785,000)	
Unamortized bond issuance premiums	(13,464,872)	
Accrued interest	(754,417)	
Compensated absences	(2,824,585)	
Early retirement compensation and insurance	(16,412,353)	
District retirement compensation	<u>(2,556,256)</u>	(233,797,483)

Total net position of governmental activities	\$	<u>466,379,839</u>
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The notes to the basic financial statements are an integral part of this statement.

GRANITE SCHOOL DISTRICT

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

Year Ended June 30, 2013

	Major Funds		Other	Total
	<i>General</i>	<i>Capital Projects</i>	Governmental Funds	Governmental Funds
Revenues:				
Property taxes	\$ 113,045,326	\$ 20,321,080	\$ 16,124,272	\$ 149,490,678
Earnings on investments	1,212,292	328,528	319,672	1,860,492
Tuitions	-	-	58,146	58,146
School lunch sales	-	-	4,848,097	4,848,097
Student fees	-	-	6,399,545	6,399,545
Proceeds from fundraising activities	-	-	2,581,748	2,581,748
Other local	9,777,622	1,017,557	3,372,524	14,167,703
State	256,869,852	-	4,155,664	261,025,516
Federal	41,809,790	914,207	19,942,706	62,666,703
Total revenues	<u>422,714,882</u>	<u>22,581,372</u>	<u>57,802,374</u>	<u>503,098,628</u>
Expenditures:				
Current:				
Instructional services	292,231,153	-	10,862,994	303,094,147
Supporting services:				
Students	19,177,739	-	-	19,177,739
Instructional staff	15,898,421	-	-	15,898,421
District administration	3,042,966	-	-	3,042,966
School administration	26,386,676	-	-	26,386,676
Central	9,387,883	-	-	9,387,883
Operation and maintenance of facilities	51,964,424	-	-	51,964,424
Transportation	10,247,348	-	-	10,247,348
School lunch services	-	-	26,753,082	26,753,082
Noninstructional services	-	-	1,189,333	1,189,333
Debt service:				
Principal payments	-	-	8,545,000	8,545,000
Interest and fiscal charges	-	-	8,304,364	8,304,364
Bond issuance costs	-	405,013	-	405,013
Capital outlay	-	137,296,556	663,193	137,959,749
Total expenditures	<u>428,336,610</u>	<u>137,701,569</u>	<u>56,317,966</u>	<u>622,356,145</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,621,728)</u>	<u>(115,120,197)</u>	<u>1,484,408</u>	<u>(119,257,517)</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	762,898	-	762,898
Bonds issued	-	48,075,000	-	48,075,000
Premium on bonds issued	-	4,405,323	-	4,405,323
Transfers in	227,407	-	330,003	557,410
Transfers (out)	(389,153)	-	(227,407)	(616,560)
Total other financing sources (uses)	<u>(161,746)</u>	<u>53,243,221</u>	<u>102,596</u>	<u>53,184,071</u>
Net change in fund balances	<u>(5,783,474)</u>	<u>(61,876,976)</u>	<u>1,587,004</u>	<u>(66,073,446)</u>
Fund balances - beginning	<u>104,475,178</u>	<u>81,928,795</u>	<u>20,619,192</u>	<u>207,023,165</u>
Fund balances - ending	<u>\$ 98,691,704</u>	<u>\$ 20,051,819</u>	<u>\$ 22,206,196</u>	<u>\$ 140,949,719</u>

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

GRANITE SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2013

Net change in fund balances--total governmental funds	\$	(66,073,446)
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The change in net position reported for governmental activities in the statement of activities is 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 vehicles, and equipment and \$100,000 for buildings and improvements and land improvements are 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:

Outlays for purchase of capital assets	\$	104,537,186	
Gain on sale of capital assets		(791,275)	
Proceeds from sale of capital assets		(762,898)	
Depreciation expense		<u>(21,618,198)</u>	81,364,815

Some of the District's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds. The changes in unavailable property tax revenue is:

The actuarially required amount to be paid for certain retirement costs is recorded as an expense in the statement of activities whereas in governmental funds only the amount actually paid is recorded as an expenditure. Actual payments exceeded actuarially required amounts by:	98,157
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The governmental funds report bond proceeds as other financing sources and bond payments as expenditures. In the statement of net position, however, issuing or paying debt increases and decreases long-term liabilities and does not affect the statement of activities. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net changes in bond related long-term liabilities are:

Bond proceeds	(48,075,000)	
Bond issuance premium	(4,405,323)	
Bond principal payments	8,545,000	
Amortization of bond issuance premium	865,092	
Interest expense	<u>(84,130)</u>	(43,154,361)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. The net changes in other long-term liabilities are:

Compensated absences	(60,446)	
Early retirement compensation and insurance	(2,148,278)	
District retirement compensation	<u>(362,268)</u>	(2,570,992)

Internal service funds are used by the District to charge the costs of printing and risk management (medical, industrial, and unemployment compensation insurance) services to individual funds. The internal service fund change in net position is reported with governmental activities.

10,792,038

Change in net position of governmental activities	\$	<u>(20,473,262)</u>
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The notes to the basic financial statements are an integral part of this statement.

GRANITE SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

General Fund

Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 112,567,487	\$ 111,578,168	\$ 113,045,326	\$ 1,467,158
Earnings on investments	1,200,000	1,277,828	1,212,292	(65,536)
Other local	9,234,844	10,457,988	9,777,622	(680,366)
State	268,784,386	258,215,722	256,869,852	(1,345,870)
Federal	39,061,216	45,392,262	41,809,790	(3,582,472)
Total revenues	<u>430,847,933</u>	<u>426,921,968</u>	<u>422,714,882</u>	<u>(4,207,086)</u>
Expenditures:				
Current:				
Instructional services	299,360,756	297,077,715	292,231,153	4,846,562
Supporting services:				
Students	19,611,354	19,263,817	19,177,739	86,078
Instructional staff	16,725,162	18,018,394	15,898,421	2,119,973
District administration	3,332,087	3,112,506	3,042,966	69,540
School administration	27,206,815	26,527,360	26,386,676	140,684
Central	9,693,345	9,565,217	9,387,883	177,334
Operation and maintenance of facilities	53,371,655	52,846,090	51,964,424	881,666
Transportation	10,607,024	9,826,330	10,247,348	(421,018)
Total expenditures	<u>439,908,198</u>	<u>436,237,429</u>	<u>428,336,610</u>	<u>7,900,819</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,060,265)</u>	<u>(9,315,461)</u>	<u>(5,621,728)</u>	<u>3,693,733</u>
Other financing (uses):				
Transfers in	161,628	299,231	227,407	(71,824)
Transfers (out)	<u>(1,572,179)</u>	<u>(407,952)</u>	<u>(389,153)</u>	<u>18,799</u>
Total other financing (uses)	<u>(1,410,551)</u>	<u>(108,721)</u>	<u>(161,746)</u>	<u>(53,025)</u>
Net change in fund balances	<u>(10,470,816)</u>	<u>(9,424,182)</u>	<u>(5,783,474)</u>	<u>3,640,708</u>
Fund balances - beginning	<u>106,728,800</u>	<u>104,475,178</u>	<u>104,475,178</u>	<u>-</u>
Fund balances - ending	<u>\$ 96,257,984</u>	<u>\$ 95,050,996</u>	<u>\$ 98,691,704</u>	<u>\$ 3,640,708</u>

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

GRANITE SCHOOL DISTRICT
Statement of Fund Net Position - Proprietary Funds
June 30, 2013

	<u>Governmental Activities - Internal Service Funds</u>
Assets:	
Current assets:	
Cash and investments	\$ 24,633,619
Accounts receivable - other local	36,606
Prepaid items	1,734
Inventories	<u>37,135</u>
Total current assets	<u>24,709,094</u>
Noncurrent assets:	
Capital assets:	
Equipment	959,710
Accumulated depreciation	<u>(778,880)</u>
Total noncurrent assets	<u>180,830</u>
Total assets	<u>24,889,924</u>
Liabilities:	
Current liabilities:	
Accounts payable	30,942
Accrued salaries and related benefits	99,948
Due to other funds	127,915
Health and accident claims payable	8,819,176
Workers compensation claims payable	740,920
Unemployment claims payable	<u>51,198</u>
Total current liabilities	<u>9,870,099</u>
Noncurrent liabilities:	
Workers compensation payable	<u>15,121</u>
Total liabilities	<u>9,885,220</u>
Net position:	
Net investment in capital assets	180,830
Unrestricted	<u>14,823,874</u>
Total net position	<u>\$ 15,004,704</u>

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

GRANITE SCHOOL DISTRICT

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds

Year Ended June 30, 2013

	Governmental Activities - Internal Service Funds
Operating revenues:	
Charges for services	<u>\$ 61,397,535</u>
Operating expenses:	
Salaries	297,213
Employee benefits	134,778
Medical and prescription claims	45,005,003
Medical administrative fees	2,600,810
Medical reinsurance premiums	945,036
Workers compensation claims	1,147,587
Unemployment claims	96,179
Purchased services	196,681
Supplies and materials	115,988
Depreciation	<u>125,372</u>
Total operating expenses	<u>50,664,647</u>
Operating income before transfers	10,732,888
Transfers in	<u>59,150</u>
Change in net position	10,792,038
Net position - beginning	<u>4,212,666</u>
Net position - ending	<u>\$ 15,004,704</u>

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

GRANITE SCHOOL DISTRICT
Statement of Fund Cash Flows - Proprietary Funds
Year Ended June 30, 2013

	<u>Governmental Activities - Internal Service Funds</u>
Cash flows from operating activities:	
Receipts from interfund services provided	\$ 61,430,222
Payments of assessments from other funds	(239,510)
Payments to employees	(334,846)
Payments to suppliers for goods and services	(306,271)
Payments for medical fees and insurance claims	<u>(49,592,965)</u>
Net cash provided by operating activities	<u>10,956,630</u>
Cash flows from noncapital financing activities:	
Transfers in from other funds	59,150
Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(11,500)</u>
Net change in cash and cash equivalents	11,004,280
Cash and cash equivalents - beginning	<u>13,629,339</u>
Cash and cash equivalents - ending*	<u><u>\$ 24,633,619</u></u>
* Displayed as cash and investments on the statement of fund net position - proprietary funds.	
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 10,732,888
Adjustments to reconcile operating income to net cash provided by operating activities:	
Non cash item - depreciation	125,372
(Increase) decrease in operating assets:	
Accounts receivable - other local	32,687
Inventories	1,767
Prepaid items	1,039
Increase (decrease) in operating liabilities:	
Accounts payable	3,592
Due to other funds	(239,510)
Accrued salaries and related benefits	97,145
Health and accident insurance payable	202,263
Workers compensation payable	1,262
Unemployment insurance payable	<u>(1,875)</u>
Total adjustments	<u>223,742</u>
Net cash provided by operating activities	<u><u>\$ 10,956,630</u></u>
Noncash investing, capital, and financing activities:	none

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

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements – June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Granite School District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental 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.

A) Reporting Entity

The District is a legally separate, fiscally independent government entity of the State of Utah with its own elected governing body. As required by GAAP, these financial statements present all the fund types of the District and a blended component unit for which the District is considered to be financially accountable. The blended component unit, although legally separate, is in substance, part of the District's operations. The District is not a component unit of any other government.

The Board of Education is the governing authority for the District, and is comprised of seven members elected by the qualified voters who reside within the boundaries serviced by the District. Each member serves for four years and is elected from the precinct in which the member resides. The Board establishes District policies, approves the budget, appoints a superintendent with responsibilities for administering all educational activities of the District, and appoints a business administrator/treasurer with responsibilities for fiscal activities. In addition, the Board is authorized to issue bonds, incur short-term debt, and levy property taxes. All funds, including financial activity over which the Board has governance, are included in the financial statements.

Blended Component Unit. The Granite Education Foundation (the Foundation) is a legally separate nonprofit organization classified as tax-exempt under IRS regulations that raises funds and secures donations that exclusively benefit the District by providing additional funding for educational related purposes within the District. The Foundation is governed by a board comprised of 35 members, eight of whom are designated as executive members. The Foundation's board appoints all members. Certain Foundation board members are employees or administrators of the District. Most of the Foundation's administrative costs are paid for by the District through an interfund transfer. The Foundation is presented as a nonmajor special revenue fund included in the other governmental funds of the District and does not issue a separate set of financial statements.

B) Government-Wide and Fund Financial Statements

Government-wide and fund financial statements are presented separately; however, they are interrelated. The governmental activities column on the Statement of Activities incorporates data from governmental funds and internal service funds. Separate financial statements are provided for the District's governmental funds and proprietary funds.

The government-wide financial statements (i.e., the statement of net position and statement of changes in net position) report on all of the activities of the District and the Foundation. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule occur only when the elimination of such activity would distort the expenses and revenues reported by function. The statement of activities demonstrates the degree to which the direct expense of a given function 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. Restrictions imposed on a portion of the District's net position by binding laws and regulations of other entities are reported as restricted net position and are net of any related liabilities.

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

The fund financial statements provide information about the District's funds, including its blended component unit. Separate statements for each fund category – governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

C) 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 proprietary 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. All significant receivable balances at June 2013 are expected to be collected.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities in the current period. For this purpose, the District considers revenues as available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, early retirement, and early retirement healthcare benefits are recognized to the extent they have matured (when payment is due). General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual because of legal and other requirements and so have been recognized as revenues of the current fiscal period. Revenue is recognized for expenditure-driven grants when the terms of the grant are met. Any prepayments for such grants are shown as unearned revenue. All other revenue items are considered to be measurable and available only when cash is received by the District.

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 for in another fund.
- The *Capital Projects 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 students within the District.

Additionally, the District reports the following fund types:

- The District has two internal service funds (proprietary funds). 1) The *Printing Services Fund* is used to account for the revenues and expenses associated with providing printing services by the District's printing services department to schools and other departments of the District on a cost-reimbursement basis. 2) The *Employee Benefits Self-Insurance Fund* is used to account for the costs of the District's self-insured plans for medical insurance, industrial insurance, and unemployment compensation. Annual premiums are charged to the other funds based upon total projected expenses. Benefit payments and administrative fee payments are made to third-party administrators who approve and process all claims. Operating revenue in these two funds consists of direct charges for services provided. Operating expenses in these two funds consist of the cost of providing services, administrative expenses, and depreciation on capital assets. Nonoperating revenues would be those not directly related to services provided.

D) Budget Policies and Procedures

Budgets are presented on the modified accrual basis of accounting for all governmental funds. Budgets are legally required and have been adopted for each governmental fund. Budgets are also adopted for the internal service

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

funds; budgets for the internal service funds are presented on the accrual basis of accounting. Unencumbered annual appropriations lapse at fiscal year end with the exception of contractual obligations. The laws of the state govern budget policies. The District's budget procedures are in accordance with those laws and are summarized as follows:

- 1) Prior to June 1 each year, the District superintendent submits to the Board a proposed operating budget for the fiscal year commencing July 1st. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the year ended June 30, 2013.
- 2) Copies of the proposed budget are made available for public inspection for a period of at least 15 days.
- 3) A public hearing is held prior to June 22 in which the budget is legally adopted by resolution of the Board after obtaining taxpayer input.
- 4) Once adopted, the budget can be amended by subsequent Board action. The Board, upon recommendation of the Superintendent, can approve reductions in appropriations, but increased appropriations by fund require a public hearing prior to amending the budget. Management may make interim transfers from one appropriation to another within any given fund. All such interim transfers made by management are reviewed and approved by the Board. All interim transfers made in the year ended June 30, 2013 were approved by the Board on or before June 22, 2013.
- 5) Minor interim adjustments in estimated revenue and appropriations during the fiscal year have been included in the fiscal budget approved by the Board, as presented in the financial statements.
- 6) Expenditures may not legally exceed budgeted appropriations at the fund level, which is the level at which the Board must approve any over expenditures of appropriations or transfers of appropriated amounts. Because of this, the budget of the District is usually amended once each year, when the Board also takes action on the new fiscal year budget. The amendments made to the budget for the year ended June 30, 2013 are not considered significant.

E) Deposits and Investments

The District's investments in the Utah Public Treasurers' Investment Fund or PTIF (an external investment pool) are valued at fair value (based on the corresponding liability to pool participants). The reported value of the pool is the same as the value of the pool shares. See Note 2 for further information regarding cash and investments.

F) Inventories

Inventories consist of various school supplies, custodial and maintenance supplies, house projects constructed by students, and various food items. Inventories are valued at cost or, if donated, at fair value when received, using the average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Accordingly, a portion of fund balance is reported as nonspendable in each fund equal to the carrying value of inventory in that fund. Donated food commodities are reported in the governmental funds as revenue when received.

G) Prepaid Items

Prepaid items are accounted for in the government-wide and fund financial statements and consist of textbooks and various school supplies that will be utilized in future periods and reported as expenses/expenditures when consumed.

H) Capital Assets

Capital assets include both depreciable and nondepreciable assets and are reported in the government-wide financial statements and the internal service funds. Nondepreciable assets include land, water stock, and current construction in progress. Depreciable assets include buildings and improvements, certain land improvements, vehicles, and equipment. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for land, vehicles, and equipment and \$100,000 for buildings and improvements and land improvements. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

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

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

Capital Assets	Years
Buildings	40
Building and improvements	10
Buses and vehicles	10
Playground equipment and furniture	10
Computer equipment	5

I) Deferred Outflows/Inflows of Resources

Beginning with 2013, the District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. These Statements provide financial reporting guidance to standardize the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. They also establish accounting standards and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities, and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of these new Statements resulted in a restatement of the District's government-wide financial statement of net position beginning balance (see Note 5).

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has primarily two deferred inflows of resources:

- The first item, *unavailable property tax revenue* arises only under a modified accrual basis of accounting and therefore is reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- The second item, *property tax revenue levied for future year* is reported in both the statement of net position and the governmental funds balance sheet. These amounts account for property taxes levied on January 1, 2013 for the 2013-2014 school year.

J) Net Position/Fund Balances

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

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

The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the District is bound to

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

honor them. The District first determines and reports nonspendable balances, then restricted, then committed, and so forth.

Fund balance classifications are summarized as follows:

Nonspendable. This category includes fund balance amounts that cannot be spent because they are either: a) not in spendable form, or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories and prepaid items are classified as nonspendable.

Restricted. This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either: a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts included the following:

- 1) Unspent tax revenues levied for specific purposes, such as capital projects, and debt service.
- 2) Remaining fund balances in the school lunch fund.
- 3) Donations held in the Granite School District Education Foundation Fund.

The District itself can establish limitations on the use of spendable, unrestricted resources through either a commitment (committed fund balance) or an assignment (assigned fund balance) as follows:

Committed. This category includes amounts that can only be used for specific purposes established by formal action of the District's Board of Education. Fund balance commitments can only be removed or changed by the same type of action (or resolution) of the Board of Education. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Education has approved to commit fund balance in the General Fund to the following purposes:

- 1) Economic stabilization. As defined by Utah law, an "undistributed reserve" up to five percent of the general fund budgeted expenditures may be maintained by the District. The commitment is not to be used "in the negotiation or settlement of contract salaries for school district employees." The reserve requires a written resolution adopted by a majority vote of the Board of Education which is filed with the Utah State Board of Education and the Utah State Auditor. These resources may be used to cover potential state budget cuts, disasters, immediate capital needs, and other significant events that are circumstances or conditions that signal the need for stabilization.
- 2) Employee benefit obligations include net OPEB and pension obligations and unpaid compensated absences.
- 3) Contractual obligations made by the District before June 30, 2013 that will be completed after that date.

The District's Board of Education has also committed resources in other governmental funds to District activity programs and the Foundation.

Assigned. This category includes general fund balance amounts that the District intends to use for a specific purpose but they are neither restricted nor committed. This intent is expressed by the approval of the District's Business Administrator as authorized by the Board of Education. The District has assigned *General Fund* resources that are to be used for self insurance, employee benefits, and planned projects.

Unassigned. Residual balances in the *General Fund* are classified as unassigned.

K) Net Position/Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report in each category of net position and fund balance, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider net position to have been depleted before unrestricted net position. It is the District's policy to consider restricted fund

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

L) Compensated Absences

Full-time, twelve-month employees earn varying amounts of vacation and sick leave according to salary classification and years of employment. Vacation leave accrues at between 10 to 20 days per year. The unused balance carries forward up to a maximum of one and one half times the annual vacation accrual. Accrued unused vacation days are paid in full at termination or retirement at the then current pay rate. Sick leave accrues at up to 13.2 sick days per year with no maximum imposed on the unused sick leave balance. Only classified and secretarial employees are paid for accrued unused sick days. Classified employees are paid 25% of the balance of their unused sick days at the then current pay rate only upon retirement. Secretaries, having a minimum of five full consecutive years of service, are entitled to a payment of 25% of the balance of their unused sick days at the then current pay rate either upon retirement or termination. All other employees are not paid for unused sick days.

Compensated absence obligations plus related payroll taxes are accrued when incurred in the government-wide and internal service fund financial statements. A liability for these amounts is reported in the governmental funds only if matured, for example, as a result of employee resignations and retirements. The District has committed resources in the General Fund to meet this obligation. Compensated absences are typically liquidated by the General Fund.

M) Statement of Cash Flows and Supplemental Cash Flows Information

For the purpose of the statement of fund cash flows, the proprietary funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Investments in the PTIF are also considered cash equivalents.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2013, as shown on the financial statements is summarized as follows:

Carrying amount of deposits	\$ 18,579,360
Carrying amount of investments	196,995,458
Total cash and investments	<u>\$ 215,574,818</u>
Governmental funds cash and investments	\$ 190,941,199
Internal service funds cash and investments	24,633,619
Statement of net assets cash and investments	<u>\$ 215,574,818</u>

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

The PTIF is authorized and makes investments in accordance with the Act. The Council provides regulatory oversight for the PTIF. Participant accounts with the PTIF are not insured or otherwise guaranteed by the State of Utah. Participants in the PTIF share proportionally in the income, costs, gains and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio. The Act and Council rules govern the financial reporting requirements of qualified

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. The District considers the actions of the Council to be helpful oversight for protection of its uninsured bank deposits.

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

All of the District's investments are with the PTIF. The Foundation has deposits separate from the District and invests private funds through a broker. The Foundation's deposits and investments comprise a significant portion of the other governmental funds and those deposits and investments bear risks that differ from those of the District. Accordingly, the Foundation's deposits and investments are reported separately in the following schedules:

A) Deposits:

At June 30, 2013, the District and the Foundation have the following deposits with financial institutions:

	Carrying Amount	Bank Balance	Amount Insured
Granite School District	\$ 18,241,464	\$ 25,181,684	\$ 568,141
Granite Education Foundation	337,896	358,774	296,008
Total deposits	<u>\$ 18,579,360</u>	<u>\$ 25,540,458</u>	<u>\$ 864,149</u>

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. At June 30, 2013, \$24,676,309 of the District's bank deposits were uninsured and uncollateralized.

B) Investments:

At June 30, 2013, the District and the Foundation have the following investments summarized by investment type and maturities:

Investment Type	Fair Value	Investment Maturity (in Years)			
		< 1	1-5	5-10	> 10
Granite School District:					
Utah Public Treasurers'					
Investment Fund (PTIF)	\$ 194,992,178	\$ 194,992,178	\$ -	\$ -	\$ -
Granite Education Foundation,					
a special revenue fund:					
Mutual funds investing in:					
Money market deposits	19,746	19,746	-	-	-
Bonds	428,497	-	-	428,497	-
U.S. common stocks	514,734	514,734	-	-	-
Int'l common stocks	1,040,303	1,040,303	-	-	-
Total Foundation	<u>2,003,280</u>	<u>1,574,783</u>	<u>-</u>	<u>428,497</u>	<u>-</u>
Total investments	<u>\$ 196,995,458</u>	<u>\$ 196,566,961</u>	<u>\$ -</u>	<u>\$ 428,497</u>	<u>\$ -</u>

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 does not have a formal investment policy regarding interest rate risk but manages its

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments to not exceed the period of availability of the funds invested. Except for endowments, the Act further limits the remaining term to maturity on all investments in commercial paper and bankers' acceptances to 270 days or less and fixed-income securities to 365 days or less. In addition, variable-rate securities may not have a remaining term to final maturity exceeding two years.

The Foundation can invest private funds in fixed-income securities with a dollar-weighted average maturity not to exceed ten years.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal investment policy regarding credit risks but manages its exposure to credit risk by complying with the Act and related rules. The Act and related rules limit investments in commercial paper to a first tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody's Investors Service or by Standard & Poor's.

The District's and Foundation's investments are not rated.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not have a formal investment policy for concentration of credit risks but manages this risk by complying with the Act and related rules. The Act limits investments in commercial paper and or corporate obligations to 5% of the District's total portfolio with a single issuer. The Foundation can invest private funds in certain equity and fixed-income securities provided no more than 5% of all funds are invested in any one issuer and no more than 25% of all funds are invested in a particular industry. Also, for the Foundation's investments in private funds, no more than 75% may be invested in equity securities and no more than 5% in collateralized mortgage obligations.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District does not have a formal investment policy for custodial credit risk but manages this risk by complying with the Act and related rules. The Act requires the Foundation's public treasurer to have custody of all securities purchased or held or deposit these securities with a bank or trust company to be held in safekeeping by that custodian. The Foundation's investments at brokerage accounts are covered by Securities Investor Protection Corporation up to \$500,000.

NOTE 3 – PROPERTY TAXES

The Salt Lake County treasurer acts as agent for the District in collecting and distributing property tax revenues. 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 valuation by May 15. By July 21, the county treasurer mails property tax notices to the owners. Between August 1 and August 15, a property owner may petition the county board of equalization for an adjustment. The county auditor approves all changes by November 1, at which date, the completed assessments are to be delivered to the county treasurer. Property tax notices with a due date of November 30 are mailed to property owners. Delinquent taxes are subject to a 2.5% penalty, with a minimum of ten dollars. If the taxes are not paid by January 31 of the following year, they are subject to an interest charge. The interest accrues from January 1st. If taxes remain delinquent by May of the fifth year, the county will advertise and sell the property at a tax sale. As of June 30, 2013, the District reported the following property tax balances:

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

	Major Funds		Other	
	General	Capital Projects	Governmental Funds	Total
Property taxes - receivable:				
Levied for current and prior years:				
Collected in July 2013	\$ 998,224	\$ 188,941	\$ 144,943	\$ 1,332,108
Delinquent	2,591,000	490,416	376,217	3,457,633
Levied for future year	101,801,042	19,268,581	14,781,643	135,851,266
Prepayments of future year	(1,278,185)	(241,931)	(185,594)	(1,705,710)
	<u>\$ 104,112,081</u>	<u>\$ 19,706,007</u>	<u>\$ 15,117,209</u>	<u>\$ 138,935,297</u>
Property taxes - deferred inflows of resources:				
Levied for current and prior years:				
Unavailable (delinquent)	\$ 2,605,528	\$ 484,918	\$ 367,186	\$ 3,457,632
Levied for future year	101,786,514	19,274,079	14,790,674	135,851,267
	<u>\$ 104,392,042</u>	<u>\$ 19,758,997</u>	<u>\$ 15,157,860</u>	<u>\$ 139,308,899</u>

NOTE 4 – RISK MANAGEMENT

The District maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to \$10 million per occurrence through policies administered by the Utah State Risk Management Fund (the Fund). The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Fund. Property physical damage is insured to actual value less a deductible; other liability is limited to the lesser of \$10 million or the statutory limit. The Fund obtains independent coverage for insured events, up to \$25 million per location. The Fund is a pooled arrangement where the participants pay experienced rated annual premiums, which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The District's annual premium is accounted for in the General Fund. The pool reinsures excess losses to preserve the capital base. During the year ended June 30, 2013, there were no significant reductions in coverage. Insurance settlements have not exceeded coverage for the past three years.

NOTE 5 – RESTATEMENT

The beginning net position in the government-wide statement of net position for governmental activities has been restated to reflect the effects of implementing GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities* (see Note 1) as follows:

	Government-wide Financial Statements - Governmental Activities
Net position, as originally stated - June 20, 2012	\$ 488,359,095
Restate bond issuance costs as expense when occurred per GASB Statements Nos. 63 and 65	(1,505,994)
Net position, as restated - June 30, 2012	<u>\$ 486,853,101</u>

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 34,929,947	\$ 533,899	\$ (75,289)	\$ 35,388,557
Construction in progress	131,079,839	99,124,038	(24,223,195)	205,980,682
Water stock	33,221	-	-	33,221
Total capital assets, not being depreciated	166,043,007	99,657,937	(24,298,484)	241,402,460
Capital assets, being depreciated:				
Buildings and improvements	531,282,779	21,128,924	(1,149,579)	551,262,124
Land improvements	30,908,399	3,094,271	-	34,002,670
Vehicles	23,854,459	1,878,097	(255,251)	25,477,305
Furniture and equipment	33,115,333	3,012,652	(325,614)	35,802,371
Total capital assets, being depreciated	619,160,970	29,113,944	(1,730,444)	646,544,470
Accumulated depreciation for:				
Buildings and improvements	(266,317,501)	(17,723,587)	174,423	(283,866,665)
Land improvements	(19,035,368)	(2,082,078)	-	(21,117,446)
Vehicles	(17,325,442)	(1,473,487)	(227,428)	(19,026,357)
Furniture and equipment	(23,867,613)	(464,418)	304,565	(24,027,466)
Total accumulated depreciation	(326,545,924)	(21,743,570)	251,560	(348,037,934)
Total capital assets, being depreciated, net	292,615,046	7,370,374	(1,478,884)	298,506,536
Governmental activity capital assets, net	<u>\$ 458,658,053</u>	<u>\$ 107,028,311</u>	<u>\$ (25,777,368)</u>	<u>\$ 539,908,996</u>

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

Governmental activities:

Instructional services	\$ 14,691,125
Supporting services:	
Students	352,546
Instructional staff	69,907
District administration	376,066
School administration	414,114
Business	1,249,104
Operation and maintenance of facilities	1,955,103
Student transportation	1,037,112
School lunch services	1,364,398
Noninstructional services	108,723
Capital assets held by the District's internal service funds are charged to the various functions based on their usage of the assets	125,372
Total depreciation expense, governmental activities	<u>\$ 21,743,570</u>

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

At June 30, 2013 the District was involved with several long-term construction and remodeling projects summarized as follows:

Project	Original Project Authorization as Adjusted to Current	Cost to Date	Cost to Complete
Rebuild of Granger High School	\$ 72,948,913	\$ 66,361,831	\$ 6,587,082
Rebuild of Olympus High School	73,116,810	64,341,260	8,775,550
Rebuild of Hartvigsen School	20,481,951	17,831,982	2,649,969
New Neil Armstrong Academy	17,178,177	12,162,674	5,015,503
Remodel of Stansbury Elementary School	9,774,352	3,241,268	6,533,084
All other	275,941,444	99,521,950	176,419,494
Total	<u>\$ 469,441,647</u>	<u>\$ 263,460,965</u>	<u>\$ 205,980,682</u>

The remaining costs to complete the capital asset projects will be funded from future bond issuances, resources restricted for capital projects in the Capital Projects Fund, and property tax proceeds levied specifically for such purposes.

NOTE 7 – STATE RETIREMENT PLANS

Defined Benefit Plans. The District contributes to State and School Division cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (URS) and Plans (the System).

The System provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The System is established and governed by the respective sections of *Utah Code*, Title 49. The Utah State Retirement and Insurance Benefit Act in Title 49 provides for the administration of the System under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. 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.

The contribution requirements of the System are authorized by state statute and specified by the Utah State Retirement Board. The District's required contribution rates (actuarially determined) to the System for the year ended June 30, 2013 range from 5.0% to 18.76% of covered salaries. Plan members in one of the plans are also required to contribute 1.00% of covered salaries.

For years ended June 30, 2013, 2012, and 2011, the District contributed \$44,094,881, \$40,219,170, and \$39,695,444, respectively, and employees contributed \$44,390, \$50,400, and \$56,012, respectively, to the System. Contributions were equal to the required contributions for each year.

Defined Contribution Plans. The District participates in a deferred compensation plan under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the System. During the year ended June 30, 2013, District contributions for participating employees ranged from 1.50% to 10.00% of covered salaries based on the plan within the System.

Employees can make additional contributions up to specified limits. For the year ended June 30, 2013, the District contributed \$3,448,811 and employee contributions totaled \$4,986,805. The 401(k) plan funds are fully vested to the participants at the time of deposit. Contributions and earnings may be withdrawn by the employee upon termination or may be used as

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

supplemental income upon retirement. Plan assets are administered and held by URS and URS has the authority to establish or amend contribution requirements and other plan provisions.

The District also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees, permits employees 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 totaled \$489,709 for the year ended June 30, 2013. The assets of the plan are administered and held by URS and URS has the authority to establish or amend contribution requirements and other plan provisions.

In addition to the defined contribution and deferred compensation plans, the District offers its employees a tax-advantaged savings plan authorized by Internal Revenue Service Code Section 408. Employees are eligible to participate from the date of employment and are vested immediately upon participation. For the year ended June 30, 2013, employee contributions to the Roth IRA Plan were \$32,308. The assets of the plan are administered and held by URS and the URS has the authority to establish or amend contribution requirements and other plan provisions.

NOTE 8 – DISTRICT RETIREMENT PLAN

Plan Description. In addition to the State Retirement Plans, the Board of Education of the District, offers and administers under its own authority a single-employer retirement plan which provides a retirement benefit stipend whereby any employee would qualify if they retire under the guidelines of URS and if they have been employed by the District for ten years. The benefit is equal to the employee's final base salary multiplied by the number of years employed and then multiplied by 0.5%. The District contributed \$1,399,502 to the plan for the year ended June 30, 2013. The Plan does not issue a publically available financial report.

Funding Policy. The retirement plan is funded by the *General Fund*. As of July 1, 2013, the most recent actuarial valuation date, the net pension obligation is \$2,556,256 and is recorded as a long-term liability on the Statement of Net Position (see Note 13 for long-term liabilities). The actuarial accrued liability (AAL) of \$14,994,353 is unfunded. However, the District has established resources for the AAL by committing fund balance in the *General Fund*. The covered payroll (annual payroll of active employees covered by the Plan) was \$269,357,662 and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 5.6%.

Annual Pension Cost and Net Pension Obligation. The District's annual pension benefit cost is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize the unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual pension cost for the year, the amount actually contributed to the Plan, and change in the District's net pension obligation of the Plan:

Normal cost	\$ 845,567
Amortization of UAAL	970,438
Annual required contribution (ARC)	1,816,005
Interest on net pension obligation	87,760
Adjustment to ARC	(141,995)
Annual pension cost	1,761,770
Contributions made	(1,399,502)
Change in net pension obligation	362,268
Net pension obligation - at July 1, 2012	2,193,988
Net pension obligation - at July 1, 2013	<u>\$ 2,556,256</u>

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

Actuarial Methods and Assumptions. Projections of the retirement benefit for financial reporting are based on a substantive agreement between the District and its eligible employees. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in the actuarial accrued liability, consistent with the long-term perspective of the calculations. In the July 1, 2013 actuarial valuation (the latest valuation), the actuarial cost method was projected unit credit using full accrual at full eligibility. An interest rate and investment return of 4% was used. The unfunded actuarial accrued liability was amortized over a 30-year closed period with 23 years remaining on July 1, 2013. Total salary increases were based on years of service and ranged from 14.50% for employees just beginning their service to 4.25% for employees with 15 or more years of service. Demographic and other assumptions included: 1) mortality rates based on sex-distinct RP-2000 Mortality Tables along with sex-distinct RP-2000 AA Generational Projection Scales, 2) retirement rates based on the 2010 actuarial valuation of the Utah Retirement System pension plan, 3) termination rates by age, gender, and years of service based on the 2010 actuarial valuation of the Utah Retirement System pension plan, and 4) the District's salary schedules.

Three-Year Trend Information			
Actuarial Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
7/1/2011	\$ 1,715,691	68.4%	\$ 2,962,711
7/1/2012	928,233	182.8%	2,193,988
7/1/2013	1,761,770	79.4%	2,556,256

NOTE 9 - LONG-TERM DISABILITY BENEFIT PLAN (POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS)

Plan Description. The District administers a single-employer defined benefit plan (the Plan) for former employees. The District is the only employer participating and contributing to the Plan. The plan does not issue a publicly available financial report.

The Plan offers long-term disability awards in the form of medical insurance to former employees who were deemed disabled while employed by the District. The District's disability carrier determines if employees are qualified for the benefits. The Plan is operating under two programs both funded by the *General Fund*: a pre January 1, 2005 program and a post January 1, 2005 program. Under the pre January 1, 2005 program, former employees are awarded medical insurance from the time their disability occurred until they turn 65. There are currently 23 former employees in this program. Under the post January 1, 2005 program, employees are given medical insurance for 24 months from the time of their disability occurrence. There are currently 740 former employees being covered by this program and 4,884 active employees who are eligible to receive benefits should they become disabled.

Funding Policy. The District contributes the full cost of the current-year premiums for eligible retirees. The contribution is based on pay-as-you-go financing (that is, no plan assets are being accumulated). District contributions to the Plan (or payments for current healthcare premiums to Plan members) totaled \$684,277 for the year ended June 30, 2013.

Annual OPEB Cost and Net OPEB Asset. The District's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize the unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the District's net OPEB (asset) obligation of the Plan:

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

	Pre 1/1/2005 LTD Program	Post 1/1/2005 LTD Program	Total Plan
Normal cost	\$ -	\$ 269,109	\$ 269,109
Amortization of UAAL	71,935	223,708	295,643
Annual required contribution (ARC)	71,935	492,817	564,752
Interest on (from) net OPEB (asset) obligation	(37,112)	2,536	(34,576)
Adjustment to ARC	60,047	(4,103)	55,944
Annual OPEB cost (AOC)	94,870	491,250	586,120
Contributions made	(203,967)	(480,310)	(684,277)
Change in net OPEB (asset) obligation	(109,097)	10,940	(98,157)
Net OPEB (asset) obligation - at July 1, 2012	(927,789)	63,398	(864,391)
Net OPEB (asset) obligation - at July 1, 2013	<u>\$ (1,036,886)</u>	<u>\$ 74,338</u>	<u>\$ (962,548)</u>

The District's percentage of annual OPEB cost contributed to the Plan was 116.7% for the year ended June 30, 2013.

Funded Status and Funding Progress. As of July 1, 2013, the most recent actuarial valuation date, the net OPEB asset for the pre January 1, 2005 benefits was \$1,036,886 and the net OPEB obligation for the post January 1, 2005 benefits was \$74,338. Combined, the LTD plans report a net OPEB asset of \$962,548.

The actuarial accrued liability (AAL) of \$4,568,018 is unfunded. However, the District has established resources for the AAL by committing fund balance in the *General Fund*. The covered payroll (annual payroll of active employees covered by the Plan) was \$269,357,662 and the ratio of the overfunded UAAL to the covered payroll was 1.7%.

The projected benefit payments for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of the long-term disability benefit for financial reporting purposes are based on a substantive agreement between the District and its eligible employees. The actuarial methods and assumptions used included techniques that are designed to reduce short-term volatility in the actuarial accrued liability, consistent with the long-term perspective of the calculations. In the July 1, 2013 actuarial valuation (the latest valuation), the actuarial cost method was projected unit credit using full accrual at full eligibility age. The following economic assumptions were used; 1) an interest rate of 4%, 2) an inflation rate of 2.75%, and 3) an annual healthcare cost trend rate of 8.8% initially, reduced by decrements to an ultimate rate of 5.6% for 2017 grading to 4.3% beginning in 2082. The unfunded actuarial accrued liability is amortized over a 30-year closed period with 23 years remaining on July 1, 2013. Demographic and other assumptions included: 1) mortality rates based on sex-distinct RP-2000 Mortality Tables along with sex-distinct RP-2000 AA Generational Projection Scales, 2) cost claim assumptions based on current premiums by age and gender, 3) retirement rates based on the 2010 actuarial valuation of the Utah Retirement System pension plan, 4) termination rates by age, gender, and years of service based on the 2010 actuarial valuation of the Utah Retirement System pension plan, and 5) disability rates by age.

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

Three-Year Trend Information			
Actuarial Date	Annual OPEB Cost (AOC)	Percentage of APC Contributed	Net OPEB Asset
7/1/2011	\$ 841,003	130.0%	\$ 609,335
7/1/2012	678,492	105.7%	864,391
7/1/2013	586,120	116.7%	962,548

NOTE 10 – EARLY RETIREMENT INCENTIVE PROGRAM AND OTHER TERMINATION BENEFITS

Plan Description. In addition to the State and District retirement plans, the District provides an "Early Retirement Incentive Program" as a termination benefit. Eligibility is restricted to those administrators and teachers with a minimum of ten years in the District who have reached age 60 (except teachers under age 60 who retire under provisions of the Utah State Retirement and Insurance Benefit Act.) Those qualifying under this program may receive benefits as outlined for up to five consecutive years or until age 65, whichever comes first. The District's direct payments to retired employees under this plan for the years ended June 30, 2013 and 2012 were \$6,426,672 and \$7,116,750, respectively. In addition to early retirement compensation, the District provides medical and life insurance coverage to qualified early retired or terminated long-term disabled employees for five years through its self-insured medical and life insurance plan. Employees who meet the requirements at URS are eligible to be covered. In addition, fully disabled employees are covered until they are rehabilitated or become eligible for Medicare. The participants entering the program subsequent to 1991 pay a nominal fee. During the year ended June 30, 2013, 690 former employees were included in the program. The District's estimated cost of claim payments for the year ended June 30, 2013 cannot be reasonably estimated because the insurance carrier has not disclosed the information. The District's liability for future early retirement benefits is \$4,292,886 and medical and life insurance costs will be \$12,119,467 for a total liability of \$16,412,353. Resources in the General Fund have been committed to meet this obligation. See Note 13 for long-term liabilities.

Calculation Methods. Projections of the retirement benefit for financial reporting are based on a substantive agreement between the District and its eligible employees. The projections include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the District and eligible employees to that point. The following economic assumptions were used; 1) an interest rate of 4%, 2) an inflation rate of 2.75%, and 3) an annual healthcare cost trend rate of 8.8% initially, reduced by decrements to an ultimate rate of 5.6% for 2017 grading to 4.3% beginning in 2082. The unfunded actuarial accrued liability is amortized over a 30-year closed period with 23 years remaining on July 1, 2013. Demographic and other assumptions included: 1) mortality rates based on sex-distinct RP-2000 Mortality Tables along with sex-distinct RP-2000 AA Generational Projection Scales, 2) retirement rates based on the 2010 actuarial valuation of the Utah Retirement System pension plan, 3) certain spouse and dependent assumptions, 4) employee termination rates by age, gender, and years of service based on the 2010 actuarial valuation of the Utah Retirement System pension plan, 5) claim costs assumptions based on current premiums by age and gender, 6) the District's salary schedules, and 7) a participation election percentage assumption.

NOTE 11 – MEDICAL INSURANCE, UNEMPLOYMENT INSURANCE AND WORKER'S COMPENSATION LIABILITIES

The District is self-insured for employee medical and life insurance, unemployment compensation, and worker's compensation, which are reported in the *Self Insurance Fund*, an internal service fund.

A) Self-Insured Medical Insurance Plan:

Benefit payments plus an administrative charge are made to a third-party administrator who approves and processes all claims. A liability of \$8,819,176 was recorded at June 30, 2013 for claims outstanding at year-end and paid during July and August 2013. This amount represents claims made by full-time employees and by employees who work

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

less than twelve months but are covered by the District's policy during July and August. The District insurance plan has an August year-end. Included in this liability are claims that have been estimated by the District's third-party administrator as being incurred but not reported (IBNR) in the amount of \$256,869 and \$250,978 for the years ended June 30, 2013 and 2012, respectively. Changes in the balances of claims liabilities during the years ended June 30, 2013 and 2012 are as follows:

	2013	2012
Unpaid claims - beginning of year	\$ 8,616,913	\$ 8,712,033
Incurred claims (including IBNRs)	45,207,266	49,526,253
Medical claims payments	(45,005,003)	(49,621,373)
Unpaid claims - end of year	<u>\$ 8,819,176</u>	<u>\$ 8,616,913</u>

B) Self-Insured Unemployment Compensation Plan:

Benefit payments plus an administrative charge are made to the Utah Department of Workforce Services who approves and processes all claims. A liability of \$51,198 was recorded at June 30, 2013 for claims outstanding at year-end. Included in this liability is an estimate by a separate third-party administrator for future claims, incurred during 2013, but which have not been billed as of year-end. Changes in the balances of claims liabilities during the years ended June 30, 2013 and 2012 are as follows:

	2013	2012
Unpaid claims - beginning of year	\$ 53,073	\$ 64,067
Incurred claims (including estimate)	94,304	239,870
Unemployment claims payments	(96,179)	(250,864)
Unpaid claims - end of year	<u>\$ 51,198</u>	<u>\$ 53,073</u>

C) Self-Insured Worker's Compensation Plan:

Benefit payments plus an administrative charge are made to a third-party administrator who approves and processes all claims. A liability of \$756,041 was recorded at June 30, 2013 for claims outstanding at year-end with \$740,920 representing the current portion of the liability. Included in this liability is an estimate by the District's third-party administrator of outstanding claims that have not been billed. Changes in the balances of claims liabilities during the years ended June 30, 2013 and 2012 are as follows:

	2013	2012
Unpaid claims - beginning of year	\$ 754,779	\$ 805,776
Incurred claims (including estimate)	1,148,849	1,079,978
Workers compensation claims payments	(1,147,587)	(1,130,975)
Unpaid claims - end of year	<u>\$ 756,041</u>	<u>\$ 754,779</u>

NOTE 12 - FEDERAL AND STATE GOVERNMENTAL ASSISTANCE

The District receives significant assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable fund. Based on prior experience, the District administration believes such disallowance, if any, would be insignificant.

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

NOTE 13 - LONG-TERM LIABILITIES

The following is a summary of general long-term liability activity for the year ended June 30, 2013:

	Balance at June 30, 2012	Additions	Payments	Balance at June 30, 2013	Due within One Year
Bonds payable	\$ 158,255,000	\$ 48,075,000	\$ (8,545,000)	\$ 197,785,000	\$ 8,100,000
Bond premium	9,924,641	4,405,323	(865,092)	13,464,872	-
Net bond liabilities	168,179,641	52,480,323	(9,410,092)	211,249,872	8,100,000
Workers compensation claims	754,779	1,147,587	(1,146,325)	756,041	740,920
Unemployment claims	53,073	96,179	(98,054)	51,198	51,198
Health and accident claims	8,616,913	45,005,003	(44,802,740)	8,819,176	8,819,176
Compensated absences	2,764,139	2,686,291	(2,625,845)	2,824,585	2,683,356
Obligation for early retirement compensation and insurance	14,264,075	9,265,028	(7,116,750)	16,412,353	-
Obligation for district retirement compensation	2,193,988	1,761,770	(1,399,502)	2,556,256	-
Total long-term liabilities	<u>\$ 196,826,608</u>	<u>\$ 112,442,181</u>	<u>\$ (66,599,308)</u>	<u>\$ 242,669,481</u>	<u>\$ 20,394,650</u>

General obligation bonds are direct obligations and pledge the full faith and credit of the District under the provisions of the Utah School Bond Guaranty Act, *Utah Code*, Title 53A, Chapter 28; therefore, they are rated AAA. In addition, as of the date of this comprehensive annual financial report, the District has an underlying rating of AAA from Fitch Ratings and an underlying rating of Aa1 and an enhanced rating of Aaa from Moody's Investors Service.

General obligation school building and improvement bonds payable at June 30, 2013, with their outstanding balances are comprised of the following individual issuances:

Series 2010 - Tax exempt bonds, due in remaining annual installments from \$1,705,000 to \$2,500,000, from June 2014 through June 2018, interest from 4.00% to 5.00%.	\$ 10,255,000
Series 2010 - Build America Bonds, due in remaining annual installments from \$2,700,000 to \$5,700,000, from June 2019 through June 2030, interest from 4.12% to 5.35%.	52,400,000
Series 2011 - Tax exempt bonds, due in remaining annual installments from \$2,850,000 to \$18,725,000, from June 2014 through June 2031, interest from 2.00% to 5.00%.	91,375,000
Series 2012 - Tax exempt bonds, due in remaining annual installments from \$1,285,000 to \$2,560,000, from June 2014 through June 2032, interest from 2.00% to 5.00%.	32,180,000
Series 2013 - Tax exempt bonds, due in remaining annual installments from \$250,000 to \$2,260,000, from June 2014 through June 2033, interest from 2.00% to 5.00%.	11,575,000
	<u>\$ 197,785,000</u>

The annual requirements to amortize all general obligation bonds outstanding to maturity as of June 30, 2013, including interest payments, are listed as follows:

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

Year Ending June 30,	Tax Exempt Bonds		Build America Bonds		Total	
	Principal	Interest	Principal	Interest*	Principal	Interest
2014	\$ 8,100,000	\$ 6,250,445	\$ -	\$ 2,556,101	\$ 8,100,000	\$ 8,806,546
2015	8,330,000	6,048,550	-	2,556,101	8,330,000	8,604,651
2016	6,830,000	5,792,450	-	2,556,101	6,830,000	8,348,551
2017	7,000,000	5,553,850	-	2,556,101	7,000,000	8,109,951
2018	7,530,000	5,273,350	-	2,556,101	7,530,000	7,829,451
2019-2023	29,350,000	21,753,875	16,900,000	11,479,613	46,250,000	33,233,488
2024-2028	37,440,000	14,376,925	24,400,000	6,771,911	61,840,000	21,148,836
2029-2033	40,805,000	4,415,450	11,100,000	894,072	51,905,000	5,309,522
Total	<u>\$ 145,385,000</u>	<u>\$ 69,464,895</u>	<u>\$ 52,400,000</u>	<u>\$ 31,926,101</u>	<u>\$ 197,785,000</u>	<u>\$ 101,390,996</u>

* Subsidized at 35% by the federal government.

NOTE 14 – ENCUMBRANCES

An encumbrance accounting system, in which purchase order commitments for the expenditure of funds are recorded in order to commit that portion of the applicable appropriation, is used in all governmental funds except for the *District Activity Programs Fund*, a special revenue fund. Because an encumbrance is only a commitment, it does not meet the expenditure or liability recognition criteria. Encumbrances and appropriations outstanding at the end of the fiscal year lapse with the exception of contractual obligations. The District had significant encumbrances as of June 30, 2013 all of which were in the *Capital Projects Fund* and were related to the following projects:

Description	Amount
Rebuild of Granger High School	\$ 5,708,842
Rebuild of Olympus High School	8,502,398
Rebuild of Hartvigsen School	2,537,748
New Neil Armstrong Academy	4,989,807
Remodel of Stansbury Elementary School	6,425,624
	<u>\$ 28,164,419</u>

The District intends to honor these commitments and provides for the expenditure in subsequent year(s).

NOTE 15 – INTERFUND BALANCES AND ACTIVITY

Due To/From Other Funds. Amounts reported as 'due from other funds' and 'due to other funds' are the result of cash pooling among the funds of the District. The General Fund receives all cash deposits and makes all warrants payments on behalf of the other funds resulting in inter-fund payables and receivables. Outstanding balances resulting from these transactions between funds as of June 30, 2013 consist of the following:

Fund	Due from other funds	Due to other funds
General Fund	\$ 154,633	\$ -
Other Governmental Funds	-	26,718
Internal Service Funds	-	127,915
Total	<u>\$ 154,633</u>	<u>\$ 154,633</u>

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2013

Transfers. Transfers between funds during the year ended June 30, 2013 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 227,407	\$ (389,153)
Other Governmental Funds	330,003	(227,407)
Internal Service Funds	59,150	-
Total	<u>\$ 616,560</u>	<u>\$ (616,560)</u>

The *General Fund* received a transfer of \$227,407 from the *District Activity Fund* (other governmental fund) for amounts collected at the school level on behalf of the District. The *General Fund* transferred \$330,003 to the *Granite Education Foundation Fund* (other governmental fund) to fund a portion of the salaries of the Foundation. The *General Fund* also transferred \$59,150 to cover an operating deficit in the *Printing Services Fund* (an internal service fund).

GRANITE SCHOOL DISTRICT
Required Supplementary Information – June 30, 2013

Schedule of Funding Progress
District Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Eligibility Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2011	\$ -	\$ 14,551,369	\$ 14,551,369	0%	\$ 273,597,606	5.3%
7/1/2012	-	15,258,713	15,258,713	0%	268,820,018	5.7%
7/1/2013	-	14,994,353	14,994,353	0%	269,357,662	5.6%

The accounting for the District Retirement Plan began in fiscal year 2006 as a new benefit. The District has elected to establish additional resources for the unfunded actuarial accrued liability by committing fund balance in the General Fund rather than making contributions to a pension trust fund.

Schedule of Funding Progress
Long-Term Disability Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Eligibility Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2011	\$ -	\$ 6,478,487	\$ 6,478,487	0%	\$ 273,597,606	2.4%
7/1/2012	-	5,049,730	5,049,730	0%	268,820,018	1.9%
7/1/2013	-	4,568,018	4,568,018	0%	269,357,662	1.7%

Effective July 1, 2007, the District implemented GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. Annual actuarial valuations have been conducted since that date. The District has elected to establish additional resources for the unfunded actuarial accrued liability by committing fund balance in the *General Fund* rather than making contributions to an employee benefit trust fund.

Combining and Individual Fund Statements and Schedules

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

General Fund - This fund serves as the chief operating fund of the District. The *General Fund* is used to account for all financial resources except those required to be accounted for in another fund. Utah law refers to this fund as the Maintenance and Operation Fund.

CAPITAL PROJECTS FUND

Capital Projects Fund - The purpose of this fund is to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing quality educational programs for all students within the District. Financing is provided by property tax levies as authorized by the *Utah Code 53A-16-113*.

GRANITE SCHOOL DISTRICT

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

Year Ended June 30, 2013 with Comparative Totals for 2012

	2013			2012
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 111,578,168	\$ 113,045,326	\$ 1,467,158	\$ 105,081,687
Earnings (loss) on investments	1,277,828	1,212,292	(65,536)	(46,142)
Other local	10,457,988	9,777,622	(680,366)	8,311,120
State	258,215,722	256,869,852	(1,345,870)	249,504,811
Federal	45,392,262	41,809,790	(3,582,472)	40,159,901
Total revenues	426,921,968	422,714,882	(4,207,086)	403,011,377
Expenditures:				
Instructional services:				
Salaries	188,699,913	188,007,620	692,293	179,745,980
Employee benefits	88,872,817	87,164,919	1,707,898	79,764,175
Purchased services	2,797,032	2,297,759	499,273	1,537,996
Supplies and materials	9,532,500	7,898,021	1,634,479	8,433,550
Equipment	7,175,453	6,862,834	312,619	5,863,297
Total instructional services	297,077,715	292,231,153	4,846,562	275,344,998
Supporting services:				
Students	19,263,817	19,177,739	86,078	18,185,870
Instructional staff	18,018,394	15,898,421	2,119,973	15,130,458
District administration	3,112,506	3,042,966	69,540	2,884,608
School administration	26,527,360	26,386,676	140,684	26,359,396
Central	9,565,217	9,387,883	177,334	9,305,637
Operation and maintenance of facilities	52,846,090	51,964,424	881,666	47,250,856
Transportation	9,826,330	10,247,348	(421,018)	9,371,995
Total supporting services	139,159,714	136,105,457	3,054,257	128,488,820
Total expenditures	436,237,429	428,336,610	7,900,819	403,833,818
Excess (deficiency) of revenues over (under) expenditures	(9,315,461)	(5,621,728)	3,693,733	(822,441)
Other financing sources (uses):				
Transfers in	299,231	227,407	(71,824)	-
Transfers (out)	(407,952)	(389,153)	18,799	(2,135,241)
Total other financing sources (uses)	(108,721)	(161,746)	(53,025)	(2,135,241)
Net change in fund balances	(9,424,182)	(5,783,474)	3,640,708	(2,957,682)
Fund balances - beginning	104,475,178	104,475,178	-	107,432,860
Fund balances - ending	\$ 95,050,996	\$ 98,691,704	\$ 3,640,708	\$ 104,475,178

GRANITE SCHOOL DISTRICT

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

Capital Projects Fund

Year Ended June 30, 2013 with Comparative Totals for 2012

	2013			2012
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 20,129,107	\$ 20,321,080	\$ 191,973	\$ 17,080,506
Earnings on investments	425,153	328,528	(96,625)	780,919
Other local	622,245	1,017,557	395,312	379,006
State	-	-	-	59,848
Federal	798,841	914,207	115,366	3,665,366
Total revenues	<u>21,975,346</u>	<u>22,581,372</u>	<u>606,026</u>	<u>21,965,645</u>
Expenditures:				
Capital outlay:				
Salaries	149,570	146,005	3,565	164,327
Employee benefits	57,014	55,941	1,073	62,204
Purchased services	126,885,787	130,403,346	(3,517,559)	126,497,929
Supplies and materials	64,561	44,474	20,087	12,921
Land and improvements	110,188	541,587	(431,399)	728,281
Equipment	7,431,258	5,543,299	1,887,959	4,784,167
Vehicles	568,686	561,904	6,782	397,066
Total capital outlay	<u>135,267,064</u>	<u>137,296,556</u>	<u>(2,029,492)</u>	<u>132,646,895</u>
Debt service:				
Bond issuance costs	<u>421,406</u>	<u>405,013</u>	<u>16,393</u>	<u>799,448</u>
Total expenditures	<u>135,688,470</u>	<u>137,701,569</u>	<u>(2,013,099)</u>	<u>133,446,343</u>
(Deficiency) of revenues (under) expenditures	(113,713,124)	(115,120,197)	(2,619,125)	(111,480,698)
Other financing sources (uses):				
Proceeds from sale of capital assets	733,932	762,898	28,966	1,245,424
Bonds issued	48,075,000	48,075,000	-	102,925,000
Premium on bonds issued	4,466,119	4,405,323	(60,796)	8,876,310
Capital lease proceeds	-	-	-	223,425
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,269)</u>
Total other financing sources (uses)	<u>53,275,051</u>	<u>53,243,221</u>	<u>(31,830)</u>	<u>113,239,890</u>
Net change in fund balances	(60,438,073)	(61,876,976)	(1,438,903)	1,759,192
Fund balances - beginning	<u>81,928,795</u>	<u>81,928,795</u>	<u>-</u>	<u>80,169,603</u>
Fund balances - ending	<u>\$ 21,490,722</u>	<u>\$ 20,051,819</u>	<u>\$ (1,438,903)</u>	<u>\$ 81,928,795</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

District Activity Programs Fund - The purpose of this fund is to account for the co-curricular and extra-curricular activities in the schools as administered by the District. This fund includes all monies that flow through the individual school checking accounts including athletic programs, class fees, vending receipts, student activity fees, etc. and are owned by the District.

Granite Education Foundation Fund - The purpose of this fund is to account for donations received on behalf of the District. The Foundation is a tax-exempt nonprofit organization formed for the benefit of Granite School District. Although the Foundation's activities and records are operated and maintained separate from the District, its activities and operations exclusively benefit the District. The Foundation, therefore, is reported as a blended component unit of the District.

School Lunch Fund - The purpose of this fund is to account for the food service activities of the District as required by state and federal law. Financing is provided by local sales along with substantial subsidies from the State of Utah and the U.S. Department of Agriculture.

DEBT SERVICE FUND

Debt Service Fund - The purpose of this fund is to account for the accumulation of resources and the payment of general obligation bond principal and interest. The voters of the District have authorized the issuance of general obligation bonds for the purpose of acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing quality educational programs for all students within the District. The bonds are general obligations payable from the proceeds of a property tax levy that is sufficient to pay the principal and interest as it becomes due.

GRANITE SCHOOL DISTRICT

Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2013

	Special Revenue				Total
	<i>District Activity Programs</i>	<i>Granite Education Foundation</i>	<i>School Lunch</i>	<i>Debt Service</i>	Nonmajor Governmental Funds
Assets:					
Cash and investments	\$ 10,547,277	\$ 2,341,176	\$ 9,454,740	\$ 210,194	\$ 22,553,387
Receivables:					
Property taxes	-	-	-	15,117,209	15,117,209
Other local	24,874	26,718	24,138	-	75,730
State	-	-	1,820,093	-	1,820,093
Federal	-	-	635,551	-	635,551
Inventories	-	-	1,144,125	-	1,144,125
Prepaid items	595	-	9,755	-	10,350
Total assets	<u>\$ 10,572,746</u>	<u>\$ 2,367,894</u>	<u>\$ 13,088,402</u>	<u>\$ 15,327,403</u>	<u>\$ 41,356,445</u>
Liabilities:					
Accounts and contracts payable	\$ 7,209	\$ 1,032,339	\$ 17,079	\$ -	\$ 1,056,627
Accrued salaries and related payables	43,853	-	2,865,191	-	2,909,044
Due to other funds	-	26,718	-	-	26,718
Total liabilities	<u>51,062</u>	<u>1,059,057</u>	<u>2,882,270</u>	<u>-</u>	<u>3,992,389</u>
Deferred inflows of resources:					
Unavailable property tax revenue	-	-	-	367,186	367,186
Property taxes levied for future year	-	-	-	14,790,674	14,790,674
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,157,860</u>	<u>15,157,860</u>
Fund balances:					
Nonspendable:					
Inventories	-	-	1,144,125	-	1,144,125
Prepaid items	595	-	9,755	-	10,350
Restricted for:					
Debt service	-	-	-	169,543	169,543
Schools	-	257,271	-	-	257,271
Scholarships	-	154,246	-	-	154,246
School lunch	-	-	9,052,252	-	9,052,252
Committed to:					
District activity programs	10,521,089	-	-	-	10,521,089
Foundation	-	897,320	-	-	897,320
Total fund balances	<u>10,521,684</u>	<u>1,308,837</u>	<u>10,206,132</u>	<u>169,543</u>	<u>22,206,196</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,572,746</u>	<u>\$ 2,367,894</u>	<u>\$ 13,088,402</u>	<u>\$ 15,327,403</u>	<u>\$ 41,356,445</u>

GRANITE SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2013

	Special Revenue				Total
	<i>District Activity Programs</i>	<i>Granite Education Foundation</i>	<i>School Lunch</i>	<i>Debt Service</i>	Nonmajor Governmental Funds
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ 16,124,272	\$ 16,124,272
Earnings on investments	53,148	207,521	59,003	-	319,672
Tuitions	58,146	-	-	-	58,146
Lunch sales	-	-	4,848,097	-	4,848,097
Admissions and gate fees	680,805	-	-	-	680,805
Student fees	6,399,545	-	-	-	6,399,545
Proceeds from fundraising activities	2,663,360	(81,612)	-	-	2,581,748
Donations	855,755	863,146	-	-	1,718,901
Other local	972,818	-	-	-	972,818
State	-	-	4,155,664	-	4,155,664
Federal	-	-	19,048,071	894,635	19,942,706
Total revenues	<u>11,683,577</u>	<u>989,055</u>	<u>28,110,835</u>	<u>17,018,907</u>	<u>57,802,374</u>
Expenditures:					
Current:					
Instructional services	10,862,994	-	-	-	10,862,994
School lunch services	-	-	26,753,082	-	26,753,082
Noninstructional services	-	1,189,333	-	-	1,189,333
Debt service:					
Principal payments	-	-	-	8,545,000	8,545,000
Interest and fiscal charges	-	-	-	8,304,364	8,304,364
Capital outlay	663,193	-	-	-	663,193
Total expenditures	<u>11,526,187</u>	<u>1,189,333</u>	<u>26,753,082</u>	<u>16,849,364</u>	<u>56,317,966</u>
Excess (deficiency) of revenues over (under) expenditures	157,390	(200,278)	1,357,753	169,543	1,484,408
Other financing sources (uses):					
Transfers in	-	330,003	-	-	330,003
Transfers (out)	(227,407)	-	-	-	(227,407)
Total other financing sources (uses)	<u>(227,407)</u>	<u>330,003</u>	<u>-</u>	<u>-</u>	<u>102,596</u>
Net change in fund balances	(70,017)	129,725	1,357,753	169,543	1,587,004
Fund balances - beginning	10,591,701	1,179,112	8,848,379	-	20,619,192
Fund balances - ending	<u>\$ 10,521,684</u>	<u>\$ 1,308,837</u>	<u>\$ 10,206,132</u>	<u>\$ 169,543</u>	<u>\$ 22,206,196</u>

GRANITE SCHOOL DISTRICT

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

District Activity Programs - A Nonmajor Special Revenue Fund

Year Ended June 30, 2013 with Comparative Totals for 2012

	2013			2012
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Tuition	\$ 54,344	\$ 58,146	\$ 3,802	\$ 54,367
Transportation fees	43,542	46,588	3,046	44,961
Earnings on investments	49,673	53,148	3,475	11,895
Admissions and gate fees	636,290	680,805	44,515	614,159
Student fees	5,981,103	6,399,545	418,442	6,201,669
Vending and bookstore sales	428,574	458,557	29,983	416,763
Proceeds from fundraising activities	2,489,213	2,663,360	174,147	2,285,242
Facility and field rental fees	46,631	49,893	3,262	24,409
Donations	799,800	855,755	55,955	878,558
Other local	390,463	417,780	27,317	291,391
Total revenues	10,919,633	11,683,577	763,944	10,823,414
Expenditures:				
Current:				
Instructional services:				
Salaries	126,110	132,691	(6,581)	9,406
Benefits	25,746	29,198	(3,452)	1,019
Purchased services	3,967,086	3,743,825	223,261	3,778,177
Supplies	7,293,233	5,965,972	1,327,261	6,110,693
Textbooks	-	623,205	(623,205)	835,244
Other	315,736	368,103	(52,367)	300,701
Total instructional services	11,727,911	10,862,994	874,950	11,035,240
Capital outlay:				
Equipment	575,646	663,193	(87,547)	548,234
Total expenditures	12,303,557	11,526,187	787,403	11,583,474
Excess (deficiency) of revenues over (under) expenditures	(1,383,924)	157,390	1,551,347	(760,060)
Other financing sources:				
Transfers in (out)	(365,151)	(227,407)	137,744	1,791,083
Net change in fund balances	(1,749,075)	(70,017)	1,689,091	1,031,023
Fund balances - beginning	10,591,701	10,591,701	-	9,560,678
Fund balances - ending	\$ 8,842,626	\$ 10,521,684	\$ 1,689,091	\$ 10,591,701

GRANITE SCHOOL DISTRICT

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

Granite Education Foundation - A Nonmajor Special Revenue Fund

Year Ended June 30, 2013 with Comparative Totals for 2012

	2013			2012
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Earnings (loss) on investments	\$ 268,085	\$ 207,521	\$ (60,564)	\$ (79,066)
Donations	949,143	863,146	(85,997)	689,394
Proceeds (loss) from fundraising activities	28,788	(81,612)	(110,400)	449,587
Total revenues	1,246,016	989,055	(256,961)	1,059,915
Expenditures:				
Current:				
Noninstructional services:				
Salaries	245,275	226,678	18,597	242,160
Employee benefits	114,262	105,555	8,707	92,355
Purchased services	968,927	730,868	238,059	792,930
Supplies	117,649	125,551	(7,902)	136,655
Other	908	681	227	1,388
Total noninstructional services	1,447,021	1,189,333	257,688	1,265,488
(Deficiency) of revenues (under) expenditures	(201,005)	(200,278)	727	(205,573)
Other financing sources:				
Transfers in	362,318	330,003	(32,315)	329,297
Net change in fund balances	161,313	129,725	(31,588)	123,724
Fund balances - beginning	1,179,112	1,179,112	-	1,055,388
Fund balances - ending	\$ 1,340,425	\$ 1,308,837	\$ (31,588)	\$ 1,179,112

GRANITE SCHOOL DISTRICT

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

School Lunch - A Nonmajor Special Revenue Fund

Year Ended June 30, 2013 with Comparative Totals for 2012

	2013			2012
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Earnings on investments	\$ 74,653	\$ 59,003	\$ (15,650)	\$ 56,631
Lunch sales - children	2,292,230	2,346,303	54,073	2,810,109
Lunch sales - adult	343,170	368,001	24,831	392,371
Other local	2,064,515	2,133,793	69,278	1,807,211
Total local	4,774,568	4,907,100	132,532	5,066,322
State:				
State lunch program	3,975,290	4,155,664	180,374	3,775,281
Total state	3,975,290	4,155,664	180,374	3,775,281
Federal:				
Federal lunch program	18,409,010	19,048,071	639,061	17,885,785
Total federal	18,409,010	19,048,071	639,061	17,885,785
Total revenues	27,158,868	28,110,835	951,967	26,727,388
Expenditures:				
Current:				
School lunch services:				
Salaries	7,877,119	7,926,192	(49,073)	7,692,874
Employee benefits	2,968,283	2,892,147	76,136	2,649,480
Purchased services	1,558,969	1,504,817	54,152	1,424,071
Supplies	1,007,534	1,025,387	(17,853)	1,007,069
Food	10,256,969	10,008,335	248,634	8,965,561
Equipment	1,618,297	1,000,684	617,613	346,691
Indirect cost allocation	2,428,426	2,395,520	32,906	2,624,304
Total school lunch services	27,715,597	26,753,082	962,515	24,710,050
Net change in fund balances	(556,729)	1,357,753	1,914,482	2,017,338
Fund balances - beginning	8,848,379	8,848,379	-	6,831,041
Fund balances - ending	\$ 8,291,650	\$ 10,206,132	\$ 1,914,482	\$ 8,848,379

GRANITE SCHOOL DISTRICT

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

Debt Service - A Nonmajor Debt Service Fund

Year Ended June 30, 2013 with Comparative Totals for 2012

	2013			2012
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 15,952,928	\$ 16,124,272	\$ 171,344	\$ 16,492,225
Federal interest subsidy	894,635	894,635	-	894,635
Total revenues	16,847,563	17,018,907	171,344	17,386,860
Expenditures:				
Debt service:				
Principal	8,545,000	8,545,000	-	10,450,000
Interest	8,298,563	8,298,564	(1)	6,965,829
Paying agent fees	4,000	5,800	(1,800)	1,300
Total debt service	16,847,563	16,849,364	(1,801)	17,417,129
Excess (deficiency) of revenues over (under) expenditures	-	169,543	173,145	(30,269)
Other financing sources:				
Transfers in	-	-	-	30,269
Net change in fund balances	-	169,543	173,145	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ 169,543	\$ 173,145	\$ -

NONMAJOR GOVERNMENTAL FUNDS

INTERNAL SERVICE FUNDS

Printing Services Fund - The purpose of this fund is to account for printing services provided to departments and schools by the District printing department. Costs are recovered by charges to user departments and schools.

Self Insurance Fund - The purpose of this fund is to account for the costs of the District's self-insured plans for medical insurance, industrial insurance, and unemployment compensation. Annual premiums are charged to the other funds based upon total projected expenditures. Benefit payments plus an administrative charge are made to third-party administrators who approve and process all claims.

GRANITE SCHOOL DISTRICT

Combining Statement of Fund Net Position - Internal Service Funds

June 30, 2013 with Comparative Totals for 2012

	2013			2012
	<i>Printing Services Fund</i>	<i>Self Insurance Fund</i>	Total	Total
Assets:				
Current assets:				
Cash and investments	\$ -	\$ 24,633,619	\$ 24,633,619	\$ 13,629,339
Receivables - local	36,606	-	36,606	69,293
Prepaid items	1,734	-	1,734	2,773
Inventories	37,135	-	37,135	38,902
Total current assets	75,475	24,633,619	24,709,094	13,740,307
Noncurrent assets:				
Capital assets:				
Equipment	959,710	-	959,710	948,210
Accumulated depreciation	(778,880)	-	(778,880)	(653,508)
Total noncurrent assets	180,830	-	180,830	294,702
Total assets	256,305	24,633,619	24,889,924	14,035,009
Liabilities:				
Current liabilities:				
Accounts payable	28,442	2,500	30,942	27,350
Accrued salaries and related benefits	99,948	-	99,948	2,803
Due to other funds	127,915	-	127,915	367,425
Workers compensation claims payable	-	740,920	740,920	739,683
Unemployment claims payable	-	51,198	51,198	53,073
Health and accident claims payable	-	8,819,176	8,819,176	8,616,913
Total current liabilities	256,305	9,613,794	9,870,099	9,807,247
Noncurrent liabilities:				
Workers compensation payable	-	15,121	15,121	15,096
Total liabilities	256,305	9,628,915	9,885,220	9,822,343
Net position:				
Net investment in capital assets	180,830	-	180,830	294,702
Unrestricted	(180,830)	15,004,704	14,823,874	3,917,964
Total net position	\$ -	\$ 15,004,704	\$ 15,004,704	\$ 4,212,666

GRANITE SCHOOL DISTRICT

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Internal Service Funds

Year Ended June 30, 2013 with Comparative Totals for 2012

	2013			2012
	<i>Printing Services Fund</i>	<i>Self Insurance Fund</i>	Total	Total
Operating revenues:				
Charges for services:				
Medical insurance premiums	\$ -	\$ 58,631,799	\$ 58,631,799	\$ 54,484,389
Unemployment insurance premiums	-	96,179	96,179	350,000
Industrial insurance premium	-	1,889,617	1,889,617	1,907,432
Other services	779,940	-	779,940	764,970
Total operating revenues	779,940	60,617,595	61,397,535	57,506,791
Operating expenses:				
Salaries	297,213	-	297,213	308,048
Employee benefits	134,778	-	134,778	128,409
Medical and prescription claims	-	45,005,003	45,005,003	49,621,373
Medical administrative fees	-	2,600,810	2,600,810	2,258,663
Medical reinsurance premiums	-	945,036	945,036	983,771
Workers compensation claims	-	1,147,587	1,147,587	1,130,975
Unemployment claims	-	96,179	96,179	250,864
Purchased services	165,739	30,942	196,681	209,036
Supplies and materials	115,988	-	115,988	141,367
Depreciation	125,372	-	125,372	116,491
Total operating expenses	839,090	49,825,557	50,664,647	55,148,997
Operating income (loss)	(59,150)	10,792,038	10,732,888	2,357,794
Nonoperating revenue:				
Federal revenue	-	-	-	344,472
Income (loss) before transfers	(59,150)	10,792,038	10,732,888	2,702,266
Transfers in	59,150	-	59,150	108,381
Change in net position	-	10,792,038	10,792,038	2,810,647
Total net position - beginning	-	4,212,666	4,212,666	1,402,019
Total net position - ending	\$ -	\$ 15,004,704	\$ 15,004,704	\$ 4,212,666

GRANITE SCHOOL DISTRICT

Combining Statement of Fund Cash Flows - Internal Service Funds

Year Ended June 30, 2013 with Comparative Totals for 2012

	2013			2012
	<i>Printing Services Fund</i>	<i>Self Insurance Fund</i>	Totals	Totals
Cash flows from operating activities:				
Receipts from interfund services provided	\$ 792,504	\$ 60,637,718	\$ 61,430,222	\$ 57,554,905
Payments to assessments from other funds	(239,510)	-	(239,510)	(104,337)
Payments to employees	(334,846)	-	(334,846)	(438,594)
Payments to suppliers for goods and services	(265,798)	(40,473)	(306,271)	(329,238)
Payments for medical fees and insurance claims	-	(49,592,965)	(49,592,965)	(54,402,757)
Net cash provided (used) by operating activities	(47,650)	11,004,280	10,956,630	2,279,979
Cash flows from noncapital financing activities:				
Transfers in from other funds	59,150	-	59,150	108,381
Federal revenue	-	-	-	344,472
Net cash flows from noncapital financing activities	59,150	-	59,150	452,853
Cash flows from capital and related financing activities:				
Purchase of capital assets	(11,500)	-	(11,500)	(33,221)
Net change in cash and cash equivalents	-	11,004,280	11,004,280	2,699,611
Cash and cash equivalents - beginning	-	13,629,339	13,629,339	10,929,728
Cash and cash equivalents - ending*	\$ -	\$ 24,633,619	\$ 24,633,619	\$ 13,629,339

* Displayed as cash and investments on the statement of fund net position - proprietary funds.

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ (59,150)	\$ 10,792,038	\$ 10,732,888	\$ 2,357,794
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Noncash item - depreciation	125,372	-	125,372	116,491
(Increase) decrease in operating assets:				
Accounts receivable - other local	12,564	20,123	32,687	48,114
Inventories	1,767	-	1,767	1,145
Prepaid items	1,039	-	1,039	(2,330)
Increase (decrease) in operating liabilities:				
Accounts payable	13,123	(9,531)	3,592	22,350
Due to other funds	(239,510)	-	(239,510)	(104,337)
Accrued salaries and related benefits	97,145	-	97,145	(2,137)
Health and accident insurance payable	-	202,263	202,263	(95,120)
Workers compensation payable	-	1,262	1,262	(50,997)
Unemployment insurance payable	-	(1,875)	(1,875)	(10,994)
Total adjustments	11,500	212,242	223,742	(77,815)
Net cash provided (used) by operating activities	\$ (47,650)	\$ 11,004,280	\$ 10,956,630	\$ 2,279,979

Noncash investing, capital, and financing activities: none none none none

Section III
Statistical





GRANITE SCHOOL DISTRICT

Statistical Section - Financial Trends

Table of Contents

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

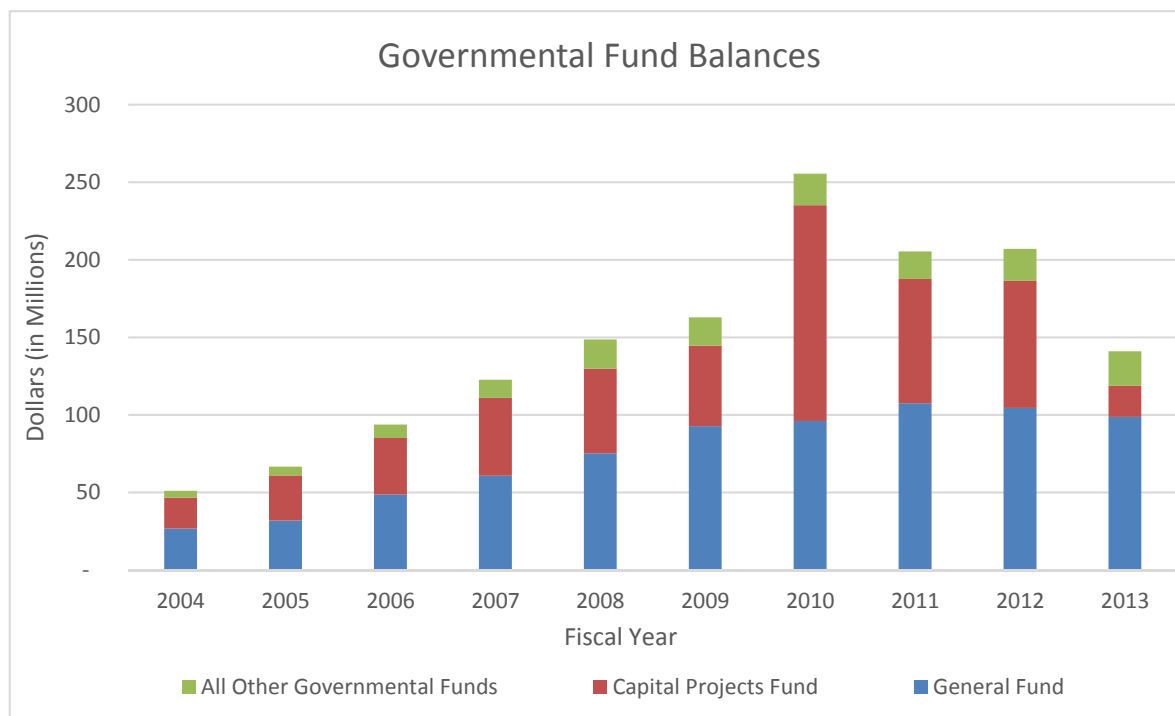
Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

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Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



Granite School District
Comparative Statements of Net Position
Last Ten Fiscal Years - June 30, 2004 through 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assets:										
Cash and investments	\$ 65,193,816	\$ 102,475,883	\$ 132,788,738	\$ 171,611,161	\$ 207,458,012	\$ 197,719,153	\$ 285,154,233	\$ 246,660,988	\$ 272,632,468	\$ 215,574,818
Receivables:										
Property taxes	116,213,831	124,924,746	130,785,271	125,455,968	124,142,709	125,982,727	132,521,058	131,905,864	138,078,689	138,935,297
Other local	807,405	1,568,479	7,544,943	7,298,202	1,837,456	2,087,250	840,395	2,017,171	1,774,001	1,809,789
State	609,493	875,409	1,056,229	1,087,827	1,704,672	1,940,109	1,123,269	2,286,160	1,959,228	2,343,606
Federal	27,665,550	17,777,257	13,770,210	10,916,534	12,472,701	27,008,698	36,585,184	29,895,483	19,006,668	16,785,055
Prepaid expenses	3,628,878	495,438	545,819	494,189	472,265	464,609	351,864	394,551	418,293	442,017
Lease receivable	-	-	-	-	-	-	-	-	9,084,045	-
Inventories	3,583,118	3,821,633	4,318,116	4,617,240	5,000,700	7,954,446	4,685,021	4,174,442	4,614,854	4,850,741
Net OPEB asset	-	-	-	-	304,253	355,237	561,382	609,335	864,391	962,548
Capital assets:										
Land, construction in progress, and water stock	43,318,689	33,331,168	40,949,797	38,743,718	46,258,299	49,232,881	55,000,220	99,471,695	166,043,007	241,402,460
Other capital assets, net of accumulated depreciation	197,404,451	209,443,880	208,746,482	219,383,344	230,253,710	244,884,690	244,279,676	250,553,057	292,615,046	298,506,536
Total assets	458,425,231	494,713,893	540,505,605	579,608,183	629,904,777	657,629,800	761,102,302	767,968,746	907,090,690	921,612,867
Liabilities:										
Accounts and contracts payable	6,911,916	5,610,698	8,107,288	8,620,973	10,807,811	6,017,206	8,588,487	15,054,886	24,412,684	15,853,511
Accrued interest	43,882	26,101	-	-	-	-	433,006	271,698	670,287	754,417
Accrued salaries and related benefits	27,229,991	35,806,574	32,464,738	36,048,258	39,606,609	44,779,667	42,628,041	42,904,209	43,366,016	48,017,721
Unearned revenue:										
Local	3,337,920	702,425	720,057	1,197,890	1,152,197	1,538,570	1,214,568	1,065,499	9,948,581	1,527,180
State	7,291,766	11,410,495	11,594,501	14,259,661	16,667,642	10,392,205	8,691,770	9,522,950	9,439,856	8,678,669
Federal	34,523	121,690	110,569	607,947	161,895	144,249	801,901	1,285,615	1,699,097	1,880,782
Long-term liabilities:										
Portion due or payable within one year	9,032,766	8,230,785	10,140,925	10,302,645	10,500,100	11,416,261	13,636,794	13,791,605	16,260,601	20,394,650
Portion due or payable after one year	18,083,134	13,381,949	13,853,640	25,215,021	25,733,809	29,149,187	109,960,914	89,963,247	180,566,007	222,274,831
Total liabilities	71,965,898	75,290,717	76,991,718	96,252,395	104,630,063	103,437,345	185,955,481	173,859,709	286,383,129	319,381,761
Deferred Inflows of Resources:										
Property taxes levied for future year	112,243,308	120,271,147	126,702,150	121,090,851	120,686,699	121,870,805	130,454,807	126,750,223	133,854,460	135,851,267
Net Position:										
Net investment in capital assets	230,416,390	237,644,348	249,696,279	258,127,062	276,512,009	294,117,571	294,292,996	312,828,850	320,933,467	338,844,364
Restricted for:										
Capital projects	19,879,622	30,185,767	43,953,598	57,383,665	56,785,410	53,619,369	62,709,491	50,798,448	52,011,476	10,351,497
Community recreation	385,007	637,829	1,888,317	2,733,673	1,805,530	1,091,222	1,279,785	446,335	-	-
Schools and scholarships	948,935	1,103,869	1,279,242	1,470,572	1,163,315	632,595	894,675	411,517	411,517	411,517
School lunch	2,935,046	3,871,216	5,292,700	7,120,779	7,353,969	8,163,090	9,519,525	6,831,041	8,848,379	10,206,132
Debt service	-	-	-	-	60,967,782	-	-	360,073	-	-
Unrestricted	19,651,025	25,709,000	34,701,601	35,429,186	60,967,782	74,697,803	75,995,542	95,682,550	104,648,262	106,566,329
Total net position	\$ 274,216,025	\$ 299,152,029	\$ 336,811,737	\$ 362,264,937	\$ 404,588,015	\$ 432,321,650	\$ 444,692,014	\$ 467,358,814	\$ 486,853,101	\$ 466,379,839

Note: Certain amounts prior to 2013 have been restated to implement new accounting and reporting standards.
Source: District records

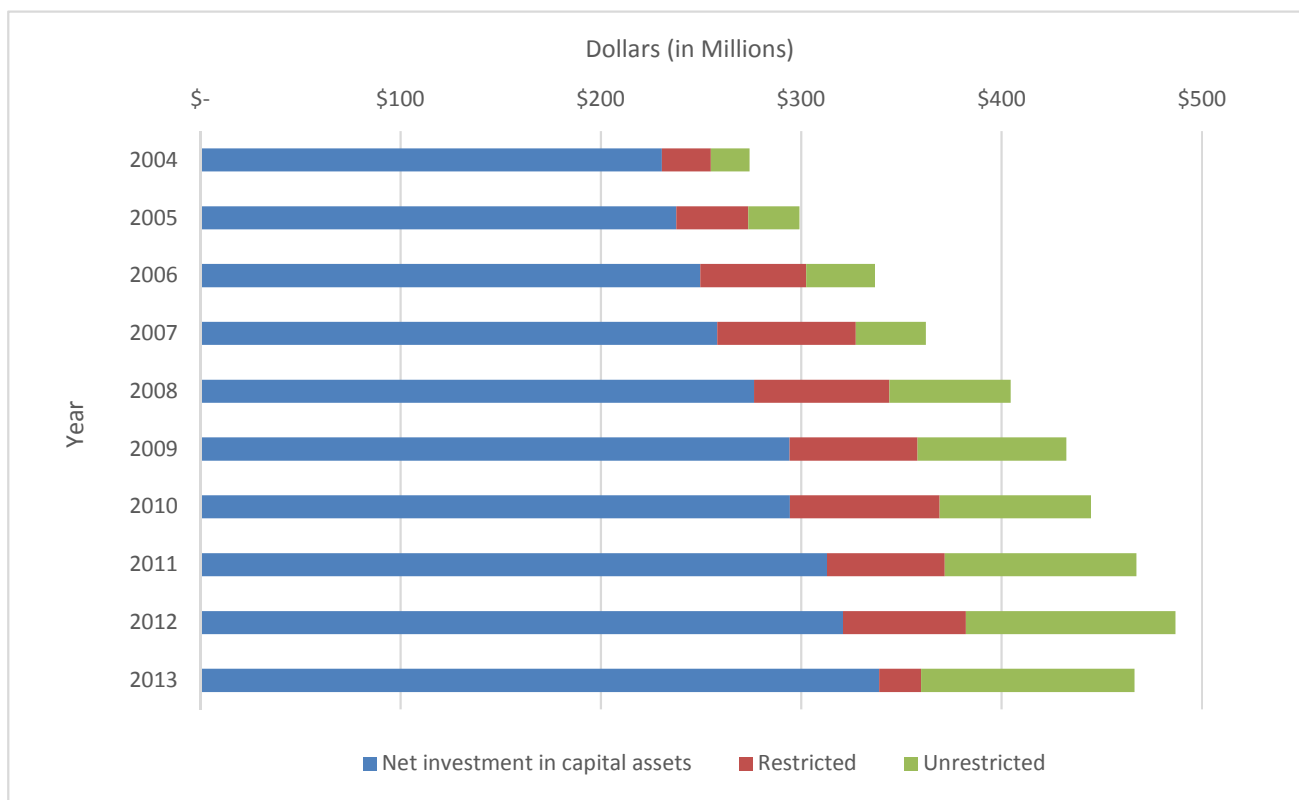
Granite School District

Net Position by Component

Last Ten Fiscal Years - June 30, 2004 through June 30, 2013

(Accrual basis of accounting)

Year	Net investment in capital assets	Restricted	Unrestricted	Total governmental activities net position
2004	\$ 230,416,390	\$ 24,427,691	\$ 19,371,944	\$ 274,216,025
2005	237,644,348	36,000,878	25,506,803	299,152,029
2006	249,696,279	52,778,721	34,336,737	336,811,737
2007	258,127,062	69,137,132	35,000,743	362,264,937
2008	276,512,009	67,589,085	60,486,921	404,588,015
2009	294,117,571	63,987,422	74,216,657	432,321,650
2010	294,292,996	74,782,717	75,616,301	444,692,014
2011	312,828,850	58,847,414	95,682,550	467,358,814
2012	320,933,467	61,271,372	104,648,262	486,853,101
2013	338,844,364	20,969,146	106,566,329	466,379,839



Note: Certain amounts prior to 2013 have been restated to implement new accounting and reporting standards.

Source: District records

Granite School District
Changes in Net Position
Last Ten Fiscal Years - June 30, 2004 through 2013
(Accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
Instructional services	\$ (243,094,998)	\$ (247,851,686)	\$ (259,632,284)	\$ (275,393,510)	\$ (312,044,102)	\$ (330,747,520)	\$ (323,526,457)	\$ (318,583,268)	\$ (297,867,401)	\$ (354,542,451)
Supporting services:										
Students	(15,290,440)	(16,070,499)	(16,422,751)	(17,883,649)	(19,191,183)	(20,130,916)	(18,495,907)	(18,310,997)	(18,140,134)	(19,653,926)
Instructional staff	(21,808,906)	(23,026,016)	(23,633,966)	(20,098,116)	(19,929,351)	(19,382,010)	(17,121,922)	(16,452,790)	(15,094,205)	(16,067,242)
District administration	(2,787,791)	(2,837,234)	(3,106,869)	(3,269,725)	(3,008,245)	(3,142,855)	(3,212,270)	(3,172,168)	(3,261,574)	(3,419,032)
School administration	(20,329,248)	(21,498,909)	(22,004,663)	(23,519,432)	(24,902,500)	(26,447,443)	(25,939,635)	(25,899,389)	(26,259,590)	(26,973,888)
Central	(7,169,098)	(7,409,401)	(7,468,722)	(8,072,048)	(8,744,300)	(9,443,494)	(9,641,355)	(9,510,994)	(9,823,667)	(10,686,443)
Operation and maintenance of facilities	(33,407,017)	(35,745,589)	(38,317,134)	(39,965,104)	(40,263,931)	(45,094,109)	(42,959,293)	(39,397,257)	(48,472,612)	(54,117,354)
Transportation	(8,153,339)	(8,665,161)	(8,576,469)	(9,404,718)	(9,613,882)	(9,543,162)	(9,022,545)	(9,267,172)	(10,199,851)	(11,333,916)
School lunch services	(16,693,757)	(17,009,339)	(17,981,777)	(18,643,034)	(21,990,249)	(22,756,762)	(22,304,140)	(27,471,654)	(24,604,691)	(25,721,960)
Noninstructional services	(10,621,864)	(11,539,592)	(13,664,629)	(13,954,715)	(16,036,280)	(14,774,146)	(14,934,127)	(14,764,773)	(15,722,329)	(1,298,056)
Interest on long-term liabilities	(221,329)	(88,039)	-	-	-	-	(1,281,355)	(3,289,197)	(7,467,967)	(7,928,415)
Total expenses	(379,577,787)	(391,741,465)	(410,809,264)	(430,204,051)	(475,724,023)	(501,462,417)	(488,439,006)	(486,119,659)	(476,914,021)	(531,742,683)
Program Revenues:										
Charges for services:										
Instructional services	1,485,995	1,368,419	1,579,857	1,784,867	12,291,554	12,378,542	13,142,876	12,598,709	11,470,367	12,286,477
Supporting services	675,977	607,150	925,494	981,694	629,705	839,859	1,414,649	748,094	763,226	822,669
School lunch services	4,930,337	4,836,608	5,130,456	5,226,128	5,234,813	5,131,865	4,164,925	5,192,512	5,009,691	4,848,097
Noninstructional services	497,834	1,120,926	924,682	389,520	1,027,499	912,192	1,487,856	550,911	1,907,185	782,815
Operating grants and contributions	89,414,541	97,597,800	103,239,515	105,467,811	137,054,561	145,180,770	149,753,325	157,573,797	147,626,381	157,926,163
Capital grants and contributions	110,057	-	-	-	-	-	151,107	-	-	-
Total program revenues	97,114,741	105,530,903	111,800,004	113,850,020	156,238,132	164,443,228	170,114,738	176,664,023	166,776,850	176,666,221
Net (Expense) and Changes in Net Position	(282,463,046)	(286,210,562)	(299,009,260)	(316,354,031)	(319,485,891)	(337,019,189)	(318,324,268)	(309,455,636)	(310,137,171)	(355,076,462)
General Revenue and										
Other Changes in Net Position:										
Property taxes	109,992,530	115,346,766	122,416,698	122,480,457	132,546,482	136,707,897	133,224,919	143,699,068	144,940,295	148,561,205
Federal and state aid not restricted to specific programs	178,097,498	180,893,548	185,424,215	198,463,920	205,368,598	214,392,417	188,872,801	180,777,434	174,482,377	165,766,056
Rental fees	700,203	633,982	651,497	926,509	1,407,781	1,344,966	1,406,617	1,570,171	1,487,091	2,053,394
Proceeds from economic development agencies	1,833,168	1,046,927	1,078,227	519,885	932,017	746,099	981,654	1,370,034	1,358,852	1,418,711
Foundation contributions	1,533,008	1,022,503	952,043	934,397	1,213,066	654,075	928,161	775,046	1,135,436	781,534
Earnings on investments	1,271,418	2,481,924	5,278,726	8,789,993	8,241,020	4,412,267	2,367,634	2,028,527	747,585	1,860,492
Miscellaneous	4,859,103	5,480,325	4,960,668	3,794,334	3,808,136	3,090,529	1,123,215	1,260,120	5,368,887	13,398,910
Gain (loss) on sale of real property	276,586	4,240,591	376,894	5,897,736	528,224	3,404,574	1,789,631	642,036	110,935	762,898
Extraordinary item - gain on insurance recovery	-	-	15,500,000	-	-	-	-	-	-	-
Total general revenue and other changes in net position	298,563,514	311,146,566	336,668,968	341,807,231	354,045,324	364,752,824	330,694,632	332,122,436	329,631,458	334,603,200
Change in Net Position	16,100,468	24,936,004	37,659,708	25,453,200	34,559,433	27,733,635	12,370,364	22,666,800	19,494,287	(20,473,262)
Net Position - Beginning	258,115,557	274,216,025	299,152,029	336,811,737	370,028,582	404,588,015	432,321,650	444,692,014	467,358,814	486,853,101
Net Position - Ending	\$ 274,216,025	\$ 299,152,029	\$ 336,811,737	\$ 362,264,937	\$ 404,588,015	\$ 432,321,650	\$ 444,692,014	\$ 467,358,814	\$ 486,853,101	\$ 466,379,839

Certain amounts prior to 2013 have been restated to implement new accounting and reporting standards. District activity programs fund was reported as special revenue fund beginning in FY08. The fund balance of the District activity fund on July 1, 2007 was \$7,763,645 which was previously reported as a fiduciary fund. Prior years have not been restated.

Source: District records

Granite School District
Fund Balances - Governmental Funds
Last Ten Fiscal Years - June 30, 2004 through 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund balance:										
Nonspendable	\$ 3,401,831	\$ 3,467,949	\$ 3,856,917	\$ 3,922,604	\$ 4,291,312	\$ 6,998,853	\$ 4,096,604	\$ 3,724,250	\$ 3,847,348	\$ 4,001,748
Committed	19,392,059	21,635,054	41,387,258	53,056,649	60,064,382	68,376,060	71,528,522	66,518,121	59,407,142	61,484,871
Assigned	2,500,000	3,565,868	271,211	195,608	6,889,755	10,971,314	10,611,865	27,235,977	31,323,124	26,142,829
Unassigned	1,449,086	3,224,937	3,080,585	3,567,124	3,981,827	6,345,573	9,766,247	9,954,512	9,897,564	7,062,256
Total	26,742,976	31,893,808	48,595,971	60,741,985	75,227,276	92,691,800	96,003,238	107,432,860	104,475,178	98,691,704
Capital project's fund balance:										
Nonspendable	3,066,282	31,449	110,245	68,643	63,123	65,418	66,391	113,975	117,616	97,666
Restricted	16,830,813	29,011,893	36,331,249	50,172,332	54,485,251	51,801,230	139,087,750	80,055,628	81,811,179	19,954,153
Total	19,897,095	29,043,342	36,441,494	50,240,975	54,548,374	51,866,648	139,154,141	80,169,603	81,928,795	20,051,819
All other governmental fund balances:										
Nonspendable	694,817	766,905	816,721	1,056,598	1,075,100	1,309,248	824,708	690,278	1,026,508	1,154,475
Restricted	3,475,423	4,674,540	7,553,857	10,039,102	17,177,358	16,377,602	10,784,531	6,862,422	8,233,388	9,633,312
Committed	121,270	124,243	134,384	142,891	126,218	111,093	8,374,241	10,204,549	11,359,296	11,418,409
Assigned	78,190	119,419	182,499	364,864	428,443	481,146	379,241	-	-	-
Total	4,369,700	5,685,107	8,687,461	11,603,455	18,807,119	18,279,089	20,362,721	17,757,249	20,619,192	22,206,196
Total governmental fund balances	\$ 51,009,771	\$ 66,622,257	\$ 93,724,926	\$ 122,586,415	\$ 148,582,769	\$ 162,837,537	\$ 255,520,100	\$ 205,359,712	\$ 207,023,165	\$ 140,949,719

Note:

Nonspendable includes inventories and prepaid items that are not expected to be converted to cash.
 Restricted includes net fund resources of the District that are subject to external constraints due to state or federal laws or externally imposed conditions by grantors or creditors.
 Committed balances reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds.
 Assigned balances in the General Fund and other governmental funds are those that do not meet the requirements of restricted or committed but that are intended to be used for specific purposes.
 Unassigned fund balances are all other available net fund resources.

Source: District records

Granite School District
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years - June 30, 2004 through 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Property taxes	\$ 110,342,249	\$ 115,207,443	\$ 122,960,911	\$ 121,739,043	\$ 131,687,338	\$ 138,095,494	\$ 134,773,196	\$ 141,393,902	\$ 145,264,279	\$ 149,490,678
Earnings on investments	1,271,418	2,481,924	4,813,218	8,786,913	8,227,906	4,410,900	2,367,634	2,028,527	747,585	1,860,492
Tuition	1,176,225	1,559,850	1,657,800	1,376,547	1,635,855	1,646,362	2,225,975	1,921,243	1,961,552	58,146
School lunch sales	4,930,337	4,836,608	5,130,456	5,226,128	5,234,813	5,131,865	4,164,925	5,192,512	5,009,691	4,848,097
Student fees	-	-	-	-	5,094,985	5,705,941	5,319,978	6,105,400	6,201,669	6,399,545
Proceeds from fundraising activities	-	-	-	-	2,481,316	2,377,116	2,196,939	2,294,869	2,734,829	2,581,748
Other local	15,430,544	17,502,148	15,964,531	9,011,366	13,663,191	11,119,093	12,903,402	11,358,835	11,708,175	14,167,703
State	223,291,757	229,810,197	239,484,538	254,427,670	288,482,122	279,235,273	260,424,666	259,520,754	257,203,373	261,025,516
Federal	44,330,339	48,681,151	49,179,192	49,504,061	53,941,037	80,337,914	78,273,044	78,835,447	64,560,913	62,666,703
Total revenues	400,772,869	420,079,321	439,190,646	450,071,728	510,448,563	528,059,958	502,649,759	508,651,489	495,392,066	503,098,628
Expenditures:										
Current:										
Instructional services	215,621,176	218,468,823	220,970,742	239,062,959	277,489,359	296,160,837	290,027,780	289,764,079	286,380,238	303,094,147
Supporting services:										
Students	15,113,910	15,864,371	15,773,681	16,985,596	18,902,673	19,671,125	18,215,196	18,265,051	18,185,870	19,177,739
Instructional staff	21,651,315	22,844,190	23,080,330	19,347,842	19,711,431	19,042,866	16,881,822	16,410,218	15,130,458	15,898,421
District administration	2,737,264	2,737,452	2,799,177	2,903,166	2,678,068	2,795,553	2,909,550	2,807,675	2,884,608	3,042,966
School administration	19,911,683	21,074,566	21,150,316	22,361,260	24,521,494	25,817,923	25,568,334	25,868,977	26,359,396	26,386,676
Central	6,869,483	7,043,802	6,825,886	7,303,328	8,680,791	8,906,904	9,130,132	8,982,270	9,305,637	9,387,883
Operation and maintenance of facilities	31,834,724	34,240,089	35,823,201	37,158,835	40,695,887	42,737,268	40,581,482	37,798,294	47,250,856	51,964,424
Transportation	6,864,943	7,386,844	7,111,688	7,906,272	8,508,292	8,382,599	8,030,734	8,326,966	9,371,995	10,247,348
School lunch services	17,192,043	17,727,612	18,778,312	19,643,580	21,829,026	22,767,961	23,882,583	29,034,911	24,710,050	26,753,082
Noninstructional services	10,608,681	11,527,064	13,646,845	13,940,316	16,160,102	14,929,141	15,107,978	14,773,436	15,831,020	1,189,333
Capital outlay	55,934,956	43,377,107	51,024,413	41,549,919	58,940,480	56,230,944	42,928,321	89,298,616	133,263,686	137,959,749
Debt service:										
Principal	1,123,771	6,323,468	5,512,022	-	-	-	-	14,220,000	10,450,000	8,545,000
Interest and fiscal charges	89,498	228,919	105,800	-	-	-	-	3,703,889	6,967,129	8,304,364
Bond issuance costs	-	-	-	-	-	-	876,503	-	799,448	405,013
Total expenditures	405,553,447	408,844,307	422,602,413	428,163,073	497,717,603	517,443,121	494,140,415	559,254,382	606,890,391	622,356,145
Excess (deficiency) of revenues over (under) expenditures	(4,780,578)	11,235,014	16,588,233	21,908,655	12,730,960	10,616,837	8,509,344	(50,602,893)	(111,498,325)	(119,257,517)
Other financing sources (uses):										
Proceeds from sale of equipment	36,953	96,081	51,909	98,892	28,759	155,197	116,707	642,036	1,245,424	762,898
Proceeds from sale of real property	434,585	4,281,391	1,239,575	6,004,988	548,047	3,695,127	2,295,415	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-	223,425	-
Bond proceeds	10,105,000	-	-	-	-	-	80,000,000	-	102,925,000	48,075,000
Bond premium	107,100	-	-	-	-	-	2,027,068	-	8,876,310	4,405,323
Transfer to internal service funds/proprietary funds	-	-	(113,240)	(170,693)	(172,745)	(212,393)	(265,971)	(199,531)	(108,381)	(59,150)
Total other financing sources (uses)	10,683,638	4,377,472	1,178,244	5,933,187	404,061	3,637,931	84,173,219	442,505	113,161,778	53,184,071
Extraordinary item:										
Insurance proceeds	-	-	9,336,192	1,019,647	5,097,688	-	-	-	-	-
Net change in fund balances	5,903,060	15,612,486	27,102,669	28,861,489	18,232,709	14,254,768	92,682,563	(50,160,388)	1,663,453	(66,073,446)
Fund balances - beginning	45,106,711	51,009,771	66,622,257	93,724,926	130,350,060	148,582,769	162,837,537	255,520,100	205,359,712	207,023,165
Fund balances - ending	\$ 51,009,771	\$ 66,622,257	\$ 93,724,926	\$ 122,586,415	\$ 148,582,769	\$ 162,837,537	\$ 255,520,100	\$ 205,359,712	\$ 207,023,165	\$ 140,949,719
Debt service as a percentage of noncapital expenditures	0.33%	1.68%	1.41%	0.00%	0.00%	0.00%	0.00%	3.66%	3.66%	3.25%

District activity programs fund was reported as special revenue fund beginning in FY08. The fund balance of the District activity fund on July 1, 2007 of \$7,763,645 was previously reported as a fiduciary fund. Prior years have not been restated.
Source: District records.

Granite School District
Comparative Balance Sheets - General Fund
Last Ten Fiscal Years - June 30, 2004 through 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assets:										
Cash and investments	\$ 35,539,094	\$ 75,638,249	\$ 131,051,359	\$ 70,057,105	\$ 84,799,443	\$ 113,508,241	\$ 108,654,214	\$ 131,870,229	\$ 138,025,909	\$ 134,844,685
Receivables:										
Property taxes	68,888,692	74,375,080	78,839,516	75,376,925	78,975,609	74,025,512	92,915,999	94,267,604	104,050,366	104,112,081
Other local	517,535	1,250,398	877,535	1,224,557	939,927	1,365,487	583,887	1,117,626	1,372,009	1,519,629
State	76,499	388,545	330,920	318,383	569,042	1,047,636	635,364	1,039,051	526,134	523,513
Federal	26,177,849	16,272,965	12,098,630	9,315,717	11,193,340	25,234,529	34,774,677	28,609,035	16,162,815	16,149,504
Inventories	2,930,951	3,020,396	3,432,346	3,524,537	3,884,697	6,603,979	3,814,200	3,448,713	3,553,368	3,669,481
Prepaid items	470,880	447,553	424,571	398,067	406,615	394,874	282,404	275,537	293,980	332,267
Due from other funds	-	-	-	-	-	73,999	632,691	-	392,125	154,633
Total assets	\$ 134,601,500	\$ 171,393,186	\$ 227,054,877	\$ 160,215,291	\$ 180,768,673	\$ 222,254,257	\$ 242,293,436	\$ 260,627,795	\$ 264,376,706	\$ 261,305,793
Liabilities:										
Accounts and contracts payable	\$ 2,395,413	\$ 2,274,359	\$ 3,156,800	\$ 2,153,885	\$ 2,655,747	\$ 1,955,451	\$ 1,824,520	\$ 903,812	\$ 757,538	\$ 1,112,408
Accrued salaries and related benefits	9,537,057	14,611,044	8,064,018	6,501,915	5,664,092	42,760,851	41,388,390	41,156,118	42,702,387	44,968,638
Due to other funds	19,457,942	36,581,818	76,493,997	-	-	-	-	5,780,232	-	-
Unearned revenue:										
Local	-	426,396	439,735	552,222	462,271	428,051	575,676	599,954	1,054,995	1,506,997
State	7,274,342	11,359,628	11,560,363	14,214,833	16,422,106	10,341,017	8,641,076	9,522,950	9,439,856	8,678,669
Federal	34,523	121,690	110,569	602,907	161,895	144,249	800,654	1,281,968	1,773,650	1,955,335
Total liabilities	38,699,277	65,344,935	99,825,482	24,025,762	25,366,111	55,629,619	53,230,316	59,245,034	55,728,426	58,222,047
Deferred Inflows of Resources:										
Unavailable property tax revenue	-	-	-	-	-	-	-	-	-	3,061,800
Property taxes levied for future year	69,159,247	74,154,443	78,633,424	75,447,544	80,175,286	73,932,838	93,059,882	93,949,901	104,173,102	101,330,242
Total deferred inflows of resources	69,159,247	74,154,443	78,633,424	75,447,544	80,175,286	73,932,838	93,059,882	93,949,901	104,173,102	104,392,042
Fund Balances:										
Nonspendable:										
Inventories	2,930,951	3,020,396	3,432,346	3,524,537	3,884,697	6,603,979	3,814,200	3,448,713	3,553,368	3,669,481
Prepaid expenditures	470,880	447,553	424,571	398,067	406,615	394,874	282,404	275,537	293,980	332,267
Committed to:										
Economic stabilization	8,500,000	9,500,000	9,500,000	9,500,000	12,000,000	17,000,000	20,349,243	20,419,262	20,547,753	21,811,871
Employee benefits	10,074,730	11,968,318	31,488,675	43,354,058	47,643,376	50,825,306	50,787,529	44,714,591	37,336,656	38,799,309
Contractual obligations	677,480	266,736	398,583	202,591	421,006	550,754	391,750	1,384,268	1,522,733	873,691
Assigned to:										
Success Charter School	-	-	-	-	-	-	-	313,776	-	-
Self insurance	2,500,000	2,500,000	-	-	6,000,000	9,924,400	9,517,407	14,838,733	16,123,466	12,405,824
Employee benefits	-	-	-	-	-	-	-	6,050,000	6,914,504	5,451,851
Planned projects	139,849	1,065,868	271,211	195,608	889,755	1,046,914	1,094,458	6,033,468	8,285,154	8,285,154
Unassigned	1,449,086	3,224,937	3,080,585	3,567,124	3,981,827	6,345,573	9,766,247	9,954,512	9,897,564	7,062,256
Total fund balances	26,742,976	31,893,808	48,595,971	60,741,985	75,227,276	92,691,800	96,003,238	107,432,860	104,475,178	98,691,704
Total liabilities, deferred inflows of resources, and fund balances	\$ 134,601,500	\$ 171,393,186	\$ 227,054,877	\$ 160,215,291	\$ 180,768,673	\$ 222,254,257	\$ 242,293,436	\$ 260,627,795	\$ 264,376,706	\$ 261,305,793

Source: District records

Granite School District

Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances - General Fund

Last Ten Fiscal Years - June 30, 2004 through 2013 and Proposed Budget for 2014

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Proposed Budget 2014
Revenues:											
Property taxes	\$ 64,650,080	\$ 69,067,396	\$ 73,891,784	\$ 73,143,714	\$ 83,775,271	\$ 87,411,731	\$ 85,068,472	\$ 91,921,843	\$ 105,081,687	\$ 113,045,326	\$ 113,029,757
Earnings (loss) on investments	794,118	1,494,393	2,129,331	4,307,590	4,090,444	3,221,399	1,401,278	1,204,839	(46,142)	1,212,292	1,250,000
State	216,110,035	222,006,740	230,754,050	246,173,062	274,717,288	271,171,606	252,412,503	251,934,781	249,504,811	256,869,852	265,439,404
Federal	30,433,643	33,106,530	32,697,345	32,846,301	36,383,144	62,370,769	58,863,351	57,305,579	40,159,901	41,809,790	39,961,654
Other local	8,139,618	7,597,483	9,092,757	7,304,079	6,823,146	6,670,218	7,855,547	7,709,658	8,311,120	9,777,622	12,176,580
Total revenue	320,127,494	333,272,542	348,565,267	363,774,746	405,789,293	430,845,723	405,601,151	410,076,700	403,011,377	422,714,882	431,857,395
Expenditures:											
Current:											
Instruction	215,204,215	217,978,736	220,476,389	238,640,958	265,252,631	283,602,781	278,180,311	278,464,936	275,344,998	292,231,153	305,051,579
Supporting services:											
Students	15,113,910	15,864,371	15,773,681	16,985,596	18,902,673	19,671,125	18,215,196	18,265,051	18,185,870	19,177,739	20,548,759
Instructional staff	21,651,315	22,844,190	23,080,330	19,347,842	19,711,431	19,042,866	16,881,822	16,410,218	15,130,458	15,898,421	16,962,808
District administration	2,737,264	2,737,452	2,799,177	2,903,166	2,678,068	2,795,553	2,909,550	2,807,675	2,884,608	3,042,966	3,295,493
School administration	19,911,683	21,074,566	21,150,316	22,361,260	24,521,494	25,817,923	25,568,334	25,868,977	26,359,396	26,386,676	27,555,089
Central	6,869,483	7,043,802	6,825,886	7,303,328	8,280,791	8,906,904	9,130,132	8,982,270	9,305,637	9,387,883	9,920,337
Operation and maintenance of facilities	31,834,724	34,240,089	35,823,201	37,158,835	40,695,887	42,737,268	40,581,482	37,798,294	47,250,856	51,964,424	55,179,114
Transportation	6,864,943	7,386,844	7,111,688	7,906,272	8,508,292	8,382,599	8,030,734	8,326,966	9,371,995	10,247,348	10,238,538
Total expenditures	320,187,537	329,170,050	333,040,668	352,607,257	388,551,267	410,957,019	399,497,561	396,924,387	403,833,818	428,336,610	448,751,717
Excess (deficiency) of revenues over (under) expenditures	(60,043)	4,102,492	15,524,599	11,167,489	17,238,026	19,888,704	6,103,590	13,152,313	(822,441)	(5,621,728)	(16,894,322)
Other financing sources (uses):											
Transfers in (out)	2,392,168	1,048,340	1,177,564	978,525	(2,752,735)	(2,424,180)	(2,792,152)	(1,722,691)	(2,135,241)	(161,746)	3,357,344
Net change in fund balances	2,332,125	5,150,832	16,702,163	12,146,014	14,485,291	17,464,524	3,311,438	11,429,622	(2,957,682)	(5,783,474)	(13,536,978)
Fund balances - beginning	24,410,851	26,742,976	31,893,808	48,595,971	60,741,985	75,227,276	92,691,800	96,003,238	107,432,860	104,475,178	95,050,996
Fund balances - ending	\$ 26,742,976	\$ 31,893,808	\$ 48,595,971	\$ 60,741,985	\$ 75,227,276	\$ 92,691,800	\$ 96,003,238	\$ 107,432,860	\$ 104,475,178	\$ 98,691,704	\$ 81,514,018

Source: District records.

GRANITE SCHOOL DISTRICT

Statistical Section - Revenue Capacity

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This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

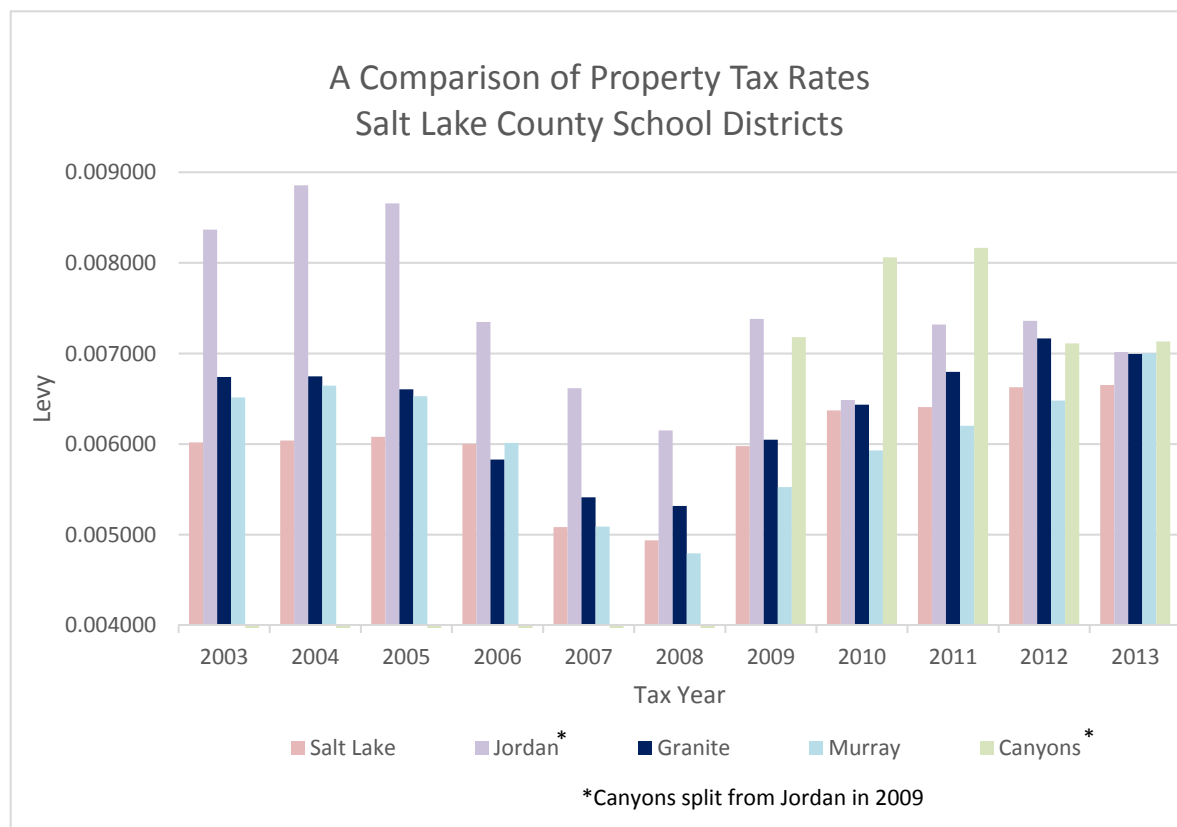
Revenue Capacity

These schedules contain information to help the reader assess one of the District's most significant local revenue source, the property tax.

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Historical Summaries of Taxable Values of Property.....	80
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Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



Granite School District
Historical Summaries of Taxable Values of Property
Last Ten Tax Years - For the Tax Years Ended December 31, 2003 through 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Set by State Tax Commission: Centrally Assessed	\$ 871,392,738	\$ 1,260,870,537	\$ 1,545,562,862	\$ 1,565,368,137	\$ 1,753,741,243	\$ 1,952,066,864	\$ 1,676,842,492	\$ 2,029,948,798	\$ 2,147,557,466	\$ 2,318,777,740
Set by County Assessor: Locally Assessed										
Real Property:										
Residential real estate-primary use	8,873,573,643	9,313,558,984	10,044,328,140	11,493,028,307	13,902,613,370	14,729,753,317	13,008,368,623	12,515,386,495	12,258,416,057	11,602,096,890
Residential real estate-not primary use	391,208,410	392,473,540	400,748,700	484,776,770	565,314,690	742,507,870	621,683,380	530,648,060	478,858,170	445,747,730
Commercial and industrial real estate	3,995,809,200	4,032,546,580	4,143,992,420	4,876,571,030	5,613,321,760	6,063,623,670	4,940,975,810	4,861,606,550	4,879,587,270	4,881,426,400
Agriculture-FAA	9,717,010	11,213,590	12,601,820	11,729,730	12,330,600	3,122,790	2,546,500	2,641,160	2,484,800	2,446,640
Unimproved non FAA	584,900	584,370	798,290	1,034,410	914,010	9,959,730	8,714,040	7,432,850	7,716,940	7,338,740
Total Real Property	13,270,893,163	13,750,377,064	14,602,469,370	16,867,140,247	20,094,494,430	21,548,967,377	18,582,288,353	17,917,715,115	17,627,063,237	16,939,056,400
Personal Property:										
Fee in lieu property	1,464,905,917	1,476,335,517	2,638,922,990	1,530,971,598	1,571,961,716	1,561,885,885	1,443,973,546	1,489,159,055	611,175,504	585,561,977
Mobile home-primary residential use	59,516,216	49,044,650	39,355,196	37,152,386	40,090,137	42,311,722	44,365,634	41,853,103	40,966,709	40,302,850
Mobile home-other use	1,574,960	1,305,134	1,458,034	1,750,357	1,512,221	2,751,923	3,002,319	1,685,719	1,486,580	1,596,921
Commercial and industrial property	1,170,861,671	1,110,029,585	1,078,624,814	1,216,132,336	1,315,426,157	1,422,273,525	1,527,200,703	1,454,916,023	1,319,166,296	1,310,971,049
Total Personal Property	2,696,858,764	2,636,714,886	3,758,361,034	2,786,006,677	2,928,990,231	3,029,223,055	3,018,542,202	2,987,613,900	1,972,795,089	1,938,432,797
Total Locally Assessed	15,967,751,927	16,387,091,950	18,360,830,404	19,653,146,924	23,023,484,661	24,578,190,432	21,600,830,555	20,905,329,015	19,599,858,326	18,877,489,197
Total Taxable Property	\$ 16,839,144,665	\$ 17,647,962,487	\$ 19,906,393,266	\$ 21,218,515,061	\$ 24,777,225,904	\$ 26,530,257,296	\$ 23,277,673,047	\$ 22,935,277,813	\$ 21,747,415,792	\$ 21,196,266,937

Source: Utah State Tax Commission - Property Tax Division - List of Final Values by Year

Granite School District

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Years - December 31, 2003 through 2012

Tax Year	Taxable Assessed Value *				Total Direct Tax Rate	Estimated Actual Value (FMV)	Assessed Value as a Percentage of Actual Value
	Residential	Industrial & Commercial	Agriculture	Personal			
2003	\$ 9,264,782,053	\$ 6,038,063,609	\$ 10,301,910	\$ 1,525,997,093	\$ 16,839,144,665	\$ 24,148,036,368	69.73%
2004	9,706,032,524	6,403,446,702	11,797,960	1,526,685,301	17,647,962,487	25,304,953,576	69.74%
2005	10,445,076,840	6,768,180,096	13,400,110	2,679,736,220	19,906,393,266	28,156,679,632	70.70%
2006	11,977,805,077	7,658,071,503	12,764,140	1,569,874,341	21,218,515,061	30,652,299,264	69.22%
2007	14,467,928,060	8,682,489,160	13,244,610	1,613,564,074	24,777,225,904	36,184,966,896	68.47%
2008	15,472,261,187	9,437,964,059	13,082,520	1,606,949,530	26,530,257,296	38,616,498,368	68.70%
2009	13,630,052,003	8,145,019,005	11,260,540	1,491,341,499	23,277,673,047	36,380,507,985	63.98%
2010	13,046,034,555	8,346,471,371	10,074,010	1,532,697,877	22,935,277,813	33,209,173,404	69.06%
2011	12,737,274,227	8,346,311,032	10,201,740	653,628,793	21,747,415,792	31,810,547,146	68.37%
2012	12,047,844,620	8,511,175,189	9,785,380	627,461,748	21,196,266,937	30,721,866,724	68.99%

* Taxable assessed values includes the taxable value used to determine uniform fees on tangible personal property.

Source: Property Tax Division, Utah State Tax Commission-List of Final Values by Year.

Granite School District
Direct and Overlapping Property Tax Rates
Last Ten Years - December 31, 2003 through 2012
(Rate per \$1 of assessed value)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Granite School District Rates:										
General fund:										
Basic state supported program for regular K-12 instruction (set by state legislature)	0.001825	0.001800	0.001720	0.001515	0.001311	0.001250	0.001433	0.001495	0.001591	0.001651
Voted leeway program for regular K-12 instruction	0.001600	0.001600	0.001600	0.001419	0.001600	0.001600	0.001600	0.001600	0.001600	0.001600
Board local levy (1)	-	-	-	-	-	-	-	-	-	0.002149
School board leeway program for class size reduction	0.000400	0.000400	0.000400	0.000356	0.000307	0.000290	0.000333	0.000336	0.000400	-
Board reading improvement program (1)(2)	-	0.000121	0.000121	0.000121	0.000121	0.000121	0.000139	0.000141	0.000121	-
Tort liability levy (2)	0.000050	0.000049	0.000047	0.000042	0.000022	0.000021	0.000027	0.000029	0.000030	-
10% additional basic program for textbooks and supplies (1)(2)	-	-	-	-	-	-	0.000249	0.000427	0.000968	-
Student transportation (2)	0.000074	0.000073	0.000070	0.000049	0.000022	0.000021	0.000027	0.000150	0.000187	-
Judgment levy	-	-	0.000023	-	-	0.000082	-	-	-	-
Total general fund	0.003949	0.004043	0.003981	0.003502	0.003383	0.003385	0.003808	0.004178	0.004897	0.005400
Capital projects fund:										
Capital outlay equalization	-	-	-	-	-	-	0.000600	0.000600	0.000600	0.000600
Capital outlay for buildings and other capital needs	0.001563	0.001488	0.001388	0.001251	0.001150	0.001071	0.000667	0.000226	0.000233	0.000405
10% additional basic program for construction	0.001059	0.001039	0.000992	0.000880	0.000761	0.000740	0.000759	0.000483	-	-
Total capital projects fund	0.002622	0.002527	0.002380	0.002131	0.001911	0.001811	0.002026	0.001309	0.000833	0.001005
Other:										
Debt Service (1)	-	-	-	-	-	-	-	0.000761	0.000761	0.000761
Community recreation levy (2)	0.000169	0.000176	0.000243	0.000195	0.000117	0.000120	0.000213	0.000186	0.000305	-
Total other	0.000169	0.000176	0.000243	0.000195	0.000117	0.000120	0.000213	0.000947	0.001066	0.000761
Total direct rate	0.006740	0.006746	0.006604	0.005828	0.005411	0.005316	0.006047	0.006434	0.006796	0.007166
Overlapping Rates: (a)										
Salt Lake County, Municipal, and Library	0.006527	0.006289	0.006002	0.005405	0.004583	0.003093	0.003605	0.004038	0.004196	0.004867
Salt Lake Valley Fire Service Area (3)	-	-	-	-	-	0.001566	0.001972	0.001972	0.002028	0.002079
Holladay City	0.002162	0.002043	0.001983	0.001659	0.001436	0.001312	0.001533	0.001720	0.001767	0.001791
South Salt Lake City	0.001403	0.001417	0.001396	0.002857	0.002465	0.002352	0.002665	0.002729	0.002691	0.002757
Taylorsville City	0.001932	0.001881	0.001801	0.001858	0.001554	0.001514	0.001690	0.001739	0.001794	0.002202
West Valley City	0.002703	0.002694	0.002527	0.003700	0.003194	0.003171	0.003604	0.003644	0.004510	0.004857
Central Utah Water Project	0.000358	0.000353	0.000400	0.000357	0.000302	0.000286	0.000400	0.000421	0.000436	0.000455
Other local taxing entities:										
Minimum	0.000000	0.000063	0.000060	0.000054	0.000047	0.000044	0.000050	0.000050	0.000052	0.000021
Maximum	0.002773	0.002740	0.001502	0.001671	0.002025	0.005850	0.002756	0.002722	0.002804	0.005589

Notes:

- (1) Tax rates begin the first year the entity levied a rate.
 - (2) Tax rate discontinued for 2012 and combined into a new board local levy accounted for in the General Fund.
 - (3) Salt Lake Valley Fire Service Area began levying its own rate separate from Salt Lake County in 2008.
 - (a) Overlapping rates are those of local and county governments that apply to property owners within the District. Not all overlapping rates apply to all District property owners.
- Source: Property Tax Division, Utah State Tax Commission-Approved Property Tax Rates by Year.

Granite School District
Principal Property Tax Payers
December 31, 2012 and 2003

Taxpayer	Industry	2012			2003		
		Taxable Value*	Rank	Percent of Total Taxable Value	Taxable Value*	Rank	Percent of Total Taxable Value
Kennecott Utah Copper	Mining	\$ 1,771,872,394	1	8.60 %	\$ 854,922,532	1	5.56 %
PacificCorp	Utility	218,682,546	2	1.06 %	166,156,691	2	1.08 %
Alliant Techsystems Inc.	Aerospace	140,058,974	3	0.68 %	131,116,479	3	0.85 %
Hexcel Corporation	Product Design	129,082,278	4	0.63 %	-	-	-
Questar Gas	Utility	114,407,059	5	0.56 %	58,963,319	8	0.38 %
Northern Utah Healthcare Corp.	Health Care	84,191,989	6	0.41 %	-	-	-
Verizon Wireless	Communications	81,823,809	7	0.40 %	78,063,464	6	0.51 %
CER Generation II	Utility	73,876,711	8	0.36 %	-	-	-
Coventry	Health Care	73,783,100	9	0.36 %	-	-	-
Wal-Mart Real Estate	Real Estate	64,332,100	10	0.31 %	-	-	-
Qwest Communications	Communications	-	-	-	80,043,927	4	0.52 %
Price Development Company	Land Development	-	-	-	81,229,916	5	0.53 %
Novus Development	Financial	-	-	-	65,378,322	7	0.43 %
Hermes Associates & LTD	Retail Shopping	-	-	-	54,931,000	9	0.36 %
American Express Travel	Financial	-	-	-	49,171,970	10	0.32 %
		<u>\$ 2,752,110,960</u>		<u>13.37 %</u>	<u>\$ 1,619,977,620</u>		<u>10.54 %</u>
Total taxable value		\$ 20,610,704,960			\$ 15,374,238,748		

* Taxable value as used in this table excludes all tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the state.

Source: Lewis Young Robertson & Burningham

Granite School District
Property Tax Levies and Collections
Last Ten Tax Years December 31, 2002 through 2011

Calendar Year	Taxes Levied *	Collections		Total Collections to Date	
		In the Year of Levy	Percentage of Levy	Amount	Percentage of Levy
2003	\$ 113,578,409	\$ 105,785,538	93.14%	\$ 109,316,433	96.25%
2004	119,591,967	112,031,587	93.68%	115,485,226	96.57%
2005	124,734,685	117,753,192	94.40%	121,124,367	97.11%
2006	125,307,869	119,835,109	95.63%	123,035,677	98.19%
2007	137,793,700	130,993,568	95.06%	134,901,785	97.90%
2008	144,030,429	133,086,985	92.40%	138,082,550	95.87%
2009	141,174,640	131,216,560	92.95%	135,675,142	96.10%
2010	146,987,818	138,228,607	94.04%	143,436,521	97.58%
2011	157,063,809	146,627,164	93.36%	149,325,463	95.07%
2012	156,967,454	145,844,041	92.91%	147,204,670	93.78%

* Includes the taxable value used to determine uniform fees on tangible personal property.

Source: District records and Salt Lake County remittance letters.

GRANITE SCHOOL DISTRICT

Statistical Section - Debt Capacity

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This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

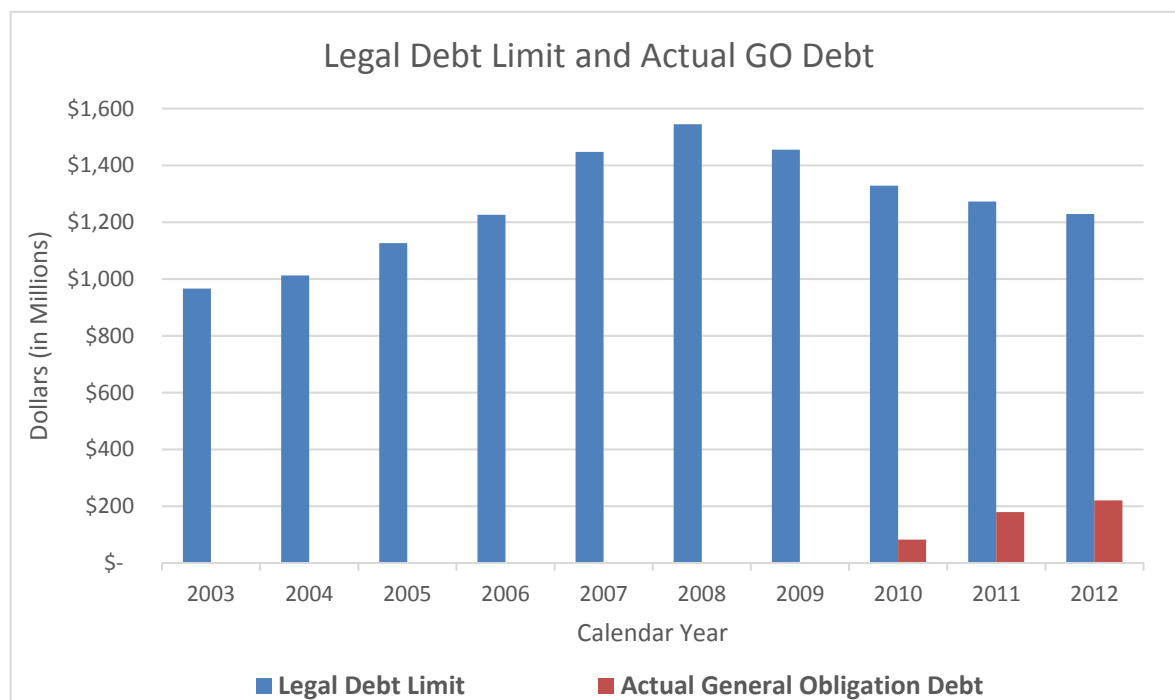
Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

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Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



Granite School District

Ratios of Outstanding Debt

Last Ten Fiscal Years - June 30, 2004 through 2013

Outstanding Debt

Fiscal Year	Direct			Overlapping		Total	
	General Obligation Bonds	Lease Revenue Bonds	Capital Leases	Obligation Debt	General	Direct and Overlapping	
2004	\$ -	\$ 10,105,000	\$ 1,732,539	\$ 11,837,539	\$ 73,563,770	\$ 85,401,309	
2005	-	5,050,000	462,022	5,512,022	99,245,482	104,757,504	
2006	-	-	-	-	121,737,437	121,737,437	
2007	-	-	-	-	122,705,633	122,705,633	
2008	-	-	-	-	125,438,111	125,438,111	
2009	-	-	-	-	122,632,536	122,632,536	
2010	80,000,000	-	-	80,000,000	135,909,872	215,909,872	
2011	65,780,000	-	-	65,780,000	126,879,494	192,659,494	
2012	158,255,000	-	-	158,255,000	133,995,309	292,250,309	
2013	197,785,000	-	-	197,785,000	120,465,217	318,250,217	

Fiscal Year	Debt As a Percentage of Taxable Value		Debt As a Percentage of Estimated Actual Value (FMV)		Debt per Personal Income*		Debt per Estimated Capita		Debt per Student**	
	Direct	Overlapping	Direct	Overlapping	Direct	Overlapping	Direct	Overlapping	Direct	Overlapping
2004	0.07%	0.51%	0.05%	0.35%	\$ 404	\$ 2,913	\$ 377	\$ 2,723	\$ 178	\$ 1,288
2005	0.03%	0.59%	0.02%	0.41%	176	3,350	167	3,176	83	1,571
2006	0.00%	0.61%	0.00%	0.43%	-	3,561	-	3,485	-	1,836
2007	0.00%	0.58%	0.00%	0.40%	-	3,289	-	3,192	-	1,878
2008	0.00%	0.51%	0.00%	0.35%	-	3,347	-	3,161	-	1,889
2009	0.00%	0.46%	0.00%	0.32%	-	3,179	-	3,309	-	1,826
2010	0.34%	0.93%	0.22%	0.59%	2,047	5,524	2,115	5,708	1,196	3,228
2011	0.29%	0.84%	0.20%	0.58%	1,605	4,700	1,683	4,930	981	2,873
2012	0.73%	1.34%	0.50%	0.92%	N/A	N/A	N/A	N/A	2,381	4,397
2013	0.93%	1.50%	0.64%	1.04%	N/A	N/A	N/A	N/A	2,986	4,805

* The actual per capita income as provided by the Bureau of Economic Analysis lags behind. Therefore, it is not available for the latest two years. Prior year figures are revised as needed.

** Based on average daily membership

Source: Salt Lake County CAFR and CUWCD records for overlapping debt. Otherwise, District records.

Granite School District
Debt Service Schedule of Outstanding General Obligation Bonds (Fiscal Year)
As of June 30, 2013

Year Ending June 30,	Series 2010		Series 2011		Series 2012		Series 2013		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 1,705,000	\$ 3,032,301	\$ 2,850,000	\$ 4,240,875	\$ 1,285,000	\$ 1,115,225	\$ 2,260,000	\$ 418,145	\$ 8,100,000	\$ 8,806,546
2015	1,950,000	2,964,101	2,925,000	4,146,875	1,330,000	1,089,525	2,125,000	404,150	8,330,000	8,604,651
2016	1,900,000	2,886,101	3,300,000	4,059,125	1,380,000	1,062,925	250,000	340,400	6,830,000	8,348,551
2017	2,200,000	2,791,101	3,350,000	3,953,125	1,200,000	1,035,325	250,000	330,400	7,000,000	8,109,951
2018	2,500,000	2,681,101	3,450,000	3,819,125	1,300,000	1,011,325	280,000	317,900	7,530,000	7,829,451
2019	2,700,000	2,556,101	3,700,000	3,646,625	1,495,000	946,325	280,000	303,900	8,175,000	7,452,951
2020	3,000,000	2,444,888	3,825,000	3,461,625	1,565,000	871,575	280,000	289,900	8,670,000	7,067,988
2021	3,400,000	2,316,818	3,850,000	3,289,500	1,635,000	793,325	280,000	275,900	9,165,000	6,675,543
2022	3,750,000	2,166,572	4,000,000	3,116,250	1,705,000	711,575	380,000	261,900	9,835,000	6,256,297
2023	4,050,000	1,995,235	4,200,000	2,916,250	1,775,000	626,325	380,000	242,900	10,405,000	5,780,710
2024	4,250,000	1,806,140	4,400,000	2,706,250	1,855,000	573,075	480,000	223,900	10,985,000	5,309,365
2025	4,550,000	1,601,332	4,625,000	2,486,250	1,940,000	517,425	480,000	199,900	11,595,000	4,804,907
2026	5,100,000	1,377,518	4,800,000	2,255,000	2,030,000	459,225	530,000	175,900	12,460,000	4,267,643
2027	5,200,000	1,124,864	5,100,000	2,015,000	2,130,000	398,325	590,000	149,400	13,020,000	3,687,589
2028	5,300,000	862,056	5,625,000	1,760,000	2,225,000	334,425	630,000	122,850	13,780,000	3,079,331
2029	5,400,000	588,894	6,150,000	1,478,750	2,330,000	256,550	650,000	94,500	14,530,000	2,418,694
2030	5,700,000	305,178	6,500,000	1,171,250	2,440,000	175,000	670,000	65,250	15,310,000	1,716,678
2031	-	-	18,725,000	911,250	-	89,600	-	35,100	18,725,000	1,035,950
2032	-	-	-	-	2,560,000	89,600	480,000	35,100	3,040,000	124,700
2033	-	-	-	-	-	-	300,000	13,500	300,000	13,500
	<u>\$ 62,655,000</u>	<u>\$ 33,500,301</u>	<u>\$ 91,375,000</u>	<u>\$ 51,433,125</u>	<u>\$ 32,180,000</u>	<u>\$ 12,156,675</u>	<u>\$ 11,575,000</u>	<u>\$ 4,300,895</u>	<u>\$ 197,785,000</u>	<u>\$ 101,390,996</u>

Source: District records

Granite School District

CUSIP Numbers Associated with Outstanding General Obligation Bonded Indebtedness As of June 30, 2013

*Note: The prefix for all CUSIP numbers listed below is 387460

Payment Due June 1,	Series 2010			Series 2011			Series 2012			Series 2013		
	Original Par Value			Original Par Value			Original Par Value			Original Par Value		
	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*
2014	\$ 1,705,000	4.000%	JS8	\$ 1,000,000	2.000%	JZ2	\$ 1,285,000	2.000%	KX5	\$ 2,260,000	2.000%	LR7
2014	-	-	-	1,850,000	4.000%	KT4	-	-	-	-	-	-
2015	1,950,000	4.000%	JT6	2,925,000	3.000%	KA5	1,330,000	2.000%	KY3	2,125,000	3.000%	LS5
2016	1,900,000	5.000%	JU3	2,000,000	4.000%	KU1	1,380,000	2.000%	KZ0	250,000	4.000%	LT3
2016	-	-	-	1,300,000	2.000%	KB3	-	-	-	-	-	-
2017	2,200,000	5.000%	JV1	3,350,000	4.000%	KC1	1,200,000	2.000%	LA4	250,000	5.000%	LU0
2018	2,500,000	5.000%	JW9	3,450,000	5.000%	KD9	1,300,000	5.000%	LB2	280,000	5.000%	LV8
2019	2,700,000	4.119%	JB5	3,700,000	5.000%	KE7	1,495,000	5.000%	LC0	280,000	5.000%	LW6
2020	3,000,000	4.269%	JC3	3,825,000	4.500%	KF4	1,565,000	5.000%	LD8	280,000	5.000%	LX4
2021	3,400,000	4.419%	JD1	3,850,000	4.500%	KG2	1,635,000	5.000%	LE6	280,000	5.000%	LY2
2022	3,750,000	4.569%	JE9	4,000,000	5.000%	KH0	1,705,000	5.000%	LF3	380,000	5.000%	LZ9
2023	4,050,000	4.669%	JF6	4,200,000	5.000%	KJ6	1,775,000	3.000%	LG1	380,000	5.000%	MA3
2024	4,250,000	4.819%	JG4	4,400,000	5.000%	KK3	1,855,000	3.000%	LH9	480,000	5.000%	MB1
2025	4,550,000	4.919%	JH2	4,625,000	5.000%	KL1	1,940,000	3.000%	LJ5	480,000	5.000%	MC9
2026	5,100,000	4.954%	JJ8	4,800,000	5.000%	KM9	2,030,000	3.000%	LK2	530,000	5.000%	MD7
2027	5,200,000	5.054%	JK5	5,100,000	5.000%	KN7	2,130,000	3.000%	LL0	590,000	4.500%	ME5
2028	5,300,000	5.154%	JL3	5,625,000	5.000%	KP2	2,225,000	3.500%	LM8	630,000	4.500%	MF2
2029	5,400,000	5.254%	JM1	6,150,000	5.000%	KQ0	2,330,000	3.500%	LN6	650,000	4.500%	MG0
2030	5,700,000	5.354%	JN9	6,500,000	4.000%	KR8	2,440,000	3.500%	LP1	670,000	4.500%	MH8
2031	N/A	N/A	N/A	5,000,000	4.500%	KS6	-	-	-	-	-	-
2031	N/A	N/A	N/A	13,725,000	5.000%	KV9	-	-	-	-	-	-
2032	N/A	N/A	N/A	N/A	N/A	N/A	2,560,000	3.500%	LQ9	480,000	4.500%	MJ4
2033	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	300,000.00	4.500%	MK1
	<u>\$ 62,655,000</u>			<u>\$ 91,375,000</u>			<u>\$ 32,180,000</u>			<u>\$ 11,575,000</u>		

Source: District records

Granite School District
Direct and Overlapping General Obligation Debt
June 30, 2013

<u>Taxing Entity</u>	<u>2012 Taxable Value (1)</u>	<u>Granite School District's Portion of Taxable Value</u>	<u>Granite School District's Percentage</u>	<u>Entity's General Obligation Debt</u>	<u>Granite School District's Portion of G.O. Debt</u>
Overlapping:					
Salt Lake County	\$ 71,282,959,143	\$ 20,610,704,960	28.9%	\$ 242,555,000	\$ 70,132,183
CUWCD (2)	109,510,627,708	20,610,704,960	18.8%	267,433,944	<u>50,333,034</u>
				Total overlapping general obligation debt	<u>120,465,217</u>
				Total direct general obligation indebtedness of Granite School District	<u>197,785,000</u>
				Total direct and overlapping general obligation debt	<u>\$ 318,250,217</u>

Notes:

- (1) Taxable value used in this table excludes the taxable value used to determine uniform fees on tangible personal property.
- (2) Central Utah Water Conservancy District (CUWCD) outstanding general obligation bonds are limited ad valorem tax bonds. These bonds are the only limited ad valorem tax bonds in the State issued under the Water Conservancy Act. By law, CUWCD may levy a tax rate of up to .000400 to pay for operation and maintenance expenses and any outstanding limited ad valorem tax bonds.

Source: Utah State Tax Commission, CUWCD records for overlapping debt. Otherwise, District records.

Granite School District
Legal Debt Margin Information
Last Ten Tax Years - December 31, 2003 through 2012

Calendar Year	Estimated Fair Market Value	Debt Limit*	Less General Obligation Debt	Legal Debt Margin*	Percentage of Debt to Debt Limit
2003	\$ 24,148,036,368	\$ 965,921,455	\$ -	\$ 965,921,455	\$ -
2004	25,304,953,576	1,012,198,143	-	1,012,198,143	-
2005	28,156,679,632	1,126,267,185	-	1,126,267,185	-
2006	30,652,299,264	1,226,091,971	-	1,226,091,971	-
2007	36,184,966,896	1,447,398,676	-	1,447,398,676	-
2008	38,616,498,368	1,544,659,935	-	1,544,659,935	-
2009	36,380,507,985	1,455,220,319	-	1,455,220,319	-
2010	33,209,173,404	1,328,366,936	81,881,379	1,246,485,557	6.57%
2011	31,810,547,146	1,272,421,886	178,964,785	1,093,457,101	16.37%
2012	30,721,866,724	1,228,874,669	220,172,081	1,008,702,588	21.83%

* The general obligation indebtedness of the District is limited by Utah law to 4% of the fair market value of taxable property in the District. The legal debt margin (additional debt incurring capacity of the District) is based on estimated assessed value.

** The District made a payment on June 1, 2012 which reduced the principal balance of the general obligation debt to \$211,249,872 as of June 30, 2013. The general obligation debt includes unamortized bond premiums.

Source: District records

Granite School District

Pledged Revenue Bonds

Last Ten Fiscal Years - June 30, 2004 through 2013

Year	Revenue	Plus Premium	Net	Less			Coverage
			Available Revenue	Operating Expenses	Debt Service		
					Principal	Interest	
2004	\$ 14,150,887	\$ 107,100	\$ 14,257,987	\$ 14,165,963	\$ -	\$ -	100.65 %
2005	8,107,359	-	8,107,359	2,959,871	5,055,000	183,013	98.90 %
2006	5,151,000	-	5,151,000	1,500	5,050,000	101,000	99.97 %
2007	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-

The District's Municipal Building Authority issued lease revenue bonds in fiscal year 2004, for the purchase and remodel of the Granite Education Center. The bonds were scheduled to be repaid over a two year period with the final payment occurring in fiscal year 2006. The 2004 revenue includes the bond proceeds.

Source: District records

GRANITE SCHOOL DISTRICT

Statistical Section - Demographic and Economic Information

Table of Contents

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

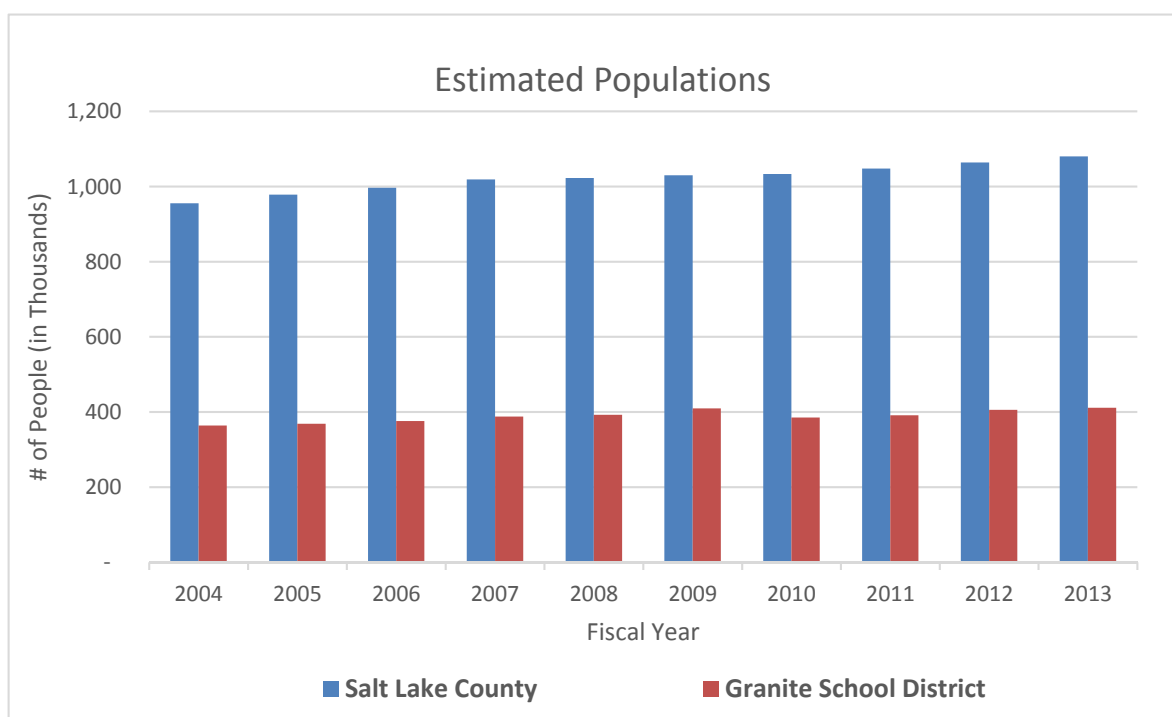
Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Contents	Page
Demographic and Economic Statistics.....	93
Principal Employers.....	94

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



Granite School District
Demographic and Economic Statistics
 Last ten fiscal years - June 30, 2004 through 2013

Year	Granite School District Estimated Population*	Salt Lake County Estimated Population**	Salt Lake County Total Personal Income (in thousands)**	Salt Lake County Per Capita Income**	Salt Lake County Unemployment Rate**	Salt Lake County Estimated New Construction**	Number of Students of Minority Ancestry
2004	364,022	955,166	\$ 29,320,878	\$ 31,365	5.1%	\$ 1,430,810,400	18,401
2005	368,677	978,285	31,273,300	32,983	4.1%	1,673,009,200	20,508
2006	375,743	996,374	34,184,000	34,928	2.9%	2,073,618,000	22,171
2007	387,574	1,018,904	37,308,800	38,443	2.7%	2,075,492,000	23,601
2008	392,616	1,022,651	37,479,700	39,685	3.5%	2,153,638,000	25,897
2009	409,501	1,029,655	38,580,658	37,057	6.8%	1,656,131,000	27,806
2010	385,194	1,033,196	39,083,765	37,827	7.8%	1,545,119,400	28,533
2011	391,356	1,047,746	40,995,436	39,081	6.5%	1,042,645,900	29,738
2012	405,787	1,063,842	N/A	N/A	5.5%	1,560,324,400	29,538
2013	411,364	1,080,185	N/A	N/A	4.7%	1,581,414,900	29,983

* On U.S. Census years, the District population comes from the NCES Census Data on Utah School Districts. On off-Census years, the data is taken from the U.S. Census Bureau's Small Area Income and Poverty Estimates (SAIPE) Program.

** The District covers most of the northern half of Salt Lake County, which encompasses several municipalities and unincorporated areas making statistics to the District impracticable to obtain. The statistics for Salt Lake County are given since those are representative of the District. These statistics were obtained from the County's year-end financial reports. The actual per capita income as provided by the Bureau of Economic Analysis lags behind. Therefore, it is not available for the latest two year. Prior year figures are revised as needed.

Sources: U.S. Census, Salt Lake County CAFR by year, Utah Construction Information Database, District records

Granite School District
Principal Employers in Salt Lake County
June 30, 2013 and 2004

Employer	2013					2004				
	Number of Employees*		Rank	Percent of District's Total Estimated Population	Percent of District's Total Estimated Workforce	Number of Employees	Rank	Percent of District's Total Estimated Population	Percent of District's Total Estimated Workforce	
University of Utah (incl. Hospital)	20,000	- 27,000	1	5.7%	15.3%	17,500	3	4.8%	9.1%	
Intermountain Healthcare	15,000	- 20,000	2	4.3%	11.4%	20,000	1	5.5%	10.4%	
State of Utah	10,000	- 15,000	3	3.0%	8.0%	20,000	2	5.5%	10.4%	
Granite School District	7,000	- 10,000	4	2.1%	5.5%	8,500	4	2.3%	4.4%	
Jordan School District	5,000	- 7,000	5	1.5%	3.9%	8,500	5	2.3%	4.4%	
Salt Lake County	5,000	- 7,000	6	1.5%	3.9%	6,000	8	1.6%	3.1%	
US Government (excl. Post Office & VA)	5,000	- 7,000	7	1.5%	3.9%	6,000	9	1.6%	3.1%	
Wal-Mart	4,000	- 5,000	8	1.1%	3.0%	8,500	6	2.3%	4.4%	
Canyons School District	4,000	- 5,000	9	1.1%	3.0%	-	-	-	-	
L3 Communications	3,000	- 4,000	10	0.9%	2.3%	-	-	-	-	
Novus (Discover Card)	-	-	-	-	-	6,000	7	1.6%	3.1%	
Albertsons	-	-	-	-	-	3,500	10	1.0%	1.8%	
Totals	78,000	- 107,000		22.5%	59.9%	104,500		28.7%	54.2%	

* The number of employees reported are those for the whole of Salt Lake County and are only available as a range of the average annual employment. The number of employees within the district's boundaries for these employers is unavailable.

Source: Governor's Office of Planning and Budget, Utah Department of Workforce Services

GRANITE SCHOOL DISTRICT

Statistical Section - Operating Information

Table of Contents

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

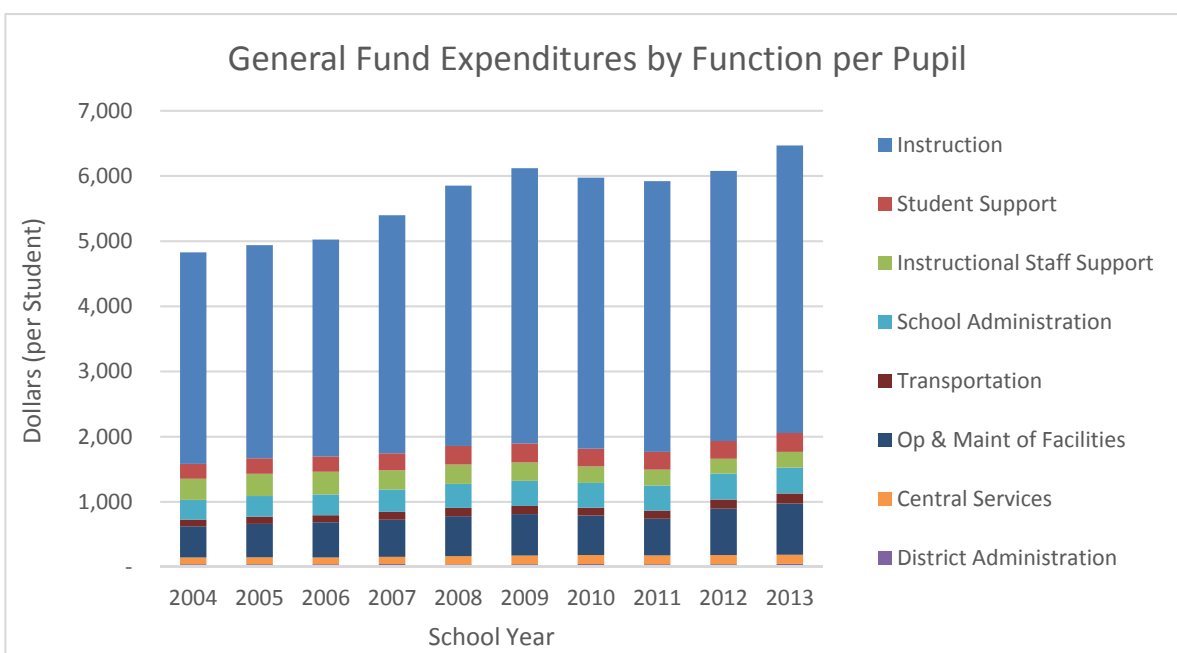
Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

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Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



Granite School District
Full-Time Equivalents by Functional Category
Last Ten Fiscal Years - June 30, 2003 through 2012

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instructional services	3,312.61	3,256.28	3,272.09	3,267.19	3,338.22	3,366.74	3,339.24	3,330.43	3,289.49	3,324.80
Supporting services:										
Students	230.84	230.09	226.22	233.32	245.51	238.21	230.95	230.28	233.15	239.93
Instructional staff	132.08	135.87	134.39	134.25	130.00	125.43	125.03	124.53	114.92	130.88
District administration	16.75	14.75	14.75	14.75	13.75	13.75	14.25	13.75	14.25	14.25
School administration	281.48	282.48	282.48	276.08	273.03	277.67	270.70	267.95	274.13	270.80
Central	102.00	98.31	98.00	102.75	101.00	101.00	99.00	97.50	97.50	96.50
Operation and maintenance of facilities	353.76	357.76	357.76	370.26	381.33	384.08	365.08	330.36	433.50	451.50
Transportation	127.34	126.88	126.56	126.15	126.15	126.60	120.24	118.05	119.86	119.86
School lunch services	119.46	122.53	122.10	120.78	134.43	139.03	130.69	125.94	116.46	116.46
Non-Instructional services	65.17	82.18	82.43	118.80	112.03	114.03	100.60	99.19	121.86	3.00
Capital outlay	97.99	90.99	90.99	90.99	84.92	82.92	80.92	96.64	2.00	2.00
Total full-time equivalents	4,839.48	4,798.12	4,807.77	4,855.32	4,940.37	4,969.46	4,876.70	4,834.62	4,817.12	4,769.98

Source: District records

Granite School District
Expenses by Function-Statement of Activities
Last Ten Fiscal Years - June 30, 2004 through 2013

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction	\$ 243,094,998 64.04%	\$ 247,851,686 63.27%	\$ 259,632,284 63.20%	\$ 275,393,510 64.01%	\$ 312,044,102 65.59%	\$ 330,747,520 65.96%	\$ 323,526,457 66.24%	\$ 318,583,268 65.54%	\$ 297,867,401 62.46%	\$ 354,542,451 66.68%
Support services:										
Students	15,290,440 4.03%	16,070,499 4.10%	16,422,751 4.00%	17,883,649 4.16%	19,191,183 4.03%	20,130,916 4.01%	18,495,907 3.79%	18,310,997 3.77%	18,140,134 3.80%	19,653,926 3.70%
Instructional staff	21,808,906 5.75%	23,026,016 5.88%	23,633,966 5.75%	20,098,116 4.67%	19,929,351 4.19%	19,382,010 3.87%	17,121,922 3.51%	16,452,790 3.38%	15,094,205 3.16%	16,067,242 3.02%
District administration	2,787,791 0.73%	2,837,234 0.72%	3,106,869 0.76%	3,269,725 0.76%	3,008,245 0.63%	3,142,855 0.63%	3,212,270 0.66%	3,172,168 0.65%	3,261,574 0.68%	3,419,032 0.64%
School administration	20,329,248 5.36%	21,498,909 5.49%	22,004,663 5.36%	23,519,432 5.47%	24,902,500 5.23%	26,447,443 5.27%	25,939,635 5.31%	25,899,389 5.33%	26,259,590 5.51%	26,973,888 5.07%
Central	7,169,098 1.89%	7,409,401 1.89%	7,468,722 1.82%	8,072,048 1.88%	8,744,300 1.84%	9,443,494 1.88%	9,641,355 1.97%	9,510,994 1.96%	9,823,667 2.06%	10,686,443 2.01%
Operation and maintenance of facilities	33,407,017 8.80%	35,745,589 9.12%	38,317,134 9.33%	39,965,104 9.29%	40,263,931 8.46%	45,094,109 8.99%	42,959,293 8.80%	39,397,257 8.10%	48,472,612 10.16%	54,117,354 10.18%
Transportation	8,153,339 2.15%	8,665,161 2.21%	8,576,469 2.09%	9,404,718 2.19%	9,613,882 2.02%	9,543,162 1.90%	9,022,545 1.85%	9,267,172 1.91%	10,199,851 2.14%	11,333,916 2.13%
School lunch services	16,693,757 4.40%	17,009,339 4.34%	17,981,777 4.38%	18,643,034 4.33%	21,990,249 4.62%	22,756,762 4.54%	22,304,140 4.57%	27,471,654 5.65%	24,604,691 5.16%	25,721,960 4.84%
Noninstructional services	10,621,864 2.80%	11,539,592 2.95%	13,664,629 3.33%	13,954,715 3.24%	16,036,280 3.37%	14,774,146 2.95%	14,934,127 3.06%	14,764,773 3.04%	15,722,329 3.30%	1,298,056 0.24%
Interest on long-term liabilities	221,329 0.06%	88,039 0.02%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	1,281,355 0.26%	3,289,197 0.68%	7,467,967 1.57%	7,928,415 1.49%
Total expenses	\$ 379,577,787	\$ 391,741,465	\$ 410,809,264	\$ 430,204,051	\$ 475,724,023	\$ 501,462,417	\$ 488,439,006	\$ 486,119,659	\$ 476,914,021	\$ 531,742,683
Average daily membership	66,324	66,678	66,299	65,335	66,411	67,159	66,883	67,050	66,465	66,229
Average expenses per pupil	\$5,723	\$5,875	\$6,196	\$6,585	\$7,163	\$7,467	\$7,303	\$7,250	\$7,175	\$8,029

Source: District records.

Granite School District
Expenses by Function Per Pupil-Statement of Activities
Last Ten Fiscal Years - June 30, 2004 through 2013

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction	\$ 3,665 64.04%	\$ 3,717 63.27%	\$ 3,917 63.20%	\$ 4,214 64.01%	\$ 4,699 65.59%	\$ 4,926 65.96%	\$ 4,837 66.24%	\$ 4,752 65.54%	\$ 4,482 62.46%	\$ 5,353 66.68%
Support services:										
Students	231 4.03%	241 4.10%	248 4.00%	274 4.16%	289 4.03%	300 4.01%	277 3.79%	273 3.77%	273 3.80%	297 3.70%
Instructional staff	329 5.75%	345 5.88%	356 5.75%	308 4.67%	300 4.19%	289 3.87%	256 3.51%	245 3.38%	227 3.16%	243 3.02%
District administration	42 0.73%	43 0.72%	47 0.76%	50 0.76%	45 0.63%	47 0.63%	48 0.66%	47 0.65%	49 0.68%	52 0.64%
School administration	307 5.36%	322 5.49%	332 5.36%	360 5.47%	375 5.23%	394 5.27%	388 5.31%	386 5.33%	395 5.51%	407 5.07%
Central	108 1.89%	111 1.89%	113 1.82%	124 1.88%	132 1.84%	141 1.88%	144 1.97%	142 1.96%	148 2.06%	161 2.01%
Operation and maintenance of facilities	504 8.80%	536 9.12%	578 9.33%	612 9.29%	606 8.46%	671 8.99%	642 8.80%	588 8.10%	729 10.16%	817 10.18%
Transportation	123 2.15%	130 2.21%	129 2.09%	144 2.19%	145 2.02%	142 1.90%	135 1.85%	138 1.91%	153 2.14%	171 2.13%
School lunch services	252 4.40%	255 4.34%	271 4.38%	285 4.33%	331 4.62%	339 4.54%	333 4.57%	410 5.65%	370 5.16%	388 4.84%
Noninstructional services	160 2.80%	173 2.95%	206 3.33%	214 3.24%	241 3.37%	220 2.95%	223 3.06%	220 3.04%	237 3.30%	20 0.24%
Interest on long-term liabilities	3 0.06%	1 0.02%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	19 0.26%	49 0.68%	112 1.57%	120 1.49%
Total expenses	\$ 5,723	\$ 5,875	\$ 6,196	\$ 6,585	\$ 7,163	\$ 7,467	\$ 7,303	\$ 7,250	\$ 7,175	\$ 8,029
Average daily membership	66,324	66,678	66,299	65,335	66,411	67,159	66,883	67,050	66,465	66,229

Source: District records

Granite School District
Expenditures by Function-General Fund
Last Ten Fiscal Years - June 30, 2004 through 2013

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction	\$ 215,204,215 67.21%	\$ 217,978,736 66.22%	\$ 220,476,389 66.20%	\$ 238,640,958 67.68%	\$ 265,252,631 68.27%	\$ 283,602,781 69.01%	\$ 278,180,311 69.63%	\$ 278,464,936 70.16%	\$ 275,344,998 68.18%	\$ 292,231,153 68.22%
Support services:										
Students	15,113,910 4.72%	15,864,371 4.82%	15,773,681 4.74%	16,985,596 4.82%	18,902,673 4.86%	19,671,125 4.79%	18,215,196 4.56%	18,265,051 4.60%	18,185,870 4.50%	19,177,739 4.48%
Instructional staff	21,651,315 6.76%	22,844,190 6.94%	23,080,330 6.93%	19,347,842 5.49%	19,711,431 5.07%	19,042,866 4.63%	16,881,822 4.23%	16,410,218 4.13%	15,130,458 3.75%	15,898,421 3.71%
District administration	2,737,264 0.85%	2,737,452 0.83%	2,799,177 0.84%	2,903,166 0.82%	2,678,068 0.69%	2,795,553 0.68%	2,909,550 0.73%	2,807,675 0.71%	2,884,608 0.71%	3,042,966 0.71%
School administration	19,911,683 6.22%	21,074,566 6.40%	21,150,316 6.35%	22,361,260 6.34%	24,521,494 6.31%	25,817,923 6.28%	25,568,334 6.40%	25,868,977 6.52%	26,359,396 6.53%	26,386,676 6.16%
Central	6,869,483 2.15%	7,043,802 2.14%	6,825,886 2.05%	7,303,328 2.07%	8,280,791 2.13%	8,906,904 2.17%	9,130,132 2.29%	8,982,270 2.26%	9,305,637 2.30%	9,387,883 2.19%
Operation and maintenance of facilities	31,834,724 9.94%	34,240,089 10.40%	35,823,201 10.76%	37,158,835 10.54%	40,695,887 10.47%	42,737,268 10.40%	40,581,482 10.16%	37,798,294 9.52%	47,250,856 11.70%	51,964,424 12.13%
Transportation	6,864,943 2.14%	7,386,844 2.24%	7,111,688 2.14%	7,906,272 2.24%	8,508,292 2.19%	8,382,599 2.04%	8,030,734 2.01%	8,326,966 2.10%	9,371,995 2.32%	10,247,348 2.39%
Total expenditures	<u>\$ 320,187,537</u>	<u>\$ 329,170,050</u>	<u>\$ 333,040,668</u>	<u>\$ 352,607,257</u>	<u>\$ 388,551,267</u>	<u>\$ 410,957,019</u>	<u>\$ 399,497,561</u>	<u>\$ 396,924,387</u>	<u>\$ 403,833,818</u>	<u>\$ 428,336,610</u>
Average daily membership	66,324	66,678	66,299	65,335	66,411	67,159	66,883	67,050	66,465	66,229
Average expenditures per pupil	\$4,828	\$4,937	\$5,023	\$5,397	\$5,851	\$6,119	\$5,973	\$5,920	\$6,076	\$6,468

Source: District records

Granite School District
Expenditures by Function Per Pupil-General Fund
Last Ten Fiscal Years - June 30, 2004 through 2013

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction	\$ 3,246 67.21%	\$ 3,269 66.22%	\$ 3,325 66.20%	\$ 3,653 67.68%	\$ 3,995 68.27%	\$ 4,223 69.01%	\$ 4,158 69.63%	\$ 4,154 70.16%	\$ 4,143 68.18%	\$ 4,412 68.22%
Support services:										
Students	228 4.72%	238 4.82%	238 4.74%	260 4.82%	284 4.86%	293 4.79%	272 4.56%	272 4.60%	273 4.50%	290 4.48%
Instructional staff	326 6.76%	343 6.94%	348 6.93%	296 5.49%	297 5.07%	283 4.63%	253 4.23%	244 4.13%	228 3.75%	240 3.71%
District administration	41 0.85%	41 0.83%	42 0.84%	44 0.82%	40 0.69%	42 0.68%	44 0.73%	42 0.71%	43 0.71%	46 0.71%
School administration	300 6.22%	316 6.40%	319 6.35%	342 6.34%	369 6.31%	384 6.28%	382 6.40%	386 6.52%	397 6.53%	398 6.16%
Central	104 2.15%	106 2.14%	103 2.05%	112 2.07%	125 2.13%	133 2.17%	137 2.29%	134 2.26%	140 2.30%	142 2.19%
Operation and maintenance of facilities	480 9.94%	513 10.40%	541 10.76%	569 10.54%	613 10.47%	636 10.40%	607 10.16%	564 9.52%	711 11.70%	785 12.13%
Transportation	103 2.14%	111 2.24%	107 2.14%	121 2.24%	128 2.19%	125 2.04%	120 2.01%	124 2.10%	141 2.32%	155 2.39%
Total expenditures	<u>\$ 4,828</u>	<u>\$ 4,937</u>	<u>\$ 5,023</u>	<u>\$ 5,397</u>	<u>\$ 5,851</u>	<u>\$ 6,119</u>	<u>\$ 5,973</u>	<u>\$ 5,920</u>	<u>\$ 6,076</u>	<u>\$ 6,468</u>
Average daily membership	66,324	66,678	66,299	65,335	66,411	67,159	66,883	67,050	66,465	66,229

Source: District records

Granite School District

Average Daily Membership vs. Average Daily Attendance

Last Ten Fiscal Years - June 30, 2004 through 2013

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Average Daily Attendance</u>	<u>Ratio of ADA to ADM</u>
2004	66,324	64,428	97.14%
2005	66,678	63,075	94.60%
2006	66,299	63,400	95.63%
2007	65,335	62,963	96.37%
2008	66,411	63,905	96.23%
2009	67,159	64,282	95.72%
2010	66,883	63,967	95.64%
2011	67,050	64,141	95.66%
2012	66,465	63,614	95.71%
2013	66,229	63,196	95.42%

Source: District records

Granite School District
History of High School Graduates
Last Ten School Years - School Years 2004 through 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Totals
Cottonwood	441	422	393	386	372	391	407	417	418	408	4,055
Cyprus	303	380	308	261	335	382	363	397	336	373	3,438
Granger	319	414	323	293	330	351	321	363	372	348	3,434
Granite	178	221	146	80	47	75	-	-	-	-	747
Hunter	584	510	566	473	521	520	513	573	523	549	5,332
Kearns	418	527	463	364	367	417	407	399	379	359	4,100
Olympus	403	460	449	404	391	426	433	400	434	433	4,233
Skyline	441	465	464	449	439	429	417	439	435	465	4,443
Taylorville	503	554	499	502	454	516	503	486	459	511	4,987
Special Programs	296	358	478	579	140	367	295	207	305	287	3,312
Total	<u>3,886</u>	<u>4,311</u>	<u>4,089</u>	<u>3,791</u>	<u>3,396</u>	<u>3,874</u>	<u>3,659</u>	<u>3,681</u>	<u>3,661</u>	<u>3,733</u>	<u>38,081</u>

Source: District records

Granite School District

Capital Asset Information

Last Ten Fiscal Years - June 30, 2004 through 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Buildings:										
Elementary:										
Number	61	61	61	61	60	60	60	61	62	62
Square feet	3,318,443	3,318,443	3,318,443	3,318,443	3,466,479	3,466,479	3,466,479	3,571,273	3,723,340	3,723,340
Capacity	42,986	42,986	42,986	42,986	43,686	43,686	43,686	44,145	45,684	45,684
Enrollment	36,942	36,596	36,742	36,733	36,681	37,398	37,792	38,312	38,102	38,042
Middle Schools:										
Number	16	16	16	16	16	16	16	16	16	16
Square feet	2,373,826	2,373,826	2,373,826	2,172,202	2,172,202	2,373,826	2,373,826	2,373,826	2,373,826	2,373,826
Capacity	20,871	20,871	20,871	20,871	20,871	20,871	20,871	20,871	20,871	20,871
Enrollment	15,480	15,139	15,249	15,052	14,769	14,811	14,661	14,925	14,917	15,179
High Schools:										
Number	9	9	9	9	9	9	9	8	8	8
Square feet	2,558,940	2,558,940	2,558,940	2,558,940	2,558,940	2,558,940	2,558,940	2,428,502	2,428,502	2,428,502
Capacity	19,404	19,404	19,404	19,404	19,404	19,404	19,404	18,228	18,228	18,228
Enrollment	14,236	13,564	13,522	13,465	12,796	12,885	13,783	13,945	13,528	13,466
Special Schools:										
Number	4	4	4	4	4	4	4	4	4	6
Square feet	135,365	135,365	135,365	343,046	343,046	343,046	343,046	343,046	343,046	477,885
Capacity *										
Enrollment	1,303	1,026	1,165	1,049	1,089	1,317	1,244	1,248	503	844
Other Buildings:										
Number	7	8	8	9	12	12	12	12	12	17
Square Feet	384,328	612,295	612,295	672,848	772,905	772,905	772,905	772,905	817,087	741,232
Total School Buildings:										
Number	90	90	90	90	89	89	89	89	90	92
Square Feet	8,386,574	8,386,574	8,386,574	8,392,631	8,540,667	8,742,291	8,742,291	8,716,647	8,868,714	9,003,553
Capacity	83,261	83,261	83,261	83,261	83,961	83,961	83,961	83,244	84,783	84,783
Enrollment	67,961	66,324	66,678	66,299	65,335	66,411	67,480	68,430	67,050	67,531
Acres of Land										
	1,350.1	1,373.1	1,365.7	1,360.7	1,387.1	1,391.1	1,391.1	1,401.0	1,419.2	1,518.3
Number of Portables										
	235	229	224	233	237	236	237	235	232	246
Number of Vehicles										
	620	635	653	650	657	663	672	699	672	703

* Information for special school varies depending on needs of students.

Source: District records

Granite School District
Teacher Compensation Data
Last Ten Fiscal Years - June 30, 2004 through 2013

Fiscal Year Ending June 30,	Bachelor Degree 1st Year Teacher Wage	Doctorate Degree 20th Year Teacher Wage	District Average* Teacher Wage	District Average* Teacher Benefits**	Total District Average* Teacher Compensation	State Median* Teacher Compensation
2004	\$ 26,428	\$ 55,079	\$ 39,270	\$ 15,885	\$ 55,155	\$ 55,214
2005	26,759	55,768	39,931	17,099	57,030	57,001
2006	27,561	57,440	40,342	18,050	58,392	59,182
2007	28,939	60,313	40,354	17,499	57,853	62,223
2008	31,604	63,770	43,175	18,181	61,356	63,726
2009	33,870	66,620	47,274	19,051	66,325	63,198
2010	33,004	64,799	47,338	19,603	66,941	63,857
2011	33,004	64,799	47,338	20,053	67,391	62,880
2012	33,004	64,799	47,338	21,457	68,795	70,883
2013	33,234	65,283	A	A	A	A

* As calculated and reported by the Utah State Office of Education in the Annual Statistical Report.

A) The 2013 numbers were not available when this schedule was prepared.

** Includes all benefits including State retirement, but does not include District retirement benefits.

Granite School District

Students per Instructional Staff

Last Ten Fiscal Years - June 30, 2004 through 2013

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Teachers and Instructional Staff</u>	<u>Average Ratio of Students to Teachers and Instructional Staff</u>
2004	66,324	3,313	20.02
2005	66,678	3,256	20.48
2006	66,299	3,272	20.26
2007	65,335	3,267	20.00
2008	66,411	3,338	19.89
2009	67,159	3,367	19.95
2010	66,883	3,339	20.03
2011	67,050	3,330	20.13
2012	66,465	3,289	20.21
2013	66,229	3,325	19.92

Source: District records

Granite School District
Nutrition Services - Facts and Figures
Last Ten Fiscal Years - June 30, 2004 through 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Participating schools:										
Lunch	90	90	90	89	89	88	89	90	89	97
Breakfast	47	55	58	62	64	66	66	67	69	73
Student lunches served:										
Free	2,729,783	2,861,565	2,908,055	2,779,610	2,834,800	3,225,994	3,605,136	3,999,613	3,899,803	3,857,384
Reduced	808,173	785,851	783,675	822,256	758,814	797,596	738,015	600,159	674,960	640,014
Fully paid	2,727,978	2,706,723	2,637,831	2,639,345	2,658,545	2,648,693	2,468,014	2,443,213	2,374,965	2,157,488
Total	6,265,934	6,354,139	6,329,561	6,241,211	6,252,159	6,672,283	6,811,165	7,042,985	6,949,728	6,654,886
Student breakfasts served:										
Free	697,886	847,867	915,776	900,229	936,232	1,106,993	1,242,399	1,388,333	1,349,266	2,643,404
Reduced	104,153	119,723	131,302	162,008	152,341	164,062	144,604	117,269	137,451	130,558
Fully paid	137,139	164,648	186,011	231,244	239,521	231,488	211,012	213,687	219,917	210,901
Total	939,178	1,132,238	1,233,089	1,293,481	1,328,094	1,502,543	1,598,015	1,719,289	1,706,634	2,984,863
Percentage of free/reduced/fully paid lunch:										
Free	43.57%	45.03%	45.94%	44.54%	45.34%	48.35%	52.93%	56.79%	56.11%	57.96%
Reduced	12.90%	12.37%	12.38%	13.17%	12.14%	11.95%	10.84%	8.52%	9.71%	9.62%
Fully paid	43.54%	42.60%	41.67%	42.29%	42.52%	39.70%	36.23%	34.69%	34.17%	32.42%
Percentage of free/reduced/fully paid breakfast:										
Free	74.31%	74.88%	74.27%	69.60%	70.49%	73.67%	77.75%	80.75%	79.06%	88.56%
Reduced	11.09%	10.57%	10.65%	12.52%	11.47%	10.92%	9.05%	6.82%	8.05%	4.37%
Fully paid	14.60%	14.54%	15.08%	17.88%	18.03%	15.41%	13.20%	12.43%	12.89%	7.07%
Average daily participation:										
Lunch	32,734	33,484	33,803	33,823	35,275	37,852	38,921	39,791	39,487	37,598
Breakfast	4,573	4,809	6,351	6,748	7,290	8,016	9,132	9,715	9,697	16,864
Average daily membership	66,324	66,678	66,299	65,335	66,411	67,159	66,883	67,050	66,465	66,229
Percentage participating in school lunch/breakfast										
Lunch	49.35%	50.22%	50.99%	51.77%	53.12%	56.36%	58.19%	59.35%	59.41%	56.77%
Breakfast	6.89%	7.21%	9.58%	10.33%	10.98%	11.94%	13.65%	14.49%	14.59%	25.46%

Source: District records



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