



2013-14

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ending June 30, 2014

2500 SOUTH STATE  
SALT LAKE CITY, UTAH 84115  
[graniteschools.org](http://graniteschools.org)

-- Inside Front Cover --

# Comprehensive Annual Financial Report

for the  
Fiscal Year Ended  
June 30, 2014

## GRANITE SCHOOL DISTRICT

2500 South State Street  
Salt Lake City, Utah 84115-3110  
[www.graniteschools.org](http://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  
Charlotte Turner, Accountant

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Section I  
*Introductory*









## Business Administration - Accounting Services

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[www.graniteschools.org/accounting](http://www.graniteschools.org/accounting)

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November 26, 2014

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

Utah law (*State Code*, 53A-3-404) requires school districts to publish, no later than November 30 of each year, a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller of the United States. This report is comprehensive to include all governmental activities for which the District is financially accountable and is published to fulfill that requirement for the fiscal year ended June 30, 2014.

Management is expressly responsible for the completeness and content of the information contained in this report based on a comprehensive internal control framework designed for this purpose. 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. As management, we assert that to the best of our knowledge and belief, this report is complete and reliable in all material respects.

Squire & Company, PC, a firm of licensed certified public accountants, has audited the District's financial statements for the fiscal year ended June 30, 2014 and has issued an unmodified ("clean") opinion that the financial statements are fairly presented in conformity with GAAP. The independent auditor's report is located at the front 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. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### ***Profile of the District***

#### Establishment, Mission, and Area Served

The District was established December 15, 1904 by a resolution of the Salt Lake County Commissioners. The District's primary mission is to provide public education to elementary and secondary age school children (K-12) with general, vocational, and special education programs. 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.

#### Entity Status

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 districts (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.

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. One such fund of the District reports the financial activity and position of a legally separate entity, the Granite Education Foundation, as a component unit of the District according to accounting guidelines.

### Budgeting

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.

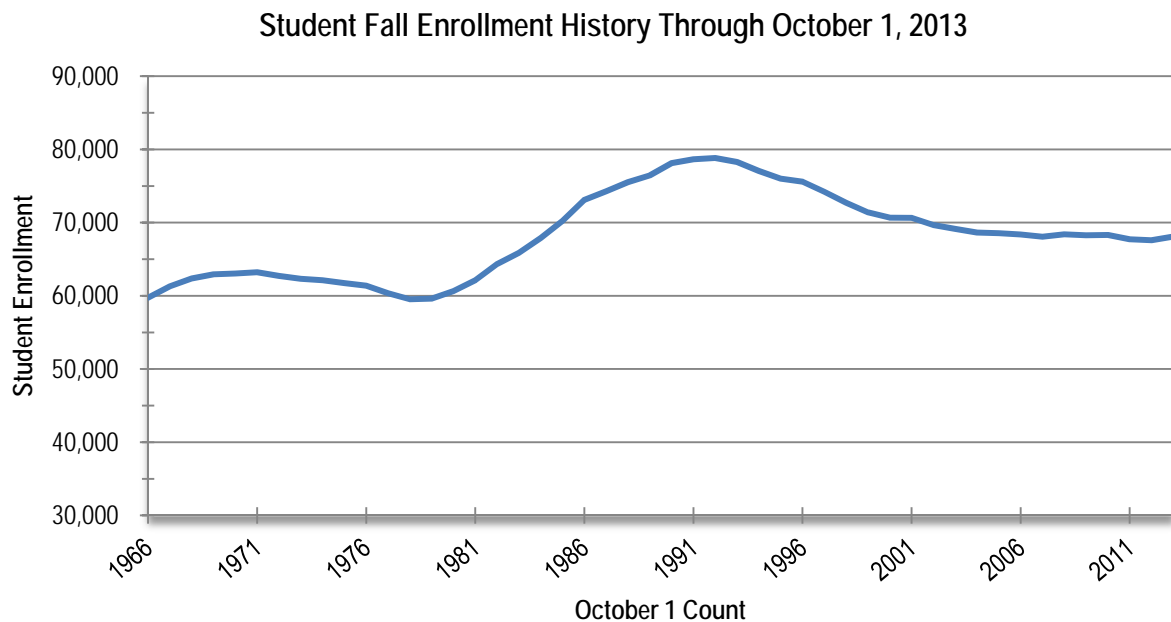
The District receives state funding based upon average daily membership which is based on the total number of days between each student's entry and exit dates, regardless of where they fall during the school year, divided by 180. An additional component is added for growth based on the number of students enrolled as of October 1 (Fall Enrollment) compared to the prior year. If state 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.

### Enrollment

In 1904, the District's student enrollment was 4,258. Through the years, it increased to a high of 78,819 for the 1992-93 school year and then declined steadily to 68,075 for the 2007-08 school year. Enrollment has remained mostly steady since then. On October 1, 2013, student enrollment was 68,098, which is 497 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.



### ***Economic Condition***

Sound fiscal health is imperative to ensuring the effective operation of the District. Financial condition is affected by a combination of environmental, fiscal, and organizational factors, including decisions and actions of the Board. The District has a responsibility to balance recurring expenditure needs with recurring revenue sources, while providing services on an ongoing basis for the long-term. Maintaining sound financial condition requires the Board and management to plan for the future and adjust to shifts in local economic conditions, long-term socioeconomic and demographic changes, and community needs and restraints.

#### **The Local Economy**

The economic condition of the District is impacted heavily by the condition of the broader state economy and the views of the governor's office and state legislature toward funding public education with the resources generated by the state.

Utah has several positive economic indicators that point to moderate growth into the future. Over the last several years, Utah has outperformed a sluggish national economy and the Governor expects this trend to continue although to a smaller degree. The state's labor market is expected to continue to improve. Job growth is projected at 3.1%. Unemployment is expected to go down to 4.2% by the end of 2014. New home construction will increase by 10%. Utah's total construction sector will expand in 2014 with valuation increasing by 18% to \$4.8 billion. Utah's 2013 average annual nonfarm wage increased by 1.5%. The average annual wage is forecast to increase 2.5% in 2014.

The governor's budget recommendations for the state for fiscal year 2015 include an additional \$169 million in new ongoing funds and \$92 million in major one-time investments in education.

Still, it is important to recognize that the state's economy is not completely insulated from external pressures. Labor participation rates continue to be of concern; while Utah recovered all of the jobs lost during the Great Recession, labor force participation remains well below pre-recession levels. Primary risks to the state's economic outlook originate from a lack of policy leadership from Washington. Direct impacts of the federal sequester are being felt in the state. Nonetheless, there is reason to be optimistic that extremely negative policy outcomes can be avoided. For example, the Murray-Ryan budget deal lessened the impact of budget cuts called for in the Budget Control Act of 2011.

#### Socioeconomic and Demographic Trends

The most recent population estimates by the U.S. Census Bureau show Utah with a 1.6% population increase, ranking it third among states and the District of Columbia in population growth. From 2012 to 2013, Utah grew more than twice as fast as the nation. This growth is attributable to two factors; 1) strong natural increase (births less deaths), and 2) in-migration, both of which are expected to continue to have a net positive impact.

While the overall state population is projected to grow, enrollment in District schools is projected, using multiple-year cohort survival analysis, to remain close to current levels for the next five years (67,713 for 2015, 67,505 for 2016, 67,321 for 2017, 67,314 for 2018, and 67,739 for 2019). These enrollment projections are an important indicator of the level of funding the District can expect to receive from the State in those future years.

Utah's personal income is estimated to have increased by 4% in 2013 which was led by strong wage growth, 4.9%. In 2014, personal income is expected to increase by 5.3%.

#### Long-term Capital Planning

The average age of the District's school buildings is 38 years. Prior to 2009, for over fifteen years, the District met capital needs on a pay-as-you-go basis. Then, with the economic downturn, the District took advantage of low borrowing rates to finance major building projects with general obligation debt. The District sought after and received voter authorization in November 2009 to issue \$256 million in bonds over the next several years to make capital improvements and address the need to rebuild some of the District's aged schools. Since then, the District has issued \$231 million in bonds and has used the proceeds to rebuild four schools that opened for the 2013-2014 school year; Granger High School, Olympus High School, the Neil Armstrong Academy Elementary, and the Hartvigsen Special Program School. Additionally, air conditioning was added to all existing schools. The remodel of Stansbury Elementary is underway and a new STEM school (Science, Technology, Engineering, and Math) is in the planning stages.

There remain seven buildings between 60 and 70 years old and an additional one building, Cyprus High School, over 90 that was last remodeled in 1986. The District continues to monitor maintenance costs along with community needs as additional capital needs are considered.

#### Major Initiatives

*Children will leave us prepared for college, career and life in the 21<sup>st</sup> century world.* That is the charge and responsibility adopted by the Board in 2011. In 2012, the District prepared a detailed five-year framework articulating areas of focus and related measurable action steps intended to define expectations, establish priorities, and guide school and department efforts in support of student achievement district wide. Within this framework, 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; concentrated student services interventions; early intervention via preschool programs and extended day kindergarten; individualized guidance aimed at college and career

readiness; pursuit of a 21<sup>st</sup> century education experience for every student through less traditional and more individualized opportunities, 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.

#### Relevant Financial Policies and Issues

The District offers early retirement and pension benefits including long-term disability medical insurance to its employees. The obligation for these benefits, with required components actuarially determined at the end of the 2013-14 fiscal year, is \$43.0 million. The District plans for the anticipated financial requirements of these benefits and sets aside the full actuarially calculated amount of funds needed now to be invested and grow to meet the full future obligation. Doing so protects the District and its employees from these benefits being endangered by unexpected events.

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, 2014 is \$202.2 million. The District fulfilled a promise to the taxpayers by shifting a tax levy from the *Capital Projects Fund* to establish a debt service levy with which to provide the resources to repay the bondholders according to schedule. Thus, creating the debt service levy did not increase property taxes in the District.

#### Bond Ratings

For each year the District issues bonds, the Board obtains a bond rating from two of the three primary rating agencies. Bond ratings are important not only because they directly affect the interest rate the District pays on the bonds issued, but also because the process of obtaining a rating submits the District to professional external analysis of its financial condition. To the extent that the ratings issued by these agencies are trusted, they can be used as an indicator of the District's financial health. The most recent ratings the District received were associated with the June 2013 bond issuance. The District was awarded a prime AAA rating from FitchRatings and a high grade Aa1 rating from Moody's Investors Service. It is worth noting that both ratings are backed by an AAA and Aaa respectively which are the ratings of the State and indicative of the financial condition of Utah as a whole.

#### ***Awards and Acknowledgements***

##### Certificate of Achievement for Excellence in Financial Reporting from GFOA

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, 2013. 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 21<sup>st</sup> 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.

#### Certificate of Excellence in Financial Reporting from ASBO

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, 2013. 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 21st consecutive year the District has received this prestigious award.

#### Acknowledgements

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, 2014**

**Elected Officials**

<u>Board of Education</u>	<u>Initial Appointment</u>	<u>Present Term Began/Will Begin</u>	<u>Present Term Expires</u>
Gayleen Gandy, President District VII	January, 2007	January, 2015	December, 2018
Terry H. Bawden, Vice President District V	January, 2007	January, 2015	December, 2018
Dan Lofgren, Member District I	January, 2009	January, 2013	December, 2016
Connie Anderson, Member District II	January, 2009	January, 2013	December, 2016
Connie Burgess, Member District III	January, 2003	January, 2015	December, 2018
Sarah R. Meier, Member District IV	January, 1997	January, 2013	December, 2016
Karyn Winder, Member District VI	January, 2015	January, 2015	December, 2018

The term of office for a Board member is four years, beginning on the first Monday in January following the November election.

**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, 2013**



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, 2013*

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

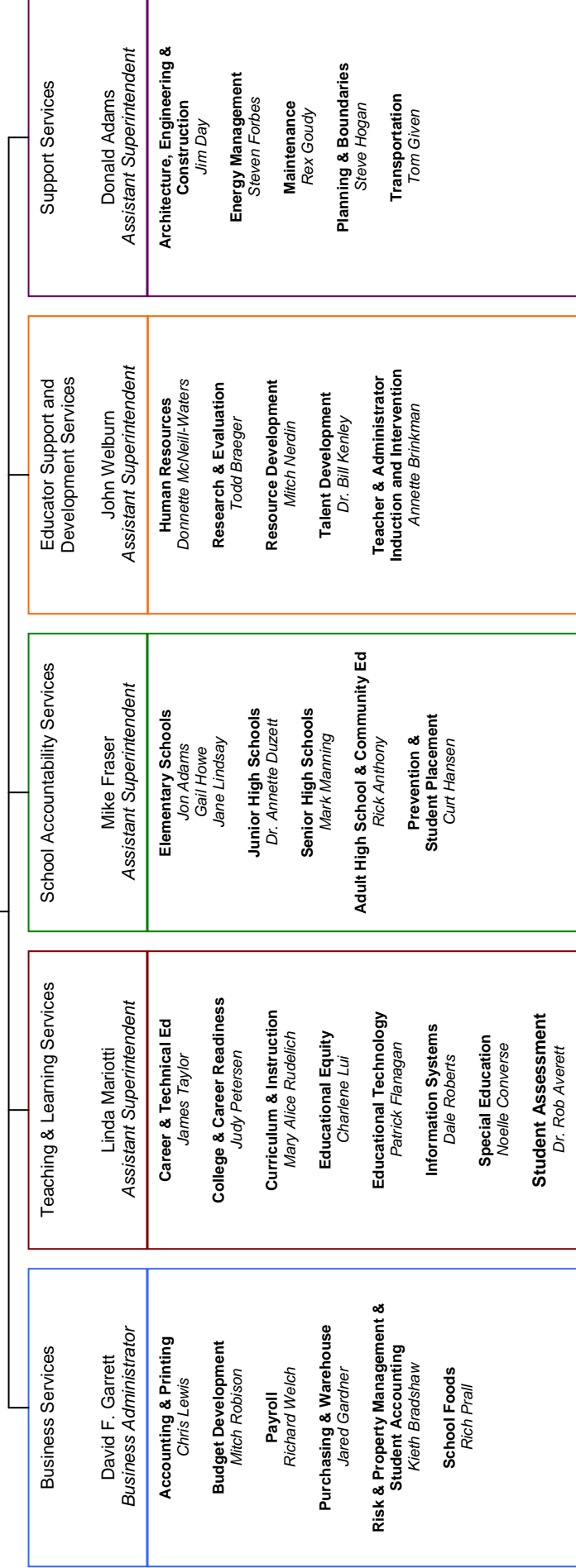
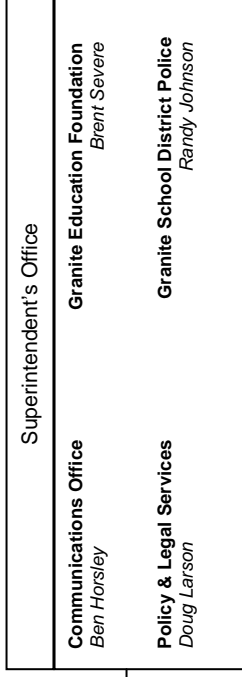
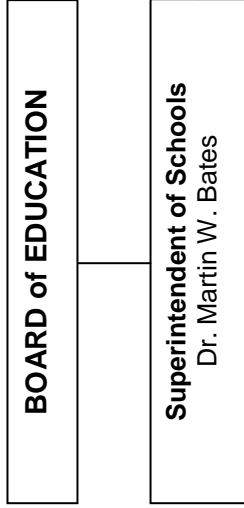


Terrie S. Simmons, RSBA, CSBO  
President

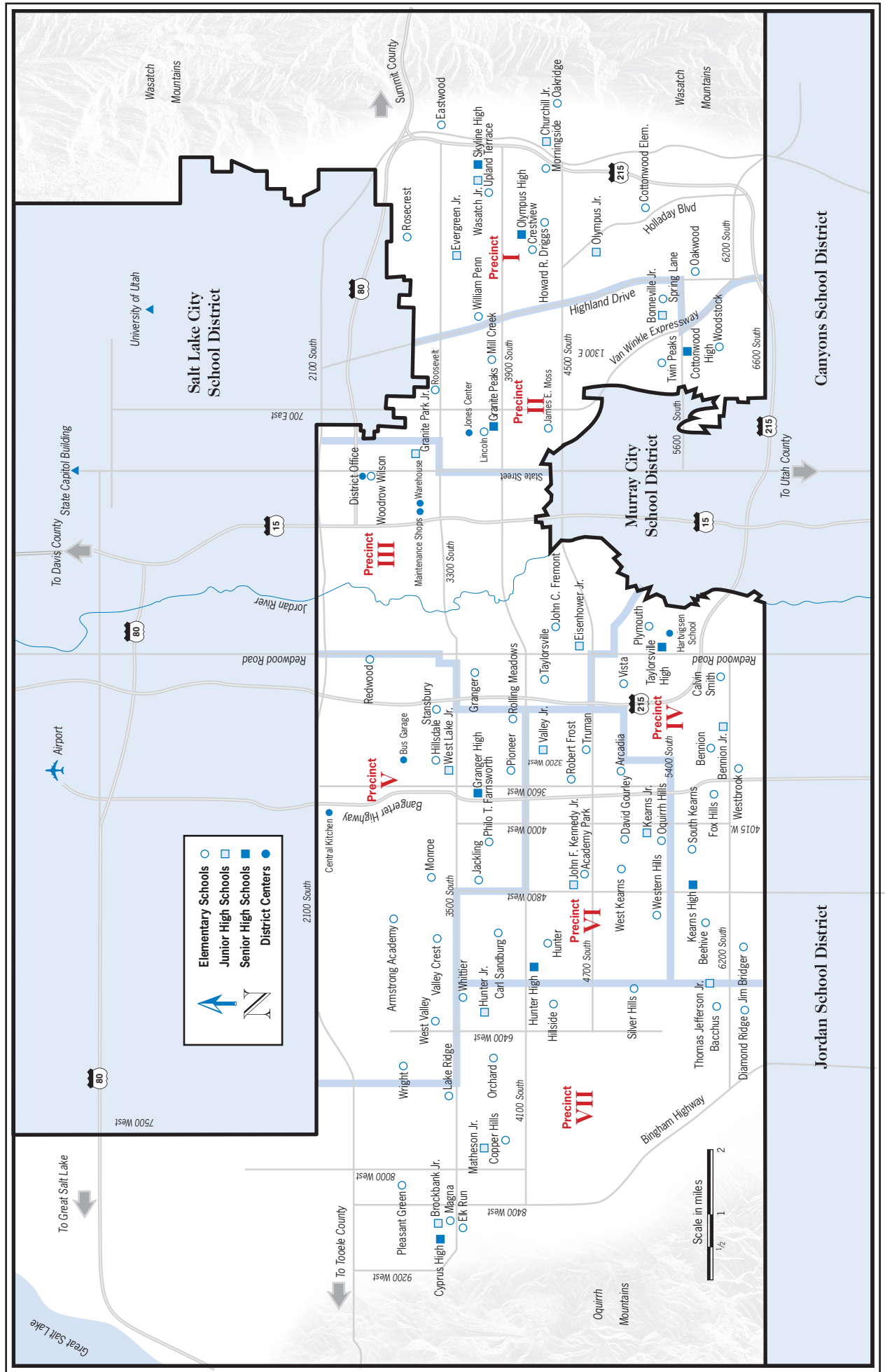
John D. Musso, CAE, RSBA  
Executive Director



ADMINISTRATION 2014-15



# GRANITE SCHOOL DISTRICT





Section II  
*Financial*







## 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, 2014, 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, 2014, 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 26, 2014, 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 26, 2014

## 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, 2014. 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 24.

### *Financial Highlights*

- The District's net position is \$471.5 million at the end of the fiscal year. Of this amount, \$105.2 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. During the year ended June 30, 2013, the District spent \$35.9 million on land, new buildings, renovation of old buildings, vehicles, and equipment. As of the end of the fiscal year, the District has remaining authorization of \$25.0 million. The District's long-range capital plan outlines the major capital projects for the next several years.
- The District's total net position increased by \$5.1 million or 1.1% over the previous year. Most of this increase is attributable to investment in capital assets from property taxes restricted for capital projects.
- As of June 30, 2014, the District's governmental funds reported combined ending fund balances of \$126.5 million, a decrease of \$14.4 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 \$43.0 million. The District has committed 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 24 and 25.

**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 26 to 30.

***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 31 to 33.

**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 34 to 51.

**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 52 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 55 to 68.

### ***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 \$471.5 million at June 30, 2014. This is an increase of \$5.1 million or 1.1% compared to the previous year. Most of this increase is attributable to investment in capital assets from property taxes restricted for capital projects. At June 30, 2014, the net investment in capital assets of \$344.9 million was 73.1% 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, 2014, long-term liabilities were \$237.0 million (which was 80.4% of all liabilities), representing a decrease of \$5.7 million. This decrease is attributable primarily to paying down \$8.1 million in principal on general obligation school construction bonds and a \$2.7 million increase in obligations for early retirement salary and insurance due to the benefit life remaining for the participants being 10% higher than the previous year, meaning recent retirees under this benefit are younger.

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 increased by \$0.4 million from \$21.0 million to \$21.4 million during the 2014 fiscal year, basically flat. The remaining portion (22.3%) 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 decreased by \$18.2 million and liabilities decreased by \$24.5 million, resulting in an increase of net position of \$5.1 million or 1.1% during the year ended June 30, 2014. As the District did not issue new bonds during the year, it spent down current assets to carry out its long-term capital plan. Under this scenario, current assets decrease and capital assets increase. Additionally, the debt associated with construction contracts as well as previously issued bonds 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, 2014 and 2013

	2014	2013	Total Change 2014-13
Current and other assets	\$ 357.0	\$ 381.7	\$ (24.7)
Capital assets	546.4	539.9	6.5
Total assets	<u>903.4</u>	<u>921.6</u>	<u>(18.2)</u>
Other liabilities	57.9	76.7	(18.8)
Long-term liabilities	237.0	242.7	(5.7)
Total liabilities	<u>294.9</u>	<u>319.4</u>	<u>(24.5)</u>
Deferred inflows of resources	137.0	135.8	1.2
Net position:			
Net investment in capital assets	344.9	338.8	6.1
Restricted	21.4	21.0	0.4
Unrestricted	105.2	106.6	(1.4)
Total net position	<u>\$ 471.5</u>	<u>\$ 466.4</u>	<u>\$ 5.1</u>

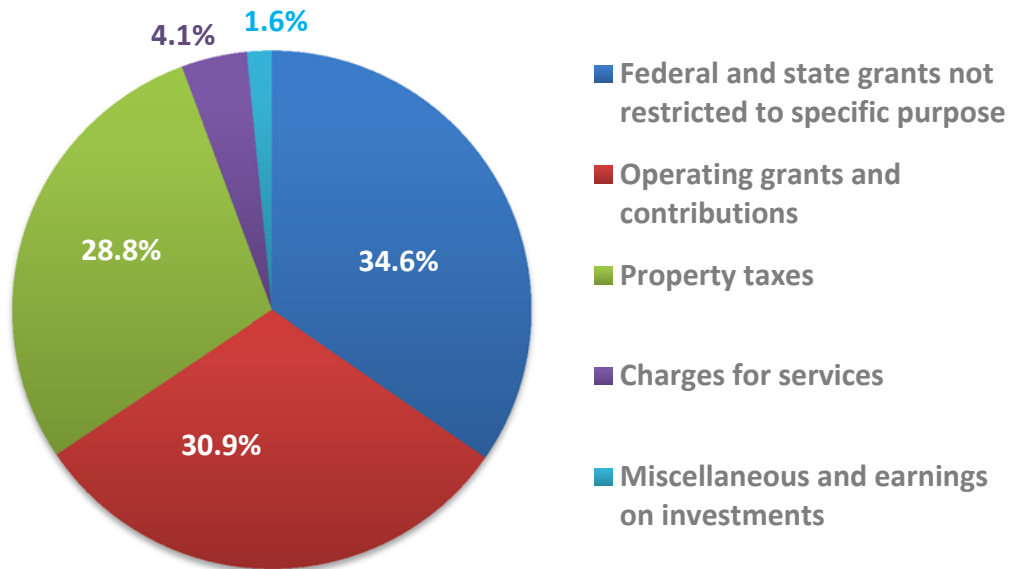
- **Property taxes** - Property tax revenue decreased by \$2.4 million over the prior year. The primary factors in the overall decrease was a decrease in the basic levy which is established by the legislature based on State law.
- **Federal and state grants and contributions not restricted to specific programs** - Federal and state grants and contributions not restricted to specific programs increased by \$10.1 million in 2014. The primary factors in the overall increase was a \$7.3 million increase in funding from the legislature for Regular School Programs K-12 and a \$2.7 million increase in the state formula determined Voted Leeway Guarantee.
- **Instructional services** – Expenses for instructional services decreased \$27.9 million in 2014. The large majority of this decrease was due to a sharp decline in the volume of capital outlay expenditures, which are classified as instructional services, as several of the District's long-term construction projects were completed early in the year.
- **Operation and maintenance of facilities** – Overall, expenses incurred to operate and maintain the District's facilities increased by \$2.5 million over the prior year. This was due to the beginning of operations of the District's long-term construction projects were completed early in the year.
- **School lunch services** – Expenses for school lunch services increased by \$3.1 million in 2014. This increase was due to a \$1.1 million increase in the cost of food and a \$1.7 million increase in depreciation expense allocated to school lunch services due to the completion and putting into service new school buildings.

**GRANITE SCHOOL DISTRICT'S Changes in Net Position**  
(millions of dollars)  
Years Ended June 30, 2014 and 2013

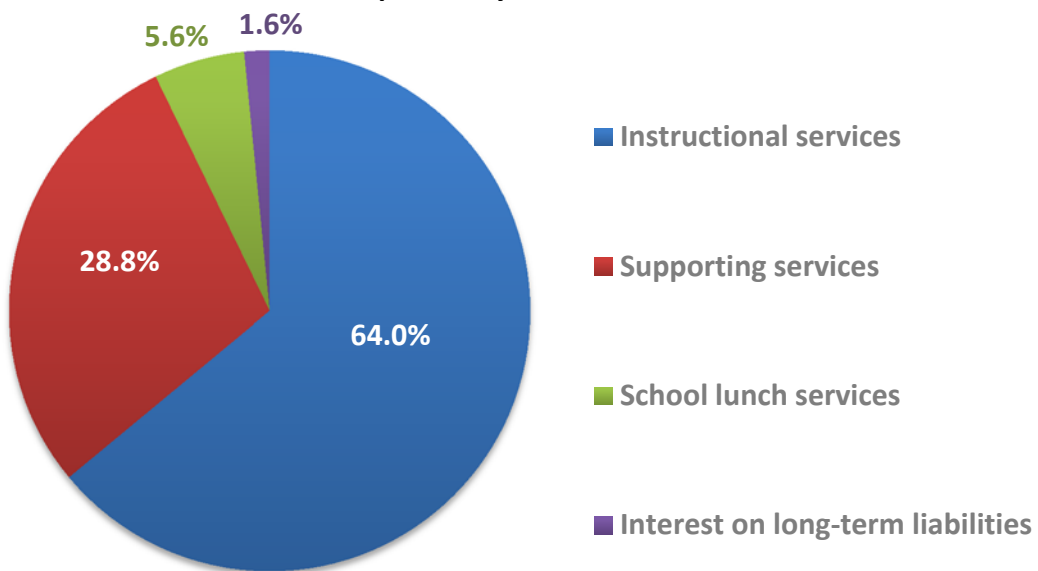
	<u>2014</u>	<u>2013</u>	<u>Total Change 2014-2013</u>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 20.7	\$ 20.8	\$ (0.1)
Operating grants and contributions	157.0	158.7	(1.7)
General revenues:			
Property taxes	146.2	148.6	(2.4)
Federal and state aid not restricted to specific purposes	175.9	165.8	10.1
Proceeds from economic development agencies	1.4	1.4	-
Earnings on investments	1.4	1.9	(0.5)
Miscellaneous	4.2	3.3	0.9
Total revenues	<u>506.8</u>	<u>500.5</u>	<u>6.3</u>
<b>Expenses:</b>			
Instructional services	320.4	348.3	(27.9)
Supporting services:			
Students	19.9	19.2	0.7
Instructional staff	16.7	15.8	0.9
District administration	3.5	3.3	0.2
School administration	28.4	26.4	2.0
Central	10.3	10.5	(0.2)
Operation and maintenance of facilities	55.6	53.1	2.5
Transportation	10.3	11.1	(0.8)
School lunch services	28.3	25.2	3.1
Non-instructional services	0.4	0.2	0.2
Interest on long-term liabilities	7.9	7.9	-
Total expenses	<u>501.7</u>	<u>521.0</u>	<u>(19.3)</u>
<b>Increase (decrease) in net position</b>	5.1	(20.5)	25.6
<b>Net position - beginning</b>	466.4	486.9	(20.5)
<b>Net position - ending</b>	<u>\$ 471.5</u>	<u>\$ 466.4</u>	<u>\$ 5.1</u>

GRANITE SCHOOL DISTRICT  
Year Ended June 30, 2014

Revenues by Source



Expenses by Function



## 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, 2014, the District's combined governmental fund balance is \$126.5 million (\$4.8 million in nonspendable, \$20.6 million in restricted, \$78.9 million in committed, \$14.9 million in assigned, and \$7.3 million in unassigned fund balances).

Total fund balances in the governmental funds decreased by a net \$14.4 million during the year ended June 30, 2014 to \$126.5 million. The primary factors for the decrease are 1) a \$6.1 million decrease in the *General Fund* attributable to a \$3.8 million decrease in the amount assigned for self-insurance and a \$3.3 million decrease in the amount assigned for planned projects, and 2) a \$9.0 million 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.

### ***General Fund* Budgetary Highlights**

The Board revised the 2014 budget during the year. Budget amendments reflected changes in programs and related funding. Final budgeted revenues were \$0.9 million or 0.2% higher than original estimates. The most significant differences may be summarized as follows:

- **Local revenue – (\$4.2) million or (3.3%)** – The decrease in local revenue between the original and final budgets is attributable to the Basic Levy, which is established by the state legislature, being set lower than estimated. The finalization of the Basic Levy doesn't happen until after the original budget has been adopted by the Board.
- **State revenue – \$5.5 million or 2.1%** - The increase between the original and final budget for state revenue is due primarily to the state guarantee which compensates for decreased revenue generated by the Basic Levy.

The difference between the original budget and the final amended budget for total expenditures was a decrease of \$4.2 million or 0.9% in total expenditures. The most significant differences is attributable to a \$3.8 million or 1.2% decrease in instructional services caused by state program funding that has been moved to 2014-15.



Actual expenditures were \$4.9 million less than the final amended budget. The decrease is due primarily to 1) a \$2.2 million difference in instructional services caused by state program funding that has been moved to 2014-15, and 2) orders for \$1.2 million of technology equipment that didn't arrive at the District prior to year end and therefore were not counted as expenditures.

## Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$546.4 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 1.2%.

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, 2014, the District had several construction projects underway or nearing completion. Of those, the major one was the remodel of Stansbury Elementary School estimated at \$10.1 million when finished in 2015.

The following chart summarizes capital assets at June 30, 2014 and 2013:

### GRANITE SCHOOL DISTRICT'S Capital Assets June 30, 2014 and 2013 (net of accumulated depreciation, millions of dollars)

	2014	2013	Total Change 2014-13
Land	\$ 35.6	\$ 35.4	\$ 0.2
Construction in progress	212.2	206.0	6.2
Buildings and improvements	266.4	267.3	(0.9)
Land improvements	16.4	12.9	3.5
Vehicles	6.3	6.5	(0.2)
Furniture and equipment	9.5	11.8	(2.3)
Total capital assets	<u>\$ 546.4</u>	<u>\$ 539.9</u>	<u>\$ 6.5</u>

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

## Debt Administration

The District had \$202.2 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 \$1,048.3 million.

Additional information on the District's outstanding obligations can be found in Note 12 to the basic financial statements.

## **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, 2014

	<u>Governmental Activities</u>
<b>Assets:</b>	
Cash and investments	\$ 187,938,498
Receivables:	
Property taxes	140,117,948
Other local	1,389,313
State	2,608,600
Federal	18,522,446
Prepaid items	440,926
Inventories	4,416,320
Net other post employment benefit asset	1,583,821
Capital assets:	
Land, construction in progress, and water stock	247,798,755
Other capital assets, net of accumulated depreciation	298,583,285
Total assets	<u>903,399,912</u>
<b>Liabilities:</b>	
Accounts and contracts payable	4,338,899
Accrued interest	769,092
Accrued salaries and related benefits	40,909,960
Unearned revenue:	
Local	1,507,466
State	7,436,856
Federal	2,960,022
Long-term liabilities:	
Portion due or payable within one year	21,371,610
Portion due or payable after one year	215,628,557
Total liabilities	<u>294,922,462</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for future year	<u>136,981,084</u>
<b>Net position:</b>	
Net investment in capital assets	344,867,541
Restricted for:	
Capital projects	10,772,697
Schools and scholarships	408,728
School lunch	10,199,072
Unrestricted	105,248,328
Total net position	<u>\$ 471,496,366</u>

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

# GRANITE SCHOOL DISTRICT

## Statement of Activities

Year Ended June 30, 2014

Activities or Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
<b>Governmental activities:</b>				
Instructional services	\$ 320,423,548	\$ 12,881,018	\$ 112,030,749	\$ (195,511,781)
Supporting services:				
Students	19,904,590	-	7,037,321	(12,867,269)
Instructional staff	16,713,385	254,735	5,672,472	(10,786,178)
District administration	3,459,222	-	-	(3,459,222)
School administration	28,301,884	-	1,369,401	(26,932,483)
Central	10,299,162	-	-	(10,299,162)
Operation and maintenance of facilities	55,594,893	2,022,190	501,720	(53,070,983)
Transportation	10,340,619	442,969	7,633,001	(2,264,649)
School lunch services	28,341,452	5,076,727	22,782,673	(482,052)
Noninstructional services	393,701	-	-	(393,701)
Interest on long-term liabilities	7,917,255	-	-	(7,917,255)
Total school district	<u>\$ 501,689,711</u>	<u>\$ 20,677,639</u>	<u>\$ 157,027,337</u>	<u>(323,984,735)</u>
<b>General revenues:</b>				
Property taxes levied for:				
Basic state supported program (set by state legislature)				32,082,164
Voted local				33,440,692
Board local				44,016,311
Capital outlay				20,733,230
Debt service				15,905,229
Total property taxes				<u>146,177,626</u>
Federal and state grants and contributions not restricted to specific programs				175,929,961
Earnings on investments				1,400,514
Proceeds from economic development agencies				1,430,197
Miscellaneous				<u>4,162,964</u>
Total general revenues				<u>329,101,262</u>
Change in net position				5,116,527
Net position - beginning				<u>466,379,839</u>
Net position - ending				<u><u>\$ 471,496,366</u></u>

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

**GRANITE SCHOOL DISTRICT**  
**Balance Sheet - Governmental Funds**  
June 30, 2014

	<b>Major Funds</b>		<b>Other</b>	<b>Total</b>
	<b><i>General</i></b>	<b><i>Capital Projects</i></b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>Assets:</b>				
Cash and investments	\$ 120,865,657	\$ 13,328,345	\$ 22,415,076	\$ 156,609,078
Receivables:				
Property taxes	106,659,003	18,472,331	14,986,614	140,117,948
Other local	1,259,112	61,824	48,032	1,368,968
State	658,359	-	1,950,241	2,608,600
Federal	17,859,225	-	663,221	18,522,446
Inventories	3,243,980	-	1,135,946	4,379,926
Prepaid items	301,906	128,994	3,058	433,958
Due from other funds	135,752	-	-	135,752
<b>Total assets</b>	<b>\$ 250,982,994</b>	<b>\$ 31,991,494</b>	<b>\$ 41,202,188</b>	<b>\$ 324,176,676</b>
<b>Liabilities:</b>				
Accounts and contracts payable	\$ 1,228,108	\$ 2,184,051	\$ 913,060	\$ 4,325,219
Accrued salaries and related benefits	40,171,266	-	737,849	40,909,115
Unearned revenue:				
Local	1,214,181	293,285	-	1,507,466
State	7,436,856	-	-	7,436,856
Federal	1,433,119	-	1,601,456	3,034,575
<b>Total liabilities</b>	<b>51,483,530</b>	<b>2,477,336</b>	<b>3,252,365</b>	<b>57,213,231</b>
<b>Deferred inflows of resources:</b>				
Unavailable property tax revenue	2,681,367	464,387	376,758	3,522,512
Property taxes levied for future year	104,271,195	18,058,786	14,651,103	136,981,084
<b>Total deferred inflows of resources</b>	<b>106,952,562</b>	<b>18,523,173</b>	<b>15,027,861</b>	<b>140,503,596</b>
<b>Fund balances:</b>				
Nonspendable:				
Inventories	3,243,980	-	1,135,946	4,379,926
Prepaid items	301,906	128,994	3,058	433,958
Restricted for:				
Capital projects	-	10,861,991	-	10,861,991
Debt service	-	-	213,402	213,402
Schools and scholarships	-	-	408,728	408,728
School lunch	-	-	9,060,870	9,060,870
Committed to:				
Economic stabilization	22,229,221	-	-	22,229,221
Employee benefits	43,001,662	-	-	43,001,662
Contractual obligations	1,598,141	-	-	1,598,141
District activity programs	-	-	10,804,496	10,804,496
Foundation	-	-	1,295,462	1,295,462
Assigned to:				
Self insurance	8,561,277	-	-	8,561,277
Employee benefits	1,394,806	-	-	1,394,806
Planned projects	4,898,333	-	-	4,898,333
Unassigned	7,317,576	-	-	7,317,576
<b>Total fund balances</b>	<b>92,546,902</b>	<b>10,990,985</b>	<b>22,921,962</b>	<b>126,459,849</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 250,982,994</b>	<b>\$ 31,991,494</b>	<b>\$ 41,202,188</b>	<b>\$ 324,176,676</b>

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, 2014

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Total fund balances for governmental funds	\$	126,459,849
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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	\$	35,608,802	
Construction in progress		212,156,732	
Water stock		33,221	
Buildings and improvements, net of \$302,490,828 accumulated depreciation		266,399,155	
Land improvements, net of \$23,234,421 accumulated depreciation		16,393,473	
Vehicles, net of \$18,632,660 accumulated depreciation		6,268,863	
Furniture and equipment, net of \$27,418,420 accumulated depreciation		<u>9,439,716</u>	546,299,962

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	3,522,512	
Unavailable interest subsidies on Build America Bonds	<u>74,553</u>	3,597,065

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

1,583,821

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:

21,220,554

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	(189,685,000)	
Unamortized bond issuance premiums	(12,547,406)	
Accrued interest	(769,092)	
Compensated absences	(3,113,676)	
Early retirement compensation and insurance	(19,130,970)	
District retirement compensation	<u>(2,418,741)</u>	<u>(227,664,885)</u>

Total net position of governmental activities	\$	<u>471,496,366</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, 2014

	Major Funds		Other	Total
	<i>General</i>	<i>Capital Projects</i>	Governmental Funds	Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 109,537,454	\$ 20,452,356	\$ 16,122,936	\$ 146,112,746
Earnings on investments	889,683	66,905	443,926	1,400,514
Other local	10,928,379	321,972	17,333,011	28,583,362
State	270,160,476	420,023	4,212,725	274,793,224
Federal	38,766,157	-	19,397,917	58,164,074
Total revenues	430,282,149	21,261,256	57,510,515	509,053,920
<b>Expenditures:</b>				
Current:				
Instructional services	299,040,857	-	11,071,428	310,112,285
Supporting services:				
Students	19,850,939	-	-	19,850,939
Instructional staff	16,649,551	-	-	16,649,551
District administration	3,152,450	-	-	3,152,450
School administration	28,194,855	-	-	28,194,855
Central	9,150,691	-	-	9,150,691
Operation and maintenance of facilities	54,122,795	-	-	54,122,795
Transportation	9,504,264	-	-	9,504,264
School lunch services	-	-	27,940,153	27,940,153
Noninstructional services	-	-	1,107,853	1,107,853
Debt service:				
Principal payments	-	-	8,100,000	8,100,000
Interest and fiscal charges	-	-	8,807,046	8,807,046
Bond issuance costs	-	13,000	-	13,000
Capital outlay	-	31,199,298	769,467	31,968,765
Total expenditures	439,666,402	31,212,298	57,795,947	528,674,647
Excess (deficiency) of revenues over (under) expenditures	(9,384,253)	(9,951,042)	(285,432)	(19,620,727)
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	-	890,208	-	890,208
Transfers in	4,352,233	-	1,001,198	5,353,431
Transfers (out)	(1,112,782)	-	-	(1,112,782)
Total other financing sources (uses)	3,239,451	890,208	1,001,198	5,130,857
Net change in fund balances	(6,144,802)	(9,060,834)	715,766	(14,489,870)
<b>Fund balances - beginning</b>	98,691,704	20,051,819	22,206,196	140,949,719
<b>Fund balances - ending</b>	\$ 92,546,902	\$ 10,990,985	\$ 22,921,962	\$ 126,459,849

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, 2014

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Net change in fund balances--total governmental funds	\$	(14,489,870)
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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	\$	35,850,555	
Loss on sale of capital assets		(1,025,774)	
Proceeds from sale of capital assets		(890,208)	
Depreciation expense		<u>(27,362,777)</u>	6,571,796

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:

64,880

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:

621,273

The 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 principal payments	8,100,000	
Amortization of bond issuance premium	917,466	
Interest expense	<u>(14,675)</u>	9,002,791

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	(289,091)	
Early retirement compensation and insurance	(2,718,617)	
District retirement compensation	<u>137,515</u>	(2,870,193)

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.

6,215,850

Change in net position of governmental activities	\$	<u>5,116,527</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 113,029,757	\$ 110,219,999	\$ 109,537,454	\$ (682,545)
Earnings on investments	1,250,000	896,442	889,683	(6,759)
Other local	12,176,580	11,130,185	10,928,379	(201,806)
State	265,439,404	270,933,745	270,160,476	(773,269)
Federal	39,961,654	39,632,931	38,766,157	(866,774)
Total revenues	<u>431,857,395</u>	<u>432,813,302</u>	<u>430,282,149</u>	<u>(2,531,153)</u>
<b>Expenditures:</b>				
Current:				
Instructional services	305,051,579	301,274,597	299,040,857	2,233,740
Supporting services:				
Students	20,548,759	20,733,974	19,850,939	883,035
Instructional staff	16,962,808	17,596,469	16,649,551	946,918
District administration	3,295,493	3,295,256	3,152,450	142,806
School administration	27,555,089	27,974,199	28,194,855	(220,656)
Central	9,920,337	9,348,602	9,150,691	197,911
Operation and maintenance of facilities	55,179,114	54,772,702	54,122,795	649,907
Transportation	10,238,538	9,588,619	9,504,264	84,355
Total expenditures	<u>448,751,717</u>	<u>444,584,418</u>	<u>439,666,402</u>	<u>4,918,016</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,894,322)</u>	<u>(11,771,116)</u>	<u>(9,384,253)</u>	<u>2,386,863</u>
<b>Other financing (uses):</b>				
Transfers in	4,352,233	4,352,233	4,352,233	-
Transfers (out)	<u>(994,889)</u>	<u>(1,035,477)</u>	<u>(1,112,782)</u>	<u>(77,305)</u>
Total other financing (uses)	<u>3,357,344</u>	<u>3,316,756</u>	<u>3,239,451</u>	<u>(77,305)</u>
Net change in fund balances	<u>(13,536,978)</u>	<u>(8,454,360)</u>	<u>(6,144,802)</u>	<u>2,309,558</u>
<b>Fund balances - beginning</b>	<u>95,050,996</u>	<u>98,691,704</u>	<u>98,691,704</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 81,514,018</u>	<u>\$ 90,237,344</u>	<u>\$ 92,546,902</u>	<u>\$ 2,309,558</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, 2014

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	<u>Governmental Activities - Internal Service Funds</u>
<b>Assets:</b>	
Current assets:	
Cash and investments	\$ 31,329,420
Accounts receivable - other local	20,345
Prepaid items	6,968
Inventories	<u>36,394</u>
Total current assets	<u>31,393,127</u>
Noncurrent assets:	
Capital assets:	
Equipment	977,220
Accumulated depreciation	<u>(895,142)</u>
Total noncurrent assets	<u>82,078</u>
Total assets	<u>31,475,205</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	13,680
Accrued salaries and related benefits	845
Due to other funds	135,752
Health and accident claims payable	9,034,450
Workers compensation claims payable	1,017,034
Unemployment claims payable	<u>32,134</u>
Total current liabilities	<u>10,233,895</u>
Noncurrent liabilities:	
Workers compensation payable	<u>20,756</u>
Total liabilities	<u>10,254,651</u>
<b>Net position:</b>	
Investment in capital assets	82,078
Unrestricted	<u>21,138,476</u>
Total net position	<u>\$ 21,220,554</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, 2014

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	Governmental Activities - Internal Service Funds
Operating revenues:	
Charges for services	\$ 62,651,981
Operating expenses:	
Salaries	452,210
Employee benefits	212,893
Medical and prescription claims	46,164,905
ACA fees	23,350
Medical administrative fees	2,540,386
Medical reinsurance premiums	899,787
Workers compensation claims	1,401,354
Unemployment claims	83,793
Purchased services	180,088
Supplies and materials	120,454
Depreciation	116,262
Total operating expenses	52,195,482
Operating income before transfers	10,456,499
Transfers in	111,584
Transfers (out)	(4,352,233)
Change in net position	6,215,850
Net position - beginning	15,004,704
Net position - ending	\$ 21,220,554

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, 2014

	<u>Governmental Activities - Internal Service Funds</u>
<b>Cash flows from operating activities:</b>	
Receipts from interfund services provided	\$ 62,668,242
Payments of assessments from other funds	7,837
Payments to employees	(764,206)
Payments to suppliers for goods and services	(322,297)
Payments for medical fees and insurance claims	<u>(50,635,616)</u>
Net cash provided by operating activities	<u>10,953,960</u>
<b>Cash flows from noncapital financing activities:</b>	
Net transfers in(out) from(to) other funds	(4,240,649)
<b>Cash flows from capital and related financing activities:</b>	
Purchase of capital assets	<u>(17,510)</u>
Net change in cash and cash equivalents	6,695,801
<b>Cash and cash equivalents - beginning</b>	<u>24,633,619</u>
<b>Cash and cash equivalents - ending*</b>	<u><u>\$ 31,329,420</u></u>
* Displayed as cash and investments on the statement of fund net position - proprietary funds.	
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 10,456,499
Adjustments to reconcile operating income to net cash provided by operating activities:	
Non cash item - depreciation	116,262
(Increase) decrease in operating assets:	
Accounts receivable - other local	16,261
Inventories	741
Prepaid items	(5,234)
Increase (decrease) in operating liabilities:	
Accounts payable	(17,262)
Due to other funds	7,837
Accrued salaries and related benefits	(99,103)
Health and accident insurance payable	215,274
Workers compensation payable	281,749
Unemployment insurance payable	<u>(19,064)</u>
Total adjustments	<u>497,461</u>
Net cash provided by operating activities	<u><u>\$ 10,953,960</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, 2014

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### 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.

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

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2014

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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 2014 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 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

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2014

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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, 2014.
- 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, 2014 were approved by the Board on or before June 22, 2014.
- 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, 2014 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 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.



# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2014

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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) Net Position/Fund Balances

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

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

The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the District is bound to honor them. The District first determines and reports nonspendable balances, then restricted, then committed, and so forth.

Fund balance classifications are summarized as follows:

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

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

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2014

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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, 2014 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. The authority to assign fund balance is given to the Superintendent as the budget officer of the district (*Utah Code 53A-19-101*) and the Business Administrator per Board Policy (*Fiscal Policy Manual 1.C.3.*). 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.

### J) 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 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.

### K) 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 30% 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 30% 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.

### L) 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.

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2014

### NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2014, as shown on the financial statements is summarized as follows:

Carrying amount of deposits	\$ 5,302,394
Carrying amount of investments	182,636,104
Total cash and investments	<u>\$ 187,938,498</u>
Governmental funds cash and investments	\$ 156,609,078
Internal service funds cash and investments	31,329,420
Statement of net assets cash and investments	<u>\$ 187,938,498</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 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, 2014, the District and the Foundation have the following deposits with financial institutions:

	Carrying Amount	Bank Balance	Amount Insured
Granite School District	\$ 5,076,008	\$ 8,964,191	\$ 601,288
Granite Education Foundation	226,386	284,094	283,675
Total deposits	<u>\$ 5,302,394</u>	<u>\$ 9,248,285</u>	<u>\$ 884,963</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, 2014, \$8,363,322 of the District's bank deposits were uninsured and uncollateralized.

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2014

### B) Investments:

At June 30, 2014, 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)	\$ 180,303,043	\$ 180,303,043	\$ -	\$ -	\$ -
Granite Education Foundation, a special revenue fund:					
Mutual funds investing in:					
Money market deposits	21,755	21,755	-	-	-
Bonds	497,747	-	-	497,747	-
U.S. common stocks	598,150	598,150	-	-	-
Int'l common stocks	1,215,409	1,215,409	-	-	-
Total Foundation	2,333,061	1,835,314	-	497,747	-
Total investments	\$ 182,636,104	\$ 182,138,357	\$ -	\$ 497,747	\$ -

**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 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.

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2014

**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, 2014, the District reported the following property tax balances:

	Major Funds		Other	
	General	Capital Projects	Governmental Funds	Total
Property taxes - receivable:				
Levied for current and prior years:				
Collected in July 2014	\$ 918,630	\$ 159,098	\$ 129,076	\$ 1,206,804
Delinquent	2,681,367	464,387	376,758	3,522,512
Levied for future year	104,271,195	18,058,786	14,651,103	136,981,084
Prepayments of future year	(1,212,189)	(209,940)	(170,324)	(1,592,453)
	<u>\$ 106,659,003</u>	<u>\$ 18,472,331</u>	<u>\$ 14,986,613</u>	<u>\$ 140,117,947</u>
Property taxes - deferred inflows of resources:				
Levied for current and prior years:				
Unavailable (delinquent)	\$ 2,681,367	\$ 464,387	\$ 376,758	\$ 3,522,512
Levied for future year	104,271,195	18,058,786	14,651,103	136,981,084
	<u>\$ 106,952,562</u>	<u>\$ 18,523,173</u>	<u>\$ 15,027,861</u>	<u>\$ 140,503,596</u>

### NOTE 4 - 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, 2014

### NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 35,388,557	\$ 220,245	\$ -	\$ 35,608,802
Construction in progress	205,980,682	30,821,081	(24,645,031)	212,156,732
Water stock	33,221	-	-	33,221
Total capital assets, not being depreciated	241,402,460	31,041,326	(24,645,031)	247,798,755
Capital assets, being depreciated:				
Buildings and improvements	551,262,124	18,829,989	(1,202,130)	568,889,983
Land improvements	34,002,670	5,815,042	(189,818)	39,627,894
Vehicles	25,477,305	1,400,039	(1,975,821)	24,901,523
Furniture and equipment	35,802,371	3,426,700	(1,393,715)	37,835,356
Total capital assets, being depreciated	646,544,470	29,471,770	(4,761,484)	671,254,756
Accumulated depreciation for:				
Buildings and improvements	(283,866,665)	(19,715,817)	1,091,654	(302,490,828)
Land improvements	(21,117,446)	(2,191,320)	74,345	(23,234,421)
Vehicles	(19,026,357)	(1,465,239)	1,858,936	(18,632,660)
Furniture and equipment	(24,027,466)	(4,106,663)	(179,433)	(28,313,562)
Total accumulated depreciation	(348,037,934)	(27,479,039)	2,845,502	(372,671,471)
Total capital assets, being depreciated, net	298,506,536	1,992,731	(1,915,982)	298,583,285
Governmental activity capital assets, net	\$ 539,908,996	\$ 33,034,057	\$ (26,561,013)	\$ 546,382,040

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

#### Governmental activities:

Instructional services	\$ 17,880,808
Supporting services:	
Students	386,417
Instructional staff	313,409
District administration	389,965
School administration	522,986
Business	1,314,854
Operation and maintenance of facilities	2,304,016
Student transportation	1,002,738
School lunch services	3,129,818
Noninstructional services	117,766
Capital assets held by the District's internal service funds are charged to the various functions based on their usage of the assets	116,262
Total depreciation expense, governmental activities	\$ 27,479,039

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2014

At June 30, 2014 the District was involved with several long-term construction and remodeling projects summarized as follows:

Project	Expected Cost	Cost to Date	Cost to Complete
Rebuild of Granger High School	\$ 70,169,328	\$ 69,423,859	\$ 745,469
Rebuild of Olympus High School	73,109,563	72,160,554	949,009
Rebuild of Hartvigsen School	20,250,714	20,120,099	130,615
New Neil Armstrong Academy	15,509,133	15,506,633	2,500
Remodel of Stansbury Elementary School	9,962,886	9,002,893	959,993
All other	48,895,867	48,802,208	93,659
Total	<u>\$ 237,897,491</u>	<u>\$ 235,016,246</u>	<u>\$ 2,881,245</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 6 – 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, 2014, there were no significant reductions in coverage. Insurance settlements have not exceeded coverage for the past three years.

### 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, 2014 range from 8.34% to 20.46% 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, 2014, 2013, and 2012, the District contributed \$48,912,814, \$44,094,881, and \$40,219,170, respectively, and employees contributed \$42,281, \$44,390, and \$50,400, respectively, to the System. Contributions were equal to the required contributions for each year.

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2014

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**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, 2014, 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, 2014, the District contributed \$3,682,728 and employee contributions totaled \$4,773,686. 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 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 \$465,583 for the year ended June 30, 2014. 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, 2014, employee contributions to the Roth IRA Plan were \$81,699. 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 \$1,925,466 to the plan for the year ended June 30, 2014. 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, 2014, the most recent actuarial valuation date, the net pension obligation is \$2,418,741 and is recorded as a long-term liability on the Statement of Net Position (see Note 11 for long-term liabilities). The actuarial accrued liability (AAL) of \$15,347,698 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 \$274,617,657 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:



# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2014

Normal cost	\$ 791,508
Interest	72,508
Amortization of UAAL	1,021,195
Annual required contribution (ARC)	1,885,211
Interest on net pension obligation	101,318
Adjustment to ARC	(198,578)
Annual pension cost	1,787,951
Contributions made	(1,925,466)
Change in net pension obligation	(137,515)
Net pension obligation - at July 1, 2013	2,556,256
Net pension obligation - at July 1, 2014	\$ 2,418,741

**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, 2014 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 inflation rate was assumed to be 2.5%. The unfunded actuarial accrued liability was amortized over a 30-year closed period with 22 years remaining on July 1, 2014. 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
7/1/2012	\$ 928,233	182.8%	\$ 2,193,988
7/1/2013	1,761,770	79.4%	2,556,256
7/1/2014	1,787,951	107.7%	2,418,741

### 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 30 former employees being covered by this program and 4,858 active employees who are eligible to receive benefits should they become disabled.

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2014

**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 \$1,419,966 for the year ended June 30, 2014.

**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:

	Pre 1/1/2005 LTD Program	Post 1/1/2005 LTD Program	Total Plan
Normal cost	\$ -	\$ 365,097	\$ 365,097
Interest	3,116	26,268	29,384
Amortization of UAAL	77,897	291,591	369,488
Annual required contribution (ARC)	81,013	682,956	763,969
Interest on (from) net OPEB (asset) obligation	(41,102)	2,872	(38,230)
Adjustment to ARC	80,449	3,445	83,894
Annual OPEB cost (AOC)	120,360	689,273	809,633
Contributions made	(248,638)	(1,171,328)	(1,419,966)
Change in net OPEB (asset) obligation	(128,278)	(482,055)	(610,333)
Net OPEB (asset) obligation - at July 1, 2013	(1,036,886)	63,398	(973,488)
Net OPEB (asset) - at July 1, 2014	\$ (1,165,164)	\$ (418,657)	\$ (1,583,821)

The District's percentage of annual OPEB cost contributed to the Plan was 175.4% for the year ended June 30, 2014.

**Funded Status and Funding Progress.** As of July 1, 2014, the most recent actuarial valuation date, the net OPEB asset for the pre January 1, 2005 benefits was \$1,165,164 and the net OPEB asset for the post January 1, 2005 benefits was \$418,657. Combined, the LTD plans report a net OPEB asset of \$1,583,821.

The actuarial accrued liability (AAL) of \$5,553,101 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 \$274,617,657 and the ratio of the overfunded UAAL to the covered payroll was 2.0%.

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, 2014 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 2.50%, and 3) an annual healthcare cost trend rate of 6.1% initially, reduced by decrements to an ultimate rate of 5.6% for 2017 grading to 4.6% beginning in 2089. The unfunded actuarial accrued liability is

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2014

amortized over a 30-year closed period with 22 years remaining on July 1, 2014. Demographic and other assumptions included: 1) mortality rates based on sex-distinct RP-2000 Mortality Tables along with sex-distinct RP-2000 AA projected to 2010, 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 based on the 1987 Group Long Term Disability (GLTD) Table published by the National Association of Insurance Commissioners.

Three-Year Trend Information			
Actuarial Date	Annual OPEB Cost (AOC)	Percentage of APC Contributed	Net OPEB Asset
7/1/2012	\$ 678,492	105.7%	\$ 864,391
7/1/2013	586,120	116.7%	962,548
7/1/2014	809,633	175.4%	1,583,821

### 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, 2014 and 2013 were \$6,249,925 and \$6,426,672, 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, 2014, 529 former employees were included in the program. The District's estimated cost of claim payments for the year ended June 30, 2014 cannot be reasonably estimated because the insurance carrier has not disclosed the information. The District's liability for future early retirement benefits is \$4,722,953 and medical and life insurance costs will be \$14,408,017 for a total liability of \$19,130,970. Resources in the General Fund have been committed to meet this obligation. See Note 11 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 2.50%, 3) an annual healthcare cost trend rate for Pre-65 of 6.1% initially, reduced by decrements to an ultimate rate of 4.6% for 2017 grading to 4.6% beginning in 2089, and 4) an annual healthcare cost trend rate for Post-65 of 6.6% initially, reduced by decrements to an ultimate rate of 5.9% for 2017 grading to 4.6% beginning in 2098 (The healthcare cost trend rates include additional costs due to eventual Federal Excise "Cadillac" Tax). The unfunded actuarial accrued liability is amortized over a 30-year closed period with 22 years remaining on July 1, 2014. 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.

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2014

### 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 \$9,034,450 was recorded at June 30, 2014 for claims outstanding at year-end and paid during July and August 2014. This amount represents claims made by full-time employees and by employees who work less than twelve months but are covered by the District's policy during July and August. The District insurance plan has a December year-end and has a stop-loss provision of \$350,000 per claim. 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 \$263,139 and \$256,869 for the years ended June 30, 2014 and 2013, respectively. Changes in the balances of claims liabilities during the years ended June 30, 2014 and 2013 are as follows:

	2014	2013
Unpaid claims - beginning of year	\$ 8,819,176	\$ 8,616,913
Incurred claims (including IBNRs)	46,380,179	45,207,266
Medical claims payments	(46,164,905)	(45,005,003)
Unpaid claims - end of year	<u>\$ 9,034,450</u>	<u>\$ 8,819,176</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 \$32,134 was recorded at June 30, 2014 for claims outstanding at year-end. Included in this liability is an estimate by a separate third-party administrator for future claims, incurred during 2014, but which have not been billed as of year-end. Changes in the balances of claims liabilities during the years ended June 30, 2014 and 2013 are as follows:

	2014	2013
Unpaid claims - beginning of year	\$ 51,198	\$ 53,073
Incurred claims (including estimate)	64,729	94,304
Unemployment claims payments	(83,793)	(96,179)
Unpaid claims - end of year	<u>\$ 32,134</u>	<u>\$ 51,198</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 \$1,037,791 was recorded at June 30, 2014 for claims outstanding at year-end with \$1,017,034 representing the current portion of the liability. The plan has a stop-loss provision of \$350,000 per claim. 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, 2014 and 2013 are as follows:

	2014	2013
Unpaid claims - beginning of year	\$ 756,041	\$ 754,779
Incurred claims (including estimate)	1,683,104	1,148,849
Workers compensation claims payments	(1,401,354)	(1,147,587)
Unpaid claims - end of year	<u>\$ 1,037,791</u>	<u>\$ 756,041</u>

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2014

### NOTE 12 - LONG-TERM LIABILITIES

The following is a summary of general long-term liability activity for the year ended June 30, 2014:

	Balance at June 30, 2013	Additions	Payments	Balance at June 30, 2014	Due within One Year
Bonds payable	\$ 197,785,000	\$ -	\$ (8,100,000)	\$ 189,685,000	\$ 8,330,000
Bond premium	13,464,872	-	(917,466)	12,547,406	-
Net bond liabilities	211,249,872	-	(9,017,466)	202,232,406	8,330,000
Workers compensation claims	756,041	1,401,354	(1,119,605)	1,037,790	1,017,034
Unemployment claims	51,198	83,793	(102,857)	32,134	32,134
Health and accident claims	8,819,176	46,164,905	(45,949,631)	9,034,450	9,034,450
Compensated absences	2,824,585	2,972,447	(2,683,356)	3,113,676	2,957,992
Obligation for early retirement compensation and insurance	16,412,353	8,968,542	(6,249,925)	19,130,970	-
Obligation for district retirement compensation	2,556,256	1,787,951	(1,925,466)	2,418,741	-
Total long-term liabilities	<u>\$ 242,669,481</u>	<u>\$ 61,378,992</u>	<u>\$ (67,048,306)</u>	<u>\$ 237,000,167</u>	<u>\$ 21,371,610</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, 2014, with their outstanding balances are comprised of the following individual issuances:

Series 2010 - Tax exempt bonds, \$27,600,000 originally issued, due in remaining annual installments from \$1,950,000 to \$2,500,000, from June 2015 through June 2018, interest from 4.00% to 5.00%.	\$ 8,550,000
Series 2010 - Build America Bonds, \$52,400,000 originally issued, 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, \$102,925,000 originally issued, due in remaining annual installments from \$2,925,000 to \$18,725,000, from June 2015 through June 2031, interest from 2.00% to 5.00%.	88,525,000
Series 2012 - Tax exempt bonds, \$36,500,000 originally issued, due in remaining annual installments from \$1,330,000 to \$2,560,000, from June 2015 through June 2032, interest from 2.00% to 5.00%.	30,895,000
Series 2013 - Tax exempt bonds, \$11,575,000 originally issued, due in remaining annual installments from \$250,000 to \$2,125,000, from June 2015 through June 2033, interest from 3.00% to 5.00%.	9,315,000
	<u>\$ 189,685,000</u>

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2014

The annual requirements to amortize all general obligation bonds outstanding to maturity as of June 30, 2014, including interest payments, are listed as follows:

Year Ending June 30, 2014	Tax Exempt Bonds		Build America Bonds		Total	
	Principal	Interest	Principal	Interest*	Principal	Interest
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	5,475,000	4,896,850	2,700,000	2,556,101	8,175,000	7,452,951
2020-2024	30,610,000	20,360,250	18,450,000	10,729,653	49,060,000	31,089,903
2025-2029	39,835,000	12,703,500	25,550,000	5,554,665	65,385,000	18,258,165
2030-2033	31,675,000	2,585,650	5,700,000	305,178	37,375,000	2,890,828
Total	<u>\$ 137,285,000</u>	<u>\$ 63,214,450</u>	<u>\$ 52,400,000</u>	<u>\$ 29,370,000</u>	<u>\$ 189,685,000</u>	<u>\$ 92,584,450</u>

\* Subsidized at 35% by the federal government subject to sequestration adjustment.

Remaining authorization to be issued is \$25,000,000.

### NOTE 13 – 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, 2014 in both funds classified as major funds (the *General Fund* and the *Capital Projects Fund*) as follows:

Description	General Fund	Capital Projects Fund
Rebuild of Granger High School	\$ -	\$ 732,630
Rebuild of Olympus High School	-	946,390
Rebuild of Hartvigsen School	-	65,710
Remodel of Stansbury Elementary School	-	937,129
Miscellaneous	1,598,141	-
	<u>\$ 1,598,141</u>	<u>\$ 2,681,859</u>

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

### NOTE 14 – 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, 2014 consist of the following:

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2014

Fund	Due from other funds	Due to other funds
General Fund	\$ 135,752	\$ -
Internal Service Funds	-	135,752
Total	<u>\$ 135,752</u>	<u>\$ 135,752</u>

**Transfers.** Transfers between funds during the year ended June 30, 2014 are as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 4,352,233	\$ (1,112,782)
Other Governmental Funds	1,001,198	-
Internal Service Funds	111,584	(4,352,233)
Total	<u>\$ 5,465,014</u>	<u>\$ (5,465,014)</u>

The *General Fund* transferred \$649,893 to the *District Activity Fund* (other governmental fund) for amounts allocated to the schools by the District. The *General Fund* transferred \$351,305 to the *Granite Education Foundation Fund* (other governmental fund) to fund a portion of the salaries of the Foundation. The *General Fund* also transferred \$111,584 to cover an operating deficit in the *Printing Services Fund* (an internal service fund). The *General Fund* received a transfer of \$4,352,233 from the *Self Insurance Fund* (an internal service fund) to fund a portion of negotiated salary commitments.

GRANITE SCHOOL DISTRICT  
Required Supplementary Information – June 30, 2014

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Schedule of Funding Progress  
District Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2012	\$ -	\$ 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%
7/1/2014	-	15,347,698	15,347,698	0%	274,617,657	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) - (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2012	\$ -	\$ 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%
7/1/2014	-	5,553,101	5,553,101	0%	274,617,657	2.0%

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

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### 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.

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### 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*.

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# GRANITE SCHOOL DISTRICT

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

Year Ended June 30, 2014 with Comparative Totals for 2013

	2014			2013
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Property taxes	\$ 110,219,999	\$ 109,537,454	\$ (682,545)	\$ 113,045,326
Earnings on investments	896,442	889,683	(6,759)	1,212,292
Other local	11,130,185	10,928,379	(201,806)	9,777,622
State	270,933,745	270,160,476	(773,269)	256,869,852
Federal	39,632,931	38,766,157	(866,774)	41,809,790
Total revenues	432,813,302	430,282,149	(2,531,153)	422,714,882
<b>Expenditures:</b>				
Instructional services:				
Salaries	190,539,619	190,576,572	(36,953)	188,007,620
Employee benefits	91,970,695	91,364,779	605,916	87,164,919
Purchased services	2,587,319	2,425,922	161,397	2,297,759
Supplies and materials	7,935,176	7,692,300	242,876	7,898,021
Equipment	8,241,788	6,981,284	1,260,504	6,862,834
Total instructional services	301,274,597	299,040,857	2,233,740	292,231,153
Supporting services:				
Students	20,733,974	19,850,939	883,035	19,177,739
Instructional staff	17,596,469	16,649,551	946,918	15,898,421
District administration	3,295,256	3,152,450	142,806	3,042,966
School administration	27,974,199	28,194,855	(220,656)	26,386,676
Central	9,348,602	9,150,691	197,911	9,387,883
Operation and maintenance of facilities	54,772,702	54,122,795	649,907	51,964,424
Transportation	9,588,619	9,504,264	84,355	10,247,348
Total supporting services	143,309,821	140,625,545	2,684,276	136,105,457
Total expenditures	444,584,418	439,666,402	4,918,016	428,336,610
Excess (deficiency) of revenues over (under) expenditures	(11,771,116)	(9,384,253)	2,386,863	(5,621,728)
<b>Other financing sources (uses):</b>				
Transfers in	4,352,233	4,352,233	-	227,407
Transfers (out)	(1,035,477)	(1,112,782)	(77,305)	(389,153)
Total other financing sources (uses)	3,316,756	3,239,451	(77,305)	(161,746)
Net change in fund balances	(8,454,360)	(6,144,802)	2,309,558	(5,783,474)
<b>Fund balances - beginning</b>	98,691,704	98,691,704	-	104,475,178
<b>Fund balances - ending</b>	<u>\$ 90,237,344</u>	<u>\$ 92,546,902</u>	<u>\$ 2,309,558</u>	<u>\$ 98,691,704</u>

# GRANITE SCHOOL DISTRICT

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

### Capital Projects Fund

Year Ended June 30, 2014 with Comparative Totals for 2013

	2014			2013
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Property taxes	\$ 20,325,380	\$ 20,452,356	\$ 126,976	\$ 20,321,080
Earnings on investments	77,436	66,905	(10,531)	328,528
Other local	573,375	321,972	(251,403)	1,017,557
State	420,023	420,023	-	-
Federal	-	-	-	914,207
Total revenues	<u>21,396,214</u>	<u>21,261,256</u>	<u>(134,958)</u>	<u>22,581,372</u>
<b>Expenditures:</b>				
Capital outlay:				
Salaries	155,558	138,671	16,887	146,005
Employee benefits	61,699	55,204	6,495	55,941
Purchased services	30,743,028	25,618,631	5,124,397	130,403,346
Supplies and materials	56,160	36,349	19,811	44,474
Land and improvements	453,880	458,356	(4,476)	541,587
Equipment	5,477,700	4,528,662	949,038	5,543,299
Vehicles	418,000	363,425	54,575	561,904
Total capital outlay	<u>37,366,025</u>	<u>31,199,298</u>	<u>6,166,727</u>	<u>137,296,556</u>
Debt service:				
Bond issuance costs	<u>13,000</u>	<u>13,000</u>	<u>-</u>	<u>405,013</u>
Total expenditures	<u>37,379,025</u>	<u>31,212,298</u>	<u>6,166,727</u>	<u>137,701,569</u>
(Deficiency) of revenues (under) expenditures	(15,982,811)	(9,951,042)	6,031,769	(115,120,197)
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	850,285	890,208	39,923	762,898
Bonds issued	-	-	-	48,075,000
Premium on bonds issued	-	-	-	4,405,323
Total other financing sources (uses)	<u>850,285</u>	<u>890,208</u>	<u>39,923</u>	<u>53,243,221</u>
Net change in fund balances	(15,132,526)	(9,060,834)	6,071,692	(61,876,976)
<b>Fund balances - beginning</b>	<u>20,051,819</u>	<u>20,051,819</u>	<u>-</u>	<u>81,928,795</u>
<b>Fund balances - ending</b>	<u>\$ 4,919,293</u>	<u>\$ 10,990,985</u>	<u>\$ 6,071,692</u>	<u>\$ 20,051,819</u>

## NONMAJOR GOVERNMENTAL FUNDS

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### 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.

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### 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.

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# GRANITE SCHOOL DISTRICT

## Combining Balance Sheet - Nonmajor Governmental Funds

June 30, 2014

	Special Revenue				Total
	<i>District Activity Programs</i>	<i>Granite Education Foundation</i>	<i>School Lunch</i>	<i>Debt Service</i>	<i>Nonmajor Governmental Funds</i>
<b>Assets:</b>					
Cash and investments	\$ 10,813,493	\$ 2,559,447	\$ 8,787,487	\$ 254,649	\$ 22,415,076
Receivables:					
Property taxes	-	-	-	14,986,614	14,986,614
Other local	14,396	-	33,636	-	48,032
State	-	-	1,950,241	-	1,950,241
Federal	-	-	663,221	-	663,221
Inventories	-	-	1,135,946	-	1,135,946
Prepaid items	802	-	2,256	-	3,058
Total assets	<u>\$ 10,828,691</u>	<u>\$ 2,559,447</u>	<u>\$ 12,572,787</u>	<u>\$ 15,241,263</u>	<u>\$ 41,202,188</u>
<b>Liabilities:</b>					
Accounts and contracts payable	\$ 13,655	\$ 813,031	\$ 86,374	\$ -	\$ 913,060
Accrued salaries and related payables	9,738	42,226	685,885	-	737,849
Grants advanced from the national school lunch program	-	-	1,601,456	-	1,601,456
Total liabilities	<u>23,393</u>	<u>855,257</u>	<u>2,373,715</u>	<u>-</u>	<u>3,252,365</u>
<b>Deferred inflows of resources:</b>					
Unavailable property tax revenue	-	-	-	376,758	376,758
Property taxes levied for future year	-	-	-	14,651,103	14,651,103
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,027,861</u>	<u>15,027,861</u>
<b>Fund balances:</b>					
Nonspendable:					
Inventories	-	-	1,135,946	-	1,135,946
Prepaid items	802	-	2,256	-	3,058
Restricted for:					
Debt service	-	-	-	213,402	213,402
Schools	-	241,194	-	-	241,194
Scholarships	-	167,534	-	-	167,534
School lunch	-	-	9,060,870	-	9,060,870
Committed to:					
District activity programs	10,804,496	-	-	-	10,804,496
Foundation	-	1,295,462	-	-	1,295,462
Total fund balances	<u>10,805,298</u>	<u>1,704,190</u>	<u>10,199,072</u>	<u>213,402</u>	<u>22,921,962</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,828,691</u>	<u>\$ 2,559,447</u>	<u>\$ 12,572,787</u>	<u>\$ 15,241,263</u>	<u>\$ 41,202,188</u>

# GRANITE SCHOOL DISTRICT

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

### Nonmajor Governmental Funds

Year Ended June 30, 2014

	Special Revenue				Total
	<i>District Activity Programs</i>	<i>Granite Education Foundation</i>	<i>School Lunch</i>	<i>Debt Service</i>	Nonmajor Governmental Funds
<b>Revenues:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ 16,122,936	\$ 16,122,936
Earnings on investments	34,820	335,413	73,693	-	443,926
Tuitions	47,018	-	-	-	47,018
Lunch sales	-	-	5,076,727	-	5,076,727
Admissions and gate fees	692,589	-	-	-	692,589
Student fees	6,287,526	-	-	-	6,287,526
Proceeds from fundraising activities	2,688,214	-	-	-	2,688,214
Donations	856,504	816,488	-	-	1,672,992
Other local	867,945	-	-	-	867,945
State	-	-	4,212,725	-	4,212,725
Federal	-	-	18,569,948	827,969	19,397,917
Total revenues	<u>11,474,616</u>	<u>1,151,901</u>	<u>27,933,093</u>	<u>16,950,905</u>	<u>57,510,515</u>
<b>Expenditures:</b>					
Current:					
Instructional services	11,071,428	-	-	-	11,071,428
School lunch services	-	-	27,940,153	-	27,940,153
Noninstructional services	-	1,107,853	-	-	1,107,853
Debt service:					
Principal payments	-	-	-	8,100,000	8,100,000
Interest and fiscal charges	-	-	-	8,807,046	8,807,046
Capital outlay	<u>769,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>769,467</u>
Total expenditures	<u>11,840,895</u>	<u>1,107,853</u>	<u>27,940,153</u>	<u>16,907,046</u>	<u>57,795,947</u>
Excess (deficiency) of revenues over (under) expenditures	(366,279)	44,048	(7,060)	43,859	(285,432)
<b>Other financing sources:</b>					
Transfers in	<u>649,893</u>	<u>351,305</u>	<u>-</u>	<u>-</u>	<u>1,001,198</u>
Net change in fund balances	283,614	395,353	(7,060)	43,859	715,766
Fund balances - beginning	<u>10,521,684</u>	<u>1,308,837</u>	<u>10,206,132</u>	<u>169,543</u>	<u>22,206,196</u>
Fund balances - ending	<u>\$ 10,805,298</u>	<u>\$ 1,704,190</u>	<u>\$ 10,199,072</u>	<u>\$ 213,402</u>	<u>\$ 22,921,962</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, 2014 with Comparative Totals for 2013

	2014			2013
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Tuition	\$ 48,133	\$ 47,018	\$ (1,115)	\$ 58,146
Transportation fees	57,314	55,986	(1,328)	46,588
Earnings on investments	35,646	34,820	(826)	53,148
Admissions and gate fees	709,014	692,589	(16,425)	680,805
Student fees	6,436,633	6,287,526	(149,107)	6,399,545
Vending and bookstore sales	450,591	440,153	(10,438)	458,557
Proceeds from fundraising activities	2,751,964	2,688,214	(63,750)	2,663,360
Facility and field rental fees	40,524	39,585	(939)	49,893
Donations	876,816	856,504	(20,312)	855,755
Other local	340,100	332,221	(7,879)	417,780
Total revenues	11,746,733	11,474,616	(272,119)	11,683,577
<b>Expenditures:</b>				
Current:				
Instructional services:				
Salaries	134,018	108,707	25,311	132,691
Benefits	29,490	24,509	4,981	29,198
Purchased services	3,931,017	3,769,554	161,463	3,743,825
Supplies	6,918,636	5,758,909	1,159,727	5,965,972
Textbooks	-	1,101,769	(1,101,769)	623,205
Other	386,508	307,980	78,528	368,103
Total instructional services	11,399,669	11,071,428	297,949	10,862,994
Capital outlay:				
Equipment	696,353	769,467	(73,114)	663,193
Total expenditures	12,096,022	11,840,895	224,835	11,526,187
Excess (deficiency) of revenues over (under) expenditures	(349,289)	(366,279)	(47,284)	157,390
<b>Other financing sources:</b>				
Transfers in (out)	572,200	649,893	77,693	(227,407)
Net change in fund balances	222,911	283,614	30,409	(70,017)
Fund balances - beginning	10,521,684	10,521,684	-	10,591,701
Fund balances - ending	\$ 10,744,595	\$ 10,805,298	\$ 30,409	\$ 10,521,684



# 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, 2014 with Comparative Totals for 2013

	2014			2013
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Earnings on investments	\$ 243,000	\$ 335,413	\$ 92,413	\$ 207,521
Donations and fundraising proceeds	862,000	816,488	(45,512)	781,534
Total revenues	<u>1,105,000</u>	<u>1,151,901</u>	<u>46,901</u>	<u>989,055</u>
<b>Expenditures:</b>				
Current:				
Noninstructional services:				
Salaries	253,457	255,860	(2,403)	226,678
Employee benefits	119,540	120,475	(935)	105,555
Purchased services	834,960	562,300	272,660	730,868
Supplies	120,750	134,396	(13,646)	125,551
Other	400	34,822	(34,422)	681
Total noninstructional services	<u>1,329,107</u>	<u>1,107,853</u>	<u>221,254</u>	<u>1,189,333</u>
Excess (deficiency) of revenues over (under) expenditures	(224,107)	44,048	268,155	(200,278)
<b>Other financing sources:</b>				
Transfers in	<u>363,551</u>	<u>351,305</u>	<u>(12,246)</u>	<u>330,003</u>
Net change in fund balances	139,444	395,353	255,909	129,725
<b>Fund balances - beginning</b>	<u>1,308,837</u>	<u>1,308,837</u>	<u>-</u>	<u>1,179,112</u>
<b>Fund balances - ending</b>	<u>\$ 1,448,281</u>	<u>\$ 1,704,190</u>	<u>\$ 255,909</u>	<u>\$ 1,308,837</u>

# 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, 2014 with Comparative Totals for 2013

	2014			2013
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Earnings on investments	\$ 55,412	\$ 73,693	\$ 18,281	\$ 59,003
Lunch sales - children	2,112,851	2,104,059	(8,792)	2,346,303
Lunch sales - adult	383,981	383,123	(858)	368,001
Other local	2,694,323	2,589,545	(104,778)	2,133,793
Total local	5,246,567	5,150,420	(96,147)	4,907,100
State:				
State lunch program	4,321,890	4,212,725	(109,165)	4,155,664
Total state	4,321,890	4,212,725	(109,165)	4,155,664
Federal:				
Federal lunch program	19,666,324	18,569,948	(1,096,376)	19,048,071
Total federal	19,666,324	18,569,948	(1,096,376)	19,048,071
Total revenues	29,234,781	27,933,093	(1,301,688)	28,110,835
<b>Expenditures:</b>				
Current:				
School lunch services:				
Salaries	8,253,498	8,248,214	5,284	7,926,192
Employee benefits	3,100,136	3,045,530	54,606	2,892,147
Purchased services	1,685,386	1,558,794	126,592	1,504,817
Supplies	967,601	965,245	2,356	1,025,387
Food	10,862,275	10,821,900	40,375	10,008,335
Equipment	1,093,110	987,908	105,202	1,000,684
Indirect cost allocation	2,353,560	2,312,562	40,998	2,395,520
Total school lunch services	28,315,566	27,940,153	375,413	26,753,082
Net change in fund balances	919,215	(7,060)	(926,275)	1,357,753
Fund balances - beginning	10,206,132	10,206,132	-	8,848,379
Fund balances - ending	\$ 11,125,347	\$ 10,199,072	\$ (926,275)	\$ 10,206,132

# 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, 2014 with Comparative Totals for 2013

	2014			2013
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Property taxes	\$ 16,222,105	\$ 16,122,936	\$ (99,169)	\$ 16,124,272
Federal interest subsidy	827,969	827,969	-	894,635
Total revenues	<u>17,050,074</u>	<u>16,950,905</u>	<u>(99,169)</u>	<u>17,018,907</u>
<b>Expenditures:</b>				
Debt service:				
Principal	8,100,000	8,100,000	-	8,545,000
Interest	8,806,546	8,806,546	-	8,298,564
Paying agent fees	10,000	500	9,500	5,800
Total debt service	<u>16,916,546</u>	<u>16,907,046</u>	<u>9,500</u>	<u>16,849,364</u>
Net change in fund balances	133,528	43,859	(89,669)	169,543
Fund balances - beginning	<u>169,543</u>	<u>169,543</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 303,071</u>	<u>\$ 213,402</u>	<u>\$ (89,669)</u>	<u>\$ 169,543</u>



## NONMAJOR PROPRIETARY FUNDS

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### 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.

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# GRANITE SCHOOL DISTRICT

## Combining Statement of Fund Net Position - Internal Service Funds

June 30, 2014 with Comparative Totals for 2013

	2014			2013
	<i>Printing Services Fund</i>	<i>Self Insurance Fund</i>	Total	Total
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ -	\$ 31,329,420	\$ 31,329,420	\$ 24,633,619
Receivables - local	14,268	6,077	20,345	36,606
Prepaid items	6,968	-	6,968	1,734
Inventories	36,394	-	36,394	37,135
Total current assets	57,630	31,335,497	31,393,127	24,709,094
Noncurrent assets:				
Capital assets:				
Equipment	977,220	-	977,220	959,710
Accumulated depreciation	(895,142)	-	(895,142)	(778,880)
Total noncurrent assets	82,078	-	82,078	180,830
Total assets	139,708	31,335,497	31,475,205	24,889,924
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	3,111	10,569	13,680	30,942
Accrued salaries and related benefits	845	-	845	99,948
Due to other funds	135,752	-	135,752	127,915
Workers compensation claims payable	-	1,017,034	1,017,034	740,920
Unemployment claims payable	-	32,134	32,134	51,198
Health and accident claims payable	-	9,034,450	9,034,450	8,819,176
Total current liabilities	139,708	10,094,187	10,233,895	9,870,099
Noncurrent liabilities:				
Workers compensation payable	-	20,756	20,756	15,121
Total liabilities	139,708	10,114,943	10,254,651	9,885,220
<b>Net position:</b>				
Investment in capital assets	82,078	-	82,078	180,830
Unrestricted	(82,078)	21,220,554	21,138,476	14,823,874
Total net position	\$ -	\$ 21,220,554	\$ 21,220,554	\$ 15,004,704

# GRANITE SCHOOL DISTRICT

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

### Internal Service Funds

Year Ended June 30, 2014 with Comparative Totals for 2013

	2014			2013
	<i>Printing Services Fund</i>	<i>Self Insurance Fund</i>	Total	Total
<b>Operating revenues:</b>				
Charges for services:				
Medical insurance premiums	\$ -	\$ 59,851,916	\$ 59,851,916	\$ 58,631,799
Unemployment insurance premiums	-	150,000	150,000	96,179
Industrial insurance premium	-	1,927,681	1,927,681	1,889,617
Other services	716,236	6,148	722,384	779,940
Total operating revenues	716,236	61,935,745	62,651,981	61,397,535
<b>Operating expenses:</b>				
Salaries	301,425	150,785	452,210	297,213
Employee benefits	141,022	71,871	212,893	134,778
Medical and prescription claims	-	46,164,905	46,164,905	45,005,003
ACA fees	-	23,350	23,350	-
Medical administrative fees	-	2,540,386	2,540,386	2,600,810
Medical reinsurance premiums	-	899,787	899,787	945,036
Workers compensation claims	-	1,401,354	1,401,354	1,147,587
Unemployment claims	-	83,793	83,793	96,179
Purchased services	150,088	30,000	180,088	196,681
Supplies and materials	119,023	1,431	120,454	115,988
Depreciation	116,262	-	116,262	125,372
Total operating expenses	827,820	51,367,662	52,195,482	50,664,647
Operating income (loss)	(111,584)	10,568,083	10,456,499	10,732,888
Transfers in (out)	111,584	(4,352,233)	(4,240,649)	59,150
<b>Change in net position</b>	-	6,215,850	6,215,850	10,792,038
<b>Total net position - beginning</b>	-	15,004,704	15,004,704	4,212,666
<b>Total net position - ending</b>	\$ -	\$ 21,220,554	\$ 21,220,554	\$ 15,004,704

# GRANITE SCHOOL DISTRICT

## Combining Statement of Fund Cash Flows - Internal Service Funds

Year Ended June 30, 2014 with Comparative Totals for 2013

	2014			2013
	<i>Printing Services Fund</i>	<i>Self Insurance Fund</i>	Totals	Totals
<b>Cash flows from operating activities:</b>				
Receipts from interfund services provided	\$ 738,574	\$ 61,929,668	\$ 62,668,242	\$ 61,430,222
Payments to assessments from other funds	7,837	-	7,837	(239,510)
Payments to employees	(541,550)	(222,656)	(764,206)	(334,846)
Payments to suppliers for goods and services	(298,935)	(23,362)	(322,297)	(306,271)
Payments for medical fees and insurance claims	-	(50,635,616)	(50,635,616)	(49,592,965)
Net cash provided (used) by operating activities	(94,074)	11,048,034	10,953,960	10,956,630
<b>Cash flows from noncapital financing activities:</b>				
Net transfers in(out) from(to) other funds	111,584	(4,352,233)	(4,240,649)	59,150
<b>Cash flows from capital and related financing activities:</b>				
Purchase of capital assets	(17,510)	-	(17,510)	(11,500)
Net change in cash and cash equivalents	-	6,695,801	6,695,801	11,004,280
<b>Cash and cash equivalents - beginning</b>	-	24,633,619	24,633,619	13,629,339
<b>Cash and cash equivalents - ending*</b>	\$ -	\$ 31,329,420	\$ 31,329,420	\$ 24,633,619

\* 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)	\$ (111,584)	\$ 10,568,083	\$ 10,456,499	\$ 10,732,888
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Noncash item - depreciation	116,262	-	116,262	125,372
(Increase) decrease in operating assets:				
Accounts receivable - other local	22,338	(6,077)	16,261	32,687
Inventories	741	-	741	1,767
Prepaid items	(5,234)	-	(5,234)	1,039
Increase (decrease) in operating liabilities:				
Accounts payable	(25,331)	8,069	(17,262)	3,592
Due to other funds	7,837	-	7,837	(239,510)
Accrued salaries and related benefits	(99,103)	-	(99,103)	97,145
Health and accident insurance payable	-	215,274	215,274	202,263
Workers compensation payable	-	281,749	281,749	1,262
Unemployment insurance payable	-	(19,064)	(19,064)	(1,875)
Total adjustments	17,510	479,951	497,461	223,742
Net cash provided (used) by operating activities	\$ (94,074)	\$ 11,048,034	\$ 10,953,960	\$ 10,956,630
Noncash investing, capital, and financing activities:	none	none	none	none



Section III  
*Statistical*





# GRANITE SCHOOL DISTRICT

## Statistical Section - Financial Trends

### Table of Contents

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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.

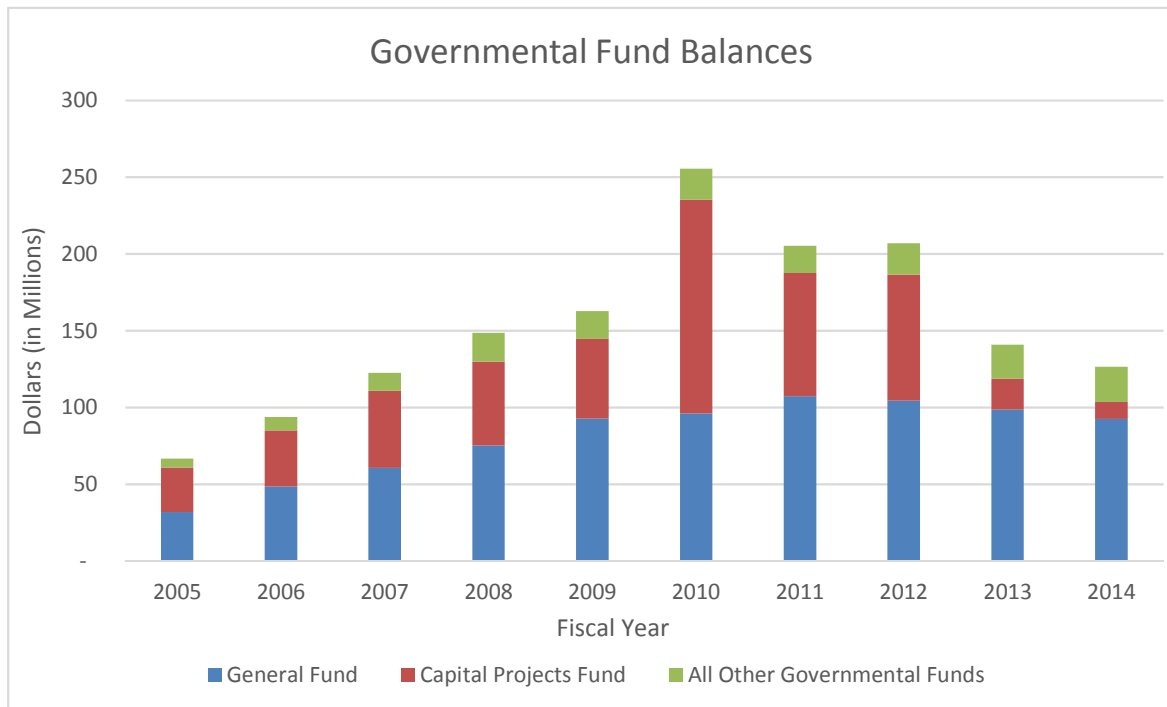
## Financial Trends

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, 2005 through 2014

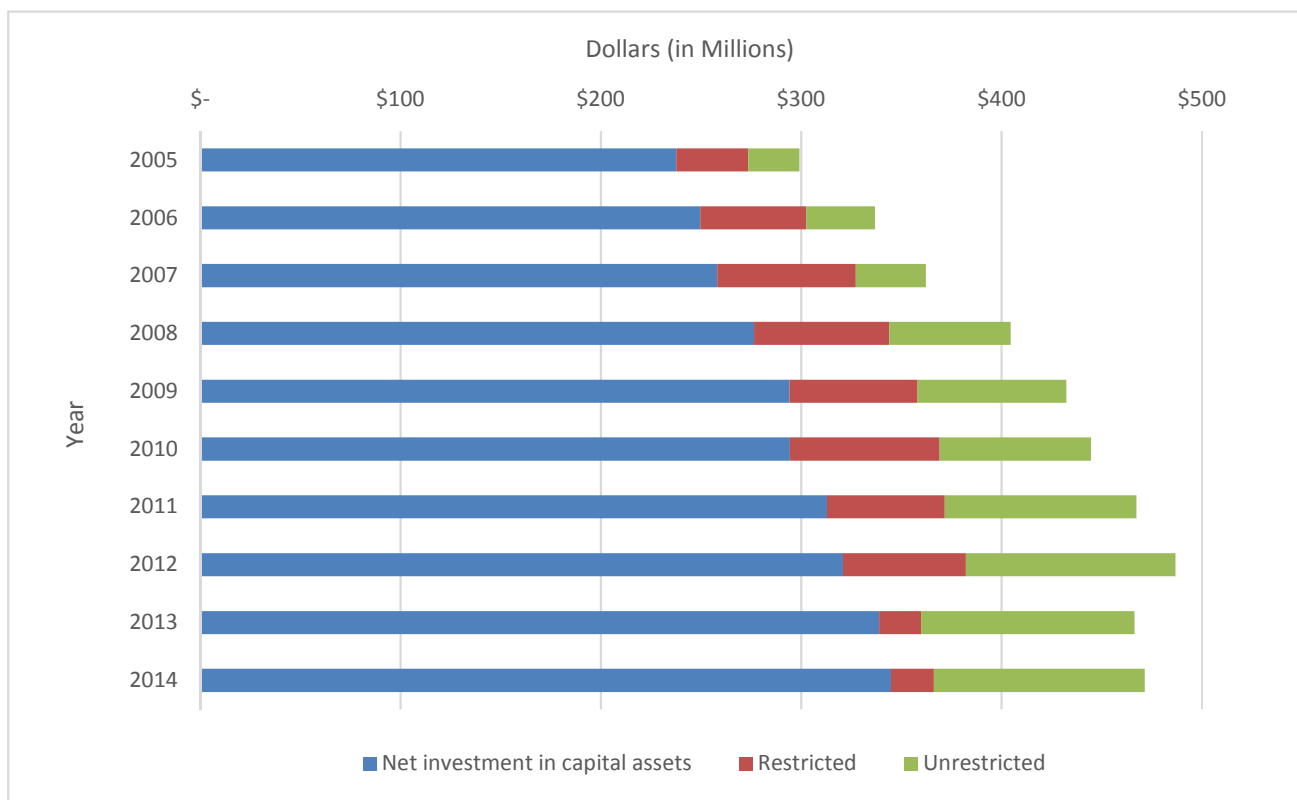
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Assets:</b>										
Cash and investments	\$ 102,475,883	\$ 132,788,738	\$ 171,611,161	\$ 207,458,012	\$ 197,719,153	\$ 285,154,233	\$ 246,660,988	\$ 272,632,468	\$ 215,574,818	\$ 187,938,498
Receivables:										
Property taxes	124,924,746	130,785,271	125,455,968	124,142,709	125,982,727	132,521,058	131,905,864	138,078,689	138,935,297	140,117,948
Other local	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	1,389,313
State	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	2,608,600
Federal	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	18,522,446
Prepaid items	495,438	545,819	494,189	472,265	464,609	351,864	394,551	418,293	442,017	440,926
Lease receivable	-	-	-	-	-	-	-	9,084,045	-	-
Inventories	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	4,416,320
Net other post employment benefit asset	-	-	-	304,253	355,237	561,382	609,335	864,391	962,548	1,583,821
<b>Capital assets:</b>										
Land, construction in progress, and water stock	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	247,798,755
Other capital assets, net of accumulated depreciation	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	298,583,285
<b>Total assets</b>	<b>494,713,893</b>	<b>540,505,605</b>	<b>579,608,183</b>	<b>629,904,777</b>	<b>657,629,800</b>	<b>761,102,302</b>	<b>767,968,746</b>	<b>907,090,690</b>	<b>921,612,867</b>	<b>903,399,912</b>
<b>Liabilities:</b>										
Accounts and contracts payable	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	4,338,899
Accrued interest	26,101	-	-	-	-	433,006	271,698	670,287	754,417	769,092
Accrued salaries and related benefits	35,806,574	32,464,738	36,048,258	39,606,609	44,779,667	42,628,041	42,904,209	43,386,016	48,017,721	40,909,960
Unearned revenue:										
Local	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	1,507,466
State	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	7,436,856
Federal	121,690	110,569	607,947	161,895	144,249	801,901	1,285,615	1,699,097	1,880,782	2,960,022
Long-term liabilities:										
Portion due or payable within one year	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	21,371,610
Portion due or payable after one year	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	215,628,557
<b>Total liabilities</b>	<b>75,290,717</b>	<b>76,991,718</b>	<b>96,252,395</b>	<b>104,630,063</b>	<b>103,437,345</b>	<b>185,955,481</b>	<b>173,859,709</b>	<b>286,383,129</b>	<b>319,381,761</b>	<b>294,922,462</b>
<b>Deferred Inflows of Resources:</b>										
Property taxes levied for future year	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	136,981,084
<b>Net Position:</b>										
Net investment in capital assets	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	344,867,541
Restricted for:										
Capital projects	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	10,772,697
Community recreation	637,829	1,888,317	2,733,673	1,805,530	1,091,222	1,279,785	446,335	-	-	-
Schools and scholarships	1,103,869	1,279,242	1,470,572	1,163,315	632,595	894,675	411,517	411,517	411,517	408,728
School lunch	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	10,199,072
Debt service	-	-	-	-	-	-	360,073	-	-	-
Unrestricted	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	105,248,328
<b>Total net position</b>	<b>\$ 299,152,029</b>	<b>\$ 336,811,737</b>	<b>\$ 362,264,937</b>	<b>\$ 404,588,015</b>	<b>\$ 432,321,650</b>	<b>\$ 444,692,014</b>	<b>\$ 467,358,814</b>	<b>\$ 486,853,101</b>	<b>\$ 466,379,839</b>	<b>\$ 471,496,366</b>

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, 2005 through June 30, 2014  
(Accrual basis of accounting)

Year	Net investment in capital assets	Restricted	Unrestricted	Total governmental activities net position
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
2014	344,867,541	21,380,497	105,248,328	471,496,366



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, 2005 through 2014

(Accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses:</b>										
Instructional services	\$ (247,851,686)	\$ (259,632,284)	\$ (275,393,510)	\$ (312,044,102)	\$ (330,747,520)	\$ (323,526,457)	\$ (318,583,268)	\$ (297,867,401)	\$ (348,317,377)	\$ (320,423,548)
Supporting services:										
Students	(16,070,499)	(16,422,751)	(17,883,649)	(19,191,183)	(20,130,916)	(18,495,907)	(18,310,997)	(18,140,134)	(19,224,610)	(19,904,590)
Instructional staff	(23,026,016)	(23,633,966)	(20,098,116)	(19,929,351)	(19,382,010)	(17,121,922)	(16,452,790)	(15,094,205)	(15,745,255)	(16,713,385)
District administration	(2,837,234)	(3,106,869)	(3,269,725)	(3,008,245)	(3,142,855)	(3,212,270)	(3,172,168)	(3,261,574)	(3,311,703)	(3,459,222)
School administration	(21,498,909)	(22,004,663)	(23,519,432)	(24,902,500)	(26,447,443)	(25,939,635)	(25,899,389)	(26,259,590)	(26,437,244)	(28,301,884)
Central	(7,409,401)	(7,468,722)	(8,072,048)	(8,744,300)	(9,443,494)	(9,641,355)	(9,510,994)	(9,823,667)	(10,471,785)	(10,299,162)
Operation and maintenance of facilities	(35,745,589)	(38,317,134)	(39,965,104)	(40,263,931)	(45,094,109)	(42,959,293)	(39,397,257)	(48,472,612)	(53,044,065)	(55,594,893)
Transportation	(8,665,161)	(8,576,469)	(9,404,718)	(9,613,882)	(9,543,162)	(9,022,545)	(9,267,172)	(10,199,851)	(11,119,258)	(10,340,619)
School lunch services	(17,009,339)	(17,981,777)	(18,643,034)	(21,990,249)	(22,756,762)	(22,304,140)	(27,471,654)	(24,604,691)	(25,185,316)	(28,341,452)
Noninstructional services	(11,539,592)	(13,664,629)	(13,954,715)	(16,036,280)	(14,774,146)	(14,934,127)	(14,764,773)	(15,722,329)	(224,767)	(393,701)
Interest on long-term liabilities	(88,039)	-	-	-	-	(1,281,355)	(3,289,197)	(7,467,967)	(7,928,415)	(7,917,255)
Total expenses	(391,741,465)	(410,809,264)	(430,204,051)	(475,724,023)	(501,462,417)	(488,439,006)	(486,119,659)	(476,914,021)	(521,009,795)	(501,689,711)
<b>Program Revenues:</b>										
Charges for services:										
Instructional services	2,489,345	2,504,539	2,174,387	13,319,053	13,290,734	14,630,732	13,149,620	13,377,552	13,069,292	12,881,018
Supporting services	1,241,132	1,576,991	1,908,203	2,037,486	2,184,825	2,821,266	2,318,265	2,250,317	2,876,063	2,719,894
School lunch services	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	5,076,727
Operating grants and contributions	98,620,303	104,191,558	106,402,208	138,267,627	145,834,845	150,681,486	158,348,843	148,761,817	158,707,697	157,027,337
Capital grants and contributions	-	-	-	-	-	151,107	-	-	-	-
Total program revenues	107,187,388	113,403,544	115,710,926	158,858,979	166,442,269	172,449,516	179,009,240	169,399,377	179,501,149	177,704,976
<b>Net (Expense) and Changes in Net Position</b>	<b>(284,554,077)</b>	<b>(297,405,720)</b>	<b>(314,493,125)</b>	<b>(316,865,044)</b>	<b>(335,020,148)</b>	<b>(315,989,490)</b>	<b>(307,110,419)</b>	<b>(307,514,644)</b>	<b>(341,508,646)</b>	<b>(323,984,735)</b>
<b>General Revenue and Other Changes in Net Position:</b>										
Property taxes	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	146,177,626
Federal and state aid not restricted to specific programs	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	175,929,961
Proceeds from economic development agencies	1,046,927	1,078,227	519,885	932,017	746,099	981,654	1,370,034	1,358,852	1,418,711	1,430,197
Earnings on investments	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	1,400,514
Miscellaneous	9,720,916	5,367,562	9,692,070	4,336,360	6,495,103	2,912,846	1,902,156	5,479,822	3,428,920	4,162,964
Extraordinary item - gain on insurance recovery	-	15,500,000	-	-	-	-	-	-	-	-
Total general revenue and other changes in net position	309,490,081	335,065,428	339,946,325	351,424,477	362,753,783	328,359,854	329,777,219	327,008,931	321,035,384	329,101,262
<b>Change in Net Position</b>	<b>24,936,004</b>	<b>37,659,708</b>	<b>25,453,200</b>	<b>34,559,433</b>	<b>27,733,635</b>	<b>12,370,364</b>	<b>22,666,800</b>	<b>19,494,287</b>	<b>(20,473,262)</b>	<b>5,116,527</b>
<b>Net Position - Beginning</b>	<b>274,216,025</b>	<b>299,152,029</b>	<b>336,811,737</b>	<b>370,028,582</b>	<b>404,588,015</b>	<b>432,321,650</b>	<b>444,692,014</b>	<b>467,358,814</b>	<b>486,853,101</b>	<b>466,379,839</b>
<b>Net Position - Ending</b>	<b>\$ 299,152,029</b>	<b>\$ 336,811,737</b>	<b>\$ 362,264,937</b>	<b>\$ 404,588,015</b>	<b>\$ 432,321,650</b>	<b>\$ 444,692,014</b>	<b>\$ 467,358,814</b>	<b>\$ 486,853,101</b>	<b>\$ 466,379,839</b>	<b>\$ 471,496,366</b>

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, 2005 through 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General fund balance:</b>										
Nonspendable	\$ 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	\$ 3,545,886
Committed	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	66,829,024
Assigned	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	14,854,416
Unassigned	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	7,317,576
<b>Total</b>	<b>31,893,808</b>	<b>48,595,971</b>	<b>60,741,985</b>	<b>75,227,276</b>	<b>92,691,800</b>	<b>96,003,238</b>	<b>107,432,860</b>	<b>104,475,178</b>	<b>98,691,704</b>	<b>92,546,902</b>
<b>Capital project's fund balance:</b>										
Nonspendable	31,449	110,245	68,643	63,123	65,418	66,391	113,975	117,616	97,666	128,994
Restricted	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	10,861,991
<b>Total</b>	<b>29,043,342</b>	<b>36,441,494</b>	<b>50,240,975</b>	<b>54,548,374</b>	<b>51,866,648</b>	<b>139,154,141</b>	<b>80,169,603</b>	<b>81,928,795</b>	<b>20,051,819</b>	<b>10,990,985</b>
<b>All other governmental fund balances:</b>										
Nonspendable	766,905	816,721	1,056,598	1,075,100	1,309,248	824,708	690,278	1,026,508	1,154,475	1,139,004
Restricted	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	9,683,000
Committed	124,243	134,384	142,891	126,218	111,093	8,374,241	10,204,549	11,359,296	11,418,409	12,099,958
Assigned	119,419	182,499	364,864	428,443	481,146	379,241	-	-	-	-
<b>Total</b>	<b>5,685,107</b>	<b>8,687,461</b>	<b>11,603,455</b>	<b>18,807,119</b>	<b>18,279,089</b>	<b>20,362,721</b>	<b>17,757,249</b>	<b>20,619,192</b>	<b>22,206,196</b>	<b>22,921,962</b>
<b>Total governmental fund balances</b>	<b>\$ 66,622,257</b>	<b>\$ 93,724,926</b>	<b>\$ 122,586,415</b>	<b>\$ 148,582,769</b>	<b>\$ 162,837,537</b>	<b>\$ 255,520,100</b>	<b>\$ 205,359,712</b>	<b>\$ 207,023,165</b>	<b>\$ 140,949,719</b>	<b>\$ 126,459,849</b>

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, 2005 through 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues:</b>										
Property taxes	\$ 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	\$ 146,112,746
Earnings on investments	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	1,400,514
Tuition	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	47,018
School lunch sales	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	5,076,727
Student fees	-	-	-	5,094,985	5,705,941	5,319,978	6,105,400	6,201,669	6,399,545	6,287,526
Proceeds from fundraising activities	-	-	-	2,481,316	2,377,116	2,196,939	2,294,869	2,734,829	2,581,748	2,688,214
Other local	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	14,483,877
State	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	274,793,224
Federal	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	58,164,074
Total revenues	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	509,053,920
<b>Expenditures:</b>										
Current:										
Instructional services	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	310,112,285
Supporting services:										
Students	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	19,850,939
Instructional staff	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	16,649,551
District administration	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	3,152,450
School administration	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	28,194,855
Central	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	9,150,691
Operation and maintenance of facilities	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	54,122,795
Transportation	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	9,504,264
School lunch services	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	27,940,153
Noninstructional services	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	1,107,853
Capital outlay	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	31,968,765
Debt service:										
Principal	6,323,468	5,512,022	-	-	-	-	14,220,000	10,450,000	8,545,000	8,100,000
Interest and fiscal charges	228,919	105,800	-	-	-	-	3,703,889	6,967,129	8,304,364	8,807,046
Bond issuance costs	-	-	-	-	-	876,503	-	799,448	405,013	13,000
Total expenditures	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	528,674,647
Excess (deficiency) of revenues over (under) expenditures	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)	(19,620,727)
<b>Other financing sources (uses):</b>										
Proceeds from sale of capital assets	96,081	51,909	98,892	28,759	155,197	116,707	642,036	1,245,424	762,898	890,208
Proceeds from sale of real property	4,281,391	1,239,575	6,004,988	548,047	3,695,127	2,295,415	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	223,425	-	-
Bond proceeds	-	-	-	-	-	80,000,000	-	102,925,000	48,075,000	-
Bond premium	-	-	-	-	-	2,027,068	-	8,876,310	4,405,323	-
Transfer to/(from) internal service funds/proprietary funds	-	(113,240)	(170,693)	(172,745)	(212,393)	(265,971)	(199,531)	(108,381)	(59,150)	4,240,649
Total other financing sources (uses)	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	5,130,857
<b>Extraordinary item:</b>										
Insurance proceeds	-	9,336,192	1,019,647	5,097,688	-	-	-	-	-	-
<b>Net change in fund balances</b>	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)	(14,489,870)
<b>Fund balances - beginning</b>	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	140,949,719
<b>Fund balances - ending</b>	\$ 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	\$ 126,459,849
Debt service as a percentage of noncapital expenditures	1.68%	1.41%	0.00%	0.00%	0.00%	0.00%	3.66%	3.66%	3.25%	3.20%

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, 2005 through 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Assets:</b>										
Cash and investments	\$ 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	\$ 120,865,657
Receivables:										
Property taxes	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	106,659,003
Other local	1,250,398	877,535	1,224,557	939,927	1,365,487	583,887	1,117,626	1,372,009	1,519,629	1,259,112
State	388,545	330,920	318,383	569,042	1,047,636	635,364	1,039,051	526,134	523,513	658,359
Federal	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	17,859,225
Inventories	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	3,243,980
Prepaid items	447,553	424,571	398,067	406,615	394,874	282,404	275,537	293,980	332,267	301,906
Due from other funds	-	-	-	-	73,999	632,691	-	392,125	154,633	135,752
<b>Total assets</b>	<b>\$ 171,393,186</b>	<b>\$ 227,054,877</b>	<b>\$ 160,215,291</b>	<b>\$ 180,768,673</b>	<b>\$ 222,254,257</b>	<b>\$ 242,293,436</b>	<b>\$ 260,627,795</b>	<b>\$ 264,376,706</b>	<b>\$ 261,305,793</b>	<b>\$ 250,982,994</b>
<b>Liabilities:</b>										
Accounts and contracts payable	\$ 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	\$ 1,228,108
Accrued salaries and related benefits	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	40,171,266
Due to other funds	36,551,818	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	1,214,181
State	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	7,436,856
Federal	121,690	110,569	602,907	161,895	144,249	800,654	1,281,968	1,773,650	1,955,335	1,433,119
<b>Total liabilities</b>	<b>65,344,935</b>	<b>99,825,482</b>	<b>24,025,762</b>	<b>25,366,111</b>	<b>55,629,619</b>	<b>53,230,316</b>	<b>59,245,034</b>	<b>55,728,426</b>	<b>58,222,047</b>	<b>51,483,530</b>
<b>Deferred Inflows of Resources:</b>										
Unavailable property tax revenue	2,568,350	2,255,281	2,693,285	3,398,280	2,517,864	1,515,092	3,059,206	3,161,221	2,605,528	2,681,367
Property taxes levied for future year	71,586,093	76,378,143	72,754,259	76,777,006	71,414,974	91,544,790	90,890,695	101,011,881	101,786,514	104,271,195
<b>Total deferred inflows of resources</b>	<b>74,154,443</b>	<b>78,633,424</b>	<b>75,447,544</b>	<b>80,175,286</b>	<b>73,932,838</b>	<b>93,059,882</b>	<b>93,949,901</b>	<b>104,173,102</b>	<b>104,392,042</b>	<b>106,952,562</b>
<b>Fund Balances:</b>										
Nonspendable:										
Inventories	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	3,243,980
Prepaid expenditures	447,553	424,571	398,067	406,615	394,874	282,404	275,537	293,980	332,267	301,906
Committed to:										
Economic stabilization	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	22,229,221
Employee benefits	11,868,318	31,488,675	43,354,058	47,643,376	50,825,306	50,787,529	44,714,591	37,336,656	38,799,309	43,001,662
Contractual obligations	266,736	398,583	202,591	421,006	550,754	391,750	1,384,268	1,522,733	873,691	1,598,141
Assigned to:										
Success Charter School	-	-	-	-	-	-	313,776	-	-	-
Self insurance	2,500,000	-	-	6,000,000	9,924,400	9,517,407	14,838,733	16,123,466	12,405,824	8,561,277
Employee benefits	-	-	-	-	-	-	6,050,000	6,914,504	5,451,851	1,394,806
Planned projects	1,065,868	271,211	195,608	889,755	1,046,914	1,094,458	6,033,468	8,285,154	8,285,154	4,898,333
Unassigned	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	7,317,576
<b>Total fund balances</b>	<b>31,893,808</b>	<b>48,595,971</b>	<b>60,741,985</b>	<b>75,227,276</b>	<b>92,691,800</b>	<b>96,003,238</b>	<b>107,432,860</b>	<b>104,475,178</b>	<b>98,691,704</b>	<b>92,546,902</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 171,393,186</b>	<b>\$ 227,054,877</b>	<b>\$ 160,215,291</b>	<b>\$ 180,768,673</b>	<b>\$ 222,254,257</b>	<b>\$ 242,293,436</b>	<b>\$ 260,627,795</b>	<b>\$ 264,376,706</b>	<b>\$ 261,305,793</b>	<b>\$ 250,982,994</b>

Source: District records

# Granite School District

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

Last Ten Fiscal Years - June 30, 2005 through 2014 and Proposed Budget for 2015

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Proposed Budget 2015
<b>Revenues:</b>											
Property taxes	\$ 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	\$ 109,537,454	\$ 109,237,367
Earnings (loss) on investments	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	889,683	1,035,000
State	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	270,160,476	282,948,413
Federal	33,106,530	32,697,345	32,846,301	36,383,144	62,370,769	58,363,351	57,305,579	40,159,901	41,809,790	38,766,157	39,083,049
Other local	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	10,928,379	15,150,700
Total revenue	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	430,282,149	447,454,529
<b>Expenditures:</b>											
Current:											
Instruction	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	299,040,857	315,822,094
Supporting services:											
Students	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	19,850,939	21,278,595
Instructional staff	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	16,649,551	15,867,382
District administration	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	3,152,450	3,500,331
School administration	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	28,194,855	29,968,138
Central	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	9,150,691	10,050,701
Operation and maintenance of facilities	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	54,122,795	56,845,831
Transportation	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	9,504,264	9,735,626
Total expenditures	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	439,666,402	463,068,698
Excess (deficiency) of revenues over (under) expenditures	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)	(9,384,253)	(15,614,169)
Other financing sources (uses):											
Transfers in (out)	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)	3,239,451	8,607,179
Net change in fund balances	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)	(6,144,802)	(7,006,990)
Fund balances - beginning	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	90,237,344
Fund balances - ending	\$ 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	\$ 92,546,902	\$ 83,230,354

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.

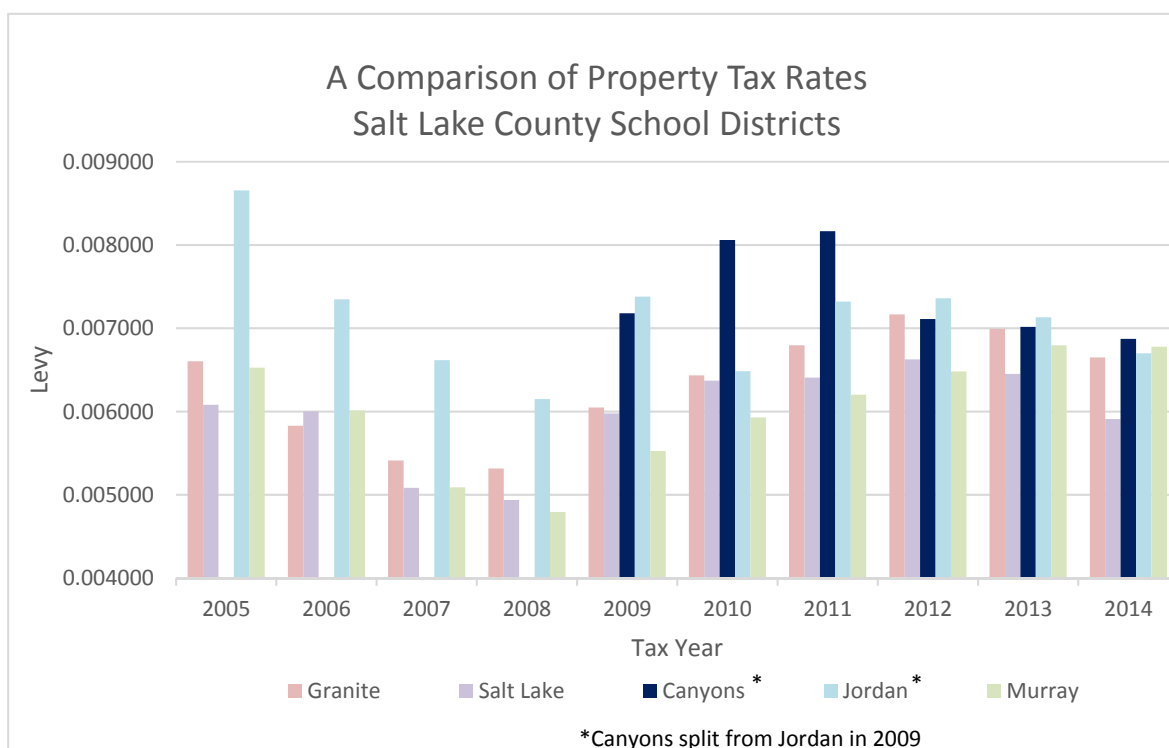
## Revenue Capacity

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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### 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, 2004 through 2013

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Set by State Tax Commission: Centrally Assessed	\$ 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	\$ 1,909,724,105
Set by County Assessor: Locally Assessed										
Real Property:										
Residential real estate-primary use	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	12,107,463,442
Residential real estate-not primary use	392,473,540	400,748,700	484,776,770	565,314,690	742,507,870	621,683,390	530,648,060	478,858,170	445,747,730	449,861,180
Commercial and industrial real estate	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	5,121,010,250
Agriculture-FAA	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	2,488,520
Unimproved non FAA	584,370	798,290	1,034,410	914,010	9,959,730	8,714,040	7,432,850	7,716,940	7,338,740	7,679,100
Total Real Property	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	17,688,502,492
Personal Property:										
Fee in lieu property	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	567,068,999
Mobile home-primary residential use	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	39,128,490
Mobile home-other use	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	2,008,240
Commercial and industrial property	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	1,330,178,802
Total Personal Property	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	1,938,384,531
Total Locally Assessed	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	19,626,887,023
Total Taxable Property	\$ 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	\$ 21,536,611,128

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

\* Reflects a change in the formula used by the Utah State Tax Commission to calculate the value of fee in lieu property.

**Granite School District**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Years - December 31, 2004 through 2013**

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			
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%
2013	12,557,324,622	8,360,913,157	10,167,620	608,205,729	21,536,611,128	31,474,731,800	68.43%

\* 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, 2004 through 2013  
 (Rate per \$1 of assessed value)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Granite School District Rates:</b>										
<b>General fund:</b>										
Basic state supported program for regular K-12 instruction (set by state legislature)	0.001800	0.001720	0.001515	0.001311	0.001250	0.001433	0.001495	0.001591	0.001651	0.001535
Voted leeway program for regular K-12 instruction	0.001600	0.001600	0.001419	0.001600	0.001600	0.001600	0.001600	0.001600	0.001600	0.001600
Board local levy (1)	-	-	-	-	-	-	-	-	0.002149	0.002106
School board leeway program for class size reduction	0.000400	0.000400	0.000356	0.000307	0.000290	0.000333	0.000336	0.000400	-	-
Board reading improvement program (2)	0.000121	0.000121	0.000121	0.000121	0.000121	0.000139	0.000141	0.000121	-	-
Tort liability levy (2)	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)	0.000073	0.000070	0.000049	0.000022	0.000021	0.000027	0.000150	0.000187	-	-
Judgment levy	-	0.000023	-	-	0.000082	-	-	-	-	-
Total general fund	0.004043	0.003981	0.003502	0.003383	0.003385	0.003808	0.004178	0.004897	0.005400	0.005241
<b>Capital projects fund:</b>										
Capital outlay equalization	-	-	-	-	-	0.000600	0.000600	0.000600	0.000600	0.000600
Capital outlay for buildings and other capital needs	0.001488	0.001388	0.001251	0.001150	0.001071	0.000667	0.000226	0.000233	0.000405	0.000392
10% additional basic program for construction	0.001039	0.000992	0.000880	0.000761	0.000740	0.000759	0.000483	-	-	-
Total capital projects fund	0.002527	0.002380	0.002131	0.001911	0.001811	0.002026	0.001309	0.000833	0.001005	0.000992
<b>Other:</b>										
Debt Service (1)	-	-	-	-	-	-	0.000761	0.000761	0.000761	0.000761
Community recreation levy (2)	0.000176	0.000243	0.000195	0.000117	0.000120	0.000213	0.000186	0.000305	-	-
Total other	0.000176	0.000243	0.000195	0.000117	0.000120	0.000213	0.000947	0.001066	0.000761	0.000761
Total direct rate	0.006746	0.006604	0.005828	0.005411	0.005316	0.006047	0.006434	0.006796	0.007166	0.006994
<b>Overlapping Rates: (a)</b>										
Salt Lake County, Municipal, and Library	0.003803	0.003279	0.002909	0.002468	0.002382	0.002756	0.003125	0.003251	0.003622	0.004101
Salt Lake Valley Fire Service Area (3)	-	-	-	-	0.001566	0.001972	0.001972	0.002028	0.002079	0.002192
Holladay City	0.002043	0.001983	0.001659	0.001436	0.001312	0.001533	0.001720	0.001767	0.001791	0.001707
South Salt Lake City	0.001417	0.001396	0.002857	0.002465	0.002352	0.002665	0.002729	0.002691	0.002757	0.002725
Taylorsville City	0.001881	0.001801	0.001858	0.001554	0.001514	0.001690	0.001739	0.001794	0.001923	0.002104
West Valley City	0.002694	0.002527	0.003700	0.003194	0.003171	0.003604	0.003644	0.004510	0.004837	0.004633
Central Utah Water Project	0.000353	0.000400	0.000357	0.000302	0.000286	0.000400	0.000421	0.000436	0.000455	0.000446
<b>Other local taxing entities:</b>										
Minimum	0.000063	0.000060	0.000054	0.000047	0.000044	0.000050	0.000050	0.000052	0.000054	0.000021
Maximum	0.002740	0.001502	0.001671	0.002025	0.005850	0.002756	0.002722	0.002804	0.005517	0.005349

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, 2013 and 2004

Taxpayer	Industry	2013			2004		
		Taxable Value*	Rank	Percent of Total Taxable Value	Taxable Value*	Rank	Percent of Total Taxable Value
Kennecott Utah Copper	Mining	\$ 1,777,973,449	1	8.48 %	\$ 1,118,831,520	1	7.50 %
PacificCorp	Utility	239,665,888	2	1.14 %	164,428,347	2	1.10 %
Hexcel Corporation	Product Design	156,228,130	3	0.75 %	-	-	-
Alliant Techsystems Inc.	Aerospace	142,281,286	4	0.68 %	125,344,785	3	0.84 %
Questar Gas	Utility	125,228,597	5	0.60 %	63,963,076	6	0.43 %
Coventry	Health Care	115,893,400	6	0.55 %	-	-	-
Verizon Wireless	Communications	99,463,140	7	0.47 %	73,650,350	5	0.49 %
Northern Utah Healthcare Corp.	Health Care	93,551,694	8	0.45 %	46,578,400	10	0.31 %
CER Generation II	Utility	71,415,526	9	0.34 %	-	-	-
Wal-Mart Real Estate Business Trust	Real Estate	64,330,800	10	0.31 %	-	-	-
Qwest Communications	Communications	-	-	-	81,666,120	4	0.55 %
Novus Development	Financial	-	-	-	61,471,274	7	0.41 %
Hermes Associates & LTD	Retail Shopping	-	-	-	58,059,900	8	0.39 %
HCP/Utah LLG	Financial	-	-	-	46,628,800	9	0.31 %
		<u>\$ 2,886,031,910</u>		<u>13.77 %</u>	<u>\$ 1,840,622,572</u>		<u>12.33 %</u>
Total taxable value		\$ 20,969,542,129			\$ 14,910,756,433		

\* 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, Inc. from Salt Lake County, Utah State Property Tax Division

**Granite School District**  
**Property Tax Levies and Collections**  
 Last Ten Tax Years December 31, 2004 through 2013

Calendar Year	Taxes Levied *	Collections		Total Collections to Date	
		In the Year of Levy	Percentage of Levy	In Subsequent Years	Amount      Percentage of Levy
2004	119,591,967	112,031,587	93.68%	3,453,639	115,485,226      96.57%
2005	124,734,685	117,753,192	94.40%	3,371,175	121,124,367      97.11%
2006	125,307,869	119,835,109	95.63%	3,200,568	123,035,677      98.19%
2007	137,793,700	130,993,568	95.06%	3,908,217	134,901,785      97.90%
2008	144,030,429	133,086,985	92.40%	5,003,508	138,090,493      95.88%
2009	141,174,640	131,216,560	92.95%	4,717,062	135,933,622      96.29%
2010	146,987,818	138,228,607	94.04%	5,520,297	143,748,904      97.80%
2011	152,112,476	142,763,378	93.85%	3,133,388	145,896,766      95.91%
2012	155,812,510	145,755,394	93.55%	2,167,199	147,922,593      94.94%
2013	155,031,549	145,068,290	93.57%	1,165,888	146,234,178      94.33%

\* 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.

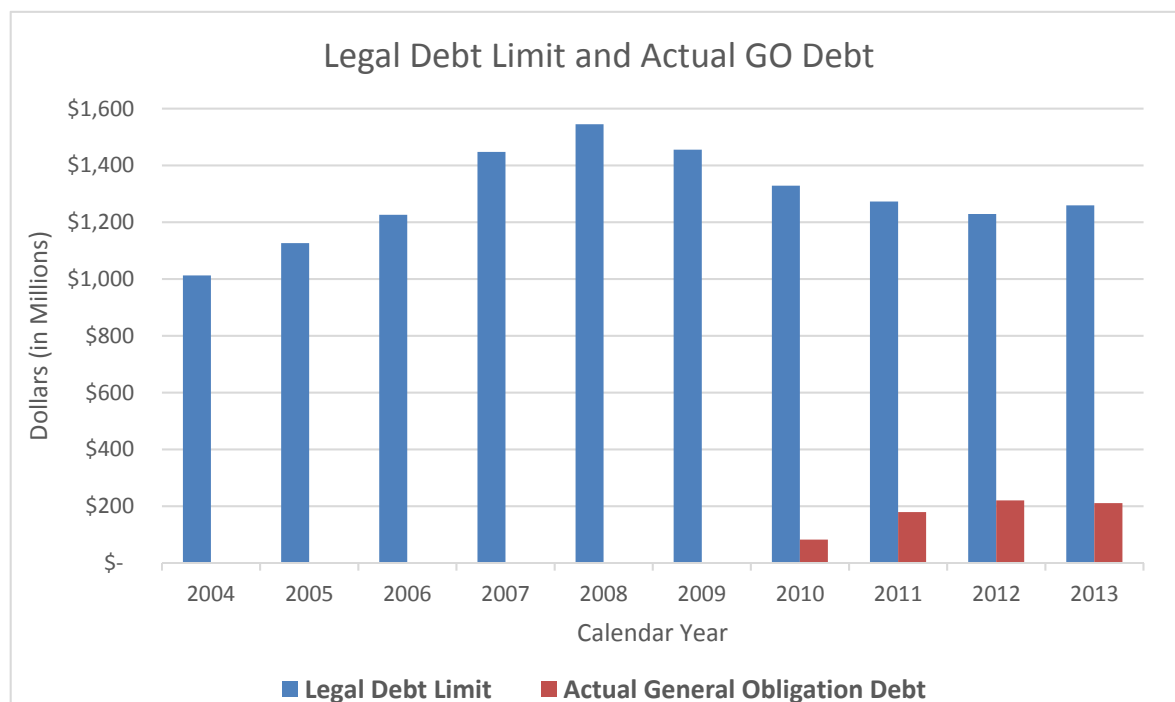
## Debt Capacity

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, 2005 through 2014

Fiscal Year	Outstanding Debt				
	Direct		Overlapping		Total
	General Obligation Bonds	Net Bond Premiums	Lease Revenue Bonds	Capital Leases	Direct and Overlapping
2005	\$ -	\$ -	\$ 5,050,000	\$ 462,022	\$ 5,512,022
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	80,000,000	1,998,914	-	-	81,998,914
2011	65,780,000	1,745,530	-	-	67,525,530
2012	158,255,000	9,924,641	-	-	168,179,641
2013	197,785,000	13,464,872	-	-	211,249,872
2014	189,685,000	12,547,406	-	-	202,232,406

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
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	0.35%	0.94%	0.23%	0.60%	2,098	5,575	2,168	5,761	1,226	3,258
2011	0.29%	0.85%	0.20%	0.59%	1,647	4,742	1,728	4,974	1,007	2,899
2012	0.77%	1.39%	0.53%	0.95%	3,852	6,921	4,098	7,363	2,530	4,546
2013	1.00%	1.56%	0.69%	1.08%	N/A	N/A	N/A	N/A	3,190	5,009
2014	0.94%	1.49%	0.64%	1.02%	N/A	N/A	N/A	N/A	3,016	4,783

\* 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, 2014**

Year Ending June 30,	Series 2010		Series 2011		Series 2012		Series 2013		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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>\$ 60,950,000</u>	<u>\$ 30,468,000</u>	<u>\$ 88,525,000</u>	<u>\$ 47,192,250</u>	<u>\$ 30,895,000</u>	<u>\$ 11,041,450</u>	<u>\$ 9,315,000</u>	<u>\$ 3,882,750</u>	<u>\$ 189,685,000</u>	<u>\$ 92,584,450</u>

Source: District records

**Granite School District**  
**CUSIP Numbers Associated with Outstanding General Obligation Bonded Indebtedness**  
As of June 30, 2014

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

Payment Due June 1,	Series 2010			Series 2011			Series 2012			Series 2013		
	\$80,000,000 Original Par Value			\$102,925,000 Original Par Value			\$36,500,000 Original Par Value			\$11,575,000 Original Par Value		
	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*
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%	LO9	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>\$ 60,950,000</u>			<u>\$ 88,525,000</u>			<u>\$ 30,895,000</u>			<u>\$ 9,315,000</u>		

Source: District records

**Granite School District**  
**Direct and Overlapping General Obligation Debt**  
June 30, 2014

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<u>Taxing Entity</u>	<u>2013 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	\$ 73,395,035,779	\$ 20,969,542,129	28.6%	\$ 242,555,000	\$ 69,299,882
CUWCD (2)	109,745,468,301	20,969,542,129	19.1%	257,522,075	<u>49,205,859</u>
				Total overlapping general obligation debt	<u>118,505,740</u>
				Total direct general obligation indebtedness of Granite School District	<u>189,685,000</u>
				Total direct and overlapping general obligation debt	<u>\$ 308,190,740</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, 2004 through 2013

Calendar Year	Estimated Fair Market Value	Debt Limit*	Less General Obligation Debt	Legal Debt Margin*	Percentage of Debt to Debt Limit
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%
2013	31,474,731,800	1,258,989,272	210,716,952	1,048,272,320	20.10%

\* 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, 2014 which reduced the principal balance of the general obligation debt to \$202,232,406 as of June 30, 2014. The general obligation debt includes unamortized bond premiums.

Source: District records

# Granite School District

## Pledged Revenue Bonds

Last Ten Fiscal Years - June 30, 2005 through 2014

Year	Revenue	Plus Premium	Net Available Revenue	Less		Operating Expenses	Debt Service		Coverage
							Principal	Interest	
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	-	-	-		-		-	-	-
2014	-	-	-		-		-	-	-

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.

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.

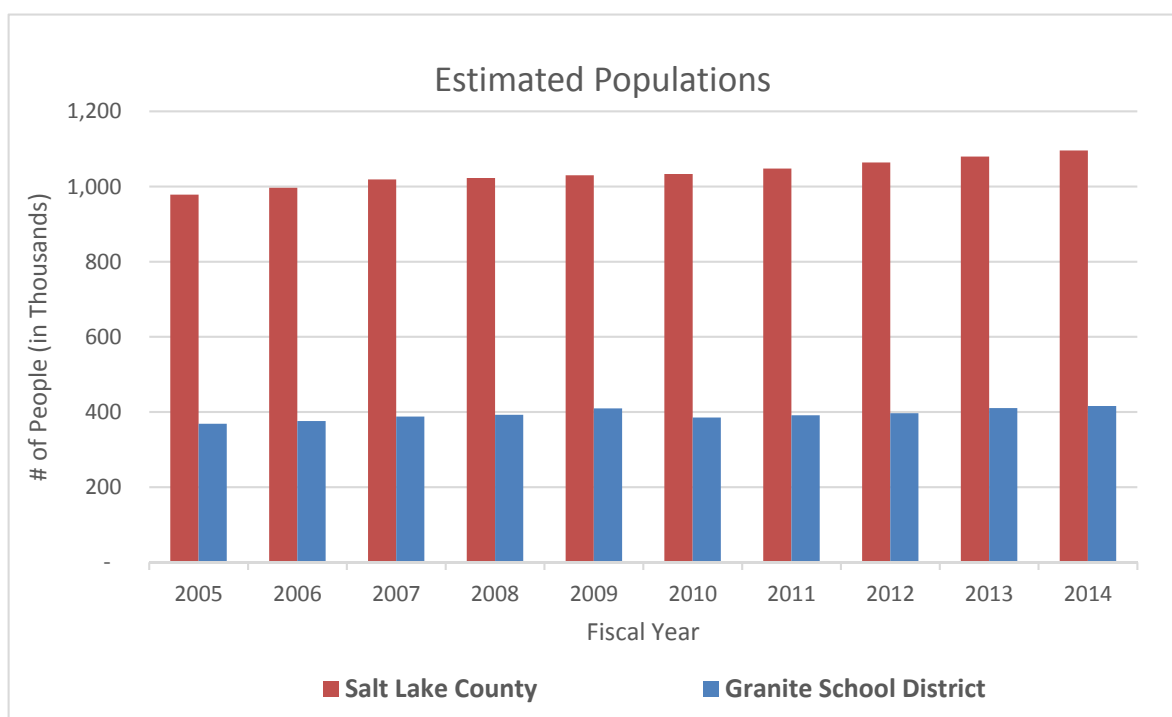
## Demographic and Economic Information

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, 2005 through 2014

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
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	396,901	1,063,842	43,658,167	41,038	5.5%	1,560,324,400	29,538
2013	410,236	1,079,721	N/A	N/A	4.2%	1,581,414,900	29,983
2014	416,002	1,095,837	N/A	N/A	3.2%	1,568,718,500	30,914

\* 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 years. 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**  
December 31, 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%	15.2%	17,500	3	4.8%	9.1%	
Intermountain Healthcare	15,000	- 20,000	2	4.3%	11.4%	20,000	1	5.5%	10.5%	
State of Utah	10,000	- 15,000	3	3.0%	8.0%	20,000	2	5.5%	10.5%	
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%	
Wal-Mart	4,000	- 5,000	7	1.1%	3.0%	8,500	6	2.3%	4.4%	
US Government (excl. Post Office & VA)	4,000	- 5,000	8	1.1%	3.0%	6,000	9	1.6%	3.1%	
Canyons School District	4,000	- 5,000	9	1.1%	3.0%	-	-	-	-	
Salt Lake City School District	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	77,000	- 105,000		22.2%	58.8%	104,500		28.7%	54.6%	

\* 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: 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.

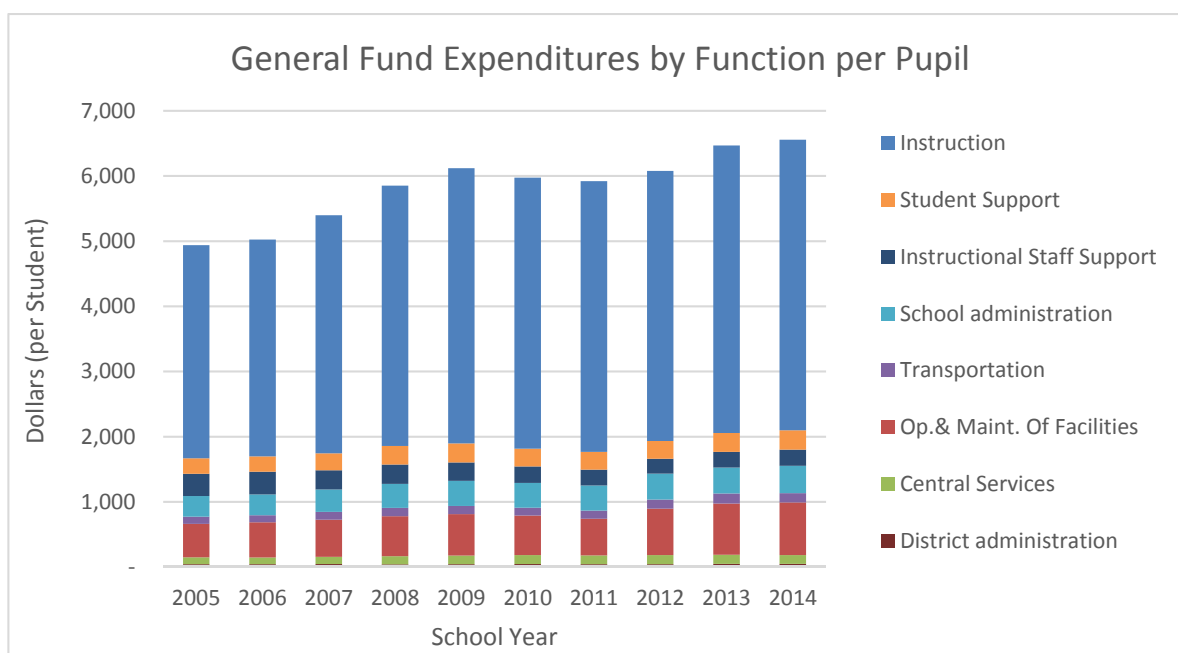
## Operating Information

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, 2005 through 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instructional services	3,256.28	3,272.09	3,267.19	3,338.22	3,366.74	3,339.24	3,330.43	3,289.49	3,367.47	3,324.66
Supporting services:										
Students	230.09	226.22	233.32	245.51	238.21	230.95	230.28	233.15	241.37	241.61
Instructional staff	135.87	134.39	134.25	130.00	125.43	125.03	124.53	114.92	125.07	118.79
District administration	14.75	14.75	14.75	13.75	13.75	14.25	13.75	14.25	14.27	14.25
School administration	282.48	282.48	276.08	273.03	277.67	270.70	267.95	274.13	266.00	269.00
Central	98.31	98.00	102.75	101.00	101.00	99.00	97.50	97.50	91.10	88.10
Operation and maintenance of facilities	357.76	357.76	370.26	381.33	384.08	365.08	330.36	433.50	457.90	469.10
Transportation	126.88	126.56	126.15	126.15	126.60	120.24	118.05	119.86	120.85	120.86
School lunch services	122.53	122.10	120.78	134.43	139.03	130.69	125.94	116.46	115.61	116.86
Non-Instructional services	82.18	82.43	118.80	112.03	114.03	100.60	99.19	121.86	11.00	14.00
Capital outlay	90.99	90.99	90.99	84.92	82.92	80.92	96.64	2.00	2.00	2.00
Total full-time equivalents	4,798.12	4,807.77	4,855.32	4,940.37	4,969.46	4,876.70	4,834.62	4,817.12	4,812.64	4,779.23

Source: District records

**Granite School District**  
**Expenses by Function-Statement of Activities**  
 Last Ten Fiscal Years - June 30, 2005 through 2014

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction	\$ 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%	\$ 348,317,377 66.85%	\$ 320,423,548 63.87%
Support services:										
Students	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%	19,224,610 3.69%	19,904,590 3.97%
Instructional staff	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%	15,745,255 3.02%	16,713,385 3.33%
District administration	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%	3,311,703 0.64%	3,459,222 0.69%
School administration	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%	26,437,244 5.07%	28,301,884 5.64%
Central	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%	10,471,785 2.01%	10,299,162 2.05%
Operation and maintenance of facilities	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%	53,044,065 10.18%	55,594,893 11.08%
Transportation	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%	11,119,258 2.13%	10,340,619 2.06%
School lunch services	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%	25,185,316 4.83%	28,341,452 5.65%
Noninstructional services	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%	224,767 0.04%	393,701 0.08%
Interest on long-term liabilities	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 1.52%	7,917,255 1.58%
Total expenses	\$ 391,741,465	\$ 410,809,264	\$ 430,204,051	\$ 475,724,023	\$ 501,462,417	\$ 488,439,006	\$ 486,119,659	\$ 476,914,021	\$ 521,009,795	\$ 501,689,711
Average daily membership	66,678	66,299	65,335	66,411	67,159	66,883	67,050	66,465	66,229	67,055
Average expenses per pupil	\$5,875	\$6,196	\$6,585	\$7,163	\$7,467	\$7,303	\$7,250	\$7,175	\$7,867	\$7,482

Source: District records.

**Granite School District**  
**Expenses by Function Per Pupil-Statement of Activities**  
Last Ten Fiscal Years - June 30, 2005 through 2014

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction	\$ 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%	\$ 5,259 66.85%	\$ 4,779 63.87%
Support services:										
Students	241 4.10%	248 4.00%	274 4.16%	289 4.03%	300 4.01%	277 3.79%	273 3.77%	273 3.80%	290 3.69%	297 3.97%
Instructional staff	345 5.88%	356 5.75%	308 4.67%	300 4.19%	289 3.87%	256 3.51%	245 3.38%	227 3.16%	238 3.02%	249 3.33%
District administration	43 0.72%	47 0.76%	50 0.76%	45 0.63%	47 0.63%	48 0.66%	47 0.65%	49 0.68%	50 0.64%	52 0.69%
School administration	322 5.49%	332 5.36%	360 5.47%	375 5.23%	394 5.27%	388 5.31%	386 5.33%	395 5.51%	399 5.07%	422 5.64%
Central	111 1.89%	113 1.82%	124 1.88%	132 1.84%	141 1.88%	144 1.97%	142 1.96%	148 2.06%	158 2.01%	154 2.05%
Operation and maintenance of facilities	536 9.12%	578 9.33%	612 9.29%	606 8.46%	671 8.99%	642 8.80%	588 8.10%	729 10.16%	801 10.18%	829 11.08%
Transportation	130 2.21%	129 2.09%	144 2.19%	145 2.02%	142 1.90%	135 1.85%	138 1.91%	153 2.14%	168 2.13%	154 2.06%
School lunch services	255 4.34%	271 4.38%	285 4.33%	331 4.62%	339 4.54%	333 4.57%	410 5.65%	370 5.16%	380 4.83%	423 5.65%
Noninstructional services	173 2.95%	206 3.33%	214 3.24%	241 3.37%	220 2.95%	223 3.06%	220 3.04%	237 3.30%	3 0.04%	6 0.08%
Interest on long-term liabilities	1 0.02%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	19 0.26%	49 0.68%	112 1.57%	120 1.52%	118 1.58%
Total expenses	\$ 5,875	\$ 6,196	\$ 6,585	\$ 7,163	\$ 7,467	\$ 7,303	\$ 7,250	\$ 7,175	\$ 7,867	\$ 7,482
Average daily membership	66,678	66,299	65,335	66,411	67,159	66,883	67,050	66,465	66,229	67,055

Source: District records

**Granite School District**  
**Expenditures by Function-General Fund**  
 Last Ten Fiscal Years - June 30, 2005 through 2014

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction	\$ 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%	\$ 299,040,857 68.02%
Support services:										
Students	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%	19,850,939 4.52%
Instructional staff	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%	16,649,551 3.79%
District administration	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%	3,152,450 0.72%
School administration	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%	28,194,855 6.41%
Central	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%	9,150,691 2.08%
Operation and maintenance of facilities	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%	54,122,795 12.31%
Transportation	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%	9,504,264 2.16%
Total expenditures	\$ 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	\$ 439,666,402
Average daily membership	66,678	66,299	65,335	66,411	67,159	66,883	67,050	66,465	66,229	67,055
Average expenditures per pupil	\$4,937	\$5,023	\$5,397	\$5,851	\$6,119	\$5,973	\$5,920	\$6,076	\$6,468	\$6,557

Source: District records

**Granite School District**  
**Expenditures by Function Per Pupil-General Fund**  
 Last Ten Fiscal Years - June 30, 2005 through 2014

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction	\$ 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%	\$ 4,460 68.02%
Support services:										
Students	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%	296 4.52%
Instructional staff	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%	249 3.79%
District administration	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%	47 0.72%
School administration	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%	420 6.41%
Central	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%	136 2.08%
Operation and maintenance of facilities	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%	807 12.31%
Transportation	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%	142 2.16%
Total expenditures	<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>	<u>\$ 6,557</u>
Average daily membership	66,678	66,299	65,335	66,411	67,159	66,883	67,050	66,465	66,229	67,055

Source: District records



## Granite School District

### Average Daily Membership vs. Average Daily Attendance

Last Ten Fiscal Years - June 30, 2005 through 2014

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<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Average Daily Attendance</u>	<u>Ratio of ADA to ADM</u>
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%
2014	67,055	64,149	95.67%

Source: District records

**Granite School District**  
**History of High School Graduates**  
**Last Ten School Years - School Years 2005 through 2014**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Totals
Cottonwood	422	393	386	372	391	407	417	418	408	403	4,017
Cyprus	380	308	261	335	382	363	397	336	373	392	3,527
Granger	414	323	293	330	351	321	363	372	348	486	3,601
Granite	221	146	80	47	75	-	-	-	-	-	569
Hunter	510	566	473	521	520	513	573	523	549	600	5,348
Kearns	527	463	364	367	417	407	399	379	359	402	4,084
Olympus	460	449	404	391	426	433	400	434	433	487	4,317
Skyline	465	464	449	439	429	417	439	435	465	440	4,442
Taylorville	554	499	502	454	516	503	486	459	511	480	4,964
Special Programs	358	478	579	140	367	295	207	305	287	255	3,271
Total	<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>3,945</u>	<u>38,140</u>

Source: District records

# Granite School District

## Capital Asset Information

Last Ten Fiscal Years - June 30, 2005 through 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Buildings:										
Elementary:										
Number	61	61	61	60	60	60	61	62	62	63
Square feet	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	3,873,401
Capacity	42,986	42,986	42,986	43,686	43,686	43,686	44,145	45,684	45,684	46,872
Enrollment	36,596	36,742	36,733	36,681	37,398	37,792	38,312	38,102	38,042	38,336
Middle Schools:										
Number	16	16	16	16	16	16	16	16	16	16
Square feet	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	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	15,139	15,249	15,052	14,769	14,811	14,661	14,925	14,917	15,179	14,363
High Schools:										
Number	9	9	9	9	9	9	8	8	8	8
Square feet	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	2,704,094
Capacity	19,404	19,404	19,404	19,404	19,404	19,404	18,228	18,228	18,228	19,236
Enrollment	13,564	13,522	13,465	12,796	12,885	13,783	13,945	13,528	13,466	14,483
Special Schools:										
Number	4	4	4	4	4	4	4	4	6	6
Square feet	135,365	135,365	343,046	343,046	343,046	343,046	343,046	343,046	477,885	477,885
Capacity *										
Enrollment	1,026	1,165	1,049	1,089	1,317	1,244	1,248	503	844	382
Other Buildings:										
Number	8	8	9	12	12	12	12	12	17	15
Square Feet	612,295	612,295	672,848	772,905	772,905	772,905	772,905	817,087	741,232	634,479
Total School Buildings:										
Number	90	90	90	89	89	89	89	90	92	93
Square Feet	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	9,429,206
Capacity	83,261	83,261	83,261	83,961	83,961	83,961	83,244	84,783	84,783	86,979
Enrollment	66,324	66,678	66,299	65,335	66,411	67,480	68,430	67,050	67,531	67,564
Acres of Land										
	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	1,485.8
Number of Portables										
	229	224	233	237	236	237	235	232	246	255
Number of Vehicles										
	635	653	650	657	663	672	699	672	703	705

\* 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, 2005 through 2014

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
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	46,119	23,263	69,382	71,099
2014	33,331	65,485	A	A	A	A

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

A) The 2014 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, 2005 through 2014

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<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>
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	3,367	19.67
2014	67,055	3,325	20.17

Source: District records

**Granite School District**  
**Nutrition Services - Facts and Figures**  
 Last Ten Fiscal Years - June 30, 2005 through 2014

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Participating schools:										
Lunch	90	90	89	89	88	89	90	89	97	104
Breakfast	55	58	62	64	66	66	67	69	73	77
Student lunches served:										
Free	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	4,188,624
Reduced	785,851	783,675	822,256	758,814	797,596	738,015	600,159	674,960	640,014	664,534
Fully paid	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	2,234,041
Total	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	7,087,199
Student breakfasts served:										
Free	847,867	915,776	900,229	936,232	1,106,993	1,242,399	1,388,333	1,349,266	2,643,404	1,314,999
Reduced	119,723	131,302	162,008	152,341	164,062	144,604	117,269	137,451	130,558	142,838
Fully paid	164,648	186,011	231,244	239,521	231,488	211,012	213,687	219,917	210,901	233,110
Total	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	1,690,947
Percentage of free/reduced/fully paid lunch:										
Free	45.03%	45.94%	44.54%	45.34%	48.35%	52.93%	56.79%	56.11%	57.96%	59.10%
Reduced	12.37%	12.38%	13.17%	12.14%	11.95%	10.84%	8.52%	9.71%	9.62%	9.38%
Fully paid	42.60%	41.67%	42.29%	42.52%	39.70%	36.23%	34.69%	34.17%	32.42%	31.52%
Percentage of free/reduced/fully paid breakfast:										
Free	74.88%	74.27%	69.60%	70.49%	73.67%	77.75%	80.75%	79.06%	88.56%	77.77%
Reduced	10.57%	10.65%	12.52%	11.47%	10.92%	9.05%	6.82%	8.05%	4.37%	8.45%
Fully paid	14.54%	15.08%	17.88%	18.03%	15.41%	13.20%	12.43%	12.89%	7.07%	13.79%
Average daily participation:										
Lunch	33,484	33,803	33,823	35,275	37,852	38,921	39,791	39,487	37,598	40,041
Breakfast	4,809	6,351	6,748	7,290	8,016	9,132	9,715	9,697	16,864	9,553
Average daily membership	66,678	66,299	65,335	66,411	67,159	66,883	67,050	66,465	66,229	67,055
Percentage participating in school lunch/breakfast										
Lunch	50.22%	50.99%	51.77%	53.12%	56.36%	58.19%	59.35%	59.41%	56.77%	59.71%
Breakfast	7.21%	9.58%	10.33%	10.98%	11.94%	13.65%	14.49%	14.59%	25.46%	14.25%

Source: District records

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