



2015-16

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ending June 30, 2016

GRANITE SCHOOL DISTRICT

2500 SOUTH STATE

SALT LAKE CITY, UTAH 84115

graniteschools.org

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Comprehensive Annual Financial Report

for the
Fiscal Year Ended
Year Ended June 30, 2016

GRANITE SCHOOL DISTRICT

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

Terry H. Bawden, 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 Bacon, Accountant

GRANITE SCHOOL DISTRICT

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Section / ***Introductory***

Letter of Transmittal

November 30, 2016

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

In accordance with Utah law (*State Code*, 53A-3-404) the Business Administration has prepared this Comprehensive Annual Financial Report (CAFR) of the Granite School District (the District) for the fiscal year ended June 30, 2016. The legally required information contained herein consists of the basic financial statements and notes to the basic financial statements which are prepared 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.

Full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive internal control framework established for this purpose, rests with the District. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

Squire & Company, PC, a firm of licensed certified public accountants, has audited the District's basic financial statements for the fiscal year ended June 30, 2016 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.

Following the MD&A are the basic financial statements, including the government-wide financial statements, the fund financial statements, and the notes to the financial statements. The required supplementary information, combining financial statements and individual fund schedules, and the statistical section complete the CAFR.

Profile of the Granite School District

The District was established December 15, 1904 by an enabling resolution of the Salt Lake County Commissioners. The District is located immediately south of Salt Lake City and covers almost 300 square miles which include several urban and suburban communities comprising approximately the northern half of Salt Lake County. Bordering on the east are the imposing Wasatch Mountains and on the west the Oquirrh Mountain Range which includes portions of the world-famous Kennecott Open-Pit Copper Mine property.

GOVERNMENTAL STRUCTURE

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.

TYPES OF SERVICES PROVIDED AND REPORTING ENTITY

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.

The accompanying report includes all funds and subsidiary accounts of the primary government, Granite School District as legally defined, as well as its component units. Funds are created to segregate and keep track of specific activities or to attain certain objectives in accordance with special regulations, restrictions, or limitations. Component units are legally separate entities for which the primary government is financially accountable or ones that have relationships with the District such that exclusion would cause the District's financial statements to be misleading or incomplete. The determination of "financial accountability" is based on criteria established by the Governmental Accounting Standards Board. Note 1 to the financial statements explains the inclusion of the Granite Education Foundation as a blended component unit in the reporting entity.

THE BUDGET CYCLE

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.

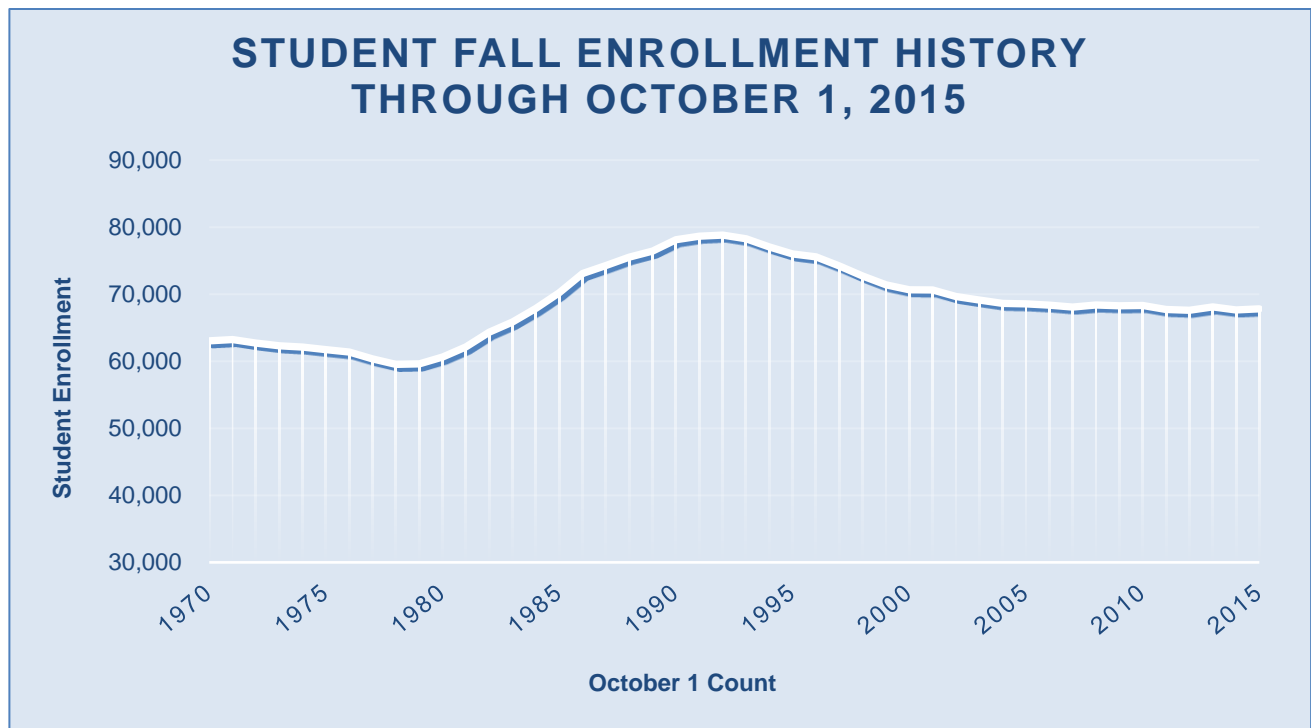
Included also is a final budget for the current year ending June 30. If the proposed budget does not include a tax increase, a public hearing is held before the beginning of the next fiscal year according to Utah law at which time the budget is legally adopted by the Board after obtaining taxpayer input. 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, 2015, student enrollment was 67,822, which is 162 more students than the prior-year count.

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 stability in enrollment. Much of the new growth in Salt Lake County has been south of the District.

ECONOMIC OUTLOOK

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 economic condition of the District is impacted heavily by the condition of the broader state economy. Concerns about the ever increasing interconnectivity with the global economy pose the greatest risk to Utah's economy. And, although uncertainty surrounding federal fiscal policy had a negative impact during the past several years, this is not expected to be the case in the near future.

According to the Utah Economic Council's 2016 Economic Report to the Governor, economic growth in the state of Utah outperformed consensus expectations in 2015 with an estimated 3.7 percent year-over job growth rate and a 49,100 job increase. 2015 represented the strongest 12-month period in the last eight years for both labor and market growth and construction. Utah has several positive economic indicators that continue to point to moderate growth and improving economic conditions into the future, barring any significant

deterioration in the broader macro-economic environment:

- During 2015 Utah led the nation in job growth for seven months and ranked second the remaining five months. A healthy level of employment growth, close to the state's long-term average of 3.1 percent, is expected during 2016.
- Commercial construction is expected to remain at health levels during 2016 as developers respond to strong market fundamentals which reflect the area's economy. Favorable economic conditions will also support household formation and the broader housing market. The total value of housing permits is expected to increase by 11 percent in 2016 and reach \$4.2 billion.
- Additionally, large investments are being seen across the state in other sectors as well. In the public sector, the most prominent project underway is the terminal redevelopment at Salt Lake City International Airport, which broke ground in 2014 and will be completed in 2022. This project will add tens of millions of dollars into the Utah economy just in 2016.

The consensus forecast calls for an economy with room to run in 2016, fueled by low motor-fuel prices, strong consumer spending, demographic advantages, new construction, and an attractive business climate. Economists forecast net in-migration, steady job and wage growth, low unemployment, and low levels of inflation in 2016. All going well, Utah's economy will once again be one of the top performing economies in the country.

Another factor that has significant impact on the District's financial outlook are the views of the governor's office and state legislature toward funding public education with the resources generated by the state. And, the news is mixed. According to research by the Utah Foundation, property tax cuts from 2007 have chipped away at the funding effort put toward public education. Utah's tax burden has reached its lowest level in the past 20 years. Since 1995, Utah's

tax burden decreased by \$10 per \$1,000 of personal income while public education funding over that same period fell by \$12 per \$1,000 of personal income. The net effect is the burden of lowering taxes has come out of public education budgets. This outcome is contrary to the stated priorities of Utah voters and many elected officials themselves. Countering this, we have seen increases in state funding for public education over the past three years. Time will tell if this is a more concerted effort to increase funding over the long-term.

Demographically, Utah will continue to experience population growth at a rate higher than most states in 2015. Annual changes in population are comprised of two components: natural increase and net migration. In 2015, Utah had a natural increase of 35,934 persons which accounted for 69.8 percent of Utah's population growth and net in-migration of 15,487 people, or 30.1% of the total population increase. For 2016, the natural increase is anticipated to add approximately 36,000 people and in-migration is projected to increase as well. The District is expected to experience similar growth to that of the state. Enrollment in the Granite School District is projected, using multiple-year cohort survival analysis, to remain close to current levels for the next five years (67,681 for 2016, 67,669 for 2017, 67,572 for 2018, 67,311 for 2019, and 67,219 for 2020). 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 per capita personal income (PCI) is estimated to have grown at a 2.6 percent rate in 2014, which is slower than the national PCI growth rate and is also slower than last year's Utah PCI growth rate. With the Federal Reserve beginning to raise interest rates, U.S. investment slowing, and continued slowing in the European and Chinese economies, economists don't expect to see large improvements in Utah income growth in 2016. A slight deceleration in the growth for both total personal income and per capita personal income is more likely.

The District has also seen a shift in economic demographics over the past 10 years. The percent of District students who qualify for free and reduced lunch has risen from 58.3% in 2006 to 68.3% in 2015. This presents challenges and opportunities to assist and provide all students with a quality education that will serve them well in the future.

Major Initiatives

EDUCATION

Children will leave us prepared for college, career and life in the 21st 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; educational accountability; student achievement and use of benchmark data; literacy efforts; student opportunities for advanced courses, industry-recognized certifications, and state-of-the-art work-based technology in the areas of health sciences, biotechnology, engineering, and information technology; concentrated student services interventions; early intervention via preschool programs and extended day kindergarten; individualized guidance aimed at college and career readiness; pursuit of a 21st 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.

COMMITMENT TO DISTRICT PROVIDED RETIREE BENEFITS

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 2015-16 fiscal year, is \$42.7 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. In addition, the District set aside \$6.3 million specifically anticipating fluctuations in the actuarial calculations associated with these benefits.

CAPITAL IMPROVEMENTS AND BONDING

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, 2016 is \$191.5 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.

For each year the District issues bonds as well as periodically when bonds are not issued but there are outstanding bond obligations, 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 associated with a bond issuance was June 2013. The District was awarded a prime AAA rating from FitchRatings and

a high grade Aa1 rating from Moody's Investors Service. Since that time, the District received an affirmed prime AAA rating from FitchRatings in May 2015. It is worth noting that ratings from both FitchRatings and Moody's Investors Service 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, 2015. 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 26th 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, 2015. 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 26th consecutive year the District has received this prestigious award.

ACKNOWLEDGEMENTS

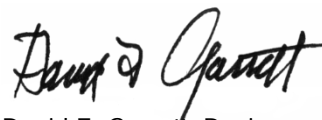
The preparation of this report on a timely basis could not have been performed without the efficient and dedicated employees in all of the business departments. Special appreciation is expressed to Chris Lewis and Charlotte Bacon of the Accounting Services Department, where the major portion of this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

We would also like to thank President Terry Bawden 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, 2016

Elected Officials

<u>Board of Education</u>	<u>Initial Appointment</u>	<u>Present Term Began</u>	<u>Present Term Expires</u>
Terry H. Bawden, President District V	January, 2007	January, 2015	December, 2018
Connie Anderson, Vice President District II	January, 2009	January, 2013	December, 2016
Connie Burgess, Member District III	January, 2003	January, 2015	December, 2018
Gayleen Gandy, Member District VII	January, 2007	January, 2015	December, 2018
Dan Lofgren, Member District I	January, 2009	January, 2013	December, 2016
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	July, 2016	June, 2018
David F. Garrett Business Administrator/Treasurer	September, 1987	January, 2015	December, 2016

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, 2015

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 Ending June 30, 2015**

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



Brenda Burkett

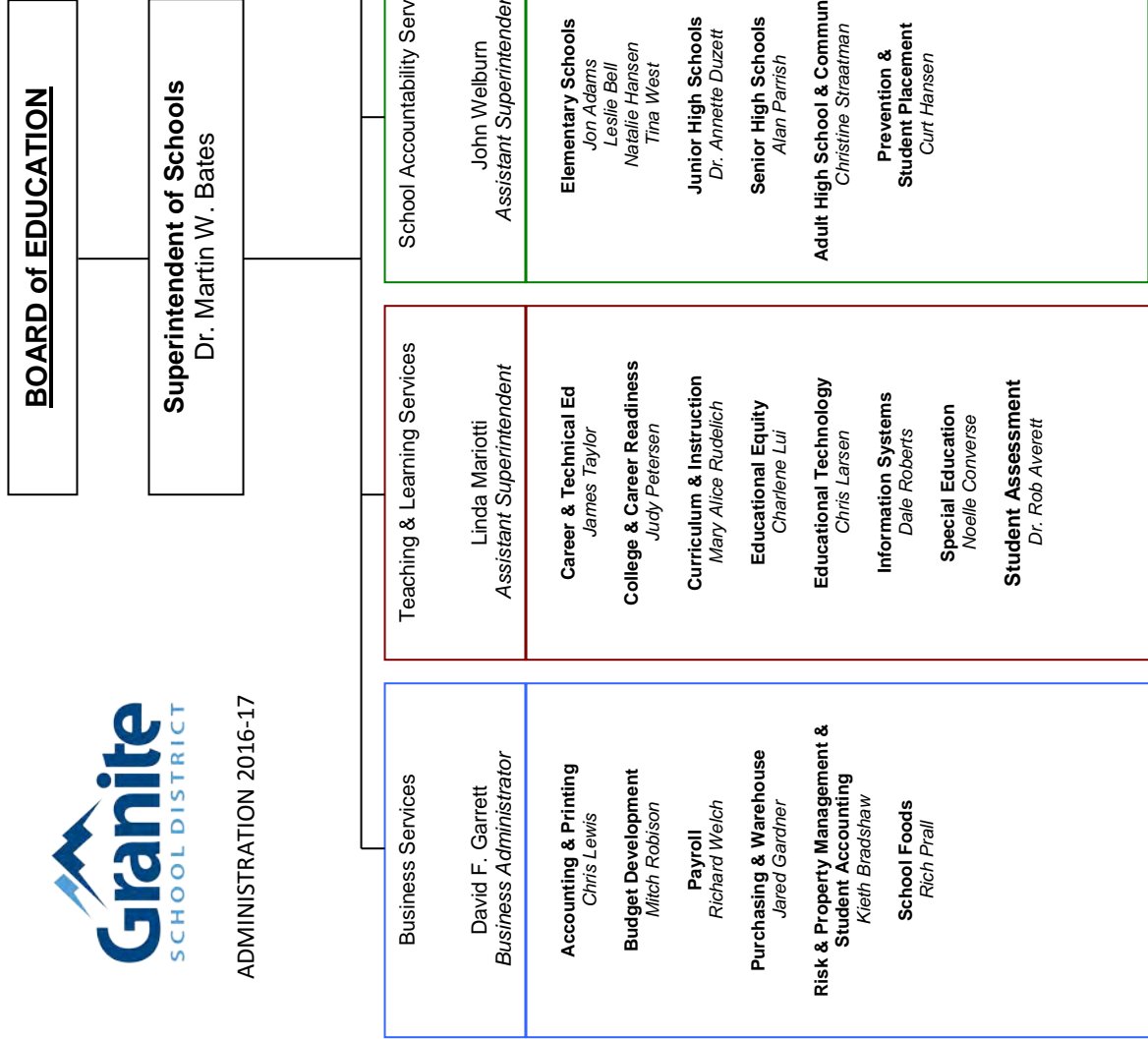
Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director



ADMINISTRATION 2016-17



Communications Office
Ben Horsley

Policy & Legal Services
Doug Larson

Human Resources
Donnette McNeill-Waters

Superintendent's Office

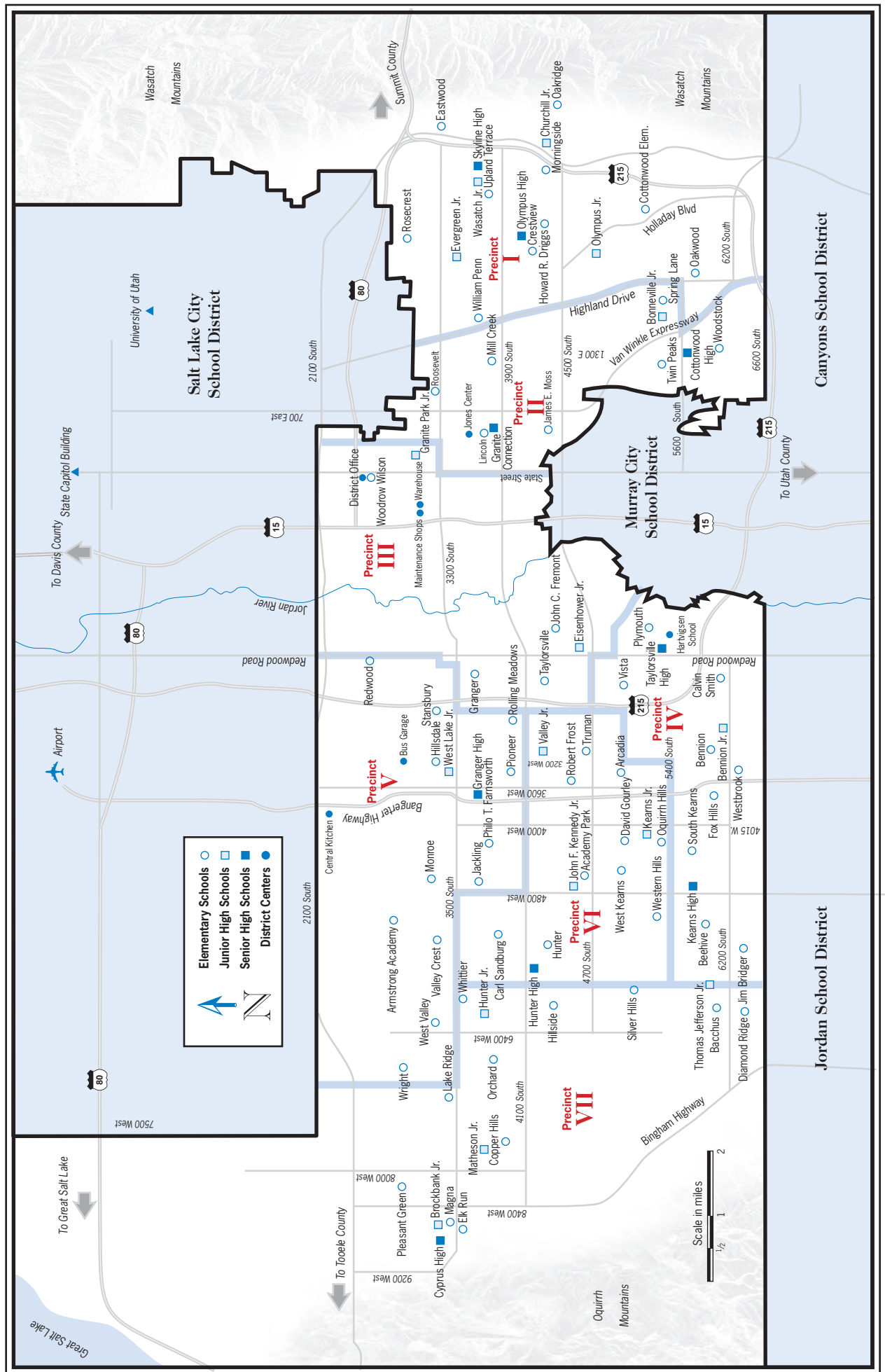
Granite Education Foundation
Brent Severe

Granite School District Police
Randy Johnson

Granite School District Schools

63 Elementary Schools - 15 Junior High Schools - 9 Senior High Schools

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, 2016, 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, 2016, 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.

Emphasis of Matter

As discussed in Note 9 to the basic financial statements, in 2016, the District adopted Government Accounting Standards Board Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68*, and Amendments to Certain Provisions of GASB Statements No. 67 and 68 and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the District's proportionate share of the net pension liability – Utah Retirement Systems, the schedules of District contribution – Utah Retirement Systems, the schedule of funding progress – District retirement plan, the schedule of funding progress – long-term disability plan, and the related notes to the required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the 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 relate 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 30, 2016, 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.



Orem, Utah
November 30, 2016



Management's Discussion & Analysis

MD&A

Management's Discussion & 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, 2016. We present this information in conjunction with the included letter of transmittal, which can be found preceding this narrative, and with the basic financial statements which follow. All amounts, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights

The District's net position is \$266.3 million at the end of the fiscal year representing a net decrease of \$12.1 million, or 4.4%, attributable to the following:

- Net investment in capital assets decreased by \$15.5 million as the result of increased depreciation expense associated with \$100.5 million in capital assets that transitioned from non-depreciable construction in progress to depreciable buildings and land improvements.

Several long-term construction projects were completed during 2016 resulting in this transition. This was the result of the District's continued long-term capital plan addressing the need to replace and renovate aging school buildings financed primarily with general obligation bonds.

As of the end of the fiscal year, the District has voter authorization to issue the remaining \$25.0 million, out of an original authorization of \$256.0 million to finance the District's long-range capital plan. The District anticipates using the remaining authorization during the next two fiscal years to address capital needs identified as most critical.

- Amounts of net position restricted for specific purposes increased by \$4.9 million to \$36.4 million as of June 30, 2016. This was the result primarily of a \$4.9 million decrease in total expenditures in the school lunch program associated with efforts to control costs.
- Unrestricted net position deficit increased by (\$1.0) million from (\$90.1) million to (\$91.1)

million. A deficit net position is indicative of more long-term obligations than resources available to satisfy those obligations.

This unrestricted net position deficit is directly related to the District's recognition of a long-term liability associated with its proportionate share of unfunded obligations of defined pension plans administered by the Utah Retirement Systems (URS).

At the end of the current fiscal year, employee benefit-related long-term obligations other than those associated with the state retirement plans were \$42.7 million. The District has committed sufficient fund balance to finance the full 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, which include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. The focus is on both the District as a whole (government-wide) and the major individual funds. The dual perspectives allow the reader to address relevant questions, broaden a basis for comparison (year-to-year or district-to-district), and enhance the District's accountability.

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 District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 Granite School District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of

related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (such as uncollected taxes and earned but unused vacation leave). The Statement of Activities is focused on both the gross and net cost of various activities. This is intended to summarize and simplify the reader's analysis of the revenues and costs of various District activities and the degree to which activities are subsidized by general revenues.

The governmental activities of the Granite School District include instructional services, student support, instructional staff support, district administration, school administration, central services, operation and maintenance of facilities, student transportation, school lunch services, and a small number of community services.

The government-wide financial statements can be found on pages 27 and 28.

FUND FINANCIAL STATEMENTS

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on fund balances at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide

financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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 two major funds and an aggregate total for all nonmajor funds. The District's major governmental funds are the General Fund and the Capital Projects Fund. Individual fund data for the District's nonmajor governmental funds are provided in the form of combining statements and schedules elsewhere in this report. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement is provided for the General Fund to assist readers in assessing the District's compliance with this budget.

The basic governmental fund financial statements can be found on pages 29 to 33.

Proprietary Funds. The District maintains two proprietary funds, both of which are internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for general printing services as well as employee health insurance. Because internal service funds predominately benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, but in greater detail.

The internal service funds are combined for presentation purposes. Individual fund data for the internal service funds is provided in the form of combining and individual fund statements and schedules elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 34 to 36.

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. Information in the Notes to the Basic Financial Statements is described as follows:

- Note 1 provides a general description of the District, as well as a summary of significant accounting policies including the basis of accounting, budget policies and procedures, net position and fund balance flow assumptions, and other significant accounting policies.
- Note 2 describes deposits and investments as well as investment risk disclosures.
- Note 3 explains the District's fair value measurements.
- Note 4 describes the nature of assistance the District receives from the federal and state government.
- Note 5 explains property taxes and differentiates between those collected to fund current operations from future year operations.
- Note 6 explains the District's interfund balances and activity for the year.
- Note 7 explains property and equipment of the District including depreciation and net carrying amounts. A summary of current long-term construction and remodeling projects is also presented.
- Note 8 describes the District's general exposure to risk and how it manages that risk.
- Note 9 describes the requisite restatement of beginning net position associated with the implementation of a new accounting standard for certain pensions and other postemployment benefits.
- Note 10 provides information on the state retirement plan to include the District's proportionate share of the plan's net pension liability and pension expense, contributions to the plan, and an explanation of the actuarial assumptions used in estimating these amounts.
- Note 11 provides the same type of information as Note 10, but for the District retirement plan.

- Note 12 describes the District's long-term disability benefit plans.
- Note 13 explains the District's early retirement incentive program.
- Note 14 provides information on the District's self-insured plans and the associated liabilities associated with each.
- Note 15 provides a summary of the District's general long-term liabilities and activity for the year.
- Note 16 explains the construction and other commitments of the District.

The notes to the basic financial statements can be found on pages 37 to 62.

ADDITIONAL INFORMATION

In addition to this discussion and analysis, this report also presents required supplementary information on pension plans and other postemployment benefits.

Required supplementary information can be found on pages 63 to 66 of this report with notes to required supplementary information following on page 67.

The combining and individual fund statements and schedules referred to earlier are presented immediately following the required supplementary information and can be found on pages 70 to 84 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District reports total net position of \$266.3 million at June 30, 2016. This is an increase of \$4.1 million, or 1.6%. There are three major components to this increase:

- An \$11.8 million increase in property tax revenues directly related to increases in the state guarantees associated with the District's voted and board leeway levies.
- A \$12.6 million increase in federal and state grants and contributions not restricted to specific programs.

GRANITE SCHOOL DISTRICT
Statement of Net Position
(in millions of dollars)

	Governmental Activities		
	2016	2015	Change 2016-15
Current and other assets	\$ 403.0	\$ 390.7	\$ 12.3
Capital assets	511.8	528.8	(17.0)
Total assets	914.8	919.5	(4.7)
Deferred outflows of resources	101.6	30.5	71.1
Other liabilities	59.0	55.8	3.2
Long-term liabilities	501.1	450.1	51.0
Total liabilities	560.1	505.9	54.2
Deferred inflows of resources	190.0	181.9	8.1
Net position:			
Net investment in capital assets	321.0	336.5	(15.5)
Restricted	36.4	32.0	4.4
Unrestricted	(91.1)	(106.3)	15.2
Total net position	\$ 266.3	\$ 262.2	\$ 4.1

- An offsetting \$20.0 million increase in instructional costs which are the result of increased funding for public education from the state legislature.

At June 30, 2016, the net investment in capital assets of \$321.0 million was 121.0% 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, 2016, long-term liabilities were \$501.1 million (which was 89.5% of all liabilities), representing an increase of \$67.2 million. This increase is attributable primarily to a \$50.8 million increase in the District's proportionate share of underfunded state pension obligations and a \$16.2 million increase in the

total pension liability caused by implementing new accounting standards for the District's retirement plan.

The remaining portion of the District's net position is unrestricted and is in a deficit position of (\$91.1) million as of June 30, 2016. As explained earlier, deficit net position is an indication that obligations of the District exceed resources to meet those obligations, meaning that future resources will be required to meet those obligations. This unrestricted net position deficit is the direct result of recognizing the District's proportionate share of underfunded state pension obligations. The amounts contributed to the state pension plans have been adjusted upward until the funded status of the state pension plans become fully funded.

Restatement of Beginning Net Position

As described in Note 9 to the basic financial statements on page 48, beginning net position was restated to implement new accounting standards.

GRANITE SCHOOL DISTRICT
Changes in Net Position
(in millions of dollars)

	Governmental Activities		
	2016	2015	Change 2016-2015
Revenues:			
Program revenues:			
Charges for services	\$ 19.8	\$ 20.1	\$ (0.3)
Operating grants and contributions	166.0	165.0	1.0
General revenues:			
Property taxes	171.6	159.9	11.7
Federal and state aid not restricted to specific purposes	191.7	179.1	12.6
Earnings on investments	1.5	1.1	0.4
Miscellaneous	9.0	10.6	(1.6)
Total revenues	559.6	535.8	23.8
Expenses:			
Instructional services	355.5	335.5	20.0
Supporting services:			
Students	21.1	20.0	1.1
Instructional staff	16.0	14.9	1.1
District administration	3.7	3.2	0.5
School administration	31.9	29.4	2.5
Central	12.8	9.9	2.9
Operation and maintenance of facilities	58.9	57.5	1.4
Transportation	11.4	9.6	1.8
School lunch services	29.7	27.4	2.3
Community services	7.1	6.2	0.9
Interest on long-term liabilities	7.4	7.7	(0.3)
Total expenses	555.5	521.3	34.2
Increase in net position	4.1	14.5	(10.4)
Net position - beginning	262.2	263.9	(1.7)
Net effect of prior period restatement	-	(16.2)	16.2
Net position - ending	\$ 266.3	\$ 262.2	\$ 4.1

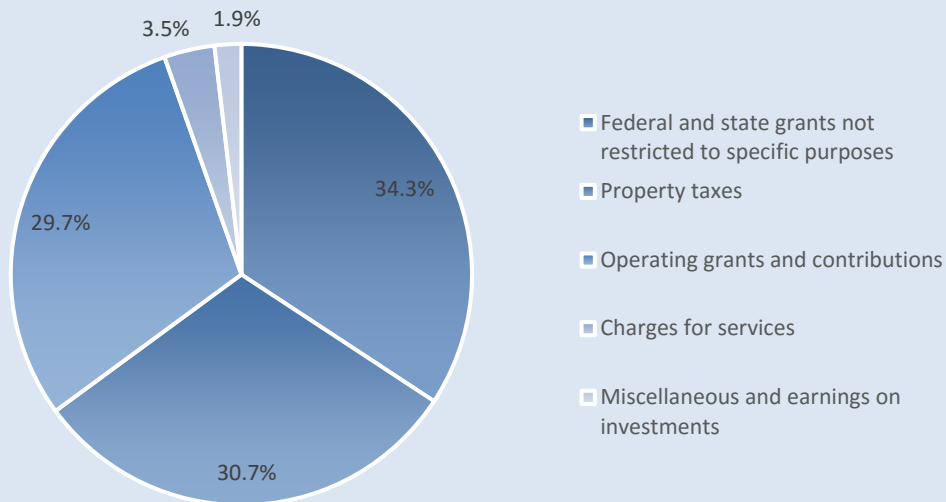
Governmental Activities

Assets and deferred outflows of resources increased by \$66.4 million, liabilities and deferred inflows of resources increased by \$114.6 million, and net position increased by \$4.1 million or 1.6% during the year ended June 30, 2016. As the District did not issue new bonds during the year, it used property tax revenue to carry out its long-term capital plan. The following list

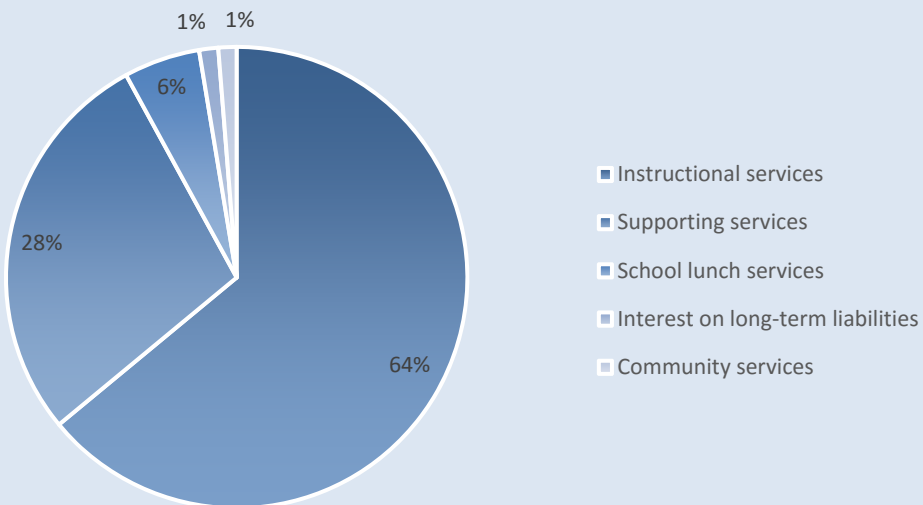
highlights some of the key changes in revenues and expenses during the year:

- Property tax revenue increased by \$11.7 million over the prior year. The primary factor in the overall increase was an increase of \$9.1 million generated by the basic state supported program levy which is set by the state legislature.

Revenues by Source Year Ended June 30, 2016



Expenses by Function Year Ended June 30, 2016



- Federal and state grants and contributions not restricted to specific programs increased by \$12.6 million over the previous year. This increase was primarily attributable to an increase in the state-supported property tax guarantee programs for the

voted and board local levies. The state guarantees a certain amount of revenue generated by the weighted pupil unit provided the District levies property tax above a defined floor.

- Overall expenses increased by \$34.2 million over the previous year primarily due to 1) \$20.0 million more being spent on instructional services, and 2) \$11.3 million more being spent on support services.

Financial Analysis of the District's Funds

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

Governmental Funds

As previously discussed, the focus of the District's governmental funds is to provide information on near-term inflows, outflows, and fund balances. Such information is useful in assessing the District's financing requirements.

Fund Balances

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, 2016, the District's combined governmental fund balances increased by a net \$16.8 million during the year ended June 30, 2016 to \$159.2 million (\$9.1 million in nonspendable, \$35.3 million in restricted, \$81.2 million in committed, \$25.0 million in

assigned, and \$8.6 million in unassigned fund balances). The primary factors for the increase are:

- Property tax increases of \$10.1 million in the General Fund and \$3.1 million in the Capital Projects Fund.
- State funding increased by \$14.8 million due to the state guarantees on the voted and board local levies.

Proprietary Funds

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Total net position in the proprietary funds decreased by a net of \$6.4 million during the year ended June 30, 2016 to \$5.7 million. The reason for the decrease are:

- There was a planned \$4.8 million transfer out of accumulated insurance savings that was used to augment employee salaries combined with a \$2.8 million increase in medical and prescription claims payments.

General Fund Budgetary Highlights

The Board revised the 2016 budget during the year. Budget amendments reflected changes in programs and related funding.

Final budgeted revenues were \$5.7 million or 1.2% higher than original estimates. The most significant difference was a \$2.5 million increase in federal revenue due to additional grants received during the year not anticipated in the original budget.

The difference between the original budget and the final amended budget for total expenditures was a decrease of \$9.3 million or 2.0% in total expenditures. The most significant difference is a \$6.1 million decrease in instructional services caused by state program funding that has been moved to 2016-17.

Actual expenditures were \$9.2 million less than the final amended budget. The decrease is due primarily to a \$5.6 million decrease in instructional services caused by state program funding that has been moved to 2016-17.

The District did not overspend its legal spending authority for the year ending June 30, 2016.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2016, amounts to \$511.8 million, net of accumulated depreciation. This investment in capital assets includes land, land improvements, buildings and improvements, furniture

and equipment, and vehicles. The total decrease in capital assets for the current fiscal year was 3.2%.

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, 2016, the District had one significant construction project in the final stages of being carried as construction in progress. This project was an air conditioning upgrade at Upland Terrace Elementary School estimated at \$2.3 million when finished in 2017.

GRANITE SCHOOL DISTRICT Capital Assets <i>(net of accumulated depreciation, in millions of dollars)</i>			
	2016	2015	Change 2016-15
Land	\$ 38.5	\$ 37.7	\$ 0.8
Construction in progress	4.8	97.5	(92.7)
Buildings and improvements	433.4	363.7	69.7
Land improvements	17.7	14.3	3.4
Vehicles	6.7	6.2	0.5
Furniture and equipment	10.7	9.4	1.3
Total capital assets	<u>\$ 511.8</u>	<u>\$ 528.8</u>	<u>\$ (17.0)</u>

Additional information on the District's capital assets can be found in Note 7 to the basic financial statements.

Debt Administration

The District had \$191.5 million in net outstanding general obligation bonds, net of unamortized bond premiums 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 \$1,209.0 million.

During 2016, the District advance refunded \$64.1 million of outstanding general obligation bonds by issuing \$75.4 million in new bonds at lower interest rates resulting in an economic gain of \$3.6 million.

Additional information on the District's outstanding obligations can be found in Note 15 to the basic financial statements.

Conditions with Expected Future Impact

Long-term Capital Plan

As mentioned earlier, \$100.5 million in buildings and land improvements were put into service during the fiscal year ended June 30, 2016 due to the completion of several long-term construction projects as part of the

District's long-term capital plan. The District is in the final stages of several more such projects totaling \$3.3 million that are expected to be completed and begin being depreciated during the 2017 fiscal year.

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

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.



Government-wide Financial Statements

GRANITE SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	Governmental Activities
Assets:	
Cash and investments	\$ 208,478,139
Receivables:	
Property taxes	165,108,265
Other local	914,707
State	2,745,718
Federal	16,678,670
Prepaid items	3,383,515
Inventories	5,736,549
Net pension asset	10,609
Capital assets:	
Land, construction in progress, and water stock	43,319,428
Other capital assets, net of accumulated depreciation	468,462,449
Total assets	914,838,049
Deferred outflows of resources:	
Related to pensions	95,571,899
Bond refunding	6,000,379
Total deferred outflows of resources	101,572,278
Liabilities:	
Accounts and contracts payable	4,850,034
Accrued interest	706,743
Accrued salaries and related benefits	41,265,125
Unearned revenue:	
Local	1,856,477
State	6,971,190
Federal	3,362,473
Long-term liabilities:	
Portion due or payable within one year	24,991,267
Portion due or payable after one year	476,103,393
Total liabilities	560,106,702
Deferred inflows of resources:	
Related to pensions	28,046,482
Property taxes levied for future year	161,945,555
Total deferred inflows of resources	189,992,037
Net position:	
Net investment in capital assets	321,010,498
Restricted for:	
Capital projects	18,532,879
Schools and scholarships	469,379
School lunch	17,424,569
Unrestricted	(91,125,737)
Total net position	\$ 266,311,588

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

GRANITE SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2016

Activities or Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental activities:				
Instructional services	\$ 355,541,828	\$ 12,404,365	\$ 111,951,888	\$ (231,185,575)
Supporting services:				
Students	21,053,440	-	7,785,523	(13,267,917)
Instructional staff	15,973,484	623,418	5,428,285	(9,921,781)
District administration	3,717,258	-	-	(3,717,258)
School administration	31,905,955	-	2,324,037	(29,581,918)
Central	12,809,149	-	-	(12,809,149)
Operation and maintenance of facilities	58,918,567	1,569,925	581,009	(56,767,633)
Transportation	11,384,960	412,734	9,694,553	(1,277,673)
School lunch services	29,697,433	4,816,244	28,237,320	3,356,131
Community services	7,165,894	-	-	(7,165,894)
Interest on long-term liabilities	7,381,897	-	-	(7,381,897)
Total school district	\$ 555,549,865	\$ 19,826,686	\$ 166,002,615	(369,720,564)
General revenues:				
Property taxes levied for:				
Basic state supported program (set by state legislature)				41,260,357
Voted local				34,724,299
Board local				51,551,680
Capital outlay				23,506,045
Debt service				14,807,145
Incremental taxes				5,766,586
Total property taxes				171,616,112
Federal and state grants and contributions not restricted to specific programs				191,728,029
Earnings on investments				1,495,447
Miscellaneous				8,946,738
Total general revenues				373,786,326
Change in net position				4,065,762
Net position - beginning, as restated				262,245,826
Net position - ending				\$ 266,311,588

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

Fund Financial Statements

GRANITE SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2016

	<u>Major Funds</u>		<u>Other</u>	<u>Total</u>
	<i>General</i>	<i>Capital Projects</i>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
Assets:				
Cash and investments	\$ 138,023,093	\$ 23,413,101	\$ 27,518,460	\$ 188,954,654
Receivables:				
Property taxes	123,821,980	19,442,717	21,843,568	165,108,265
Other local	633,474	19,804	20,702	673,980
State	758,439	-	1,987,279	2,745,718
Federal	15,836,619	-	767,498	16,604,117
Inventories	4,185,935	-	1,517,900	5,703,835
Prepaid items	3,246,587	128,136	6,028	3,380,751
Due from other funds	-	-	2,240,881	2,240,881
Total assets	\$ 286,506,127	\$ 43,003,758	\$ 55,902,316	\$ 385,412,201
Liabilities:				
Accounts and contracts payable	\$ 860,180	\$ 3,922,504	\$ 61,496	\$ 4,844,180
Accrued salaries and related benefits	40,535,833	7,570	720,516	41,263,919
Unearned revenue:				
Local	1,094,820	761,657	-	1,856,477
State	6,971,190	-	-	6,971,190
Federal	3,362,473	-	-	3,362,473
Due to other funds	2,203,496	-	-	2,203,496
Total liabilities	55,027,992	4,691,731	782,012	60,501,735
Deferred inflows of resources:				
Property taxes levied for future year	121,451,152	19,070,445	21,423,958	161,945,555
Unavailable property tax revenue	2,493,206	391,487	434,668	3,319,361
Unavailable federal interest subsidy	-	-	447,318	447,318
Total deferred inflows of resources	123,944,358	19,461,932	22,305,944	165,712,234
Fund balances:				
Nonspendable:				
Inventories	4,185,935	-	1,517,900	5,703,835
Prepaid items	3,246,587	128,136	6,028	3,380,751
Restricted for:				
Capital projects	-	18,721,959	-	18,721,959
Debt service	-	-	178,502	178,502
Schools and scholarships	25,000	-	469,379	494,379
School lunch	-	-	15,901,378	15,901,378
Committed to:				
Economic stabilization	23,373,393	-	-	23,373,393
Employee benefits	42,726,720	-	-	42,726,720
Contractual obligations	364,646	-	-	364,646
District activity programs	-	-	12,645,819	12,645,819
Foundation	-	-	2,095,354	2,095,354
Assigned to:				
Self insurance	11,122,790	-	-	11,122,790
Employee benefits	6,340,453	-	-	6,340,453
Planned projects	6,973,137	-	-	6,973,137
Textbooks	567,969	-	-	567,969
Unassigned	8,607,147	-	-	8,607,147
Total fund balances	107,533,777	18,850,095	32,814,360	159,198,232
Total liabilities, deferred inflows of resources, and fund balances	\$ 286,506,127	\$ 43,003,758	\$ 55,902,316	\$ 385,412,201

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, 2016

Total fund balances for governmental funds \$ 159,198,232

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	\$ 38,470,740	
Construction in progress	4,815,467	
Water stock	33,221	
Buildings and improvements, net of \$349,630,757 accumulated depreciation	433,417,272	
Land improvements, net of \$27,590,651 accumulated depreciation	17,679,375	
Vehicles, net of \$19,288,809 accumulated depreciation	6,681,780	
Furniture and equipment, net of \$32,240,294 accumulated depreciation	<u>10,481,987</u>	511,579,842

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	3,319,361	
Unavailable interest subsidies on Build America Bonds	<u>521,871</u>	3,841,232

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

Net pension asset		10,590
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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:

5,674,848

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

Bonds payable	(185,800,000)	
Unamortized bond issuance premiums	(5,689,286)	
Compensated absences payable	(3,278,805)	
Early retirement compensation and insurance payable	(21,763,188)	
Total pension liability - district retirement plan	(14,971,625)	
Total OPEB liability - long-term disability plans	(1,677,341)	
Net pension liability - state retirement plans	(253,512,854)	
Accrued interest	(706,743)	
Deferred outflows of resources - related to pensions	95,403,317	
Deferred outflows of resources - bond refunding	6,000,379	
Deferred inflows of resources - related to pensions	<u>(27,997,010)</u>	(413,993,156)

Total net position of governmental activities	\$ 266,311,588
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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, 2016

	Major Funds		Other	Total
	<i>General</i>	<i>Capital Projects</i>	Governmental Funds	Governmental Funds
Revenues:				
Property taxes	\$ 127,477,366	\$ 23,495,179	\$ 14,800,299	\$ 165,772,844
Incremental taxes	-	-	5,766,586	5,766,586
Earnings on investments	1,229,443	155,588	110,416	1,495,447
Other local	10,459,987	2,428,625	17,868,341	30,756,953
State	289,347,546	-	5,055,360	294,402,906
Federal	39,311,978	833,800	23,181,960	63,327,738
Total revenues	467,826,320	26,913,192	66,782,962	561,522,474
Expenditures:				
Current:				
Instructional services	313,720,152	957,591	12,128,453	326,806,196
Supporting services:				
Students	20,864,748	-	-	20,864,748
Instructional staff	15,941,286	8,281	-	15,949,567
District administration	3,439,511	21,076	-	3,460,587
School administration	31,232,278	-	-	31,232,278
Central	10,201,607	1,797,710	-	11,999,317
Operation and maintenance of facilities	53,990,705	1,280,251	-	55,270,956
Transportation	8,925,593	2,193,656	-	11,119,249
School lunch services	-	-	29,569,025	29,569,025
Community services	-	-	6,967,171	6,967,171
Debt service:				
Principal	-	-	6,830,000	6,830,000
Interest	-	-	8,348,550	8,348,550
Bond issuance costs	-	-	267,500	267,500
Paying agent fees	-	-	2,500	2,500
Capital outlay	-	21,460,748	-	21,460,748
Total expenditures	458,315,880	27,719,313	64,113,199	550,148,392
Excess (deficiency) of revenues over (under) expenditures	9,510,440	(806,121)	2,669,763	11,374,082
Other financing sources (uses):				
Proceeds from sale of capital assets	-	711,226	-	711,226
Refunding bonds issued	-	-	75,400,000	75,400,000
Refunded bonds escrow	-	-	(75,125,223)	(75,125,223)
Transfers in	4,790,926	-	899,241	5,690,167
Transfers (out)	(1,252,684)	-	-	(1,252,684)
Total other financing sources (uses)	3,538,242	711,226	1,174,018	5,423,486
Net change in fund balances	13,048,682	(94,895)	3,843,781	16,797,568
Fund balances - beginning	94,485,095	18,944,990	28,970,579	142,400,664
Fund balances - ending	\$ 107,533,777	\$ 18,850,095	\$ 32,814,360	\$ 159,198,232

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, 2016

Net change in fund balances for total governmental funds \$ 16,797,568

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 depreciation exceeds capital outlays in the current period:

Outlays for purchase of capital assets	\$ 14,805,931	
Gain on sale of capital assets	625,054	
Proceeds from sale of capital assets	(711,226)	
Depreciation expense	<u>(31,683,601)</u>	(16,963,842)

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 revenue is:

Unavailable property tax revenue	81,398
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The governmental funds report bond principal payments as expenditures, whereas these amounts are reductions in the bond liability in the statement of activities. The net changes in bond related long-term liabilities are:

Bond principal payments	70,955,000	
Proceeds from bond refunding	(75,400,000)	
Deferred bond refunding costs	6,000,379	
Amortization of bond issuance premium	5,940,655	
Interest expense	<u>28,342</u>	7,524,376

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated absences expense	78,829	
Early retirement compensation and insurance expense	(3,008,204)	
Long-term disability insurance expense	453,546	
District retirement expense	(33,015)	
Pension expense	<u>5,508,267</u>	2,999,423

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.

(6,373,161)

Change in net position of governmental activities \$ 4,065,762

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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Property taxes	\$ 125,794,578	\$ 126,656,162	\$ 127,477,366	\$ 821,204
Earnings on investments	1,185,000	1,048,393	1,229,443	181,050
Other local	10,387,249	11,738,900	10,459,987	(1,278,913)
State	289,512,245	290,565,824	289,347,546	(1,218,278)
Federal	41,181,406	43,703,499	39,311,978	(4,391,521)
Total revenues	468,060,478	473,712,778	467,826,320	(5,886,458)
Expenditures:				
Current:				
Instructional services	325,388,628	319,292,535	313,720,152	5,572,383
Supporting services:				
Students	21,134,254	21,141,665	20,864,748	276,917
Instructional staff	16,823,470	16,823,678	15,941,286	882,392
District administration	3,713,966	3,585,700	3,439,511	146,189
School administration	31,018,917	31,516,878	31,232,278	284,600
Central	10,438,856	10,373,801	10,201,607	172,194
Operation and maintenance of facilities	58,403,229	55,476,190	53,990,705	1,485,485
Transportation	9,869,445	9,257,421	8,925,593	331,828
Total expenditures	476,790,765	467,467,868	458,315,880	9,151,988
Excess (deficiency) of revenues over (under) expenditures	(8,730,287)	6,244,910	9,510,440	3,265,530
Other financing (uses):				
Transfers in	4,927,332	4,790,926	4,790,926	-
Transfers (out)	(673,147)	(883,794)	(1,252,684)	(368,890)
Total other financing (uses)	4,254,185	3,907,132	3,538,242	(368,890)
Net change in fund balances	(4,476,102)	10,152,042	13,048,682	2,896,640
Fund balances - beginning	90,798,473	94,485,095	94,485,095	-
Fund balances - ending	\$ 86,322,371	\$ 104,637,137	\$ 107,533,777	\$ 2,896,640

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, 2016

	Governmental Activities - Internal Service Funds
Assets:	
Current assets:	
Cash and investments	\$ 19,523,485
Accounts receivable - other local	240,727
Prepaid items	2,764
Inventories	32,714
Total current assets	19,799,690
Noncurrent assets:	
Capital assets:	
Equipment	651,243
Accumulated depreciation	(449,208)
Net pension asset	19
Total noncurrent assets	202,054
Total assets	20,001,744
Deferred outflows of resources:	
Related to pensions	168,582
Liabilities:	
Current liabilities:	
Accounts payable	5,854
Accrued salaries and related benefits	1,206
Due to other funds	37,385
Health and accident claims payable	12,341,677
Dental claims payable	386,055
Workers compensation claims payable	1,131,330
Unemployment claims payable	37,340
Total current liabilities	13,940,847
Noncurrent liabilities:	
Workers compensation payable	23,088
Net pension liability	482,071
Total noncurrent liabilities	505,159
Total liabilities	14,446,006
Deferred inflows of resources:	
Related to pensions	49,472
Net position:	
Investment in capital assets	202,035
Unrestricted	5,472,813
Total net position	\$ 5,674,848

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, 2016

	Governmental Activities - Internal Service Funds
Operating revenues:	
Charges for services	\$ 65,977,232
Operating expenses:	
Salaries	468,810
Employee benefits	219,378
State pension expense	362,942
Medical and prescription claims	58,919,487
Dental claims	1,681,478
Medical administrative fees	3,040,287
ACA fees	561,284
Medical reinsurance premiums	1,212,050
Workers compensation claims	984,014
Unemployment claims	40,049
Purchased services	246,252
Supplies and materials	106,513
Depreciation	65,248
Other	325
Total operating expenses	67,908,117
Operating (loss)	(1,930,885)
Nonoperating revenues (expenses):	
Transfers in	353,443
Transfers (out)	(4,790,926)
(Loss) on disposal of equipment	(4,793)
Total nonoperating revenues (expenses)	(4,442,276)
Change in net position	(6,373,161)
Net position - beginning	12,048,009
Net position - ending	\$ 5,674,848

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, 2016

	Governmental Activities - Internal Service Funds
Cash flows from operating activities:	
Receipts from interfund services provided	\$ 65,757,885
Receipts of assessments to other funds	(229,125)
Payments to employees	(688,009)
Payments to suppliers for goods and services	(349,482)
Payments for medical fees and insurance claims	(65,533,866)
Net cash (used) by operating activities	(1,042,597)
Cash flows from noncapital financing activities:	
Transfers in from other funds	353,443
Transfers (out) to other funds	(4,790,926)
Net cash (used) by noncapital financing activities	(4,437,483)
Net change in cash and cash equivalents	(5,480,080)
Cash and cash equivalents - beginning	25,003,565
Cash and cash equivalents - ending*	\$ 19,523,485

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

Reconciliation of operating (loss) to net cash provided by operating activities:	
Operating (loss)	\$ (1,930,885)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Non cash item - depreciation	65,248
(Increase) decrease in operating assets:	
Accounts receivable - other local	(218,656)
Prepaid items	4,022
Inventories	1,392
Net pension asset	(19)
Deferred outflows of resources	(168,582)
Increase (decrease) in operating liabilities:	
Accounts payable	(1,806)
Due to other funds	(229,125)
Unearned revenue - local	(691)
Accrued salaries and related benefits	179
Health and accident insurance payable	672,032
Dental insurance payable	169,310
Workers compensation payable	71,830
Unemployment insurance payable	(8,389)
Net pension liability	482,071
Deferred inflows of resources	49,472
Total adjustments	888,288
Net cash provided by operating activities	\$ (1,042,597)
Noncash investing, capital, and financing activities:	none

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

Notes to the Basic Financial Statements

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 (the Board) 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

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 30, 2016 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, pension benefits, 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 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, 2016.
- 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 14 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, 2016 were approved by the Board on or before June 14, 2016.
- 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, 2016 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 acquisition 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 acquisition 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.

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: 1) not in spendable form, or 2) 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: 1) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or 2) 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 Education Foundation Fund*.

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

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

- 1) **Economic stabilization.** As defined by Utah law, an "undistributed reserve" up to five percent of the *General Fund* budgeted expenditures may be maintained by the District. The commitment is not to be used "in the

negotiation or settlement of contract salaries for school district employees.” The reserve requires a written resolution adopted by a majority vote of the Board of Education which is filed with the Utah State Board of Education and the Utah State Auditor. These resources may be used to cover potential state budget cuts, disasters, immediate capital needs, and other significant events that are circumstances or conditions that signal the need for stabilization.

- 2) Employee benefit obligations include net pension and other postemployment benefits (OPEB) obligations and unpaid compensated absences.
- 3) Contractual obligations made by the District before June 30, 2016 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 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) Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee

contributions) are recognized when due and payable in accordance with the benefit terms. Pension plan investments are reported at fair value.

M) Deferred Outflows of Resources

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

- Deferred charge on refunding – results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows of resources related to pensions – includes 1) net difference between projected and actual earnings on pension plan investments, 2) changes in proportion and differences between contributions and proportionate share of contributions, and 3) District contributions subsequent to the measurement date of December 31, 2015.

N) Deferred Inflows of Resources

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

The following item(s) arise only under a modified accrual basis of accounting and are reported in the governmental funds balance sheet; these items are deferred and recognized as an inflow of resources in the period that the amounts become available:

- Unavailable property tax revenue – consists of uncollected, delinquent property taxes.
- Unavailable federal interest subsidy – consists of eligible, uncollected rebates from the federal government.

The following sources are reported in both the statement of net position and the governmental funds balance sheet:

- Property taxes levied for future year – property taxes levied on January 1, 2016 for the following school year.
- Deferred inflows of resources related to pensions – includes 1) differences between expected and actual experience, 2) changes of assumptions in the measurement of the net pension liability/asset, and 3) changes in proportion and differences between contributions and proportionate share of contributions.

O) Statement of Cash Flows and Supplemental Cash Flows Information

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2016, as shown on the financial statements is summarized as follows:

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

Carrying amount of deposits	\$ 4,398,590
Carrying amount of investments	<u>204,079,549</u>
Total cash and investments	<u>\$ 208,478,139</u>
Governmental funds cash and investments	\$ 188,954,654
Internal service funds cash and investments	<u>19,523,485</u>
Statement of net position cash and investments	<u>\$ 208,478,139</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, 2016, the District and the Foundation have the following deposits with financial institutions:

	Carrying Amount	Bank Balance	Amount Insured
Granite School District	\$ 4,135,331	\$ 11,346,739	\$ 918,952
Granite Education Foundation	<u>263,259</u>	<u>276,048</u>	<u>269,781</u>
Total deposits	<u>\$ 4,398,590</u>	<u>\$ 11,622,787</u>	<u>\$ 1,188,733</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, 2016, \$10,434,053 of the District's bank deposits were uninsured and uncollateralized.

B) Investments:

At June 30, 2016, the District and the Foundation have the following investments summarized by investment type and maturities:

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

Investment Type	Fair Value	Investment Maturity (in Years)			
		< 1	1-5	5-10	> 10
Granite School District:					
Utah Public Treasurers'					
Investment Fund (PTIF)	\$ 201,743,894	\$ 201,743,894	\$ -	\$ -	\$ -
Granite Education Foundation,					
a special revenue fund:					
Mutual funds investing in:					
Money market deposits	16,429	16,429	-	-	-
Bonds	521,332	-	-	521,332	-
U.S. common stocks	592,821	592,821	-	-	-
Int'l common stocks	1,205,073	1,205,073	-	-	-
Total Foundation	2,335,655	1,814,323	-	521,332	-
Total investments	\$ 204,079,549	\$ 203,558,217	\$ -	\$ 521,332	\$ -

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.

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

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

safekeeping by that custodian. The Foundation's investments at brokerage accounts are covered by Securities Investor Protection Corporation up to \$500,000.

NOTE 3 – FAIR VALUE MEASUREMENTS

In 2016, the District adopted Government Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*.

The new standard provides guidance for determining a fair value measurement for financial reporting purposes. The standard also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The District's financial statements are not affected by this new standard.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2016:

- Public Treasurers' Investment Fund of \$201,743,895 is valued at the District's position in the PTIF multiplied by the published fair value factor (Level 2 inputs).
- Mutual funds of \$2,335,655 are valued at quoted market prices (Level 1 inputs).

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.

NOTE 5 – 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, 2016, the District reported the following property tax balances:

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

	Major Funds		Other	
	General	Capital Projects	Governmental Funds	Total
Property taxes - receivable:				
Levied for current and prior years:				
Collected in July 2016	\$ 1,426,486	\$ 223,989	\$ 175,528	\$ 1,826,003
Delinquent	2,493,206	391,487	434,668	3,319,361
Levied for future year	121,451,151	19,070,446	21,423,959	161,945,556
Prepayments of future year	(1,548,863)	(243,205)	(190,587)	(1,982,655)
	<u>\$ 123,821,980</u>	<u>\$ 19,442,717</u>	<u>\$ 21,843,568</u>	<u>\$ 165,108,265</u>
Property taxes - deferred inflows of resources:				
Levied for current and prior years:				
Unavailable (delinquent)	\$ 2,493,206	\$ 391,487	\$ 434,668	\$ 3,319,361
Levied for future year	121,451,151	19,070,446	21,423,959	161,945,556
	<u>\$ 123,944,358</u>	<u>\$ 19,461,932</u>	<u>\$ 21,858,626</u>	<u>\$ 165,264,916</u>

NOTE 6 – 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 interfund payables and receivables. Outstanding balances resulting from these transactions between funds as of June 30, 2016 consist of the following:

Fund	Due from other funds	Due to other funds
General Fund	\$ -	\$ 2,203,496
Other Governmental Funds	2,240,881	-
Internal Service Funds	-	37,385
Total	<u>\$ 2,240,881</u>	<u>\$ 2,240,881</u>

Transfers. Transfers between funds during the year ended June 30, 2016 are as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 4,790,926	\$ 1,252,684
Other Governmental Funds	899,241	-
Internal Service Funds	353,443	4,790,926
Total	<u>\$ 6,043,610</u>	<u>\$ 6,043,610</u>

The *General Fund* transferred \$559,677 to the *District Activity Programs Fund* (other governmental fund) for amounts allocated to the schools by the District. The *General Fund* transferred \$339,564 to the *Granite Education Foundation Fund* (other governmental fund) to fund a portion of the salaries of the Foundation. The *General Fund* transferred \$353,443 to cover an operating deficit in the *Printing Services Fund* (an internal service fund). The *General Fund* received a transfer of \$4,790,926 from the *Self Insurance Fund* (an internal service fund) to fund a portion of negotiated salary commitments.

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 37,730,207	\$ 740,533	\$ -	\$ 38,470,740
Construction in progress	97,512,553	7,777,963	(100,475,049)	4,815,467
Water stock	33,221	-	-	33,221
Total capital assets, not being depreciated	135,275,981	8,518,496	(100,475,049)	43,319,428
Capital assets, being depreciated:				
Buildings and improvements	688,096,445	94,951,584	-	783,048,029
Land improvements	39,746,561	5,523,465	-	45,270,026
Vehicles	25,050,166	1,929,954	(1,009,531)	25,970,589
Furniture and equipment	39,597,740	4,357,481	(581,697)	43,373,524
Total capital assets, being depreciated	792,490,912	106,762,484	(1,591,228)	897,662,168
Accumulated depreciation for:				
Buildings and improvements	(324,384,559)	(25,246,198)	-	(349,630,757)
Land improvements	(25,468,903)	(2,121,748)	-	(27,590,651)
Vehicles	(18,836,737)	(1,428,663)	976,591	(19,288,809)
Furniture and equipment	(30,260,934)	(2,952,240)	523,672	(32,689,502)
Total accumulated depreciation	(398,951,133)	(31,748,849)	1,500,263	(429,199,719)
Total capital assets, being depreciated, net	393,539,779	75,013,635	(90,965)	468,462,449
Governmental activity capital assets, net	<u>\$ 528,815,760</u>	<u>\$ 83,532,131</u>	<u>\$ (100,566,014)</u>	<u>\$ 511,781,877</u>

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

Governmental activities:

Instructional services	\$ 23,709,416
Supporting services:	
Students	277,847
Instructional staff	68,287
District administration	3,962
School administration	837,606
Business	839,413
Operation and maintenance of facilities	3,750,722
Transportation	295,292
School lunch services	1,895,274
Community services	5,782
Capital assets held by the District's internal service funds are charged to the various functions based on their usage of the assets	65,248
Total depreciation expense, governmental activities	<u>\$ 31,748,849</u>

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

NOTE 8 – 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, 2016, there were no significant reductions in coverage. Insurance settlements have not exceeded coverage for the past three years.

NOTE 9 – RESTATEMENT

In 2016, the District adopted Government Accounting Standards Board Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement No. 68*, and Amendments to Certain Provisions of GASB Statements No. 67 and 68 and Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

The new standards require the District to recognize liabilities in its government-wide financial statements for its 1) total pension liability for benefits provided to qualified employees through a District retirement plan, and 2) total OPEB liability for benefits provided to former employees through a District long term disability plan (LTD plan). The District is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to the District retirement plan. The District is required to recognize OPEB expense and report deferred outflows of resources and deferred inflows of resources related to the LTD plan.

The governmental fund financial statements of the District are affected by these new standards for our internal service funds, which employ full accrual accounting.

The beginning net position reported in the government-wide financial statements of the District has been restated to reflect the new standards as follows:

Beginning net position, as previously stated	\$ 278,445,201
Net pension asset - long term disability	(1,703,583)
Net pension liability - long-term disability	(2,130,887)
Net pension liability - district retirement	<u>(12,364,905)</u>
Beginning net position, as restated	<u>\$ 262,245,826</u>

The notes to the basic financial statements now include additional information about the District retirement and long term disability plans. Also, the District will be presenting in required supplementary information 10-year schedules containing 1) changes in the District's pension liability and certain related ratios and 2) changes in the District's total OPEB liability and certain related ratios. Because this is the first year such information is available, only one year of required supplementary information is presented with these financial statements; information for additional years will be presented in future reports as it becomes available.

NOTE 10 – STATE RETIREMENT PLANS

Description of Plans. Eligible employees of the District are provided with the following plans through the Utah Retirement Systems (the URS) administered by the URS:

Defined Benefit Pension Plans (cost-sharing, multiple-employer plans):

- Public Employees Noncontributory Retirement System (Tier 1 Noncontributory System)
- Public Employees Contributory Retirement System (Tier 1 Contributory System)
- Tier 2 Public Employees Retirement System (Tier 2 Public Employees System)

Defined Contribution Plans (individual account plans):

- 401(k) Plan (includes the Tier 2 Defined Contribution Plan)
- 457 Plan and other individual plans

Title 49 of the *Utah Code* grants the authority to establish and amend the benefit terms to the Utah State Retirement Board, whose members are appointed by the Governor. The URS (a component unit of the State of Utah) issues a publicly available financial report that can be obtained at www.urs.org.

The Tier 2 systems became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the systems, are members of the Tier 2 systems.

Benefits Provided. The URS provides retirement, disability, and death benefits to participants in the defined benefit pension plans. Retirement benefits are determined from 1.25% to 2.00% of the employee's highest 3 or 5 years of compensation times the employee's years of service depending on the pension plan; benefits are subject to cost-of-living adjustments up to 2.50% or 4.00%, limited to the actual Consumer Price Index increase for the year. Employees are eligible to retire based on years of service and age.

Defined contribution plans are available as supplemental plans to the basic retirement benefits of the defined benefit pension plans and as a primary retirement plan for some Tier 2 participants. Participants in the defined contribution plans are fully vested in employer and employee contributions at the time the contributions are made, except Tier 2 required contributions and associated earnings are vested during the first four years of employment. Benefits depend on amounts contributed to the plans plus investment earnings. Individual accounts are provided for each employee and are available at termination, retirement, death, or unforeseeable emergency.

Contributions. As a condition of participation in the plans, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

For the year ended June 30, 2016, District required contribution rates for the plans were as follows:

	Defined Benefit Plans Rates			District Rates for 401(k) Plan
	District Contribution	Employee Paid	Paid by District for Employee	
Tier 1 Noncontributory System	22.19%	-	-	1.50%
Tier 1 Contributory System	17.70%	6.00%	-	6.00%
Tier 2:				
Public Employees System *	18.24%	-	-	1.78%
Defined Contribution Plan *	10.02%	-	-	10.00%

* Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

Employees can make additional contributions to defined contribution plans subject to limitations.

For the year ended June 30, 2016, District and employee contributions to the plans were as follows:

	<u>District Contributions</u>	<u>Employee Contributions</u>
Tier 1 Noncontributory System	\$ 46,474,167	\$ -
Tier 1 Contributory System	512,761	28,970
Tier 2 Public Employees System	6,617,200	-
401(k) Plan	4,149,932	4,701,195
457(b) and Other Individual Plans	-	627,270

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the District reported a net pension asset of \$10,609 and a net pension liability of \$253,960,822 for the following plans:

	Proportionate Share	Net Pension Asset	Net Pension Liability
Tier 1 Noncontributory System	7.8860449%	\$ -	\$ 247,723,254
Tier 1 Contributory System	9.9537964%	-	6,237,568
Tier 2 Public Employees System	4.8599077%	10,609	-
Total		<u>\$ 10,609</u>	<u>\$ 253,960,822</u>

The net pension asset and liability were measured as of December 31, 2015, and the total pension asset and liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2015, and rolled forward using generally accepted actuarial procedures. The District's proportion of the net pension asset and liability is equal to the ratio of the District's actual contributions compared to the total of all employer contributions during the plan year.

The District's **unrestricted net position** at June 30, 2016 is a deficit balance of \$91.1 million. This balance includes the District's proportionate share of the unfunded obligation of the defined benefit pension plans administered by the URS. The existence of an unrestricted net position deficit indicates the District's overall economic net position, but it does not necessarily reflect positively or negatively on the District's ability to meet its obligations as they come due.

For the year ended June 30, 2016, the District recognized pension expense of \$49,004,475 for the defined benefit pension plans and pension expense of \$4,149,932 for the defined contribution plans. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 19,502,762
Changes of assumptions	-	4,929,626
Net difference between projected and actual earnings on pension plan investments	68,175,068	-
Changes in proportion and differences between contributions and proportional share of contributions	183,311	3,614,094
District contributions subsequent to the measurement date	<u>27,213,520</u>	<u>-</u>
Total	<u>\$ 95,571,899</u>	<u>\$ 28,046,482</u>

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

The \$27,213,520 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of December 31, 2015, will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2016	\$ 8,494,106
2017	8,494,106
2018	9,161,405
2019	14,321,517
2020	(29,321)
Thereafter	(129,915)

Actuarial Assumptions. The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50% - 10.50%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation, and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2013.

The long-term expected rate of return on defined benefit pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

Asset Class	Target Allocation	Expected Return Arithmetic Basis	
		Real Return Arithmetic Basis	Long-Term Expected Real Rate of Return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Total	100%		5.23%
Inflation			2.75%
Expected arithmetic nominal return			7.98%

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75% and a real return of 4.75% that is net of investment expense.

Discount Rate. The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions all participating employers will be made at contractually required rates, actuarially determined and certified by the Utah State Retirement Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate was not changed from the prior measurement date.

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Payables to the Pension Plans. – At June 30, 2016, the District reported payables of \$7,275,611 for contributions to defined benefit pension plans and \$847,910 for contributions to defined contribution plans.

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension (asset) liability:			
Governmental activity			
Noncontributory System	\$ 448,369,734	\$ 247,723,254	\$ 79,480,912
Contributory System	14,103,278	6,237,568	(434,834)
Tier 2 Public Employees System	1,945,532	(10,609)	(1,493,181)
District total	<u>\$ 464,418,544</u>	<u>\$ 253,950,213</u>	<u>\$ 77,552,897</u>

NOTE 11 – DISTRICT RETIREMENT PLAN

Plan Description. The District's retirement plan provides retirement income to all employees who qualify for state retirement and have been employed by the District for ten years. The District retirement plan is a single-employer defined benefit pension plan offered and administered by the Board of Education of the District under its own authority. No assets are accumulated in a trust that meets the criteria of generally accepted accounting standards.

Benefits Provided. The District retirement plan is funded by the *General Fund*. The benefit is equal to the retiring employee's final base salary multiplied by the number of years employed and then multiplied by 0.5%. The benefit is paid in cash when the eligible employee retires.

Employees Covered by Benefit Terms. At June 30, 2016, 4,336 active employees were covered by the benefit terms.

Total Pension Liability. At June 30, 2016, the District recorded a total pension liability of \$15,002,292 (see Note 15 for long-term liabilities), determined by an actuarial valuation as of July 1, 2016. The District has established resources for the obligation by committing fund balance in the *General Fund*.

Actuarial Methods and Assumptions. The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50%
Salary growth	1.75%
Discount rate	4.00%

The discount rate was based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on RP-2000 Healthy Mortality Tables for Males or Females, as appropriate, with adjustments for future improvement in mortality based on Scale AA.

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

Demographic and other assumptions included: 1) retirement rates based on the rates used for employees with required age and service to retire in the actuarial valuation of the Utah Retirement System pension plans, 2) female spouses are assumed to be three years younger than male spouses, and 3) employee termination rates based on Educators' termination rates used in the actuarial valuation of the Utah Retirement System pension plan. Individual severance benefits nor any termination liability for COBRA are not included in this valuation.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the current fiscal period ended June 30, 2016.

Changes in the Total Pension Liability.

Balance at June 30, 2015	\$ 14,938,610
Changes for the year:	
Service cost	668,795
Interest	600,422
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	-
Benefit payments	(1,205,535)
Net changes	63,682
Balance at June 30, 2016	<u>\$ 15,002,292</u>

No changes of benefit terms occurred in 2016.

No changes in assumptions and other inputs occurred in 2016.

Sensitivity of the Total Pension Liability to Changes in the Discount Rate. The following presents the District's total pension liability calculated using the discount rate of 4.0%, as well as what the District's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.0%) or 1-percentage-point higher (5.0%) than the current discount rate:

	1% Decrease (3.0%)	Discount Rate (4.0%)	1% Increase (5.0%)
Total pension liability:			
District retirement plan	\$ 15,779,886	\$ 15,002,292	\$ 14,265,055

Pension Expense and Deferred Outflows and Inflows of Resources Related to the District's Retirement Plan. For the year ended June 30, 2016, the District recognized pension expense of \$1,269,217. At June 30, 2016, the District reported no deferred outflows of resources and no deferred inflows of resources related to the District's retirement plan.

NOTE 12 - LONG-TERM DISABILITY BENEFIT PLAN (POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS)

Plan Description. The District's long-term disability benefit plan (LTD plan) provides other postemployment benefits (OPEB) for former employees who were deemed disabled while employed by the District. The LTD plan is a single-employer defined

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

benefit OPEB plan administered by the District. No assets are accumulated in a trust that meets the criteria of generally accepted accounting standards.

Benefits Provided. The LTD plan is operated 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. Under the post January 1, 2005 program, employees are given medical insurance for 24 months from the time of their disability occurrence. The District's disability carrier determines whether employees are qualified for the benefits.

Employees Covered by Benefit Terms. At June 30, 2016, the following employees were covered by the benefit terms:

	Pre 1/1/2005 LTD Program	Post 1/1/2005 LTD Program
Inactive employees or beneficiaries currently receiving benefit payments	17	20
Active employees	-	4,336
Total	17	4,356

The pre January 1, 2005 program is closed to new entrants.

Total OPEB Liability. At June 30, 2016, the District recorded a total OPEB liability of \$1,680,777 (see Note 15 for long-term liabilities), determined by an actuarial valuation as of July 1, 2016.

Actuarial Methods and Assumptions. The total OPEB liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	Pre 1/1/2005 and Post 1/1/2005 LTD Programs
Inflation	2.5%
Discount rate	4.0%
Healthcare cost trend rates	7.3% for 2016, decreasing per year to an ultimate rate of 4.0% for 2074 and later years

The discount rate was based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on RP-2000 Healthy Mortality Tables for Males or Females, as appropriate, with adjustments for future improvement in mortality based on Scale AA. Retirement rates were based on the rates used for employees with required age and service to retire in the actuarial valuation of the Utah Retirement System pension plans. Individual severance benefits nor any termination liability for COBRA are not included in this valuation.

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the current fiscal period ended June 30, 2016.

Changes in the Total OPEB Liability.

	Pre 1/1/2005 LTD Program	Post 1/1/2005 LTD Program	Total OPEB Liability
Balance at June 30, 2015	\$ 989,089	\$ 1,141,798	\$ 2,130,887
Changes for the year:			
Service cost	-	225,543	225,543
Interest	36,491	42,816	79,307
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	-	-	-
Benefit payments	(155,158)	(599,802)	(754,960)
Net changes	(118,667)	(331,443)	(450,110)
Balance at June 30, 2016	\$ 870,422	\$ 810,355	\$ 1,680,777

No changes of benefit terms occurred in 2016.

No changes in assumptions and other inputs occurred in 2016.

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB. For the year ended June 30, 2016, the District recognized OPEB expense of \$304,850. At June 30, 2016, the District reported no deferred outflows of resources and no deferred inflows of resources related to OPEB.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the District's total OPEB liability calculated using the discount rate of 4.0%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.0%) or 1-percentage-point higher (5.0%) than the current discount rate:

	1% Decrease (3.0%)	Discount Rate (4.0%)	1% Increase (5.0%)
Pre 1/1/2005 LTD Program	\$ 913,957	\$ 870,422	\$ 830,851
Post 1/1/2005 LTD Program	829,675	810,355	790,885
Total OPEB Liability	\$ 1,743,632	\$ 1,680,777	\$ 1,621,736

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the District's total OPEB liability calculated using the healthcare cost trend rate of 7.3% decreasing to 4.0%, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6.3% decreasing to 3.0%) or 1-percentage-point higher (8.3% decreasing to 5.0%) than the current healthcare cost trend rate:

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

	1% Decrease (6.3% decreasing to 3.0%)	Healthcare Cost Trend Rates (7.3% decreasing to 4.0%)	1% Increase (8.3% decreasing to 5.0%)
Pre 1/1/2005 LTD Program	\$ 833,028	\$ 870,422	\$ 910,743
Post 1/1/2005 LTD Program	753,259	810,355	876,103
Total OPEB Liability	<u>\$ 1,586,287</u>	<u>\$ 1,680,777</u>	<u>\$ 1,786,846</u>

NOTE 13 – 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, 2016 and 2015 were \$6,253,492 and \$6,160,259, respectively. The participants entering the program subsequent to 1991 pay a nominal fee. During the year ended June 30, 2016, 505 former employees were included in the program. The District's estimated cost of claim payments for the year ended June 30, 2016 cannot be reasonably estimated because the insurance carrier has not disclosed the information. The District's liability for future early retirement benefits is \$5,122,792 and medical and life insurance costs will be \$16,640,396 for a total liability of \$21,763,188. Resources in the *General Fund* have been committed to meet this obligation. See Note 15 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 5.7% initially, reduced by decrements to an ultimate rate of 5.2% for 2019 grading to 4.0% beginning in 2075, and 4) an annual healthcare cost trend rate for Post-65 of 5.8% initially, reduced by decrements to an ultimate rate of 5.2% for 2019 grading to 4.0% beginning in 2075. 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, and 2) claim cost assumptions based on current premiums and census data by age and gender. The projections do not include any termination liability for COBRA nor individual severance benefits. The method used to calculate the projections was the projected unit cost method, using full accrual at full eligibility age.

NOTE 14 – SELF-INSURANCE LIABILITIES (MEDICAL, DENTAL, UNEMPLOYMENT, AND WORKER'S COMPENSATION)

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 \$12,341,677 was recorded at June 30, 2016 for claims outstanding at year-end and includes 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 medical insurance plan has a December year-end and has a stop-loss provision of \$350,000 per claim with IHC and \$400,000 per claim with Regence. Included in this liability are claims that have been estimated by the District as being incurred but not reported (IBNR) in the amount of

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

\$4,474,029 and \$4,531,165 for the years ended June 30, 2016 and 2015, respectively. Changes in the balances of claims liabilities during the years ended June 30, 2016 and 2015 are as follows:

	2016	2015
Unpaid claims - beginning of year	\$ 11,669,645	\$ 9,034,450
Incurred claims (including IBNRs)	59,591,521	58,782,637
Medical claims payments	(58,919,489)	(56,147,442)
Unpaid claims - end or year	<u>\$ 12,341,677</u>	<u>\$ 11,669,645</u>

B) Self-Insured Dental Insurance Plan:

The District dental insurance plan is a voluntary copay plan that is fully funded by covered employees. Benefit payments plus an administrative charge are made to a third-party claims administrator who approves and processes all claims. A liability of \$386,055 was recorded at June 30, 2016 for claims outstanding at year-end and includes 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 dental insurance plan has a December year-end. Included in this liability are claims that have been estimated by the District as being incurred but not reported (IBNR) in the amount of \$103,216 and \$6,313 for the years ended June 30, 2016 and 2015, respectively. The change in the balance of claims liabilities during the years ended June 30, 2016 and 2015 are as follows:

	2016	2015
Unpaid claims - beginning of year	\$ 216,745	\$ -
Incurred claims (including IBNRs)	1,850,788	1,799,504
Dental claims payments	(1,681,478)	(1,582,759)
Unpaid claims - end of year	<u>\$ 386,055</u>	<u>\$ 216,745</u>

C) 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 \$37,340 was recorded at June 30, 2016 for claims outstanding at year-end. Included in this liability is an estimate by a separate third-party administrator for future claims, incurred during 2016, but which have not been billed as of year-end. Changes in the balances of claims liabilities during the years ended June 30, 2016 and 2015 are as follows:

	2016	2015
Unpaid claims - beginning of year	\$ 45,729	\$ 32,134
Incurred claims (including estimate)	31,660	92,820
Unemployment claims payments	(40,049)	(79,225)
Unpaid claims - end or year	<u>\$ 37,340</u>	<u>\$ 45,729</u>

D) 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 \$1,154,418 was recorded at June 30, 2016 for claims outstanding at year-end with \$1,131,330 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, 2016 and 2015 are as follows:

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

	2015	2014
Unpaid claims - beginning of year	\$ 1,082,588	\$ 1,037,791
Incurred claims (including estimate)	1,055,844	1,346,005
Workers compensation claims payments	(984,014)	(1,301,208)
Unpaid claims - end of year	<u>\$ 1,154,418</u>	<u>\$ 1,082,588</u>

NOTE 15 - LONG-TERM LIABILITIES

Long-Term Liabilities. The following is a summary of general long-term liability activity for the year ended June 30, 2016:

	Balance at June 30, 2015*	Additions	Payments	Balance at June 30, 2016	Due Within One Year
Bonds payable	\$ 181,355,000	\$ 75,400,000	\$ (70,955,000)	\$ 185,800,000	\$ 7,980,000
Bond premium	11,629,941	-	(5,940,655)	5,689,286	-
Net bond liabilities	192,984,941	75,400,000	(76,895,655)	191,489,286	7,980,000
Workers compensation claims	1,082,588	1,055,844	(984,014)	1,154,418	1,131,330
Unemployment claims	45,729	31,660	(40,049)	37,340	37,340
Health and accident claims	11,669,645	59,591,521	(58,919,489)	12,341,677	12,341,677
Dental claims	216,745	1,850,788	(1,681,478)	386,055	386,055
Compensated absences	3,357,634	3,110,923	(3,189,752)	3,278,805	3,114,865
Obligation for early retirement compensation and insurance	18,754,984	9,531,696	(6,523,492)	21,763,188	-
Total pension liability - district retirement plan**	14,938,610	1,269,217	(1,205,535)	15,002,292	-
Total other postemployment benefits liability - long-term disability**	2,130,887	304,850	(754,960)	1,680,777	-
Net pension liability - state retirement plans	<u>203,188,730</u>	<u>104,955,994</u>	<u>(54,183,902)</u>	<u>253,960,822</u>	<u>-</u>
Total long-term liabilities	<u>\$ 448,370,493*</u>	<u>\$ 257,102,493</u>	<u>\$ (204,378,326)</u>	<u>\$ 501,094,660</u>	<u>\$ 24,991,267</u>

* as restated

** recognized for first time effective with the District's implementation of GASBS 73 and 75 (see Note 9).

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, 2016, with their outstanding balances are comprised of the following individual issuances:

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

Series 2010 -	Tax exempt bonds, \$27,600,000 originally issued, due in remaining annual installments from \$2,200,000 to \$2,500,000, from June 2017 through June 2018, interest 5.00%.	\$ 4,700,000
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, of which \$64,125,000 was advance refunded, due in remaining annual installments from \$3,350,000 to \$3,850,000, from June 2017 through June 2021, interest from 4.00% to 5.00%.	18,175,000
Series 2012 -	Tax exempt bonds, \$36,500,000 originally issued, due in remaining annual installments from \$1,200,000 to \$2,560,000, from June 2017 through June 2032, interest from 2.00% to 5.00%.	28,185,000
Series 2013 -	Tax exempt bonds, \$11,575,000 originally issued, due in remaining annual installments from \$250,000 to \$670,000, from June 2017 through June 2033, interest from 4.50% to 5.00%.	6,940,000
Series 2016A -	Tax exempt bonds, \$75,400,000 originally issued, due in remaining annual installments from \$980,000 to \$18,810,000, from June 2017 through June 2031, interest from 1.12% to 2.90%.	75,400,000
		<u>\$ 185,800,000</u>

The annual requirements to amortize all general obligation bonds outstanding to maturity as of June 30, 2016, including interest payments, are listed as follows:

Year Ending June 30,	Tax Exempt Bonds		Build America Bonds		Total	
	Principal	Interest	Principal	Interest*	Principal	Interest
2017	\$ 7,980,000	\$ 4,293,156	\$ -	\$ 2,556,101	\$ 7,980,000	\$ 6,849,257
2018	8,590,000	3,930,163	-	2,556,101	8,590,000	6,486,264
2019	6,545,000	3,541,790	2,700,000	2,556,101	9,245,000	6,097,891
2020	6,755,000	3,254,452	3,000,000	2,444,888	9,755,000	5,699,340
2021	6,865,000	2,974,886	3,400,000	2,316,818	10,265,000	5,291,704
2022-2026	38,035,000	11,601,152	21,700,000	8,946,797	59,735,000	20,547,949
2027-2031	55,290,000	6,120,593	21,600,000	2,880,992	76,890,000	9,001,585
2032-2033	3,340,000	138,200	-	-	3,340,000	138,200
Total	<u>\$ 133,400,000</u>	<u>\$ 35,854,392</u>	<u>\$ 52,400,000</u>	<u>\$ 24,257,798</u>	<u>\$ 185,800,000</u>	<u>\$ 60,112,190</u>

* Subsidized at 32% by the federal government.

Of the District's original voter authorization of \$256 million in bonds to be issued, \$25 million remains to be issued.

Advance Refunding. On May 17, 2016, \$75,400,000 in general obligation bonds with an average interest rate of 2.53% were issued to advance refund \$64,125,000 of outstanding bonds with an average interest rate of 4.83%. The net proceeds of \$75,125,223 (after payment of \$267,500 in underwriting fees, insurance, and other issuance costs) were used to purchase 81.34% U.S. government securities and 18.66% Israel Bonds. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. This refunding decreases total

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2016

debt service payments over the next 15 years by \$4,244,058 resulting in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,564,436.

NOTE 16 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Construction Commitments. At June 30, 2016 the District was involved with several long-term construction and remodeling projects summarized as follows:

Project	Expected Cost	Cost to Date	Cost to Complete
Upland Terrace Elem. Air Conditioning Upgrade	\$ 2,343,990	\$ 2,338,483	\$ 5,507
West Lake Jr. High Re-Roof & Seismic Upgrade	376,295	375,365	930
Maintenance Building Re-Roof	207,399	192,052	15,347
Oakridge Elem. Lighting Upgrade	186,653	177,845	8,808
Cyprus High Re-Roof & Seismic Upgrade	173,880	171,080	2,800
Other	1,527,250	1,523,662	3,588
Total	<u>\$ 4,815,467</u>	<u>\$ 4,778,487</u>	<u>\$ 36,979</u>

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

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. As of June 30, 2016, the amount of encumbrances were as follows:

Fund Type	Encumbrance Amount
General Fund	\$ 2,211,907
Capital Projects Fund	5,177,218
Other Non-Major Governmental Funds	1,232,572
	<u>\$ 8,621,697</u>

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

Required Supplementary Information (RSI)

GRANITE SCHOOL DISTRICT

Required Supplementary Information – June 30, 2016

Schedules of the District's Proportionate Share of the Net Pension Liability (Asset) Utah Retirement Systems Last Two Plan Years - December 31, 2014 through 2015

	2015	2014
Tier 1 Noncontributory System		
District's proportion of the net pension liability (asset)	7.8860449%	8.0401108%
District's proportionate share of the net pension liability (asset)	\$ 247,723,254	\$ 202,010,089
District's covered employee payroll	\$ 217,208,727	\$ 226,516,338
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	114.05%	89.18%
Plan fiduciary net position as a percentage of the total pension liability	84.50%	87.20%
Tier 1 Contributory System		
District's proportion of the net pension liability (asset)	9.9537964%	10.7492708%
District's proportionate share of the net pension liability (asset)	\$ 6,237,568	\$ 1,178,641
District's covered employee payroll	\$ 3,153,138	\$ 3,948,385
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	197.82%	29.85%
Plan fiduciary net position as a percentage of the total pension liability	92.40%	98.70%
Tier 2 Public Employees System		
District's proportion of the net pension liability (asset)	4.8599077%	4.7196557%
District's proportionate share of the net pension liability (asset)	\$ (10,609)	\$ (143,027)
District's covered employee payroll	\$ 31,383,055	\$ 23,102,726
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-0.03%	-6.00%
Plan fiduciary net position as a percentage of the total pension liability	100.20%	103.50%

Schedules of District Contributions
Utah Retirement Systems
Last Two Fiscal Years - Ended June 30, 2015 through 2016

	<u>2016</u>	<u>2015</u>
Tier 1 Noncontributory System		
Contractually required contribution	\$ 46,474,167	\$ 47,475,713
Contributions in relation to the contractually required contribution	<u>(46,474,167)</u>	<u>(47,475,713)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 District's covered-employee payroll	 \$ 214,990,027	 \$ 222,865,036
Contributions as a percentage of covered-employee payroll	21.6%	21.3%
 Tier 1 Contributory System		
Contractually required contribution	\$ 512,761	\$ 610,904
Contributions in relation to the contractually required contribution	<u>(512,761)</u>	<u>(610,904)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 District's covered-employee payroll	 \$ 2,896,957	 \$ 3,514,671
Contributions as a percentage of covered-employee payroll	17.7%	17.4%
 Tier 2 Public Employees System		
Contractually required contribution	\$ 6,617,200	\$ 4,928,850
Contributions in relation to the contractually required contribution	<u>(6,617,200)</u>	<u>(4,928,850)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 District's covered-employee payroll	 \$ 36,273,114	 \$ 27,246,944
Contributions as a percentage of covered-employee payroll	18.2%	18.1%

Schedule of Changes in Total Pension Liability and Related Ratios
District Retirement Plan
Last Two Fiscal Years - June 30, 2015 through 2016

	<u>2016</u>	<u>2015</u>
Total pension liability		
Service cost	\$ 668,795	\$ -
Interest	600,422	-
Changes of benefit terms	-	-
Difference between expected and actual experience	-	-
Changes of assumptions and other inputs	-	-
Benefit payments	<u>(1,205,535)</u>	<u>-</u>
Net change in total pension liability	63,682	-
Total pension liability - beginning	<u>14,938,610</u>	<u>14,938,610</u>
Total pension liability - ending	<u>\$ 15,002,292</u>	<u>\$ 14,938,610</u>
Covered-employee payroll	\$ 233,398,696	\$ 227,706,045
Total pension liability as a percentage of covered-employee payroll	6.4%	6.6%

Schedules of Changes in Total OPEB Liability and Related Ratios
Long-Term Disability Plan
Last Two Fiscal Years - June 30, 2015 through 2016

	<u>2016</u>	<u>2015</u>
Pre January 1, 2005 LTD Program		
Total OPEB liability:		
Service cost	\$ -	\$ -
Interest	36,491	-
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions and other inputs	-	-
Benefit payments	(155,158)	-
Net change in total OPEB liability	\$ (118,667)	\$ -
Total OPEB liability - beginning	989,089	989,089
Total OPEB liability - ending	<u>\$ 870,422</u>	<u>\$ 989,089</u>
 Covered-employee payroll	 \$ -	 \$ -
Total OPEB liability as a percentage of covered-employee payroll	 N/A	 N/A
 Post January 1, 2005 LTD Program		
Total OPEB liability:		
Service cost	\$ 225,543	\$ -
Interest	42,816	-
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions and other inputs	-	-
Benefit payments	(599,802)	-
Net change in total OPEB liability	(331,443)	-
Total OPEB liability - beginning	1,141,798	1,141,798
Total OPEB liability - ending	<u>\$ 810,355</u>	<u>\$ 1,141,798</u>
 Covered-employee payroll	 \$ 233,398,696	 \$ 227,706,045
Total OPEB liability as a percentage of covered-employee payroll	 0.3%	 0.5%

GRANITE SCHOOL DISTRICT

Notes to Required Supplementary Information – June 30, 2016

NOTE 1 – UTAH RETIREMENT SYSTEMS

Schedules are intended to show information for ten years; prior year information is not available. Additional years will be displayed as they become available.

Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

Changes in Assumptions. Amounts reported in plan year 2015 reflect the following assumption changes adopted from the January 1, 2015 valuation:

- The wage inflation assumption for all employee groups was decreased from 3.75% to 3.50%.
- The rate of salary increases assumption for most groups was modified.
- The payroll growth assumption was decreased from 3.50% to 3.25%.
- The post retirement mortality assumption for female educators showed an improvement.
- Minor adjustments to the preretirement mortality assumption were made.
- Certain demographic assumptions were changed that generally resulted in a) an increase in members anticipated to terminate employment prior to retirement, b) a slight decrease in members expected to become disabled, and c) a slight increase in the expected age of retirement.

NOTE 2 – DISTRICT RETIREMENT PLAN

Schedules are intended to show information for ten years; prior year information is not available. Additional years will be displayed as they become available.

Changes of benefit terms: None

Changes of assumptions: None

NOTE 3 – LONG TERM DISABILITY PLANS

Schedules are intended to show information for ten years; prior year information is not available. Additional years will be displayed as they become available.

Changes of benefit terms: None

Changes of assumptions: None



Major Governmental Funds

Major Governmental Funds

GENERAL FUND

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

CAPITAL PROJECTS FUND

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

GRANITE SCHOOL DISTRICT

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

General Fund

Year Ended June 30, 2016 with Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 126,656,162	\$ 127,477,366	\$ 821,204	\$ 117,411,168
Earnings on investments	1,048,393	1,229,443	181,050	823,177
Other local	11,738,900	10,459,987	(1,278,913)	11,339,127
State	290,565,824	289,347,546	(1,218,278)	274,774,354
Federal	43,703,499	39,311,978	(4,391,521)	40,163,860
Total revenues	473,712,778	467,826,320	(5,886,458)	444,511,686
Expenditures:				
Current:				
Instructional services:				
Salaries	198,236,259	195,848,708	2,387,551	194,582,921
Employee benefits	97,640,086	97,563,649	76,437	93,514,265
Purchased services	3,165,657	2,947,947	217,710	3,053,924
Supplies and materials	10,840,262	7,330,772	3,509,490	7,304,195
Equipment	6,761,154	7,284,801	(523,647)	7,906,638
Other	2,649,117	2,744,275	(95,158)	1,855,985
Total instructional services	319,292,535	313,720,152	5,572,383	308,217,928
Supporting services:				
Students	21,141,665	20,864,748	276,917	20,538,158
Instructional staff	16,823,678	15,941,286	882,392	15,431,611
District administration	3,585,700	3,439,511	146,189	3,394,556
School administration	31,516,878	31,232,278	284,600	29,877,428
Central	10,373,801	10,201,607	172,194	9,780,646
Operation and maintenance of facilities	55,476,190	53,990,705	1,485,485	54,752,894
Transportation	9,257,421	8,925,593	331,828	9,112,787
Total supporting services	148,175,333	144,595,728	3,579,605	142,888,080
Total expenditures	467,467,868	458,315,880	9,151,988	451,106,008
(Deficiency) of revenues (under) expenditures	6,244,910	9,510,440	3,265,530	(6,594,322)
Other financing sources (uses):				
Transfers in	4,790,926	4,790,926	-	9,470,268
Transfers (out)	(883,794)	(1,252,684)	(368,890)	(937,753)
Total other financing sources (uses)	3,907,132	3,538,242	(368,890)	8,532,515
Net change in fund balances	10,152,042	13,048,682	2,896,640	1,938,193
Fund balances - beginning	94,485,095	94,485,095	-	92,546,902
Fund balances - ending	\$ 104,637,137	\$ 107,533,777	\$ 2,896,640	\$ 94,485,095

GRANITE SCHOOL DISTRICT**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual*****Capital Projects Fund***

Year Ended June 30, 2016 with Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 25,964,374	\$ 23,495,179	\$ (2,469,195)	\$ 20,385,865
Earnings on investments	114,715	155,588	40,873	120,283
Other local	208,280	2,428,625	2,220,345	214,311
State	129,320	-	(129,320)	-
Federal	833,800	833,800	-	829,327
Total revenues	27,250,489	26,913,192	(337,297)	21,549,786
Expenditures:				
Current:				
Instructional services	-	957,591	(957,591)	1,022,398
Supporting services:				
Instructional staff	-	8,281	(8,281)	589
District administration	-	21,076	(21,076)	34,220
Central	-	1,797,710	(1,797,710)	1,543,198
Operation and maintenance of facilities	-	1,280,251	(1,280,251)	1,134,652
Transportation	989,090	2,193,656	(1,204,566)	238,362
Capital outlay:				
Salaries	43,113	29,111	14,002	47,588
Employee benefits	13,727	7,718	6,009	13,924
Purchased services	27,707,387	19,002,043	8,705,344	9,326,194
Supplies and materials	162,207	11,607	150,600	26,340
Land and improvements	1,466,203	741,976	724,227	3,402,749
Buildings and improvements	-	1,072,408	(1,072,408)	537,388
Equipment	5,259,508	595,885	4,663,623	102,448
Vehicles	480,837	-	480,837	-
Other	5,000	-	5,000	667,541
Total expenditures	36,127,072	27,719,313	8,407,759	18,097,591
(Deficiency) of revenues (under) expenditures	(8,876,583)	(806,121)	8,070,462	3,452,195
Other financing sources:				
Proceeds from sale of capital assets	721,175	711,226	(9,949)	4,501,810
Total other financing sources	721,175	711,226	(9,949)	4,501,810
Net change in fund balances	(8,155,408)	(94,895)	8,060,513	7,954,005
Fund balances - beginning	18,944,990	18,944,990	-	10,990,985
Fund balances - ending	\$ 10,789,582	\$ 18,850,095	\$ 8,060,513	\$ 18,944,990



Nonmajor Governmental Funds

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

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

Incremental Tax Fund - The purpose of this fund is to account for the tax increment financing (TIF) authorized by the Community Development and Renewal Agencies Act (Utah Code 17C-1) to finance urban renewal, economic development, and community development projects by earmarking property tax revenue from increases in assessed values within a designated TIF district. The incremental taxes are collected by Salt Lake County and paid directly to the CDRA within the District.

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

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

DEBT SERVICE FUND

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

GRANITE SCHOOL DISTRICT
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2016

	Special Revenue					Total
	<i>District Activity Programs</i>	<i>Incremental Tax</i>	<i>Granite Education Foundation</i>	<i>School Lunch</i>	<i>Debt Service</i>	<i>Nonmajor Governmental Funds</i>
Assets:						
Cash and investments	\$ 10,412,682	\$ -	\$ 2,598,914	\$ 14,313,304	\$ 193,560	\$ 27,518,460
Receivables:						
Property taxes	-	6,607,326	-	-	15,236,242	21,843,568
Other local	(5,040)	-	-	25,742	-	20,702
State	-	-	-	1,987,279	-	1,987,279
Federal	-	-	-	320,180	447,318	767,498
Inventories	-	-	-	1,517,900	-	1,517,900
Prepaid items	737	-	-	5,291	-	6,028
Due from other funds	2,240,881	-	-	-	-	2,240,881
Total assets	\$ 12,649,260	\$ 6,607,326	\$ 2,598,914	\$ 18,169,696	\$ 15,877,120	\$ 55,902,316
Liabilities:						
Accounts and contracts payable	\$ 280	\$ -	\$ 34,181	\$ 27,035	\$ -	\$ 61,496
Accrued salaries and related payables	2,424	-	-	718,092	-	720,516
Unearned revenue - local	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	2,704	-	34,181	745,127	-	782,012
Deferred inflows of resources:						
Property taxes levied for future year	-	6,479,446	-	-	14,944,512	21,423,958
Unavailable property tax revenue	-	127,880	-	-	306,788	434,668
Unavailable federal interest subsidy	-	-	-	-	447,318	447,318
Total deferred inflows of resources	-	6,607,326	-	-	15,698,618	22,305,944
Fund balances:						
Nonspendable:						
Inventories	-	-	-	1,517,900	-	1,517,900
Prepaid items	737	-	-	5,291	-	6,028
Restricted for:						
Debt service	-	-	-	-	178,502	178,502
Schools	-	-	311,592	-	-	311,592
Scholarships	-	-	157,787	-	-	157,787
School lunch	-	-	-	15,901,378	-	15,901,378
Committed to:						
District activity programs	12,645,819	-	-	-	-	12,645,819
Foundation	-	-	2,095,354	-	-	2,095,354
Total fund balances	12,646,556	-	2,564,733	17,424,569	178,502	32,814,360
Total liabilities, deferred inflows of resources and fund balances	\$ 12,649,260	\$ 6,607,326	\$ 2,598,914	\$ 18,169,696	\$ 15,877,120	\$ 55,902,316

GRANITE SCHOOL DISTRICT

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

Nonmajor Governmental Funds

Year Ended June 30, 2016

	Special Revenue					Total
	<i>District Activity Programs</i>	<i>Incremental Tax</i>	<i>Granite Education Foundation</i>	<i>School Lunch</i>	<i>Debt Service</i>	Nonmajor Governmental Funds
Revenues:						
Local:						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ 14,800,299	\$ 14,800,299
Incremental tax	-	5,766,586	-	-	-	5,766,586
Earnings (loss) on investments	63,510	-	(52,798)	99,704	-	110,416
Student activities	12,165,182	-	-	-	-	12,165,182
Foundation activities	-	-	886,915	-	-	886,915
School lunch program activities	-	-	-	4,816,244	-	4,816,244
Total local	12,228,692	5,766,586	834,117	4,915,948	14,800,299	38,545,642
State	-	-	-	5,055,360	-	5,055,360
Federal	-	-	-	23,181,960	-	23,181,960
Total revenues	12,228,692	5,766,586	834,117	33,153,268	14,800,299	66,782,962
Expenditures:						
Current:						
Instructional services	12,128,453	-	-	-	-	12,128,453
School lunch services	-	-	-	29,569,025	-	29,569,025
Community services	-	5,766,586	1,200,585	-	-	6,967,171
Debt service:						
Principal	-	-	-	-	6,830,000	6,830,000
Interest	-	-	-	-	8,348,550	8,348,550
Bond issuance costs	-	-	-	-	267,500	267,500
Paying agent fees	-	-	-	-	2,500	2,500
Total expenditures	12,128,453	5,766,586	1,200,585	29,569,025	15,448,550	64,113,199
Excess of revenues over expenditures	100,239	-	(366,468)	3,584,243	(648,251)	2,669,763
Other financing sources (uses):						
Refunding bonds issued	-	-	-	-	75,400,000	75,400,000
Refunded bonds escrow	-	-	-	-	(75,125,223)	(75,125,223)
Transfers in	559,677	-	339,564	-	-	899,241
Total other financing sources (uses)	559,677	-	339,564	-	274,777	1,174,018
Net change in fund balances	659,916	-	(26,904)	3,584,243	(373,474)	3,843,781
Fund balances - beginning	11,986,640	-	2,591,637	13,840,326	551,976	28,970,579
Fund balances - ending	\$ 12,646,556	\$ -	\$ 2,564,733	\$ 17,424,569	\$ 178,502	\$ 32,814,360

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, 2016 with Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Earnings on investments	\$ 35,754	\$ 63,510	\$ 27,756	\$ 49,206
Student activities:				
Tuition	50,841	52,813	1,972	54,167
Transportation fees	57,694	59,932	2,238	32,587
Admissions and gate fees	792,166	822,890	30,724	711,810
Student fees	6,432,498	6,681,978	249,480	6,695,734
Vending and bookstore sales	296,215	307,704	11,489	284,926
Proceeds from fundraising activities	2,438,841	2,533,430	94,589	2,540,109
Facility and field rental fees	331,443	344,298	12,855	150,208
Donations	922,499	958,278	35,779	1,051,355
Other student activities	388,780	403,859	15,079	741,259
Total student activities	11,710,979	12,165,182	454,205	12,262,155
Total revenues	11,746,733	12,228,692	481,961	12,311,361
Expenditures:				
Current:				
Instructional services:				
Salaries	134,018	104,713	29,305	89,048
Benefits	29,490	27,769	1,721	22,010
Purchased services	3,931,017	4,728,036	(797,019)	4,131,323
Supplies	6,918,636	5,567,121	1,351,515	5,679,400
Textbooks	-	461,491	(461,491)	544,891
Equipment	696,353	929,347	(232,994)	977,622
Other	386,508	309,976	76,532	308,748
Total expenditures	12,096,022	12,128,453	(32,431)	11,753,042
Excess (deficiency) of revenues over (under) expenditures	(349,289)	100,239	449,530	558,319
Other financing sources:				
Transfers in (out)	572,200	559,677	(12,523)	623,023
Net change in fund balances	222,911	659,916	437,007	1,181,342
Fund balances - beginning	11,986,640	11,986,640	-	10,805,298
Fund balances - ending	\$ 12,209,551	\$ 12,646,556	\$ 437,007	\$ 11,986,640

GRANITE SCHOOL DISTRICT**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Incremental Tax - A Nonmajor Special Revenue Fund**

Year Ended June 30, 2016 with Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Incremental property taxes	\$ 5,866,586	\$ 5,766,586	\$ (100,000)	\$ 5,193,756
Total revenues	5,866,586	5,766,586	(100,000)	5,193,756
Expenditures:				
Current:				
Community services:				
Taxes remitted to CDRAs	5,866,586	5,766,586	100,000	5,193,756
Total expenditures	5,866,586	5,766,586	100,000	5,193,756
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

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, 2016 with Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Earnings (loss) on investments	\$ (66,000)	\$ (52,798)	\$ 13,202	\$ 69,502
Foundation activities:				
Donations and fundraising proceeds	849,000	886,915	37,915	1,618,056
Total revenues	783,000	834,117	51,117	1,687,558
Expenditures:				
Current:				
Community services:				
Salaries	202,986	203,054	(68)	207,229
Employee benefits	115,218	115,240	(22)	108,832
Purchased services	460,975	361,621	99,354	255,984
Supplies	188,650	195,710	(7,060)	173,142
Equipment	4,700	4,460	240	24,868
Other	365,000	320,500	44,500	344,786
Total expenditures	1,337,529	1,200,585	136,944	1,114,841
Excess (deficiency) of revenues over (under) expenditures	(554,529)	(366,468)	188,061	572,717
Other financing sources:				
Transfers in	340,454	339,564	(890)	314,730
Net change in fund balances	(214,075)	(26,904)	187,171	887,447
Fund balances - beginning	2,591,637	2,591,637	-	1,704,190
Fund balances - ending	\$ 2,377,562	\$ 2,564,733	\$ 187,171	\$ 2,591,637

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, 2016 with Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Earnings on investments	\$ 89,130	\$ 99,704	\$ 10,574	\$ 59,639
School lunch program activities:				
Lunch sales - children	1,535,933	1,665,119	129,186	1,833,226
Lunch sales - adult	336,918	368,279	31,361	377,082
Other	2,638,763	2,782,846	144,083	2,930,087
Total school lunch program activities	4,511,614	4,816,244	304,630	5,140,395
Total local	4,600,744	4,915,948	315,204	5,200,034
State lunch program	4,963,365	5,055,360	91,995	4,820,316
Federal lunch program	24,335,233	23,181,960	(1,153,273)	23,149,817
Total revenues	33,899,342	33,153,268	(746,074)	33,170,167
Expenditures:				
Current:				
School lunch services:				
Salaries	9,179,685	9,121,103	58,582	8,620,255
Employee benefits	3,145,236	3,067,591	77,645	3,000,661
Purchased services	2,033,351	1,946,902	86,449	1,826,771
Supplies	959,786	985,079	(25,293)	957,286
Food	13,376,386	11,518,613	1,857,773	11,012,881
Equipment	3,215,103	1,146,839	2,068,264	632,901
Indirect cost allocation	2,419,313	1,782,898	636,415	3,478,158
Total expenditures	34,328,860	29,569,025	4,759,835	29,528,913
Net change in fund balances	(429,518)	3,584,243	4,013,761	3,641,254
Fund balances - beginning	13,840,326	13,840,326	-	10,199,072
Fund balances - ending	\$ 13,410,808	\$ 17,424,569	\$ 4,013,761	\$ 13,840,326

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, 2016 with Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Property taxes	\$ 14,705,026	\$ 14,800,299	\$ 95,273	\$ 17,275,725
Total revenues	14,705,026	14,800,299	95,273	17,275,725
Expenditures:				
Debt service:				
Principal	6,830,000	6,830,000	-	8,330,000
Interest	8,348,550	8,348,550	-	8,604,651
Bond issuance costs	274,778	267,500	7,278	-
Paying agent fees	20,000	2,500	17,500	2,500
Total expenditures	15,473,328	15,448,550	24,778	16,937,151
Other financing sources (uses):				
Refunding bonds issued	75,400,000	75,400,000	-	-
Refunded bonds escrow	(75,125,223)	(75,125,223)	-	-
Total other financing sources (uses)	274,777	274,777	-	-
Net change in fund balances	(493,525)	(373,474)	120,051	338,574
Fund balances - beginning	551,976	551,976	-	213,402
Fund balances - ending	\$ 58,451	\$ 178,502	\$ 120,051	\$ 551,976

Internal Service Funds

Proprietary Funds

INTERNAL SERVICE FUNDS

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

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

GRANITE SCHOOL DISTRICT

Combining Statement of Fund Net Position - Internal Service Funds

June 30, 2016 with Comparative Totals for 2015

	2016			2015
	<i>Printing Services Fund</i>	<i>Self Insurance Fund</i>	Total	Total
Assets:				
Current assets:				
Cash and investments	\$ -	\$ 19,523,485	\$ 19,523,485	\$ 25,003,565
Receivables - local	30,362	210,365	240,727	22,071
Prepaid items	2,764	-	2,764	6,786
Inventories	32,714	-	32,714	34,106
Total current assets	65,840	19,733,850	19,799,690	25,066,528
Noncurrent assets:				
Capital assets:				
Equipment	651,243	-	651,243	875,550
Accumulated depreciation	(449,208)	-	(449,208)	(603,474)
Net pension asset	12	7	19	-
Total noncurrent assets	202,047	7	202,054	272,076
Total assets	267,887	19,733,857	20,001,744	25,338,604
Deferred outflows of resources:				
Related to pensions	106,644	61,938	168,582	-
Liabilities:				
Current liabilities:				
Accounts payable	-	5,854	5,854	7,660
Accrued salaries and related benefits	1,149	57	1,206	1,027
Due to other funds	37,385	-	37,385	266,510
Unearned revenue - local	-	-	-	691
Health and accident claims payable	-	12,341,677	12,341,677	11,669,645
Dental claims payable	-	386,055	386,055	216,745
Workers compensation claims payable	-	1,131,330	1,131,330	1,017,034
Unemployment claims payable	-	37,340	37,340	45,729
Total current liabilities	38,534	13,902,313	13,940,847	13,225,041
Noncurrent liabilities:				
Workers compensation payable	-	23,088	23,088	20,756
Net pension liability	304,701	177,370	482,071	-
Total noncurrent liabilities	304,701	200,458	505,159	20,756
Total liabilities	343,235	14,102,771	14,446,006	13,245,797
Deferred inflows of resources:				
Related to pensions	31,296	18,176	49,472	-
Net position:				
Investment in capital assets	202,035	-	202,035	272,076
Unrestricted	(202,035)	5,674,848	5,472,813	11,820,731
Total net position	-	\$ 5,674,848	\$ 5,674,848	\$ 12,092,807

GRANITE SCHOOL DISTRICT

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

Internal Service Funds

Year Ended June 30, 2016 with Comparative Totals for 2015

	2016			2015
	<i>Printing Services Fund</i>	<i>Self Insurance Fund</i>	Total	Total
Operating revenues:				
Charges for services:				
Medical insurance premiums	\$ -	\$ 63,703,808	\$ 63,703,808	\$ 62,230,281
Unemployment insurance premiums	-	150,000	150,000	150,000
Industrial insurance premium	-	1,427,884	1,427,884	1,406,222
Other services	627,328	68,212	695,540	919,292
Total operating revenues	627,328	65,349,904	65,977,232	64,705,795
Operating expenses:				
Salaries	300,311	168,499	468,810	444,294
Employee benefits	147,953	71,425	219,378	209,004
State pension expense	229,341	133,601	362,942	-
Medical and prescription claims	-	58,919,487	58,919,487	56,147,442
Dental claims	-	1,681,478	1,681,478	1,582,759
Medical administrative fees	-	3,040,287	3,040,287	2,624,249
ACA fees	-	561,284	561,284	725,760
Medical reinsurance premiums	-	1,212,050	1,212,050	849,872
Workers compensation claims	-	984,014	984,014	1,301,208
Unemployment claims	-	40,049	40,049	79,225
Purchased services	189,186	57,066	246,252	246,141
Supplies and materials	105,410	1,103	106,513	119,279
Depreciation	65,248	-	65,248	78,514
Other	325	-	325	325
Total operating expenses	1,037,774	66,870,343	67,908,117	64,408,072
Operating income (loss)	(410,446)	(1,520,439)	(1,930,885)	297,723
Nonoperating revenues (expenses):				
Transfers in	353,443	-	353,443	-
Transfers (out)	-	(4,790,926)	(4,790,926)	(9,470,268)
(Loss) on disposal of equipment	(4,793)	-	(4,793)	-
Total nonoperating revenues (expenses)	348,650	(4,790,926)	(4,442,276)	(9,470,268)
Change in net position	(61,796)	(6,311,365)	(6,373,161)	(9,172,545)
Total net position - beginning	61,796	11,986,213	12,048,009	21,220,554
Total net position - ending	\$ -	\$ 5,674,848	\$ 5,674,848	\$ 12,048,009

GRANITE SCHOOL DISTRICT

Combining Statement of Fund Cash Flows - Internal Service Funds

Year Ended June 30, 2016 with Comparative Totals for 2015

	2016			2015
	<i>Printing Services Fund</i>	<i>Self Insurance Fund</i>	Totals	Totals
Cash flows from operating activities:				
Receipts from interfund services provided	\$ 616,259	\$ 65,141,626	\$ 65,757,885	\$ 64,704,760
Payments of assessments from other funds	(229,125)	-	(229,125)	130,758
Payments to employees	(448,142)	(239,867)	(688,009)	(653,116)
Payments to suppliers for goods and services	(292,435)	(57,047)	(349,482)	(369,295)
Payments for medical fees and insurance claims	-	(65,533,866)	(65,533,866)	(60,400,182)
Net cash provided (used) by operating activities	(353,443)	(689,154)	(1,042,597)	3,412,925
Cash flows from noncapital financing activities:				
Transfers in from other funds	353,443	-	353,443	-
Transfers (out) to other funds	-	(4,790,926)	(4,790,926)	(9,470,268)
Net cash provided (used) by noncapital financing activities	353,443	(4,790,926)	(4,437,483)	(9,470,268)
Cash flows from capital and related financing activities:				
Purchase of capital assets	-	-	-	(268,512)
Net change in cash and cash equivalents	-	(5,480,080)	(5,480,080)	(6,325,855)
Cash and cash equivalents - beginning	-	25,003,565	25,003,565	31,329,420
Cash and cash equivalents - ending*	\$ -	\$ 19,523,485	\$ 19,523,485	\$ 25,003,565

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

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

Operating income (loss)	\$ (410,446)	\$ (1,520,439)	\$ (1,930,885)	\$ 297,723
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Noncash item - depreciation	65,248	-	65,248	78,514
(Increase) decrease in operating assets:				
Accounts receivable - other local	(11,069)	(207,587)	(218,656)	(1,726)
Prepaid items	4,022	-	4,022	182
Inventories	1,392	-	1,392	2,288
Net pension asset	(12)	(7)	(19)	-
Deferred outflows of resources	(106,644)	(61,938)	(168,582)	-
Increase (decrease) in operating liabilities:				
Accounts payable	(2,928)	1,122	(1,806)	(6,020)
Due to other funds	(229,125)	-	(229,125)	130,758
Unearned revenue - local	-	(691)	(691)	691
Accrued salaries and related benefits	122	57	179	182
Health and accident insurance payable	-	672,032	672,032	2,635,195
Dental insurance payable	-	169,310	169,310	216,745
Workers compensation payable	-	71,830	71,830	44,798
Unemployment insurance payable	-	(8,389)	(8,389)	13,595
Net pension liability	304,701	177,370	482,071	-
Deferred inflows of resources	31,296	18,176	49,472	-
Total adjustments	57,003	831,285	888,288	3,115,202
Net cash provided (used) by operating activities	\$ (353,443)	\$ (689,154)	\$ (1,042,597)	\$ 3,412,925

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

Section III

Statistical

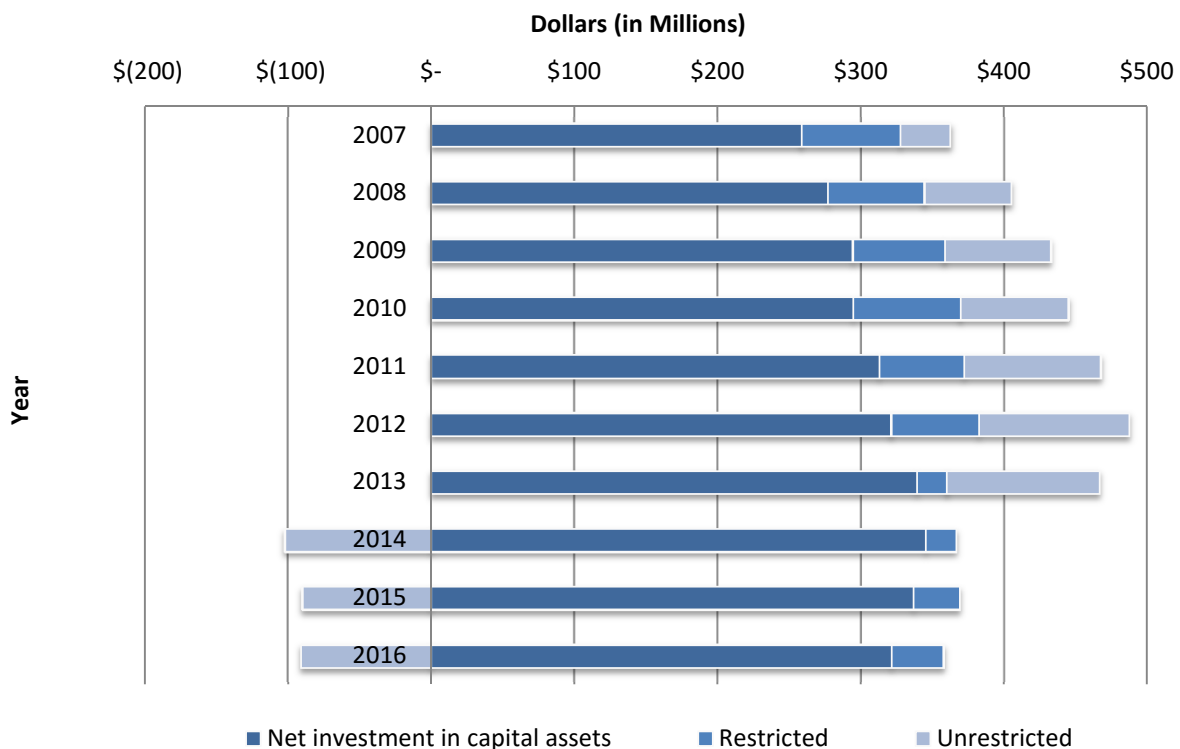
Financial Trends

Granite School District

Net Position by Component

Last Ten Fiscal Years - June 30, 2007 through June 30, 2016
(Accrual basis of accounting)

June 30,	Net investment in capital assets	Restricted	Unrestricted	Total governmental activities net position
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	(102,366,231)	263,881,807
2015	336,548,726	32,030,944	(90,134,469)	278,445,201
2016	321,010,498	36,426,827	(91,125,737)	266,311,588



Note: Certain amounts prior to 2013 have been restated to implement new accounting and reporting standards.
 Note: Certain amounts for 2014 have been restated to implement a new accounting and reporting standard (GASBS-68).
 Note: Certain amounts for 2015 have been restated to implement a new accounting and reporting standard (GASBS-73 and 75).
 Source: District records

Granite School District
Comparative Statements of Net Position
Last Ten Fiscal Years - June 30, 2007 through 2016

	2007	2008	2009	2010	2011
Assets:					
Cash and investments	\$ 171,611,161	\$ 207,458,012	\$ 197,719,153	\$ 285,154,233	\$ 246,660,988
Receivables:					
Property taxes	125,455,968	124,142,709	125,982,727	132,521,058	131,905,864
Other local	7,298,202	1,837,456	2,087,250	840,395	2,017,171
State	1,087,827	1,704,672	1,940,109	1,123,269	2,286,160
Federal	10,916,534	12,472,701	27,008,698	36,585,184	29,895,483
Prepaid items	494,189	472,265	464,609	351,864	394,551
Lease receivable	-	-	-	-	-
Inventories	4,617,240	5,000,700	7,954,446	4,685,021	4,174,442
Net other post employment benefit asset	-	304,253	355,237	561,382	609,335
Net pension asset	-	-	-	-	-
Capital assets:					
Land, construction in progress, and water stock	38,743,718	46,258,299	49,232,881	55,000,220	99,471,695
Other capital assets, net of accumulated depreciation	219,383,344	230,253,710	244,884,690	244,279,676	250,553,057
Total assets	<u>579,608,183</u>	<u>629,904,777</u>	<u>657,629,800</u>	<u>761,102,302</u>	<u>767,968,746</u>
Deferred Outflows of Resources:					
Related to pensions	-	-	-	-	-
Refunded bonds	-	-	-	-	-
Total assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities:					
Accounts and contracts payable	8,620,973	10,807,811	6,017,206	8,588,487	15,054,886
Accrued interest	-	-	-	433,006	271,698
Accrued salaries and related benefits	36,048,258	39,606,609	44,779,667	42,628,041	42,904,209
Unearned revenue:					
Local	1,197,890	1,152,197	1,538,570	1,214,568	1,065,499
State	14,259,661	16,667,642	10,392,205	8,691,770	9,522,950
Federal	607,947	161,895	144,249	801,901	1,285,615
Long-term liabilities:					
Portion due or payable within one year	10,302,645	10,500,100	11,416,261	13,636,794	13,791,605
Portion due or payable after one year	25,215,021	25,733,809	29,149,187	109,960,914	89,963,247
Total liabilities	<u>96,252,395</u>	<u>104,630,063</u>	<u>103,437,345</u>	<u>185,955,481</u>	<u>173,859,709</u>
Deferred Inflows of Resources:					
Related to pensions	-	-	-	-	-
Property taxes levied for future year	121,090,851	120,686,699	121,870,805	130,454,807	126,750,223
Total deferred inflows of resources	<u>121,090,851</u>	<u>120,686,699</u>	<u>121,870,805</u>	<u>130,454,807</u>	<u>126,750,223</u>
Net Position:					
Net investment in capital assets	258,127,062	276,512,009	294,117,571	294,292,996	312,828,850
Restricted for:					
Capital projects	57,383,665	56,785,410	53,619,369	62,709,491	50,798,448
Debt service	-	-	-	-	360,073
Schools and scholarships	1,470,572	1,163,315	632,595	894,675	411,517
School lunch	7,120,779	7,353,969	8,163,090	9,519,525	6,831,041
Community recreation	2,733,673	1,805,530	1,091,222	1,279,785	446,335
Unrestricted	35,429,186	60,967,782	74,697,803	75,995,542	95,682,550
Total net position	<u>\$ 362,264,937</u>	<u>\$ 404,588,015</u>	<u>\$ 432,321,650</u>	<u>\$ 444,692,014</u>	<u>\$ 467,358,814</u>

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

Note: Certain amounts for 2014 have been restated to implement a new accounting and reporting standard (GASBS 68 and 71).

Note: Certain amounts for 2015 have been restated to implement a new accounting and reporting standard (GASBS 73 and 75).

Source: District records

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 272,632,468	\$ 215,574,818	\$ 187,938,498	\$ 196,776,285	\$ 208,478,139
138,078,689	138,935,297	140,117,948	165,998,099	165,108,265
1,774,001	1,809,789	1,389,313	1,060,149	914,707
1,959,228	2,343,606	2,608,600	1,766,000	2,745,718
19,006,668	16,785,055	18,522,446	16,236,671	16,678,670
418,293	442,017	440,926	1,640,388	3,383,515
9,084,045	-	-	-	-
4,614,854	4,850,741	4,416,320	5,400,254	5,736,549
864,391	962,548	1,583,821	1,703,583	-
-	-	40,788	143,027	10,609
166,043,007	241,402,460	247,798,755	135,275,981	43,319,428
<u>292,615,046</u>	<u>298,506,536</u>	<u>298,583,285</u>	<u>393,539,779</u>	<u>468,462,449</u>
<u>907,090,690</u>	<u>921,612,867</u>	<u>903,440,700</u>	<u>919,540,216</u>	<u>914,838,049</u>
-	-	24,640,562	30,455,766	95,571,899
-	-	-	-	6,000,379
-	-	<u>24,640,562</u>	<u>30,455,766</u>	<u>101,572,278</u>
24,412,684	15,853,511	4,338,899	3,604,607	4,850,034
670,287	754,417	769,092	735,085	706,743
43,386,016	48,017,721	40,909,960	40,060,600	41,265,125
9,948,581	1,527,180	1,507,466	1,021,448	1,856,477
9,439,856	8,678,669	7,436,856	6,353,051	6,971,190
1,699,097	1,880,782	2,960,022	3,991,067	3,362,473
16,260,601	20,394,650	21,371,610	23,012,807	24,991,267
<u>180,566,007</u>	<u>222,274,831</u>	<u>447,924,466</u>	<u>410,861,894</u>	<u>476,103,393</u>
<u>286,383,129</u>	<u>319,381,761</u>	<u>527,218,371</u>	<u>489,640,559</u>	<u>560,106,702</u>
-	-	-	19,014,287	28,046,482
<u>133,854,460</u>	<u>135,851,267</u>	<u>136,981,084</u>	<u>162,895,935</u>	<u>161,945,555</u>
<u>133,854,460</u>	<u>135,851,267</u>	<u>136,981,084</u>	<u>181,910,222</u>	<u>189,992,037</u>
320,933,467	338,844,364	344,867,541	336,548,726	321,010,498
52,011,476	10,351,497	10,772,697	18,500,839	18,532,879
-	-	-	542,300	-
411,517	411,517	408,728	435,761	469,379
8,848,379	10,206,132	10,199,072	12,552,044	17,424,569
-	-	-	-	-
<u>104,648,262</u>	<u>106,566,329</u>	<u>(102,366,231)</u>	<u>(90,134,469)</u>	<u>(91,125,737)</u>
<u>\$ 486,853,101</u>	<u>\$ 466,379,839</u>	<u>\$ 263,881,807</u>	<u>\$ 278,445,201</u>	<u>\$ 266,311,588</u>

Granite School District

Changes in Net Position

Last Ten Fiscal Years - June 30, 2007 through 2016

(Accrual basis of accounting)

	2007	2008	2009	2010
Expenses:				
Instructional services	\$ (275,393,510)	\$ (312,044,102)	\$ (330,747,520)	\$ (323,526,457)
Supporting services:				
Students	(17,883,649)	(19,191,183)	(20,130,916)	(18,495,907)
Instructional staff	(20,098,116)	(19,929,351)	(19,382,010)	(17,121,922)
District administration	(3,269,725)	(3,008,245)	(3,142,855)	(3,212,270)
School administration	(23,519,432)	(24,902,500)	(26,447,443)	(25,939,635)
Central	(8,072,048)	(8,744,300)	(9,443,494)	(9,641,355)
Operation and maintenance of facilities	(39,965,104)	(40,263,931)	(45,094,109)	(42,959,293)
Transportation	(9,404,718)	(9,613,882)	(9,543,162)	(9,022,545)
School lunch services	(18,643,034)	(21,990,249)	(22,756,762)	(22,304,140)
Community services	(13,954,715)	(16,036,280)	(14,774,146)	(14,934,127)
Interest on long-term liabilities	-	-	-	(1,281,355)
Total expenses	<u>(430,204,051)</u>	<u>(475,724,023)</u>	<u>(501,462,417)</u>	<u>(488,439,006)</u>
Program Revenues:				
Charges for services:				
Instructional services	2,174,387	13,319,053	13,290,734	14,630,732
Supporting services	1,908,203	2,037,486	2,184,825	2,821,266
School lunch services	5,226,128	5,234,813	5,131,865	4,164,925
Operating grants and contributions	106,402,208	138,267,627	145,834,845	150,681,486
Capital grants and contributions	-	-	-	151,107
Total program revenues	<u>115,710,926</u>	<u>158,858,979</u>	<u>166,442,269</u>	<u>172,449,516</u>
Net (Expense) and Changes in Net Position	<u>(314,493,125)</u>	<u>(316,865,044)</u>	<u>(335,020,148)</u>	<u>(315,989,490)</u>
General Revenue and Other Changes in Net Position:				
Property taxes	122,480,457	132,546,482	136,707,897	133,224,919
Federal and state aid not restricted to specific programs	198,463,920	205,368,598	214,392,417	188,872,801
Earnings on investments	8,789,993	8,241,020	4,412,267	2,367,634
Miscellaneous	10,211,955	5,268,377	7,241,202	3,894,500
Total general revenue and other changes in net position	<u>339,946,325</u>	<u>351,424,477</u>	<u>362,753,783</u>	<u>328,359,854</u>
Change in Net Position	25,453,200	34,559,433	27,733,635	12,370,364
Net Position - Beginning	<u>336,811,737</u>	<u>370,028,582</u>	<u>404,588,015</u>	<u>432,321,650</u>
Net Position - Ending	<u>\$ 362,264,937</u>	<u>\$ 404,588,015</u>	<u>\$ 432,321,650</u>	<u>\$ 444,692,014</u>

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 Programs Fund* on July 1, 2007 was \$7,763,645 which was previously reported as a fiduciary fund. Prior years have not been restated.

* Beginning net position as of 7/1/2014 has been restated with the implementation of GASB 68 and 71 as follows:

Beginning net position, as previously stated	\$ 471,496,366
Net pension asset	40,788
Net pension liability	(232,295,909)
Deferred outflows of resources related to pensions	24,640,562
Beginning net position, as restated	<u>\$ 263,881,807</u>

Source: District records

2011	2012	2013	2014	2015	2016
\$ (318,583,268)	\$ (297,867,401)	\$ (348,317,377)	\$ (320,423,548)	\$ (335,493,515)	\$ (355,541,828)
(18,310,997)	(18,140,134)	(19,224,610)	(19,904,590)	(19,970,557)	(21,053,440)
(16,452,790)	(15,094,205)	(15,745,255)	(16,713,385)	(14,946,518)	(15,973,484)
(3,172,168)	(3,261,574)	(3,311,703)	(3,459,222)	(3,231,125)	(3,717,258)
(25,899,389)	(26,259,590)	(26,437,244)	(28,301,884)	(29,413,760)	(31,905,955)
(9,510,994)	(9,823,667)	(10,471,785)	(10,299,162)	(9,931,181)	(12,809,149)
(39,397,257)	(48,472,612)	(53,044,065)	(55,594,893)	(57,466,624)	(58,918,567)
(9,267,172)	(10,199,851)	(11,119,258)	(10,340,619)	(9,588,698)	(11,384,960)
(27,471,654)	(24,604,691)	(25,185,316)	(28,341,452)	(27,396,939)	(29,697,433)
(14,764,773)	(15,722,329)	(224,767)	(393,701)	(6,159,773)	(7,165,894)
(3,289,197)	(7,467,967)	(7,928,415)	(7,917,255)	(7,655,679)	(7,381,897)
<u>(486,119,659)</u>	<u>(476,914,021)</u>	<u>(521,009,795)</u>	<u>(501,689,711)</u>	<u>(521,254,369)</u>	<u>(555,549,865)</u>
13,149,620	13,377,552	13,069,292	12,881,018	12,165,512	12,404,365
2,318,265	2,250,317	2,876,063	2,719,894	2,745,088	2,606,077
5,192,512	5,009,691	4,848,097	5,076,727	5,140,395	4,816,244
158,348,843	148,761,817	158,707,697	157,027,337	165,044,006	166,002,615
-	-	-	-	-	-
<u>179,009,240</u>	<u>169,399,377</u>	<u>179,501,149</u>	<u>177,704,976</u>	<u>185,095,001</u>	<u>185,829,301</u>
<u>(307,110,419)</u>	<u>(307,514,644)</u>	<u>(341,508,646)</u>	<u>(323,984,735)</u>	<u>(336,159,368)</u>	<u>(369,720,564)</u>
143,699,068	144,940,295	148,561,205	146,177,626	159,858,801	171,616,112
180,777,434	174,482,377	165,766,056	175,929,961	179,140,986	191,728,029
2,028,527	747,585	1,860,492	1,400,514	1,121,807	1,495,447
<u>3,272,190</u>	<u>6,838,674</u>	<u>4,847,631</u>	<u>5,593,161</u>	<u>10,601,168</u>	<u>8,946,738</u>
<u>329,777,219</u>	<u>327,008,931</u>	<u>321,035,384</u>	<u>329,101,262</u>	<u>350,722,762</u>	<u>373,786,326</u>
22,666,800	19,494,287	(20,473,262)	5,116,527	14,563,394	4,065,762
<u>444,692,014</u>	<u>467,358,814</u>	<u>486,853,101</u>	<u>466,379,839</u>	<u>* 263,881,807</u>	<u>** 262,245,826</u>
<u>\$ 467,358,814</u>	<u>\$ 486,853,101</u>	<u>\$ 466,379,839</u>	<u>\$ 471,496,366</u>	<u>\$ 278,445,201</u>	<u>\$ 266,311,588</u>

** Beginning net position as of 7/1/2015 has been restated with the implementation of GASB 73 and 75 as follows:

Beginning net position, as previously stated	\$ 278,445,201
Net pension asset - long-term disability	(1,703,583)
Net pension liability - long-term disability	(2,130,887)
Net pension liability - district retirement	(12,364,905)
	<u>\$ 262,245,826</u>

Granite School District
Fund Balances - Governmental Funds
 Last Ten Fiscal Years - June 30, 2007 through 2016

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General fund balance:					
Nonspendable	\$ 3,922,604	\$ 4,291,312	\$ 6,998,853	\$ 4,096,604	\$ 3,724,250
Restricted	-	-	-	-	-
Committed	53,056,649	60,064,382	68,376,060	71,528,522	66,518,121
Assigned	195,608	6,889,755	10,971,314	10,611,865	27,235,977
Unassigned	3,567,124	3,981,827	6,345,573	9,766,247	9,954,512
Total	<u>60,741,985</u>	<u>75,227,276</u>	<u>92,691,800</u>	<u>96,003,238</u>	<u>107,432,860</u>
Capital projects fund balance:					
Nonspendable	68,643	63,123	65,418	66,391	113,975
Restricted	50,172,332	54,485,251	51,801,230	139,087,750	80,055,628
Total	<u>50,240,975</u>	<u>54,548,374</u>	<u>51,866,648</u>	<u>139,154,141</u>	<u>80,169,603</u>
All other governmental fund balances:					
Nonspendable	1,056,598	1,075,100	1,309,248	824,708	690,278
Restricted	10,039,102	17,177,358	16,377,602	10,784,531	6,862,422
Committed	142,891	126,218	111,093	8,374,241	10,204,549
Assigned	364,864	428,443	481,146	379,241	-
Total	<u>11,603,455</u>	<u>18,807,119</u>	<u>18,279,089</u>	<u>20,362,721</u>	<u>17,757,249</u>
Total governmental fund balances	<u>\$ 122,586,415</u>	<u>\$ 148,582,769</u>	<u>\$ 162,837,537</u>	<u>\$ 255,520,100</u>	<u>\$ 205,359,712</u>

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

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 3,847,348	\$ 4,001,748	\$ 3,545,886	\$ 5,536,720	\$ 7,432,522
-	-	-	-	25,000
59,407,142	61,484,871	66,829,024	64,786,545	66,464,759
31,323,124	26,142,829	14,854,416	16,212,382	25,004,349
<u>9,897,564</u>	<u>7,062,256</u>	<u>7,317,576</u>	<u>7,949,448</u>	<u>8,607,147</u>
<u>104,475,178</u>	<u>98,691,704</u>	<u>92,546,902</u>	<u>94,485,095</u>	<u>107,533,777</u>
117,616	97,666	128,994	167,708	128,136
<u>81,811,179</u>	<u>19,954,153</u>	<u>10,861,991</u>	<u>18,777,282</u>	<u>18,721,959</u>
<u>81,928,795</u>	<u>20,051,819</u>	<u>10,990,985</u>	<u>18,944,990</u>	<u>18,850,095</u>
1,026,508	1,154,475	1,139,004	1,295,322	1,523,928
8,233,388	9,633,312	9,683,000	13,539,781	16,549,259
11,359,296	11,418,409	12,099,958	14,135,476	14,741,173
-	-	-	-	-
<u>20,619,192</u>	<u>22,206,196</u>	<u>22,921,962</u>	<u>28,970,579</u>	<u>32,814,360</u>
<u>\$ 207,023,165</u>	<u>\$ 140,949,719</u>	<u>\$ 126,459,849</u>	<u>\$ 142,400,664</u>	<u>\$ 159,198,232</u>

Granite School District
Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years - June 30, 2007 through 2016

	2007	2008	2009	2010
Revenues:				
Property taxes	\$ 121,739,043	\$ 131,687,338	\$ 138,095,494	\$ 134,773,196
Earnings on investments	8,786,913	8,227,906	4,410,900	2,367,634
Tuitions	1,376,547	1,635,855	1,646,362	2,225,975
School lunch sales	5,226,128	5,234,813	5,131,865	4,164,925
Student fees	-	5,094,985	5,705,941	5,319,978
Proceeds from fundraising activities	-	2,481,316	2,377,116	2,196,939
Other local	9,011,366	13,663,191	11,119,093	12,903,402
State	254,427,670	288,482,122	279,235,273	260,424,666
Federal	49,504,061	53,941,037	80,337,914	78,273,044
Total revenues	450,071,728	510,448,563	528,059,958	502,649,759
Expenditures:				
Current:				
Instructional services	239,062,959	277,489,359	296,160,837	290,027,780
Supporting services:				
Students	16,985,596	18,902,673	19,671,125	18,215,196
Instructional staff	19,347,842	19,711,431	19,042,866	16,881,822
District administration	2,903,166	2,678,068	2,795,553	2,909,550
School administration	22,361,260	24,521,494	25,817,923	25,568,334
Central	7,303,328	8,280,791	8,906,904	9,130,132
Operation and maintenance of facilities	37,158,835	40,695,887	42,737,268	40,581,482
Transportation	7,906,272	8,508,292	8,382,599	8,030,734
School lunch services	19,643,580	21,829,026	22,767,961	23,882,583
Community services	13,940,316	16,160,102	14,929,141	15,107,978
Capital outlay	41,549,919	58,940,480	56,230,944	42,928,321
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	876,503
Total expenditures	428,163,073	497,717,603	517,443,121	494,140,415
Excess (deficiency) of revenues over (under) expenditures	21,908,655	12,730,960	10,616,837	8,509,344
Other financing sources (uses):				
Proceeds from sale of capital assets	98,892	28,759	155,197	116,707
Proceeds from sale of real property	6,004,988	548,047	3,695,127	2,295,415
Capital lease proceeds	-	-	-	-
Bond proceeds	-	-	-	80,000,000
Bond premium	-	-	-	2,027,068
Refunding bonds issued	-	-	-	-
Refunded bonds escrow	-	-	-	-
Transfer to (from) internal service funds/ proprietary funds	(170,693)	(172,745)	(212,393)	(265,971)
Total other financing sources (uses)	5,933,187	404,061	3,637,931	84,173,219
Extraordinary item:				
Insurance proceeds	1,019,647	5,097,688	-	-
Net change in fund balances	28,861,489	18,232,709	14,254,768	92,682,563
Fund balances - beginning	93,724,926	130,350,060	148,582,769	162,837,537
Fund balances - ending	<u>\$ 122,586,415</u>	<u>\$ 148,582,769</u>	<u>\$ 162,837,537</u>	<u>\$ 255,520,100</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%

District Activity Programs Fund was reported as special revenue fund beginning in FY08. The fund balance of the *District Activity Programs 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.

2011	2012	2013	2014	2015	2016
\$ 141,393,902	\$ 145,264,279	\$ 149,490,678	\$ 146,112,746	\$ 160,266,514	\$ 171,539,430
2,028,527	747,585	1,860,492	1,400,514	1,121,807	1,495,447
1,921,243	1,961,552	2,013,019	1,991,572	1,766,485	1,678,513
5,192,512	5,009,691	4,848,097	5,076,727	5,140,395	4,816,244
6,105,400	6,201,669	6,399,545	6,302,516	6,697,958	6,681,888
2,294,869	2,734,829	2,581,748	2,688,214	2,540,109	2,533,430
11,358,835	11,708,175	12,212,830	12,524,333	14,429,097	15,046,878
259,520,754	257,203,373	261,025,516	274,793,224	279,594,670	294,402,906
78,835,447	64,560,913	62,666,703	58,164,074	64,143,004	63,327,738
<u>508,651,489</u>	<u>495,392,066</u>	<u>503,098,628</u>	<u>509,053,920</u>	<u>535,700,039</u>	<u>561,522,474</u>
289,764,079	286,380,238	303,094,147	310,881,752	319,970,969	325,848,605
18,265,051	18,185,870	19,177,739	19,850,939	20,538,158	20,864,748
16,410,218	15,130,458	15,898,421	16,649,551	15,431,611	15,941,286
2,807,675	2,884,608	3,042,966	3,152,450	3,394,556	3,439,511
25,868,977	26,359,396	26,386,676	28,194,855	29,877,428	31,232,278
8,982,270	9,305,637	9,387,883	9,150,691	9,780,646	10,201,607
37,798,294	47,250,856	51,964,424	54,122,795	54,752,894	53,990,705
8,326,966	9,371,995	10,247,348	9,504,264	9,112,787	8,925,593
29,034,911	24,710,050	26,753,082	27,940,153	29,528,913	29,569,025
14,773,436	15,831,020	1,189,333	1,107,853	6,308,598	6,967,171
89,298,616	133,263,686	137,959,749	31,212,298	18,097,591	27,719,313
14,220,000	10,450,000	8,545,000	8,100,000	8,330,000	6,830,000
3,703,889	6,967,129	8,304,364	8,806,546	8,604,651	8,348,550
-	799,448	405,013	500	2,500	270,000
<u>559,254,382</u>	<u>606,890,391</u>	<u>622,356,145</u>	<u>528,674,647</u>	<u>533,731,302</u>	<u>550,148,392</u>
(50,602,893)	(111,498,325)	(119,257,517)	(19,620,727)	1,968,737	11,374,082
642,036	1,245,424	762,898	890,208	4,501,810	711,226
-	-	-	-	-	-
-	223,425	-	-	-	-
-	102,925,000	48,075,000	-	-	-
-	8,876,310	4,405,323	-	-	-
-	-	-	-	-	75,400,000
-	-	-	-	-	(75,125,223)
<u>(199,531)</u>	<u>(108,381)</u>	<u>(59,150)</u>	<u>4,240,649</u>	<u>9,470,268</u>	<u>4,437,483</u>
<u>442,505</u>	<u>113,161,778</u>	<u>53,184,071</u>	<u>5,130,857</u>	<u>13,972,078</u>	<u>5,423,486</u>
-	-	-	-	-	-
(50,160,388)	1,663,453	(66,073,446)	(14,489,870)	15,940,815	16,797,568
255,520,100	205,359,712	207,023,165	140,949,719	126,459,849	142,400,664
<u>\$ 205,359,712</u>	<u>\$ 207,023,165</u>	<u>\$ 140,949,719</u>	<u>\$ 126,459,849</u>	<u>\$ 142,400,664</u>	<u>\$ 159,198,232</u>
3.66%	3.66%	3.25%	3.43%	3.25%	2.84%

Granite School District
Comparative Balance Sheets - General Fund
 Last Ten Fiscal Years - June 30, 2007 through 2016

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Assets:					
Cash and investments	\$ 70,057,105	\$ 84,799,443	\$ 113,508,241	\$ 108,654,214	\$ 131,870,229
Receivables:					
Property taxes	75,376,925	78,975,609	74,025,512	92,915,999	94,267,604
Other local	1,224,557	939,927	1,365,487	583,887	1,117,626
State	318,383	569,042	1,047,636	635,364	1,039,051
Federal	9,315,717	11,193,340	25,234,529	34,774,677	28,609,035
Inventories	3,524,537	3,884,697	6,603,979	3,814,200	3,448,713
Prepaid items	398,067	406,615	394,874	282,404	275,537
Due from other funds	-	-	73,999	632,691	-
Total assets	<u>\$ 160,215,291</u>	<u>\$ 180,768,673</u>	<u>\$ 222,254,257</u>	<u>\$ 242,293,436</u>	<u>\$ 260,627,795</u>
Liabilities:					
Accounts and contracts payable	\$ 2,153,885	\$ 2,655,747	\$ 1,955,451	\$ 1,824,520	\$ 903,812
Accrued salaries and related benefits	6,501,915	5,664,092	42,760,851	41,388,390	41,156,118
Unearned revenue:					
Local	552,222	462,271	428,051	575,676	599,954
State	14,214,833	16,422,106	10,341,017	8,641,076	9,522,950
Federal	602,907	161,895	144,249	800,654	1,281,968
Due to other funds	-	-	-	-	5,780,232
Total liabilities	<u>24,025,762</u>	<u>25,366,111</u>	<u>55,629,619</u>	<u>53,230,316</u>	<u>59,245,034</u>
Deferred Inflows of Resources:					
Property taxes levied for future year	72,754,259	76,777,006	71,414,974	91,544,790	90,890,695
Unavailable property tax revenue	<u>2,693,285</u>	<u>3,398,280</u>	<u>2,517,864</u>	<u>1,515,092</u>	<u>3,059,206</u>
Total deferred inflows of resources	<u>75,447,544</u>	<u>80,175,286</u>	<u>73,932,838</u>	<u>93,059,882</u>	<u>93,949,901</u>
Fund Balances:					
Nonspendable:					
Inventories	3,524,537	3,884,697	6,603,979	3,814,200	3,448,713
Prepaid items	398,067	406,615	394,874	282,404	275,537
Restricted for:					
Schools and scholarships	-	-	-	-	-
Committed to:					
Economic stabilization	9,500,000	12,000,000	17,000,000	20,349,243	20,419,262
Employee benefits	43,354,058	47,643,376	50,825,306	50,787,529	44,714,591
Contractual obligations	202,591	421,006	550,754	391,750	1,384,268
Assigned to:					
Success Charter School	-	-	-	-	313,776
Self insurance	-	6,000,000	9,924,400	9,517,407	14,838,733
Employee benefits	-	-	-	-	6,050,000
Planned projects	195,608	889,755	1,046,914	1,094,458	6,033,468
Textbooks	-	-	-	-	-
Unassigned	<u>3,567,124</u>	<u>3,981,827</u>	<u>6,345,573</u>	<u>9,766,247</u>	<u>9,954,512</u>
Total fund balances	<u>60,741,985</u>	<u>75,227,276</u>	<u>92,691,800</u>	<u>96,003,238</u>	<u>107,432,860</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 160,215,291</u>	<u>\$ 180,768,673</u>	<u>\$ 222,254,257</u>	<u>\$ 242,293,436</u>	<u>\$ 260,627,795</u>

Source: District records

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 138,025,909	\$ 134,844,685	\$ 120,865,657	\$ 123,816,801	\$ 138,023,093
104,050,366	104,112,081	106,659,003	122,667,773	123,821,980
1,372,009	1,519,629	1,259,112	965,401	633,474
526,134	523,513	658,359	407,702	758,439
16,162,815	16,149,504	17,859,225	15,007,012	15,836,619
3,553,368	3,669,481	3,243,980	4,078,607	4,185,935
293,980	332,267	301,906	1,458,113	3,246,587
392,125	154,633	135,752	266,561	-
<u>\$ 264,376,706</u>	<u>\$ 261,305,793</u>	<u>\$ 250,982,994</u>	<u>\$ 268,667,970</u>	<u>\$ 286,506,127</u>
\$ 757,538	\$ 1,112,408	\$ 1,228,108	\$ 851,972	\$ 860,180
42,702,387	44,968,638	40,171,266	39,340,629	40,535,833
1,054,995	1,506,997	1,214,181	873,955	1,094,820
9,439,856	8,678,669	7,436,856	6,353,051	6,971,190
1,773,650	1,955,335	1,433,119	3,991,067	3,362,473
-	-	-	-	2,203,496
<u>55,728,426</u>	<u>58,222,047</u>	<u>51,483,530</u>	<u>51,410,674</u>	<u>55,027,992</u>
101,011,881	101,786,514	104,271,195	120,376,958	121,451,152
<u>3,161,221</u>	<u>2,605,528</u>	<u>2,681,367</u>	<u>2,395,243</u>	<u>2,493,206</u>
<u>104,173,102</u>	<u>104,392,042</u>	<u>106,952,562</u>	<u>122,772,201</u>	<u>123,944,358</u>
3,553,368	3,669,481	3,243,980	4,078,607	4,185,935
293,980	332,267	301,906	1,458,113	3,246,587
-	-	-	-	25,000
20,547,753	21,811,871	22,229,221	22,824,786	23,373,393
37,336,656	38,799,309	43,001,662	41,640,633	42,726,720
1,522,733	873,691	1,598,141	321,126	364,646
-	-	-	-	-
16,123,466	12,405,824	8,561,277	8,561,277	11,122,790
6,914,504	5,451,851	1,394,806	3,143,576	6,340,453
8,285,154	8,285,154	4,898,333	4,507,529	6,973,137
-	-	-	-	567,969
<u>9,897,564</u>	<u>7,062,256</u>	<u>7,317,576</u>	<u>7,949,448</u>	<u>8,607,147</u>
<u>104,475,178</u>	<u>98,691,704</u>	<u>92,546,902</u>	<u>94,485,095</u>	<u>107,533,777</u>
<u>\$ 264,376,706</u>	<u>\$ 261,305,793</u>	<u>\$ 250,982,994</u>	<u>\$ 268,667,970</u>	<u>\$ 286,506,127</u>

Granite School District

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

Last Ten Fiscal Years - June 30, 2007 through 2016 and Proposed Budget for 2017

	2007	2008	2009	2010	2011
Revenues:					
Property taxes	\$ 73,143,714	\$ 83,775,271	\$ 87,411,731	\$ 85,068,472	\$ 91,921,843
Earnings (loss) on investments	4,307,590	4,090,444	3,221,399	1,401,278	1,204,839
Other local	7,304,079	6,823,146	6,670,218	7,855,547	7,709,658
State	246,173,062	274,717,288	271,171,606	252,412,503	251,934,781
Federal	32,846,301	36,383,144	62,370,769	58,863,351	57,305,579
Total revenue	<u>363,774,746</u>	<u>405,789,293</u>	<u>430,845,723</u>	<u>405,601,151</u>	<u>410,076,700</u>
Expenditures:					
Current:					
Instruction	238,640,958	265,252,631	283,602,781	278,180,311	278,464,936
Supporting services:					
Students	16,985,596	18,902,673	19,671,125	18,215,196	18,265,051
Instructional staff	19,347,842	19,711,431	19,042,866	16,881,822	16,410,218
District administration	2,903,166	2,678,068	2,795,553	2,909,550	2,807,675
School administration	22,361,260	24,521,494	25,817,923	25,568,334	25,868,977
Central	7,303,328	8,280,791	8,906,904	9,130,132	8,982,270
Operation and maintenance of facilities	37,158,835	40,695,887	42,737,268	40,581,482	37,798,294
Transportation	<u>7,906,272</u>	<u>8,508,292</u>	<u>8,382,599</u>	<u>8,030,734</u>	<u>8,326,966</u>
Total expenditures	<u>352,607,257</u>	<u>388,551,267</u>	<u>410,957,019</u>	<u>399,497,561</u>	<u>396,924,387</u>
Excess (deficiency) of revenues over (under) expenditures	11,167,489	17,238,026	19,888,704	6,103,590	13,152,313
Other financing sources (uses):					
Transfers in (out)	<u>978,525</u>	<u>(2,752,735)</u>	<u>(2,424,180)</u>	<u>(2,792,152)</u>	<u>(1,722,691)</u>
Net change in fund balances	12,146,014	14,485,291	17,464,524	3,311,438	11,429,622
Fund balances - beginning	<u>48,595,971</u>	<u>60,741,985</u>	<u>75,227,276</u>	<u>92,691,800</u>	<u>96,003,238</u>
Fund balances - ending	<u>\$ 60,741,985</u>	<u>\$ 75,227,276</u>	<u>\$ 92,691,800</u>	<u>\$ 96,003,238</u>	<u>\$ 107,432,860</u>

Source: District records.

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Proposed Budget 2017</u>
\$ 105,081,687	\$ 113,045,326	\$ 109,537,454	\$ 117,411,168	\$ 127,477,366	\$ 127,254,089
(46,142)	1,212,292	889,683	823,177	1,229,443	1,065,000
8,311,120	9,777,622	10,928,379	11,339,127	10,459,987	11,725,289
249,504,811	256,869,852	270,160,476	274,774,354	289,347,546	308,739,480
40,159,901	41,809,790	38,766,157	40,163,860	39,311,978	43,881,766
<u>403,011,377</u>	<u>422,714,882</u>	<u>430,282,149</u>	<u>444,511,686</u>	<u>467,826,320</u>	<u>492,665,624</u>
275,344,998	292,231,153	299,040,857	308,217,928	313,720,152	333,456,947
18,185,870	19,177,739	19,850,939	20,538,158	20,864,748	22,335,309
15,130,458	15,898,421	16,649,551	15,431,611	15,941,286	17,807,376
2,884,608	3,042,966	3,152,450	3,394,556	3,439,511	3,942,485
26,359,396	26,386,676	28,194,855	29,877,428	31,232,278	32,884,241
9,305,637	9,387,883	9,150,691	9,780,646	10,201,607	11,215,884
47,250,856	51,964,424	54,122,795	54,752,894	53,990,705	59,462,225
9,371,995	10,247,348	9,504,264	9,112,787	8,925,593	9,960,387
<u>403,833,818</u>	<u>428,336,610</u>	<u>439,666,402</u>	<u>451,106,008</u>	<u>458,315,880</u>	<u>491,064,854</u>
(822,441)	(5,621,728)	(9,384,253)	(6,594,322)	9,510,440	1,600,770
<u>(2,135,241)</u>	<u>(161,746)</u>	<u>3,239,451</u>	<u>8,532,515</u>	<u>3,538,242</u>	<u>(788,725)</u>
(2,957,682)	(5,783,474)	(6,144,802)	1,938,193	13,048,682	812,045
<u>107,432,860</u>	<u>104,475,178</u>	<u>98,691,704</u>	<u>92,546,902</u>	<u>94,485,095</u>	<u>104,637,137</u>
<u>\$ 104,475,178</u>	<u>\$ 98,691,704</u>	<u>\$ 92,546,902</u>	<u>\$ 94,485,095</u>	<u>\$ 107,533,777</u>	<u>\$ 105,449,182</u>



Revenue Capacity

Granite School District
Principal Property Tax Payers
December 31, 2015 and 2006

Taxpayer	Industry	2015			2006		
		Taxable Value*	Rank	Percent of Total Taxable Value	Taxable Value*	Rank	Percent of Total Taxable Value
Kennecott Utah Copper	Mining	\$ 1,286,639,788	1	5.52 %	\$ 1,235,638,847	1	5.82 %
Hexcel Corporation	Product Design	301,567,333	2	1.29 %	-		-
PacificCorp	Utility	245,256,333	3	1.05 %	203,328,753	2	0.96 %
Questar Gas	Utility	149,119,714	4	0.64 %	67,289,979	6	0.32 %
Alliant Techsystems Inc.	Aerospace	141,269,141	5	0.61 %			0.00 %
EOS at Millrock Park LLC	Real Estate	133,024,500	6	0.57 %	-		-
Verizon Wireless	Communications	129,989,071	7	0.56 %	106,117,799	3	0.50 %
Northern Utah Healthcare Corp.	Health Care	87,526,771	8	0.38 %	-		-
Discover Products Inc.	Consumer Lending	82,488,300	9	0.35 %	-		-
TPP 217 Taylorsville, LLC	Commercial	76,730,800	10	0.33 %	-		-
Salt Lake Newspaper Production	Journalism	-		-	77,257,747	4	0.36 %
Novus Development	Financial	-		-	58,818,900	8	0.28 %
Qwest Communications	Communications	-		-	65,824,637	7	0.31 %
Hermes Associates & LTD	Retail Shopping	-		-	69,885,900	5	0.33 %
Wal-Mart Real Estate Business	Real Estate	-		-	52,208,400	9	0.25 %
HCP/Utah LLC	Commercial	-		-	48,555,200	10	0.23 %
		<u>\$ 2,633,611,751</u>		<u>11.30 %</u>	<u>\$ 1,984,926,162</u>		<u>9.36 %</u>
Total taxable value		\$ 23,295,969,743			\$ 21,218,515,061		

* 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

Historical Summaries of Taxable Values of Property

Last Ten Tax Years - For the Tax Years Ended December 31, 2006 through 2015

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Set by State Tax Commission:				
Centrally Assessed	<u>\$ 1,565,368,137</u>	<u>\$ 1,753,741,243</u>	<u>\$ 1,952,066,864</u>	<u>\$ 1,676,842,492</u>
Set by County Assessor:				
Locally Assessed				
Real Property:				
Residential real estate-primary use	11,493,028,307	13,902,613,370	14,729,753,317	13,008,368,623
Residential real estate-not primary use	484,776,770	565,314,690	742,507,870	621,683,380
Commercial and industrial real estate	4,876,571,030	5,613,321,760	6,063,623,670	4,940,975,810
Agriculture-FAA	11,729,730	12,330,600	3,122,790	2,546,500
Unimproved non FAA	<u>1,034,410</u>	<u>914,010</u>	<u>9,959,730</u>	<u>8,714,040</u>
Total Real Property	<u>16,867,140,247</u>	<u>20,094,494,430</u>	<u>21,548,967,377</u>	<u>18,582,288,353</u>
Personal Property:				
Fee in lieu property	1,530,971,598	1,571,961,716	1,561,885,885	1,443,973,546
Mobile home-primary residential use	37,152,386	40,090,137	42,311,722	44,365,634
Mobile home-other use	1,750,357	1,512,221	2,751,923	3,002,319
Commercial and industrial property	<u>1,216,132,336</u>	<u>1,315,426,157</u>	<u>1,422,273,525</u>	<u>1,527,200,703</u>
Total Personal Property	<u>2,786,006,677</u>	<u>2,928,990,231</u>	<u>3,029,223,055</u>	<u>3,018,542,202</u>
Total Locally Assessed	<u>19,653,146,924</u>	<u>23,023,484,661</u>	<u>24,578,190,432</u>	<u>21,600,830,555</u>
Total Taxable Property	<u>\$ 21,218,515,061</u>	<u>\$ 24,777,225,904</u>	<u>\$ 26,530,257,296</u>	<u>\$ 23,277,673,047</u>

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.

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>\$ 2,029,948,798</u>	<u>\$ 2,147,557,466</u>	<u>\$ 2,318,777,740</u>	<u>\$ 1,909,724,105</u>	<u>\$ 2,020,058,045</u>	<u>\$ 1,987,554,888</u>
12,515,386,495	12,258,416,057	11,602,096,890	12,107,463,442	12,979,459,323	13,746,599,126
530,648,060	478,858,170	445,747,730	449,861,180	433,165,380	447,699,630
4,861,606,550	4,879,587,270	4,881,426,400	5,121,010,250	5,325,372,810	5,659,892,170
2,641,160	2,484,800	2,446,640	2,488,520	2,275,710	2,335,310
<u>7,432,850</u>	<u>7,716,940</u>	<u>7,338,740</u>	<u>7,679,100</u>	<u>6,538,360</u>	<u>6,681,790</u>
<u>17,917,715,115</u>	<u>17,627,063,237</u>	<u>16,939,056,400</u>	<u>17,688,502,492</u>	<u>18,746,811,583</u>	<u>19,863,208,026</u>
1,489,159,055	* 611,175,504	585,561,977	567,068,999	572,977,971	623,717,876
41,853,103	40,966,709	40,302,850	39,128,490	38,194,141	37,301,968
1,685,719	1,486,580	1,596,921	2,008,240	1,335,284	1,041,177
<u>1,454,916,023</u>	<u>1,319,166,296</u>	<u>1,310,971,049</u>	<u>1,330,178,802</u>	<u>1,387,651,899</u>	<u>1,406,863,684</u>
<u>2,987,613,900</u>	<u>1,972,795,089</u>	<u>1,938,432,797</u>	<u>1,938,384,531</u>	<u>2,000,159,295</u>	<u>2,068,924,705</u>
<u>20,905,329,015</u>	<u>19,599,858,326</u>	<u>18,877,489,197</u>	<u>19,626,887,023</u>	<u>20,746,970,878</u>	<u>21,932,132,731</u>
<u>\$ 22,935,277,813</u>	<u>\$ 21,747,415,792</u>	<u>\$ 21,196,266,937</u>	<u>\$ 21,536,611,128</u>	<u>\$ 22,767,028,923</u>	<u>\$ 23,919,687,619</u>

Granite School District
Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Years - December 31, 2006 through 2015

Tax Year	Taxable Assessed Value *				
	Residential	Industrial & Commercial	Agriculture	Personal	Total
2006	\$ 11,977,805,077	\$ 7,658,071,503	\$ 12,764,140	\$ 1,569,874,341	\$ 21,218,515,061
2007	14,467,928,060	8,682,489,160	13,244,610	1,613,564,074	24,777,225,904
2008	15,472,261,187	9,437,964,059	13,082,520	1,606,949,530	26,530,257,296
2009	13,630,052,003	8,145,019,005	11,260,540	1,491,341,499	23,277,673,047
2010	13,046,034,555	8,346,471,371	10,074,010	1,532,697,877	22,935,277,813
2011	12,737,274,227	8,346,311,032	10,201,740	653,628,793	21,747,415,792
2012	12,047,844,620	8,511,175,189	9,785,380	627,461,748	21,196,266,937
2013	12,557,324,622	8,360,913,157	10,167,620	608,205,729	21,536,611,128
2014	13,412,624,703	8,733,082,754	8,814,070	612,507,396	22,767,028,923
2015	14,194,298,756	9,054,310,742	9,017,100	662,061,021	23,919,687,619

* 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.

Total Direct Tax Rate	Estimated Actual Value (FMV)	Assessed Value as a Percentage of Actual Value
0.005828	\$ 30,652,299,264	69.22%
0.005411	36,184,966,896	68.47%
0.005316	38,616,498,368	68.70%
0.006047	36,380,507,985	63.98%
0.006434	33,209,173,404	69.06%
0.006796	31,810,547,146	68.37%
0.007166	30,721,866,724	68.99%
0.006994	31,474,731,800	68.43%
0.006831	33,417,836,303	68.13%
0.006978	35,197,424,878	67.96%

Granite School District

Direct and Overlapping Property Tax Rates

Last Ten Years - December 31, 2006 through 2015

(Rate per \$1 of assessed value)

	2006	2007	2008	2009	2010
Granite School District Rates:					
<i>General fund:</i>					
Basic state supported program for regular K-12 instruction (set by state legislature)	0.001515	0.001311	0.001250	0.001433	0.001495
Voted leeway program for regular K-12 instruction	0.001419	0.001600	0.001600	0.001600	0.001600
Board local levy (1)	-	-	-	-	-
School board leeway program for class size reduction (2)	0.000356	0.000307	0.000290	0.000333	0.000336
Board reading improvement program (2)	0.000121	0.000121	0.000121	0.000139	0.000141
Tort liability levy (2)	0.000042	0.000022	0.000021	0.000027	0.000029
10% additional basic program for textbooks and supplies (1)(2)	-	-	-	0.000249	0.000427
Student transportation (2)	0.000049	0.000022	0.000021	0.000027	0.000150
Judgment levy	-	-	0.000082	-	-
Total general fund	0.003502	0.003383	0.003385	0.003808	0.004178
<i>Capital projects fund:</i>					
Capital outlay equalization	-	-	-	0.000600	0.000600
Capital outlay for buildings and other capital needs	0.001251	0.001150	0.001071	0.000667	0.000226
10% additional basic program for construction	0.000880	0.000761	0.000740	0.000759	0.000483
Total capital projects fund	0.002131	0.001911	0.001811	0.002026	0.001309
<i>Other:</i>					
Debt service (1)	-	-	-	-	0.000761
Community recreation levy (2)	0.000195	0.000117	0.000120	0.000213	0.000186
Total other	0.000195	0.000117	0.000120	0.000213	0.000947
Total direct rate	0.005828	0.005411	0.005316	0.006047	0.006434
Overlapping Rates: (a)					
Salt Lake County, Municipal, and Library	0.002909	0.002468	0.002382	0.002756	0.003125
Salt Lake Valley Law Enforcement Service Area	-	-	-	-	-
Salt Lake Valley Fire Service Area (3)	-	-	0.001566	0.001972	0.001972
Holladay City	0.001659	0.001436	0.001312	0.001533	0.001720
South Salt Lake City	0.002857	0.002465	0.002352	0.002665	0.002729
Taylorsville City	0.001858	0.001554	0.001514	0.001690	0.001739
West Valley City	0.003700	0.003194	0.003171	0.003604	0.003644
Central Utah Water Project	0.000357	0.000302	0.000286	0.000400	0.000421
Other local taxing entities:					
Minimum	0.000054	0.000047	0.000044	0.000050	0.000050
Maximum	0.001671	0.002025	0.005850	0.002756	0.002722

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.

2011	2012	2013	2014	2015
0.001591	0.001651	0.001535	0.001419	0.001736
0.001600	0.001600	0.001600	0.001526	0.001461
-	0.002149	0.002106	0.002227	0.002169
0.000400	-	-	-	-
0.000121	-	-	-	-
0.000030	-	-	-	-
0.000968	-	-	-	-
0.000187	-	-	-	-
-	-	-	-	-
0.004897	0.005400	0.005241	0.005172	0.005366
0.000600	0.000600	0.000600	0.000600	0.000600
0.000233	0.000405	0.000392	0.000298	0.000389
-	-	-	-	-
0.000833	0.001005	0.000992	0.000898	0.000989
0.000761	0.000761	0.000761	0.000761	0.000623
0.000305	-	-	-	-
0.001066	0.000761	0.000761	0.000761	0.000623
0.006796	0.007166	0.006994	0.006831	0.006978
0.003251	0.003622	0.004101	0.003931	0.003668
-	-	-	0.002145	0.002042
0.002028	0.002079	0.002192	0.002097	0.002000
0.001767	0.001791	0.001707	0.001596	0.001528
0.002691	0.002757	0.002725	0.002572	0.002454
0.001794	0.001923	0.002104	0.001294	0.001250
0.004510	0.004837	0.004633	0.004831	0.004199
0.000436	0.000455	0.000446	0.000422	0.000405
0.000052	0.000054	0.000021	0.000020	0.000019
0.002804	0.005517	0.005349	0.005675	0.004862

Granite School District
Property Tax Levies and Collections
 Last Ten Tax Years December 31, 2006 through 2015

Tax Year	Taxes Levied *	Collections			Total Collections to Date	
		In the Year of Levy	Percentage of Levy	In Subsequent Years	Amount	Percentage of Levy
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%	4,719,543	135,936,103	96.29%
2010	146,987,818	138,228,607	94.04%	5,903,111	144,131,718	98.06%
2011	152,112,476	142,763,378	93.85%	3,554,845	146,318,223	96.19%
2012	155,812,510	145,755,394	93.55%	2,762,069	148,517,463	95.32%
2013	155,031,549	145,068,290	93.57%	2,587,439	147,655,729	95.24%
2014	160,534,210	151,171,475	94.17%	1,925,792	153,097,267	95.37%
2015	172,088,527	161,444,485	93.81%	-	161,444,485	93.81%

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

Source: District records and Salt Lake County remittance letters.

Debt Capacity

Granite School District

Legal Debt Margin Information

Last Ten Tax Years - December 31, 2006 through 2015

Tax Year	Estimated Fair Market Value	Debt Limit*	Less General Obligation Debt	Legal Debt Margin*	Percentage of Debt to Debt Limit
2006	\$ 30,652,299,264	\$ 1,226,091,971	\$ -	\$ 1,226,091,971	0.00%
2007	36,184,966,896	1,447,398,676	-	1,447,398,676	0.00%
2008	38,616,498,368	1,544,659,935	-	1,544,659,935	0.00%
2009	36,380,507,985	1,455,220,319	-	1,455,220,319	0.00%
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%
2014	33,417,836,303	1,336,713,452	201,682,484	1,135,030,969	17.77%
2015	35,197,424,878	1,407,896,995	198,536,627	1,209,360,368	16.42%

* 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, 2016 which reduced the principal balance of the general obligation debt to \$191,489,286 as of June 30, 2016. The general obligation debt includes unamortized bond premiums.

Source: District records

Granite School District

Ratios of Outstanding Debt

Last Ten Fiscal Years - June 30, 2007 through 2016

Fiscal Year	Outstanding Debt					Overlapping General Obligation Debt
	Direct					
	General Obligation Bonds	Net Bond Premiums	Lease Revenue Bonds	Capital Leases	Total	
2007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,705,633
2008	-	-	-	-	-	125,438,111
2009	-	-	-	-	-	122,632,536
2010	80,000,000	1,998,914	-	-	81,998,914	135,909,872
2011	65,780,000	1,745,530	-	-	67,525,530	126,879,494
2012	158,255,000	9,924,641	-	-	168,179,641	133,995,309
2013	197,785,000	13,464,872	-	-	211,249,872	120,465,217
2014	189,685,000	12,547,406	-	-	202,232,406	118,505,740
2015	181,355,000	11,629,941	-	-	192,984,941	100,938,960
2016	185,800,000	5,689,286	-	-	191,489,286	92,424,890

Fiscal Year	Debt As a Percentage of Taxable Value		Debt As a Percentage of Estimated Actual Value (FMV)		Debt per Personal Income*	
	Direct and Overlapping		Direct and Overlapping		Direct and Overlapping	
	Direct	Direct and Overlapping	Direct	Direct and Overlapping	Direct	Direct and Overlapping
2007	0.00%	0.58%	0.00%	0.40%	\$ -	\$ 3,289
2008	0.00%	0.51%	0.00%	0.35%	-	3,347
2009	0.00%	0.46%	0.00%	0.32%	-	3,179
2010	0.35%	0.94%	0.23%	0.60%	2,098	5,575
2011	0.29%	0.85%	0.20%	0.59%	1,647	4,742
2012	0.77%	1.39%	0.53%	0.95%	3,852	6,921
2013	1.00%	1.56%	0.69%	1.08%	4,637	7,282
2014	0.94%	1.49%	0.64%	1.02%	4,355	6,907
2015	0.85%	1.29%	0.58%	0.88%	N/A	N/A
2016	0.80%	1.19%	0.54%	0.81%	N/A	N/A

* 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.

**Total
Direct and
Overlapping**

\$ 122,705,633
125,438,111
122,632,536
217,908,786
194,405,024
302,174,950
331,715,089
320,738,146
293,923,901
283,914,176

Debt per Estimated Capita		Debt per Student**	
Direct	Direct and Overlapping	Direct	Direct and Overlapping
\$ -	\$ 3,192	\$ -	\$ 1,878
-	3,161	-	1,889
-	3,309	-	1,826
2,168	5,761	1,226	3,258
1,728	4,974	1,007	2,899
4,098	7,363	2,530	4,546
5,007	7,863	3,190	5,009
4,754	7,541	3,016	4,783
N/A	N/A	2,893	4,406
N/A	N/A	2,922	4,332

Granite School District

Debt Service Schedule of Outstanding General Obligation Bonds (Fiscal Year)

As of June 30, 2016

Year Ending June 30,	Series 2010		Series 2011		Series 2012		Series 2013	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 2,200,000	\$ 2,791,101	\$ 3,350,000	\$ 836,875	\$ 1,200,000	\$ 1,035,325	\$ 250,000	\$ 330,400
2018	2,500,000	2,681,101	3,450,000	702,875	1,300,000	1,011,325	280,000	317,900
2019	2,700,000	2,556,101	3,700,000	530,375	1,495,000	946,325	280,000	303,900
2020	3,000,000	2,444,888	3,825,000	345,375	1,565,000	871,575	280,000	289,900
2021	3,400,000	2,316,818	3,850,000	173,250	1,635,000	793,325	280,000	275,900
2022	3,750,000	2,166,572	-	-	1,705,000	711,575	380,000	261,900
2023	4,050,000	1,995,235	-	-	1,775,000	626,325	380,000	242,900
2024	4,250,000	1,806,140	-	-	1,855,000	573,075	480,000	223,900
2025	4,550,000	1,601,332	-	-	1,940,000	517,425	480,000	199,900
2026	5,100,000	1,377,518	-	-	2,030,000	459,225	530,000	175,900
2027	5,200,000	1,124,864	-	-	2,130,000	398,325	590,000	149,400
2028	5,300,000	862,056	-	-	2,225,000	334,425	630,000	122,850
2029	5,400,000	588,894	-	-	2,330,000	256,550	650,000	94,500
2030	5,700,000	305,178	-	-	2,440,000	175,000	670,000	65,250
2031	-	-	-	-	-	89,600	-	35,100
2032	-	-	-	-	2,560,000	89,600	480,000	35,100
2033	-	-	-	-	-	-	300,000	13,500
	<u>\$ 57,100,000</u>	<u>\$ 24,617,798</u>	<u>\$ 18,175,000</u>	<u>\$ 2,588,750</u>	<u>\$ 28,185,000</u>	<u>\$ 8,889,000</u>	<u>\$ 6,940,000</u>	<u>\$ 3,138,200</u>

Source: District records

Series 2016A		Total	
Principal	Interest	Principal	Interest
\$ 980,000	\$ 1,855,556	\$ 7,980,000	\$ 6,849,257
1,060,000	1,773,063	8,590,000	6,486,264
1,070,000	1,761,191	9,245,000	6,097,892
1,085,000	1,747,602	9,755,000	5,699,340
1,100,000	1,732,412	10,265,000	5,291,705
5,115,000	1,715,802	10,950,000	4,855,849
5,205,000	1,628,847	11,410,000	4,493,307
5,290,000	1,535,157	11,875,000	4,138,272
5,405,000	1,424,067	12,375,000	3,742,724
5,465,000	1,305,157	13,125,000	3,317,800
5,655,000	1,179,462	13,575,000	2,852,051
6,055,000	1,046,569	14,210,000	2,365,900
6,445,000	899,433	14,825,000	1,839,377
6,660,000	728,640	15,470,000	1,274,068
18,810,000	545,490	18,810,000	670,190
-	-	3,040,000	124,700
-	-	300,000	13,500
<u>\$ 75,400,000</u>	<u>\$ 20,878,448</u>	<u>\$ 185,800,000</u>	<u>\$ 60,112,196</u>

Granite School District

CUSIP Numbers Associated with Outstanding General Obligation Bonded Indebtedness

As of June 30, 2016

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

Payment Due June 1,	Series 2010			Series 2011			Series 2012		
	\$80,000,000 Original Par Value			\$102,925,000 Original Par Value			\$36,500,000 Original Par Value		
	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*
2017	\$ 2,200,000	5.000%	JV1	\$ 3,350,000	4.000%	KC1	\$ 1,200,000	2.000%	LA4
2018	2,500,000	5.000%	JW9	3,450,000	5.000%	KD9	1,300,000	5.000%	LB2
2019	2,700,000	4.119%	JB5	3,700,000	5.000%	KE7	1,495,000	5.000%	LC0
2020	3,000,000	4.269%	JC3	3,825,000	4.500%	KF4	1,565,000	5.000%	LD8
2021	3,400,000	4.419%	JD1	3,850,000	4.500%	KG2	1,635,000	5.000%	LE6
2022	3,750,000	4.569%	JE9	-	-	-	1,705,000	5.000%	LF3
2023	4,050,000	4.669%	JF6	-	-	-	1,775,000	3.000%	LG1
2024	4,250,000	4.819%	JG4	-	-	-	1,855,000	3.000%	LH9
2025	4,550,000	4.919%	JH2	-	-	-	1,940,000	3.000%	LJ5
2026	5,100,000	4.954%	JJ8	-	-	-	2,030,000	3.000%	LK2
2027	5,200,000	5.054%	JK5	-	-	-	2,130,000	3.000%	LL0
2028	5,300,000	5.154%	JL3	-	-	-	2,225,000	3.500%	LM8
2029	5,400,000	5.254%	JM1	-	-	-	2,330,000	3.500%	LN6
2030	5,700,000	5.354%	JN9	-	-	-	2,440,000	3.500%	LP1
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	2,560,000	3.500%	LQ9
2033	-	-	-	-	-	-	-	-	-
	<u>\$ 57,100,000</u>			<u>\$ 18,175,000</u>			<u>\$ 28,185,000</u>		

Payment Due June 1,	Series 2013			Series 2016A		
	\$11,575,000 Original Par Value			\$75,400,000 Original Par Value		
	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*
2017	\$ 250,000	5.000%	LU0	\$ 980,000	1.330%	ML9
2018	280,000	5.000%	LV8	1,060,000	1.120%	MM7
2019	280,000	5.000%	LW6	1,070,000	1.270%	MN5
2020	280,000	5.000%	LX4	1,085,000	1.400%	MP0
2021	280,000	5.000%	LY2	1,100,000	1.510%	MQ8
2022	380,000	5.000%	LZ9	5,115,000	1.700%	MR6
2023	380,000	5.000%	MA3	5,205,000	1.800%	MS4
2024	480,000	5.000%	MB1	5,290,000	2.100%	MT2
2025	480,000	5.000%	MC9	5,405,000	2.200%	MU9
2026	530,000	5.000%	MD7	5,465,000	2.300%	MV7
2027	590,000	4.500%	ME5	5,655,000	2.350%	MW5
2028	630,000	4.500%	MF2	6,055,000	2.430%	MX3
2029	650,000	4.500%	MG0	6,445,000	2.650%	MY1
2030	670,000	4.500%	MH8	6,660,000	2.750%	MZ8
2031	-	-	-	18,810,000	2.900%	NA2
2032	480,000	4.500%	MJ4	-	-	-
2033	300,000	4.500%	MK1	-	-	-
	<u>\$ 6,940,000</u>			<u>\$ 75,400,000</u>		

Source: District records

Granite School District
Direct and Overlapping General Obligation Debt
June 30, 2016

<u>Taxing Entity</u>	<u>2015 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	\$ 83,918,363,066	\$ 23,295,969,743	27.8%	\$ 181,355,000	\$ 50,344,650
CUWCD (2)	131,011,302,965	23,295,969,743	17.8%	236,649,820	<u>42,080,240</u>
				Total overlapping general obligation debt	<u>92,424,890</u>
				Total direct general obligation indebtedness of Granite School District	<u>191,489,286</u>
				Total direct and overlapping general obligation debt	<u>\$ 283,914,176</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.



Demographic & Economic Information

Granite School District
Demographic and Economic Statistics
 Last Ten Fiscal Years - June 30, 2007 through 2016

Fiscal 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
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%	1,561,759,600	29,538
2013	402,802	1,079,721	45,552,565	42,189	4.2%	1,589,472,900	29,983
2014	407,287	1,091,742	46,437,317	42,535	3.7%	1,583,876,400	30,914
2015	418,647	1,107,314	N/A	N/A	3.3%	1,868,836,000	31,202
2016	424,746	1,123,108	N/A	N/A	2.9%	1,603,083,200	32,020

* 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, 2015 and 2006

Employer	2015				2006			
	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	20,000 +	1	4.8%	9.0%	-	-	-	-
Intermountain Healthcare	15,000 - 19,999	2	4.2%	7.9%	12,500	1	3.3%	6.2%
State of Utah	10,000 - 14,999	3	3.0%	5.6%	-	-	-	-
Granite School District	7,000 - 9,999	4	2.0%	3.8%	8,000	2	2.1%	4.0%
Jordan School District	7,000 - 9,999	5	2.0%	3.8%	-	-	-	-
Salt Lake County	5,000 - 6,999	6	1.4%	2.7%	-	-	-	-
Wal-Mart	4,000 - 4,999	7	1.1%	2.0%	3,500	3	0.9%	1.7%
University of Utah Health Care	4,000 - 4,999	8	1.1%	2.0%	-	-	-	-
Canyons School District	4,000 - 4,999	9	1.1%	2.0%	-	-	-	-
Delta Airlines	3,000 - 3,999	10	0.8%	1.6%	-	-	-	-
Novus (Discover Card)	-	-	-	-	3,500	4	0.9%	1.7%
Smith's Food Stores	-	-	-	-	2,500	5	0.7%	1.2%
Salt Lake Community College	-	-	-	-	2,500	6	0.7%	1.2%
Convergys	-	-	-	-	2,500	7	0.7%	1.2%
L3 Communications Corp.	-	-	-	-	2,500	8	0.7%	1.2%
Teleperformance USA	-	-	-	-	2,500	9	0.7%	1.2%
Qwest Corp.	-	-	-	-	2,500	10	0.7%	1.2%
Totals	<u>79,000 - 80,991</u>		<u>19.9%</u>	<u>40.5%</u>	<u>42,500</u>		<u>11.7%</u>	<u>21.1%</u>

* 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

Operating Information

Granite School District
History of High School Graduates
 Last Ten School Years - School Years 2007 through 2016

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Totals</u>
Cottonwood	386	372	391	407	417	418	408	403	374	365	3,941
Cyprus	261	335	382	363	397	336	373	392	471	458	3,768
Granger	293	330	351	321	363	372	348	486	501	613	3,978
Granite	80	47	75	-	-	-	-	-	-	-	202
Hunter	473	521	520	513	573	523	549	600	575	592	5,439
Kearns	364	367	417	407	399	379	359	402	403	415	3,912
Olympus	404	391	426	433	400	434	433	487	448	482	4,338
Skyline	449	439	429	417	439	435	465	440	490	442	4,445
Taylorville	502	454	516	503	486	459	511	480	456	526	4,893
Special Programs	<u>579</u>	<u>140</u>	<u>367</u>	<u>295</u>	<u>207</u>	<u>305</u>	<u>287</u>	<u>255</u>	<u>163</u>	<u>225</u>	<u>2,823</u>
Total	<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>3,881</u>	<u>4,118</u>	<u>37,739</u>

Source: District records

Granite School District
Full-Time Equivalents by Functional Category
 Last Ten Fiscal Years - June 30, 2007 through 2016

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instructional services	3,267.19	3,338.22	3,366.74	3,339.24	3,330.43	3,289.49
Supporting services:						
Students	233.32	245.51	238.21	230.95	230.28	233.15
Instructional staff	134.25	130.00	125.43	125.03	124.53	114.92
District administration	14.75	13.75	13.75	14.25	13.75	14.25
School administration	276.08	273.03	277.67	270.70	267.95	274.13
Central	102.75	101.00	101.00	99.00	97.50	97.50
Operation and maintenance of facilities	370.26	381.33	384.08	365.08	330.36	433.50
Transportation	126.15	126.15	126.60	120.24	118.05	119.86
School lunch services	120.78	134.43	139.03	130.69	125.94	116.46
Community services	118.80	112.03	114.03	100.60	99.19	121.86
Capital outlay	<u>90.99</u>	<u>84.92</u>	<u>82.92</u>	<u>80.92</u>	<u>96.64</u>	<u>2.00</u>
Total full-time equivalents	<u>4,855.32</u>	<u>4,940.37</u>	<u>4,969.46</u>	<u>4,876.70</u>	<u>4,834.62</u>	<u>4,817.12</u>

Source: District records

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
3,367.47	3,324.66	3,378.68	3,384.19
241.37	241.61	247.52	248.19
125.07	118.79	113.96	118.37
14.27	14.25	14.30	14.30
266.00	269.00	277.50	282.50
91.10	88.10	88.10	90.50
457.90	469.10	469.50	473.50
120.85	120.86	121.84	123.38
115.61	116.86	120.11	118.71
11.00	14.00	12.00	13.00
<u>2.00</u>	<u>2.00</u>	<u>-</u>	<u>-</u>
<u><u>4,812.64</u></u>	<u><u>4,779.23</u></u>	<u><u>4,843.51</u></u>	<u><u>4,866.64</u></u>

Granite School District
Expenses by Function-Statement of Activities
Last Ten Fiscal Years - June 30, 2007 through 2016

Function	2007	2008	2009	2010	2011
Instruction	\$ 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%
Support services:					
Students	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%
Instructional staff	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%
District administration	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%
School administration	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%
Central	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%
Operation and maintenance of facilities	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%
Transportation	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%
School lunch services	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%
Community services	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%
Interest on long-term liabilities	- 0.00%	- 0.00%	- 0.00%	1,281,355 0.26%	3,289,197 0.68%
Total expenses	<u>\$ 430,204,051</u>	<u>\$ 475,724,023</u>	<u>\$ 501,462,417</u>	<u>\$ 488,439,006</u>	<u>\$ 486,119,659</u>
Average daily membership	65,335	66,411	67,159	66,883	67,050
Average expenses per pupil	\$6,585	\$7,163	\$7,467	\$7,303	\$7,250

Source: District records.

2012	2013	2014	2015	2016
\$ 297,867,401 62.46%	\$ 348,317,377 66.85%	\$ 320,423,548 63.87%	\$ 335,493,515 64.36%	\$ 355,541,828 64.00%
18,140,134 3.80%	19,224,610 3.69%	19,904,590 3.97%	19,970,557 3.83%	21,053,440 3.79%
15,094,205 3.16%	15,745,255 3.02%	16,713,385 3.33%	14,946,518 2.87%	15,973,484 2.88%
3,261,574 0.68%	3,311,703 0.64%	3,459,222 0.69%	3,231,125 0.62%	3,717,258 0.67%
26,259,590 5.51%	26,437,244 5.07%	28,301,884 5.64%	29,413,760 5.64%	31,905,955 5.74%
9,823,667 2.06%	10,471,785 2.01%	10,299,162 2.05%	9,931,181 1.91%	12,809,149 2.31%
48,472,612 10.16%	53,044,065 10.18%	55,594,893 11.08%	57,466,624 11.02%	58,918,567 10.61%
10,199,851 2.14%	11,119,258 2.13%	10,340,619 2.06%	9,588,698 1.84%	11,384,960 2.05%
24,604,691 5.16%	25,185,316 4.83%	28,341,452 5.65%	27,396,939 5.26%	29,697,433 5.35%
15,722,329 3.30%	224,767 0.04%	393,701 0.08%	6,159,773 1.18%	7,165,894 1.29%
7,467,967 1.57%	7,928,415 1.52%	7,917,255 1.58%	7,655,679 1.47%	7,381,897 1.33%
<u>\$ 476,914,021</u>	<u>\$ 521,009,795</u>	<u>\$ 501,689,711</u>	<u>\$ 521,254,369</u>	<u>\$ 555,549,865</u>
66,465	66,229	67,055	66,717	65,537
\$7,175	\$7,867	\$7,482	\$7,813	\$8,477

Granite School District
Expenses by Function Per Pupil-Statement of Activities
 Last Ten Fiscal Years - June 30, 2007 through 2016

Function	2007	2008	2009	2010	2011
Instruction	\$ 4,214 64.01%	\$ 4,699 65.59%	\$ 4,926 65.96%	\$ 4,837 66.24%	\$ 4,752 65.54%
Support services:					
Students	274 4.16%	289 4.03%	300 4.01%	277 3.79%	273 3.77%
Instructional staff	308 4.67%	300 4.19%	289 3.87%	256 3.51%	245 3.38%
District administration	50 0.76%	45 0.63%	47 0.63%	48 0.66%	47 0.65%
School administration	360 5.47%	375 5.23%	394 5.27%	388 5.31%	386 5.33%
Central	124 1.88%	132 1.84%	141 1.88%	144 1.97%	142 1.96%
Operation and maintenance of facilities	612 9.29%	606 8.46%	671 8.99%	642 8.80%	588 8.10%
Transportation	144 2.19%	145 2.02%	142 1.90%	135 1.85%	138 1.91%
School lunch services	285 4.33%	331 4.62%	339 4.54%	333 4.57%	410 5.65%
Community services	214 3.24%	241 3.37%	220 2.95%	223 3.06%	220 3.04%
Interest on long-term liabilities	- 0.00%	- 0.00%	- 0.00%	19 0.26%	49 0.68%
Total expenses	<u>\$ 6,585</u>	<u>\$ 7,163</u>	<u>\$ 7,467</u>	<u>\$ 7,303</u>	<u>\$ 7,250</u>
Average daily membership	65,335	66,411	67,159	66,883	67,050

Source: District records

2012	2013	2014	2015	2016
\$ 4,482 62.46%	\$ 5,259 66.85%	\$ 4,779 63.87%	\$ 5,029 64.36%	\$ 5,425 64.00%
273 3.80%	290 3.69%	297 3.97%	299 3.83%	321 3.79%
227 3.16%	238 3.02%	249 3.33%	224 2.87%	244 2.88%
49 0.68%	50 0.64%	52 0.69%	48 0.62%	57 0.67%
395 5.51%	399 5.07%	422 5.64%	441 5.64%	487 5.74%
148 2.06%	158 2.01%	154 2.05%	149 1.91%	195 2.31%
729 10.16%	801 10.18%	829 11.08%	861 11.02%	899 10.61%
153 2.14%	168 2.13%	154 2.06%	144 1.84%	174 2.05%
370 5.16%	380 4.83%	423 5.65%	411 5.26%	453 5.35%
237 3.30%	3 0.04%	6 0.08%	92 1.18%	109 1.29%
112 1.57%	120 1.52%	118 1.58%	115 1.47%	113 1.33%
<u>\$ 7,175</u>	<u>\$ 7,867</u>	<u>\$ 7,482</u>	<u>\$ 7,813</u>	<u>\$ 8,477</u>
66,465	66,229	67,055	66,717	65,537

Granite School District
Expenditures by Function- *General Fund*
 Last Ten Fiscal Years - June 30, 2007 through 2016

Function	2007	2008	2009	2010	2011
Instruction	\$ 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%
Support services:					
Students	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%
Instructional staff	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%
District administration	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%
School administration	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%
Central	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%
Operation and maintenance of facilities	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%
Transportation	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%
Total expenditures	<u>\$ 352,607,257</u>	<u>\$ 388,551,267</u>	<u>\$ 410,957,019</u>	<u>\$ 399,497,561</u>	<u>\$ 396,924,387</u>
Average daily membership	65,335	66,411	67,159	66,883	67,050
Average expenditures per pupil	\$5,397	\$5,851	\$6,119	\$5,973	\$5,920

Source: District records

2012	2013	2014	2015	2016
\$ 275,344,998 68.18%	\$ 292,231,153 68.22%	\$ 299,040,857 68.02%	\$ 308,217,928 68.32%	\$ 313,720,152 68.45%
18,185,870 4.50%	19,177,739 4.48%	19,850,939 4.52%	20,538,158 4.55%	20,864,748 4.55%
15,130,458 3.75%	15,898,421 3.71%	16,649,551 3.79%	15,431,611 3.42%	15,941,286 3.48%
2,884,608 0.71%	3,042,966 0.71%	3,152,450 0.72%	3,394,556 0.75%	3,439,511 0.75%
26,359,396 6.53%	26,386,676 6.16%	28,194,855 6.41%	29,877,428 6.62%	31,232,278 6.81%
9,305,637 2.30%	9,387,883 2.19%	9,150,691 2.08%	9,780,646 2.17%	10,201,607 2.23%
47,250,856 11.70%	51,964,424 12.13%	54,122,795 12.31%	54,752,894 12.14%	53,990,705 11.78%
9,371,995 2.32%	10,247,348 2.39%	9,504,264 2.16%	9,112,787 2.02%	8,925,593 1.95%
<u>\$ 403,833,818</u>	<u>\$ 428,336,610</u>	<u>\$ 439,666,402</u>	<u>\$ 451,106,008</u>	<u>\$ 458,315,880</u>
66,465	66,229	67,055	66,717	65,537
\$6,076	\$6,468	\$6,557	\$6,761	\$6,993

Granite School District
Expenditures by Function Per Pupil- *General Fund*
 Last Ten Fiscal Years - June 30, 2007 through 2016

Function	2007	2008	2009	2010	2011	2012	2013
Instruction	\$ 3,653 67.68%	\$ 3,995 68.27%	\$ 4,223 69.01%	\$ 4,158 69.63%	\$ 4,154 70.16%	\$ 4,143 68.18%	\$ 4,412 68.22%
Support services:							
Students	260 4.82%	284 4.86%	293 4.79%	272 4.56%	272 4.60%	273 4.50%	290 4.48%
Instructional staff	296 5.49%	297 5.07%	283 4.63%	253 4.23%	244 4.13%	228 3.75%	240 3.71%
District administration	44 0.82%	40 0.69%	42 0.68%	44 0.73%	42 0.71%	43 0.71%	46 0.71%
School administration	342 6.34%	369 6.31%	384 6.28%	382 6.40%	386 6.52%	397 6.53%	398 6.16%
Central	112 2.07%	125 2.13%	133 2.17%	137 2.29%	134 2.26%	140 2.30%	142 2.19%
Operation and maintenance of facilities	569 10.54%	613 10.47%	636 10.40%	607 10.16%	564 9.52%	711 11.70%	785 12.13%
Transportation	121 2.24%	128 2.19%	125 2.04%	120 2.01%	124 2.10%	141 2.32%	155 2.39%
Total expenditures	<u>\$ 5,397</u>	<u>\$ 5,851</u>	<u>\$ 6,119</u>	<u>\$ 5,973</u>	<u>\$ 5,920</u>	<u>\$ 6,076</u>	<u>\$ 6,468</u>
Average daily membership	65,335	66,411	67,159	66,883	67,050	66,465	66,229

Source: District records

<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 4,460 68.02%	\$ 4,618 68.32%	\$ 4,788 68.45%
296 4.52%	308 4.55%	318 4.55%
249 3.79%	231 3.42%	243 3.48%
47 0.72%	51 0.75%	52 0.75%
420 6.41%	448 6.62%	476 6.81%
136 2.08%	147 2.17%	156 2.23%
807 12.31%	821 12.14%	824 11.78%
142 2.16%	137 2.02%	136 1.95%
<u>\$ 6,557</u>	<u>\$ 6,761</u>	<u>\$ 6,993</u>
67,055	66,717	65,537

Granite School District

Capital Asset Information

Last Ten Fiscal Years - June 30, 2007 through 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Buildings:										
Elementary:										
Number	61	60	60	60	61	62	62	63	63	63
Square feet	3,318,443	3,466,479	3,466,479	3,466,479	3,571,273	3,723,340	3,723,340	3,873,402	3,873,402	3,873,402
Capacity	42,986	43,686	43,686	43,686	44,145	45,684	45,684	46,872	46,872	46,872
Enrollment	36,733	36,681	37,398	37,792	38,312	38,102	38,042	38,336	42,545	37,432
Middle Schools:										
Number	16	16	16	16	16	16	16	16	16	15
Square feet	2,172,202	2,172,202	2,373,826	2,373,826	2,373,826	2,373,826	2,373,826	2,373,826	2,373,826	2,248,693
Capacity	20,871	20,871	20,871	20,871	20,871	20,871	20,871	20,871	20,871	19,602
Enrollment	15,052	14,769	14,811	14,661	14,925	14,917	15,179	14,363	13,528	12,848
High Schools:										
Number	9	9	9	9	8	8	8	8	8	8
Square feet	2,558,940	2,558,940	2,558,940	2,558,940	2,428,502	2,428,502	2,428,502	2,704,094	2,704,094	2,829,227
Capacity	19,404	19,404	19,404	19,404	18,228	18,228	18,228	19,236	19,236	20,505
Enrollment	13,465	12,796	12,885	13,783	13,945	13,528	13,466	14,483	15,255	15,757
Special Schools:										
Number	4	4	4	4	4	4	6	6	6	6
Square feet	343,046	343,046	343,046	343,046	343,046	343,046	477,885	477,885	477,885	477,885
Capacity *										
Enrollment	1,049	1,089	1,317	1,244	1,248	503	844	382	823	1,785
Other Buildings:										
Number	9	12	12	12	12	12	17	15	14	13
Square Feet	672,848	772,905	772,905	772,905	772,905	817,087	741,232	634,479	585,150	537,052
Total School Buildings:	90	89	89	89	89	90	92	93	93	92
Square Feet	8,392,631	8,540,667	8,742,291	8,742,291	8,716,647	8,868,714	9,003,553	9,429,207	9,429,207	9,429,207
Capacity	83,261	83,961	83,961	83,961	83,244	84,783	84,783	86,979	86,979	86,979
Enrollment	66,299	65,335	66,411	67,480	68,430	67,050	67,531	67,564	72,151	67,822
Acres of Land	1,360.7	1,387.1	1,391.1	1,391.1	1,401.0	1,419.2	1,518.3	1,485.8	1,470.5	1,443.3
Number of Portables	233	237	236	237	235	232	246	255	256	258
Number of Vehicles	650	657	663	672	699	672	703	705	707	713

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

Source: District records

Granite School District

Teacher Compensation Data

Last Ten Fiscal Years - June 30, 2007 through 2016

Fiscal Year	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
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	46,075	23,450	69,525	74,028
2015	33,806	66,485	46,356	24,840	71,196	76,664
2016	34,990	68,977	A	A	A	A

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

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

A) The 2016 numbers were not available when this schedule was prepared.

Granite School District

Nutrition Services - Facts and Figures

Last Ten Fiscal Years - June 30, 2007 through 2016

	2007	2008	2009	2010	2011	2012
Participating schools:						
Lunch	89	89	88	89	90	89
Breakfast	62	64	66	66	67	69
Student lunches served:						
Free	2,779,610	2,834,800	3,225,994	3,605,136	3,999,613	3,899,803
Reduced	822,256	758,814	797,596	738,015	600,159	674,960
Fully paid	<u>2,639,345</u>	<u>2,658,545</u>	<u>2,648,693</u>	<u>2,468,014</u>	<u>2,443,213</u>	<u>2,374,965</u>
Total	<u>6,241,211</u>	<u>6,252,159</u>	<u>6,672,283</u>	<u>6,811,165</u>	<u>7,042,985</u>	<u>6,949,728</u>
Student breakfasts served:						
Free	900,229	936,232	1,106,993	1,242,399	1,388,333	1,349,266
Reduced	162,008	152,341	164,062	144,604	117,269	137,451
Fully paid	<u>231,244</u>	<u>239,521</u>	<u>231,488</u>	<u>211,012</u>	<u>213,687</u>	<u>219,917</u>
Total	<u>1,293,481</u>	<u>1,328,094</u>	<u>1,502,543</u>	<u>1,598,015</u>	<u>1,719,289</u>	<u>1,706,634</u>
Student dinners served:						
Free	-	-	-	-	-	-
Percentage of free/reduced/fully paid lunch:						
Free	44.54%	45.34%	48.35%	52.93%	56.79%	56.11%
Reduced	13.17%	12.14%	11.95%	10.84%	8.52%	9.71%
Fully paid	42.29%	42.52%	39.70%	36.23%	34.69%	34.17%
Percentage of free/reduced fully paid breakfast:						
Free	69.60%	70.49%	73.67%	77.75%	80.75%	79.06%
Reduced	12.52%	11.47%	10.92%	9.05%	6.82%	8.05%
Fully paid	17.88%	18.03%	15.41%	13.20%	12.43%	12.89%
Average daily participation:						
Lunch	33,823	35,275	37,852	38,921	39,791	39,487
Breakfast	6,748	7,290	8,016	9,132	9,715	9,697
Dinner	-	-	-	-	-	-
Average daily membership	65,335	66,411	67,159	66,883	67,050	66,465
Percentage participating in school lunch/breakfast						
Lunch	51.77%	53.12%	56.36%	58.19%	59.35%	59.41%
Breakfast	10.33%	10.98%	11.94%	13.65%	14.49%	14.59%

Source: District records

2013	2014	2015	2016
97	104	103	102
73	77	82	82
3,857,384	4,188,624	4,113,400	4,132,230
640,014	664,534	690,340	663,791
<u>2,157,488</u>	<u>2,234,041</u>	<u>2,232,415</u>	<u>2,284,802</u>
<u>6,654,886</u>	<u>7,087,199</u>	<u>7,036,155</u>	<u>7,080,823</u>
2,643,404	1,314,999	1,531,911	2,128,873
130,558	142,838	169,619	289,266
<u>210,901</u>	<u>233,110</u>	<u>301,930</u>	<u>779,495</u>
<u>2,984,863</u>	<u>1,690,947</u>	<u>2,003,460</u>	<u>3,197,634</u>
-	-	16,142	83,340
57.96%	59.10%	58.46%	58.36%
9.62%	9.38%	9.81%	9.37%
32.42%	31.52%	31.73%	32.27%
88.56%	77.77%	76.46%	66.58%
4.37%	8.45%	8.47%	9.05%
7.07%	13.79%	15.07%	24.38%
37,598	40,041	39,752	40,005
16,864	9,553	11,319	18,066
-	-	91	471
66,229	67,055	66,717	65,537
56.77%	59.71%	59.58%	61.04%
25.46%	14.25%	16.97%	27.57%

Granite School District

Average Daily Membership vs. Average Daily Attendance

Last Ten Fiscal Years - June 30, 2007 through 2016

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Average Daily Attendance</u>	<u>Ratio of ADA to ADM</u>
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%
2015	66,717	65,173	97.69%
2016	65,537	62,537	95.42%

Source: District records

Granite School District

Students per Instructional Staff

Last Ten Fiscal Years - June 30, 2007 through 2016

<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>
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
2015	66,717	3,379	19.75
2016	65,537	3,384	19.37

Source: District records



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