



2016-17

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ending June 30, 2017

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
June 30, 2017**

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
Brian Ipson, Accountant**

GRANITE SCHOOL DISTRICT

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Section I

Introductory



Letter of Transmittal

November 30, 2017

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, 2017. 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, 2017 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.

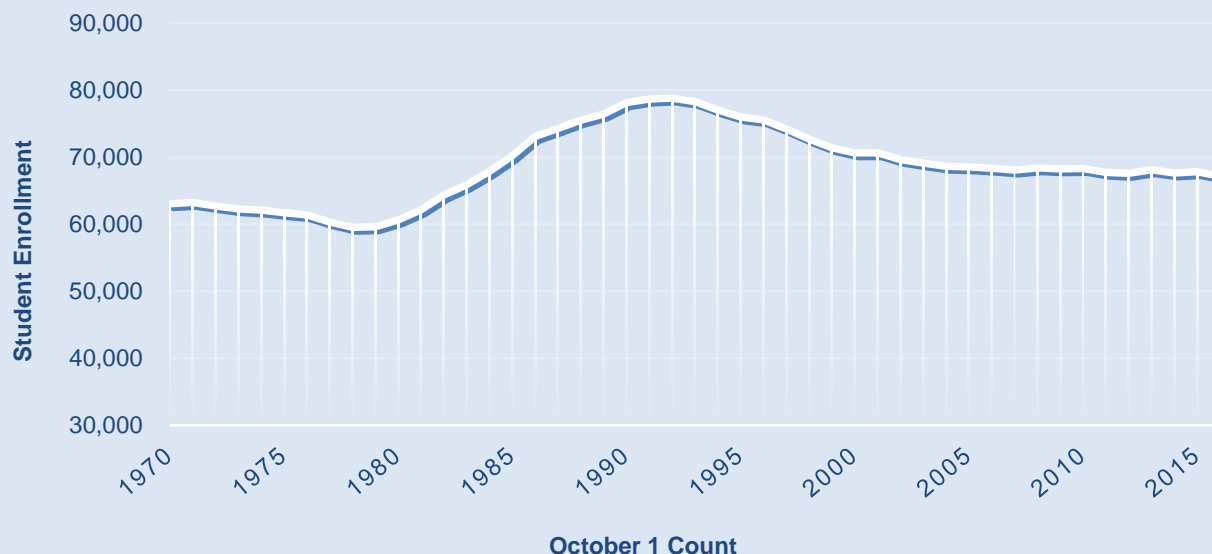
The level at which expenditures may not exceed appropriations has been interpreted by the State Superintendent of Public Instruction to be the total budgeted expenditures of a given fund. Therefore, as a matter of practicality, the budget of the District is usually amended only once each year when the 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,

STUDENT FALL ENROLLMENT HISTORY THROUGH OCTOBER 1, 2016



2016, student enrollment was 67,177, which is 645 less 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 constructed, 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 2017 Economic Report to the Governor, economic growth in the state of Utah outperformed consensus expectations in 2016 with an estimated 3.6 percent year-over job growth rate and a 49,500 job increase. This growth rate was nearly the same as that experienced in 2015, outperforming analysts' expectations for a slight slow-down in 2016. 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:

- Utah's employment growth rate during 2016 far outpaced the national average. A healthy

level of employment growth, close to the state's long-term average of 3.1 percent, is expected during 2017. This, combined with low unemployment, will continue to support healthy wage growth in the state.

- Commercial and residential construction is expected to remain at healthy levels during 2017 as developers respond to strong market fundamentals and in-migration to the state. The total value of new residential construction is expected to increase by 14 percent in 2017 and reach \$4.45 billion while new commercial construction is expected to decrease but continue solid levels of activity compared to the annual average since 2000.
- 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. With the addition of a north concourse, the project is now worth \$2.9 billion and is expected to add more than \$30 million per month into the state economy during 2017.

The consensus forecast calls for an economy with continued moderate, healthy growth during 2017. Low motor-fuel prices, strong consumer spending, demographic advantages, new construction, and possible favorable federal fiscal policy changes all provide potential benefits to the state economy during 2017. Economists forecast net in-migration, above average job and wage growth, low unemployment, and low levels of inflation in 2017. Utah's economy should 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 amount spent on public education in the state. Utah's tax burden has reached its lowest level in the past 20 years. Over

this time span, Utah's K-12 education funding effort (the amount spent per \$1,000 of personal income) has decreased from 7th highest in the nation to 37th. Overall, public education in the state has borne the burden of lower taxes. 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 few years. Time will tell if this is a more concerted effort to increase funding over the long-term.

Demographically, Utah experienced the highest growth rate in the nation during 2016 at 2.0%. It is expected that Utah will continue to experience population growth at a rate higher than most states in 2017. Annual changes in population are comprised of two components: natural increase and net migration. In 2016, Utah had a natural increase of 33,128, which accounted for 58% of Utah's population growth and net in-migration of 24,274, or 42% of the total population increase. For 2017, the natural increase is anticipated to add approximately 36,000 people and in-migration is projected to further accelerate, adding approximately 32,000 people. 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 (67,465 for 2017, 67,784 for 2018, 67,755 for 2019, 67,652 for 2020, and 67,946 for 2021). 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 4.0 percent rate in 2016, which is significantly higher than the national PCI growth rate but is a slight decrease from last year's Utah PCI growth rate. Utah's personal income is expected to continue to grow strongly in the next few years, albeit somewhat more slowly than the robust growth of the last couple years. This is mostly due to the strong employment growth, low unemployment, and labor shortages in high-skilled sectors.

The District has also seen a shift in economic demographics over the past 10 years. The number of

free or reduced lunches served as a percentage of total lunches served has risen from 57.5% in 2008 to 67.3% in 2017. This presents both 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.

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, 2017 is \$182.7 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 November 16, 2017. The District was awarded a prime AAA rating from FitchRatings and a high grade Aa1 rating from Moody's Investors Service. It is worth noting that ratings from both FitchRatings and Moody's Investors Service are backed by the state's ratings of AAA and Aaa, respectively. This is indicative of the financial condition of Utah as a whole.

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, as well as compensated absences, with required components actuarially determined at the end of the 2016-17 fiscal year, is \$45.1 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 unexpected events endangering

these benefits. In addition, the District set aside \$8.4 million specifically anticipating fluctuations in the actuarial calculations associated with these benefits.

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, 2016. 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, 2016. 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

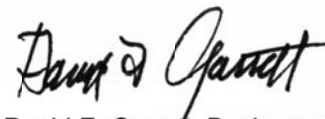
The preparation of this report on a timely basis could not have been performed without the efficient and dedicated employees in all of the business departments. Special appreciation is expressed to Chris Lewis, Charlotte Bacon, and Brian Ipson of the Accounting Services Department, where the major portion 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, 2017

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, 2017	December, 2020
Connie Burgess, Member District III	January, 2003	January, 2015	December, 2018
Gayleen Gandy, Member District VII	January, 2007	January, 2015	December, 2018
Todd Zenger, Member District I	January, 2017	January, 2017	December, 2020
Carrie Johnson, Member District IV	January, 2017	January, 2017	December, 2020
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, 2017	December, 2018

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, 2016

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Granite School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



ADMINISTRATION 2017

BOARD of EDUCATION

Superintendent of Schools

Dr. Martin W. Bates

Communications Office

Ben Horsley

Human Resources

Donnette McNeill-Waters

Policy & Legal Services

Doug Larson

Superintendent's Office

Granite Education Foundation

Brent Severe

Granite School District Police

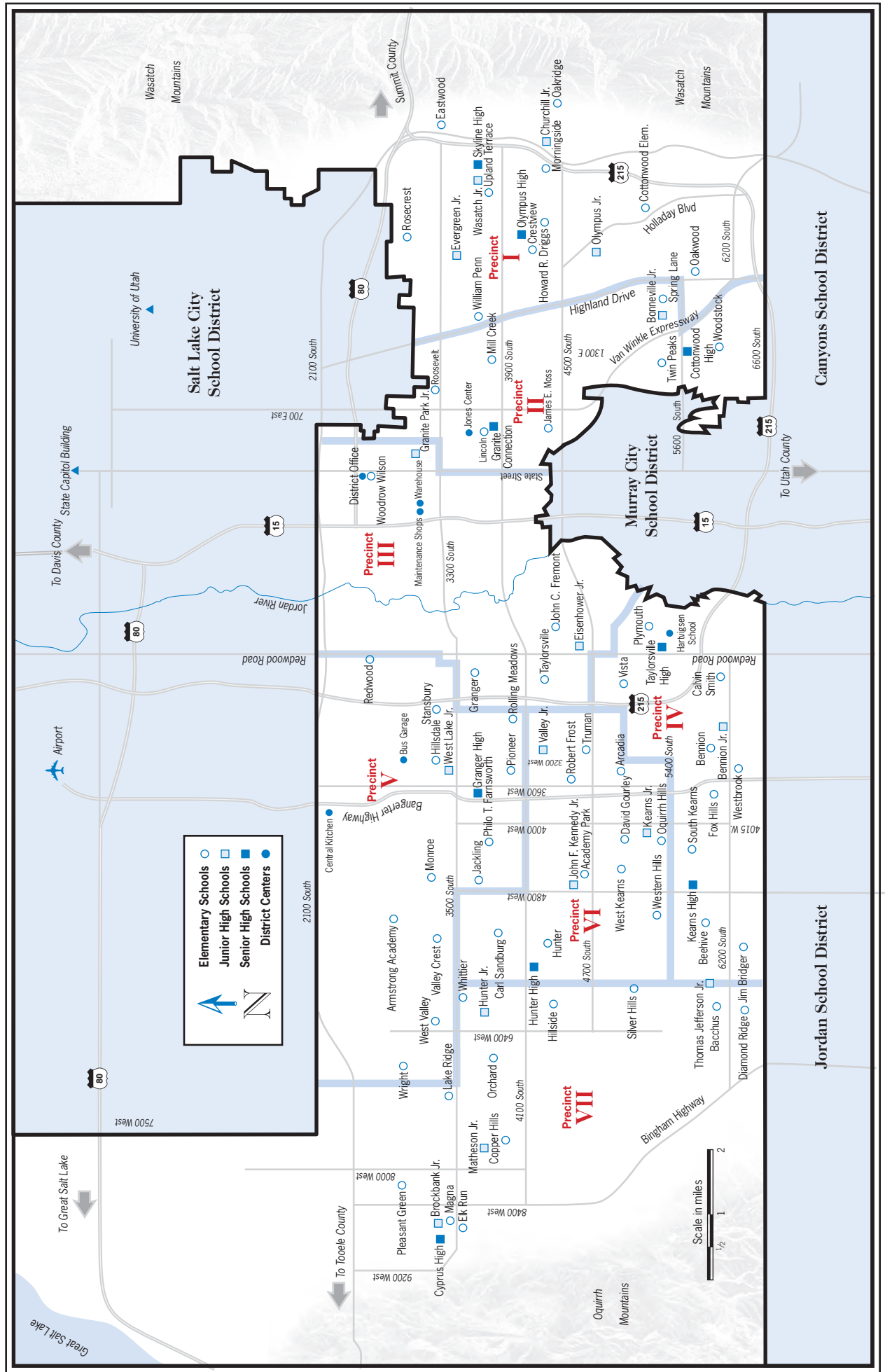
Randy Porter



Granite School District Schools

63 Elementary School Principals - 15 Junior High School Principals - 9 Senior High School Principals

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, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The combining and individual fund statements and schedules are the responsibility of management and were derived from and 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, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Agui & Company, PC

Orem, Utah
November 30, 2017



Management's Discussion & Analysis

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, 2017. 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 assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$262.0 million (*net position*). This represents a \$4.3 million decrease from the prior year and is the result of a combination of several factors which are described below in the section titled, 'Government-wide Financial Analysis'.
- Included in the District's \$262.0 million net position is a portion called *unrestricted net position*, which has a deficit balance of (\$87.8) million, a decreased of \$3.3 million from (\$91.1) million the prior year. This 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). Since 2010, the District's, as well as all other participants' required contributions to URS were increased so that over time, the obligations will become fully funded. As progress is made toward that goal, the District's deficit unrestricted net position will be eliminated and its required contributions to URS are expected to be reduced.
- At the close of the current fiscal year, the District's governmental funds reported combined fund balances of \$169.1 million, an increase of \$9.9 million in comparison with the prior year. Approximately 5.3% of this amount (\$9.0 million) is available for spending at the District's discretion (*unassigned fund balance*).

- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$109.6 million, or approximately 23.2% of total general fund expenditures.
- At the close of the current fiscal year, the District's total outstanding long-term debt was \$498.3 million. Of that amount, the largest portions consisted of the net pension liability associated with the Utah Retirement Systems of \$254.8 million (51.1%), general obligation bonds and associated premiums payable of \$182.7 million (36.7%), and other employee benefit obligations of \$45.1 million (9.1%).
- With regard to the \$45.1 million other employee benefit obligations, the District has committed sufficient fund balance to fund 100% of the liability for these obligations as well as an additional 20% set aside to cover future unexpected changes in the actuarial calculation of those liabilities.

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 unpaid employee benefit obligations). 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 25 and 26.

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 27 to 31.

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 32 to 34.

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 property taxes and differentiates between those collected to fund current operations from future year operations.
- Note 4 describes the nature of assistance the District receives from the federal and state government.
- Note 5 explains the District's interfund balances and activity for the year.
- Note 6 describes the District's general exposure to risk and how it manages that risk.
- Note 7 explains property and equipment of the District including depreciation and net carrying amounts.
- Note 8 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 9 provides the same type of information as Note 8, but for the District retirement plan.

- Note 10 describes the District's long-term disability benefit plans.
- Note 11 explains the District's early retirement incentive program.
- Note 12 provides information on the District's self-insured plans and the associated liabilities associated with each.
- Note 13 provides a summary of the District's general long-term liabilities and activity for the year.
- Note 14 provides a summary and description of two significant events that occurred subsequent to June 30, 2017 but that were known prior to the issuance of this report.
- Note 15 explains the construction and other commitments of the District.

The notes to the basic financial statements can be found on pages 35 to 60.

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 61 to 64 of this report with notes to required supplementary information following on page 65.

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 68 to 82 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 \$262.0 million at June 30, 2017.

GRANITE SCHOOL DISTRICT Statement of Net Position (in millions of dollars)			
	Governmental Activities		
	2017	2016	Change 2017-16
Current and other assets	\$ 439.6	\$ 403.0	\$ 36.6
Capital assets	491.7	511.8	(20.1)
Total assets	931.3	914.8	16.5
Deferred outflows of resources	111.2	101.6	9.6
Other liabilities	61.0	59.0	2.0
Long-term liabilities	498.3	501.1	(2.8)
Total liabilities	559.3	560.1	(0.8)
Deferred inflows of resources	221.2	190.0	31.2
Net position:			
Net investment in capital assets	315.3	321.0	(5.7)
Restricted	34.5	36.4	(1.9)
Unrestricted	(87.8)	(91.1)	3.3
Total net position	\$ 262.0	\$ 266.3	\$ (\$4.3)

When looking at net position itself, there are three classifications; *net investment in capital assets*, *restricted*, and *unrestricted*.

As is typical of a school district, at the end of the current fiscal year, the largest portion of the District's net position is classified as *net investment in capital assets*. The \$315.3 million (120.3% of total net position) reflects the District's investment in capital assets (primarily land and buildings but also includes equipment, and vehicles) net of depreciation, less any related outstanding debt that was used to acquire those assets. The District uses these capital assets to provide educational services to students. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (\$34.5 million, or 13.2%) is classified as *restricted* and represents resources that are subject to external restrictions on how they may be used.

The District's *unrestricted net position* is in a deficit position of (\$87.8) million as of June 30, 2017. 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.

As of the end of the current fiscal year, the District experienced the following changes to other sections on the Statement of Net Position:

- Cash and investments, part of *current and other assets*, increased \$13.4 million. Of that amount, \$4.2 million is attributable to fewer outstanding checks on June 30, 2017 compared to the prior year, which is indicative of a timing difference rather than operational, and \$9.2 million is attributable to a higher investment balance due to increased accumulated investment earnings combined with higher property tax collections.
- Property taxes receivable, part of *current and other assets*, increased \$18.8 million and an offsetting deferred inflows related to property taxes levied for future years, part of *deferred inflows of resources*, increased \$20.0 million. Both increases are directly attributable to an increase in the amount of property taxes assessed on January 1, 2017 for the upcoming 2017-18 fiscal year compared to those assessed on January 1, 2016 for the then upcoming 2016-17 fiscal year. This increase in taxes assessed is the result of an increase of \$1.8 billion in taxable value of property within the district and an increase in the tax rate per \$1 of taxable value from 0.006481 to 0.006788.
- Other receivables included in *current and other assets* increased \$4.2 million due to the sale of the closed Granite High School property.
- Capital assets, reported net of depreciation, decreased \$20.9 million which is attributable to a

decrease in buildings and improvements caused by a higher rate of depreciation compared to additions for the year combined with the removal of fully depreciated buildings on the site of the closed Granite High School associated with the sale of the site.

- Deferred outflows related to pensions increased \$10.0 million as a result of an increase in the District's share of the deferred outflows of resources related to pensions reported by the Utah Retirement System. This increase is primarily attributable to the increase caused by changes in actuarial assumptions offset by a decrease in the net difference between projected and actual earnings on pension plan investments.
- Long-term liabilities were \$498.3 million (which was 89.1% of all liabilities), representing a decrease of \$2.8 million. This decrease is attributable to an \$8.8 million pay down on the general obligation bonds and associated premium payable offset by a \$6.0 million increase in employee related obligations.
- Deferred inflows related to pensions increased \$11.2 million as a result of an increase in the District's share of the deferred inflows of resources related to pensions reported by the Utah Retirement System. This increase is primarily attributable to the decrease in the net difference between projected and actual earnings on pension plan investments.

Governmental Activities

The \$4.3 million decrease in net position can also be analyzed from an operational standpoint. The following list highlights some of the key changes in revenues and expenses during the year compared to the prior year:

- Operating grants and contributions grants and contributions restricted to specific programs increased by \$8.5 million over the previous year. This increase was primarily attributable to concerted efforts to increase grant revenue through competitive application.
- Property tax revenue decreased by \$5.3 million from the prior year. Contributing to this decrease was a property tax judgment requiring the District to return \$3.8 million in

property tax revenue associated with a property that was contested in the courts for over ten years. Rather than issue a judgment levy as authorized in statute, the District elected to cover the return of revenue using one-time reserves. Another large swing in property tax revenue was a \$3.6 million decrease in the levy that generates resources for capital projects.

- Federal and state grants not restricted to specific programs increased by \$5.9 million over the previous year. This increase was primarily attributable to an increase in the

GRANITE SCHOOL DISTRICT Changes in Net Position (in millions of dollars)			
	Governmental Activities		
			Change
	2017	2016	2017-2016
Revenues:			
Program revenues:			
Charges for services	\$ 19.4	\$ 19.8	\$ (0.4)
Operating grants and contributions	174.5	166.0	8.5
General revenues:			
Property taxes	166.3	171.6	(5.3)
Federal and state grants not restricted to specific purposes	197.6	191.7	5.9
Earnings on investments	2.8	1.5	1.3
Gain on sale of capital assets	5.0	0.6	4.4
Miscellaneous	7.5	8.4	(0.9)
Total revenues	573.1	559.6	13.5
Expenses:			
Instructional services	369.4	355.5	13.9
Supporting services:			
Students	22.2	21.1	1.1
Instructional staff	16.7	16.0	0.7
District administration	4.0	3.7	0.3
School administration	33.3	31.9	1.4
Central	13.2	12.8	0.4
Operation and maintenance of facilities	62.9	58.9	4.0
Transportation	10.6	11.4	(0.8)
School lunch services	33.0	29.7	3.3
Community services	5.9	7.1	(1.2)
Interest on long-term liabilities	6.2	7.4	(1.2)
Total expenses	577.4	555.5	21.9
Increase in net position	(4.3)	4.1	(8.4)
Net position - beginning	266.3	262.2	4.1
Net position - ending	\$ 262.0	\$ 266.3	\$ (4.3)

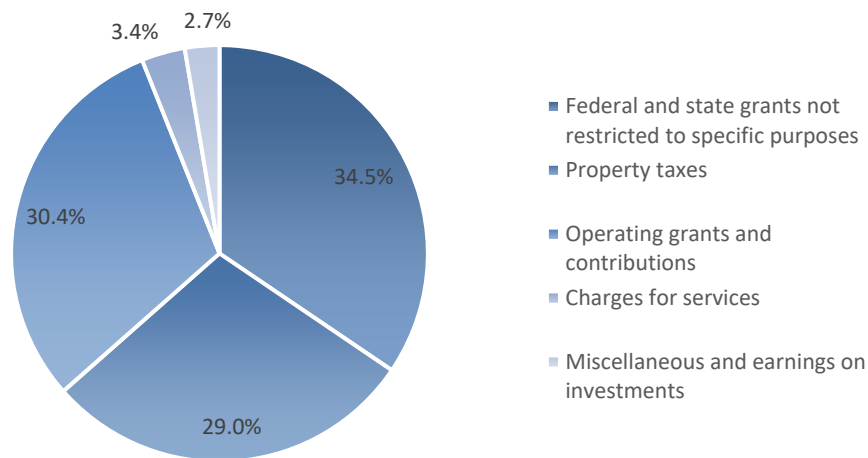
state-supported property tax guarantee programs for the voted and board local levies. The state guarantees a certain amount of revenue generated by the weighted pupil unit provided the District levies property tax above a defined floor.

- Gain on sale of capital assets increased by \$4.4 million as a result of the sale of land

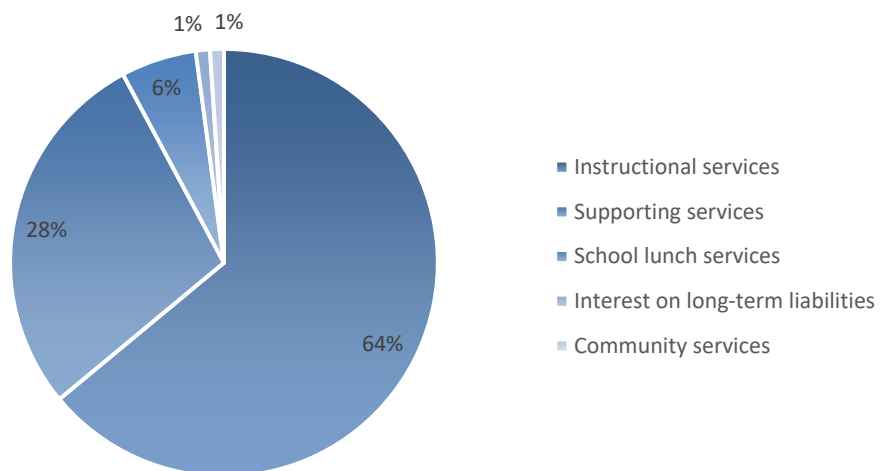
surrounding the closed Granite High School property.

- Overall expenses increased by \$21.8 million over the previous year primarily due to 1) \$13.8 million more being spent on instructional services and 2) \$7.1 million more being spent on supporting services.

Revenues by Source Year Ended June 30, 2017



Expenses by Function Year Ended June 30, 2017



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, liabilities, and deferred outflows/inflows of resources 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, 2017, the District's combined governmental fund balances increased by a net \$9.9 million during the year ended June 30, 2017 to \$169.1 million (\$8.8 million in nonspendable, \$35.3 million in restricted, \$85.3 million in committed, \$30.6 million in assigned, and \$9.0 million in unassigned fund balances). The primary factors for the increase are:

- State funding increased by \$11.9 million due to the state guarantees on the voted and board local levies.

- Federal funding increased by \$2.9 million due increased efforts to enhance grant revenue through competitive application.
- Proceeds from the sale of assets increased \$1.5 million as a result of the sale of land.
- Offsetting the increases in revenue is a \$7.2 increase in instructional expenses.

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 negligible \$0.1 million during the year ended June 30, 2017 to \$5.6 million. There were no significant operational changes in these funds.

General Fund Budgetary Highlights

The Board revised the 2017 budget during the year. Budget amendments reflected changes in programs and related funding.

Final budgeted revenues were \$0.7 million or 0.1% higher than original estimates. The change was primarily attributable to a modest bump in budgeted earnings on investments.

The difference between the original budget and the final amended budget for total expenditures was a decrease of \$4.4 million or 0.9% in total expenditures. The most significant differences are a \$3.0 million decrease in instructional services caused by state program funding that has been carried over to 2017-18 and a \$1.9 million decline in contributions to employee pensions due to newer employees.

Actual expenditures were \$15.4 million less than the final amended budget. The decrease is due primarily to a \$10.2 million decrease in instructional services caused by federal program funding that has been carried over to 2017-18.

The District did not overspend its legal spending authority for the year ending June 30, 2017.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$491.7 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 \$20.1 million, or 3.9%. Additional information on the District's capital assets can be found in Note 7 to the basic financial statements.

GRANITE SCHOOL DISTRICT Capital Assets (net of accumulated depreciation, in millions of dollars)			
	2017	2016	Change 2017-16
Land	\$ 40.0	\$ 38.5	\$ 1.5
Construction in progress	4.0	4.8	(0.8)
Buildings and improvements	413.6	433.4	(19.8)
Land improvements	16.0	17.7	(1.7)
Vehicles	7.6	6.7	0.9
Furniture and equipment	10.5	10.7	(0.2)
Total capital assets	<u>\$491.7</u>	<u>\$511.8</u>	<u>\$ (20.1)</u>

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, 2017, the District had two significant construction projects carried as construction in progress: 1) Interior remodeling at Cottonwood High estimated at \$2.9 million when finished, and 2) New freezer at the District's central kitchen estimated at \$1.4 million when finished. Both projects are expected to be completed in 2018.

Debt Administration

The District had \$182.7 million in 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 unused legal debt capacity was \$1,332.2 million at December 31, 2016. Additional information on the District's outstanding obligations can be found in Note 13 to the basic financial statements.

Conditions with Expected Future Impact

Long-term Capital Plan

On November 7, 2017, voters in the District authorized the issuance of \$238.0 million in general obligation bonds as a major component of the District's long-term capital plan. The bonds will be issued over the next several years to rebuild 13 schools and renovate 17 more. The District is already in the planning stages for the first issuance to rebuild two high schools. Additional information on this bond authorization can be found in Note 14 to the basic financial statements.

Bond Issuance and Advance Refunding

On November 21, 2017, the District issued the last \$25.0 million in general obligation bonds authorized by voters in 2009. At the same time, the District used a crossover refunding to advance refund \$46.7 million of outstanding general obligation Build America Bonds by issuing \$42.2 million in new bonds at lower interest rates resulting in an economic gain of \$2.0 million. Additional information on this bond issuance and advance refunding can be found in Note 14 to the basic financial statements.

Requests for Information

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

Government-wide Financial Statements

GRANITE SCHOOL DISTRICT**Statement of Net Position**

June 30, 2017

	Governmental Activities
Assets:	
Cash and investments	\$ 221,871,595
Receivables:	
Property taxes	183,920,943
Other local	5,076,817
State	5,614,501
Federal	14,291,061
Prepaid items	4,021,861
Inventories	4,845,490
Capital assets:	
Land, construction in progress, and water stock	44,108,323
Other capital assets, net of accumulated depreciation	447,581,023
Total assets	931,331,614
Deferred outflows of resources:	
Related to pensions	105,584,998
Bond refunding	5,585,275
Total deferred outflows of resources	111,170,273
Liabilities:	
Accounts and contracts payable	4,536,379
Accrued interest	405,744
Accrued salaries and related benefits	41,790,472
Unearned revenue:	
Local	2,100,607
State	7,391,913
Federal	4,778,832
Long-term liabilities:	
Portion due or payable within one year	24,991,267
Portion due or payable after one year	473,292,788
Total liabilities	559,288,002
Deferred inflows of resources:	
Related to pensions	39,264,131
Property taxes levied for future year	181,903,176
Total deferred inflows of resources	221,167,307
Net position:	
Net investment in capital assets	315,291,774
Restricted for:	
Capital projects	20,276,450
Debt service	862,780
Schools and scholarships	749,698
School lunch	12,659,512
Unrestricted	(87,793,636)
Total net position	\$ 262,046,578

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

GRANITE SCHOOL DISTRICT

Statement of Activities

Year Ended June 30, 2017

Activities or Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Governmental activities:				
Instructional services	\$ 369,346,099	\$ 12,208,260	\$ 119,589,364	\$ (237,548,475)
Supporting services:				
Students	22,186,753	-	8,235,359	(13,951,394)
Instructional staff	16,686,210	200,717	5,600,742	(10,884,751)
District administration	3,970,098	-	139,582	(3,830,516)
School administration	33,272,812	-	2,268,213	(31,004,599)
Central	13,243,357	-	34,896	(13,208,461)
Operation and maintenance of facilities	62,909,891	1,836,430	558,329	(60,515,132)
Transportation	10,571,801	443,133	8,340,045	(1,788,623)
School lunch services	33,023,155	4,676,126	29,711,408	1,364,379
Community services	5,949,531	-	-	(5,949,531)
Interest on long-term liabilities	6,157,330	-	-	(6,157,330)
Total school district	\$ 577,317,037	\$ 19,364,666	\$ 174,477,938	(383,474,433)
General revenues:				
Property taxes levied for:				
Basic state supported program (set by state legislature)				41,769,988
Voted local				34,039,424
Board local				50,448,172
Capital outlay				19,825,159
Debt service				15,535,942
Incremental taxes				4,636,541
Total property taxes				166,255,226
Federal and state grants not restricted to specific programs				197,613,921
Earnings on investments				2,791,032
Gain on sale of capital assets				5,024,208
Miscellaneous				7,525,036
Total general revenues				379,209,423
Change in net position				(4,265,010)
Net position - beginning				266,311,588
Net position - ending				\$ 262,046,578

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, 2017

	Major Funds		Other	Total
	General	Capital Projects	Governmental Funds	Governmental Funds
Assets:				
Cash and investments	\$ 151,820,222	\$ 18,431,165	\$ 30,486,616	\$ 200,738,003
Receivables:				
Property taxes	139,432,561	20,856,299	23,632,083	183,920,943
Other local	1,087,085	3,725,606	22,508	4,835,199
State	3,485,354	-	2,129,147	5,614,501
Federal	13,940,913	-	280,515	14,221,428
Inventories	3,105,577	-	1,708,936	4,814,513
Prepaid items	3,763,826	255,349	893	4,020,068
Due from other funds	-	-	2,150,047	2,150,047
Total assets	\$ 316,635,538	\$ 43,268,419	\$ 60,410,745	\$ 420,314,702
Liabilities:				
Accounts and contracts payable	\$ 3,007,004	\$ 1,249,938	\$ 273,860	\$ 4,530,802
Accrued salaries and related benefits	40,986,798	2,190	800,334	41,789,322
Unearned revenue:				
Local	1,772,063	328,544	-	2,100,607
State	7,391,913	-	-	7,391,913
Federal	4,778,832	-	-	4,778,832
Due to other funds	2,173,301	-	-	2,173,301
Total liabilities	60,109,911	1,580,672	1,074,194	62,764,777
Deferred inflows of resources:				
Unavailable proceeds from property sales	-	3,695,663	-	3,695,663
Property taxes levied for future year	137,928,210	20,631,279	23,343,687	181,903,176
Unavailable property tax revenue	2,125,845	317,983	360,700	2,804,528
Total deferred inflows of resources	140,054,055	24,644,925	23,704,387	188,403,367
Fund balances:				
Nonspendable:				
Inventories	3,105,577	-	1,708,936	4,814,513
Prepaid items	3,763,826	255,349	893	4,020,068
Restricted for:				
Capital projects	-	16,787,473	-	16,787,473
Debt service	-	-	940,161	940,161
Schools and scholarships	25,000	-	724,698	749,698
School lunch	-	-	16,867,362	16,867,362
Committed to:				
Economic stabilization	24,335,589	-	-	24,335,589
Employee benefits	45,032,069	-	-	45,032,069
Contractual obligations	562,190	-	-	562,190
District activity programs	-	-	13,298,934	13,298,934
Foundation	-	-	2,091,180	2,091,180
Assigned to:				
Self insurance	11,413,984	-	-	11,413,984
Employee benefits	8,433,741	-	-	8,433,741
Planned projects	7,889,506	-	-	7,889,506
Textbooks	2,889,186	-	-	2,889,186
Unassigned	9,020,904	-	-	9,020,904
Total fund balances	116,471,572	17,042,822	35,632,164	169,146,558
Total liabilities, deferred inflows of resources, and fund balances	\$ 316,635,538	\$ 43,268,419	\$ 60,410,745	\$ 420,314,702

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, 2017

Total fund balances for governmental funds \$ 169,146,558

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	\$ 40,026,236	
Construction in progress	4,048,866	
Water stock	33,221	
Buildings and improvements, net of \$373,176,730 accumulated depreciation	413,692,433	
Land improvements, net of \$29,911,455 accumulated depreciation	16,019,004	
Vehicles, net of \$19,744,627 accumulated depreciation	7,359,473	
Furniture and equipment, net of \$33,301,782 accumulated depreciation	10,292,128	491,471,361

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 proceeds from property sales	3,695,663	
Unavailable property tax revenue	2,804,528	
Unavailable interest subsidies on Build America Bonds	69,633	6,569,824

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:

5,605,329

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	(177,820,000)	
Unamortized bond premiums	(4,880,754)	
Compensated absences payable	(4,526,476)	
Early retirement compensation and insurance payable	(24,193,608)	
Total pension liability - district retirement plan	(14,535,981)	
Total OPEB liability - long-term disability plans	(1,776,004)	
Net pension liability - state retirement plans	(254,398,634)	
Accrued interest	(405,744)	
Deferred outflows of resources - related to pensions	105,403,430	
Deferred outflows of resources - refunded bonds	5,585,275	
Deferred inflows of resources - related to pensions	(39,197,998)	(410,746,494)

Total net position of governmental activities \$ 262,046,578

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, 2017

	Major Funds		Other	Total
	General	Capital Projects	Governmental Funds	Governmental Funds
Revenues:				
Property taxes	\$ 126,659,775	\$ 19,888,312	\$ 15,585,431	\$ 162,133,518
Incremental taxes	-	-	4,636,541	4,636,541
Earnings on investments	2,045,330	210,198	535,504	2,791,032
Other local	11,296,442	459,009	17,730,405	29,485,856
State	300,483,592	681,374	5,103,941	306,268,907
Federal	40,833,618	832,905	24,608,667	66,275,190
Total revenues	481,318,757	22,071,798	68,200,489	571,591,044
Expenditures:				
Current:				
Instructional services	319,976,784	2,001,102	12,032,407	334,010,293
Supporting services:				
Students	21,608,738	-	-	21,608,738
Instructional staff	16,462,417	6,113	-	16,468,530
District administration	3,879,652	32,067	-	3,911,719
School administration	31,915,921	4,583	-	31,920,504
Central	10,451,478	1,816,031	-	12,267,509
Operation and maintenance of facilities	57,355,321	1,433,028	-	58,788,349
Transportation	9,652,879	-	-	9,652,879
School lunch services	-	-	33,393,262	33,393,262
Community services	-	-	5,943,884	5,943,884
Debt service:				
Principal	-	-	7,980,000	7,980,000
Interest	-	-	6,849,257	6,849,257
Paying agent fees	-	-	2,500	2,500
Capital outlay	-	20,755,574	-	20,755,574
Total expenditures	471,303,190	26,048,498	66,201,310	563,552,998
Excess (deficiency) of revenues over (under) expenditures	10,015,567	(3,976,700)	1,999,179	8,038,046
Other financing sources (uses):				
Proceeds from sale of capital assets	3,350	2,169,427	-	2,172,777
Transfers in	-	-	818,625	818,625
Transfers (out)	(1,081,122)	-	-	(1,081,122)
Total other financing sources (uses)	(1,077,772)	2,169,427	818,625	1,910,280
Net change in fund balances	8,937,795	(1,807,273)	2,817,804	9,948,326
Fund balances - beginning	107,533,777	18,850,095	32,814,360	159,198,232
Fund balances - ending	\$ 116,471,572	\$ 17,042,822	\$ 35,632,164	\$ 169,146,558

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, 2017

Net change in fund balances for total governmental funds **\$ 9,948,326**

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	\$ 15,292,227	
Gain on sale of capital assets	5,024,208	
Proceeds from sale of capital assets	(2,172,777)	
Depreciation expense	<u>(34,556,476)</u>	(16,412,818)

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	(514,833)
Unavailable interest subsidy on Build America Bonds	(452,238)

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	7,980,000	
Amortization of bond premium	808,532	
Interest expense	<u>(114,105)</u>	8,674,427

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	(1,247,671)	
Early retirement compensation and insurance expense	(2,430,420)	
Long-term disability insurance expense	(98,663)	
District retirement expense	435,644	
Pension expense	<u>(2,097,245)</u>	(5,438,355)

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.

(69,519)

Change in net position of governmental activities **\$ (4,265,010)**

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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Property taxes	\$ 127,254,089	\$ 127,782,554	\$ 126,659,775	\$ (1,122,779)
Earnings on investments	1,065,000	2,067,920	2,045,330	(22,590)
Other local	11,725,289	11,689,253	11,296,442	(392,811)
State	308,739,480	301,481,732	300,483,592	(998,140)
Federal	43,881,766	50,330,593	40,833,618	(9,496,975)
Total revenues	492,665,624	493,352,052	481,318,757	(12,033,295)
Expenditures:				
Current:				
Instructional services	333,456,947	330,200,553	319,976,784	10,223,769
Supporting services:				
Students	22,335,309	24,138,306	21,608,738	2,529,568
Instructional staff	17,807,376	17,444,173	16,462,417	981,756
District administration	3,942,485	3,991,206	3,879,652	111,554
School administration	32,884,241	31,926,720	31,915,921	10,799
Central	11,215,884	11,068,100	10,451,478	616,622
Operation and maintenance of facilities	59,462,225	58,372,067	57,355,321	1,016,746
Transportation	9,960,387	9,570,663	9,652,879	(82,216)
Total expenditures	491,064,854	486,711,788	471,303,190	15,408,598
Excess of revenues over expenditures	1,600,770	6,640,264	10,015,567	3,375,303
Other financing (uses):				
Transfers (out)	(788,725)	(1,044,428)	(1,081,122)	(36,694)
Proceeds from sale of capital assets	-	-	3,350	3,350
Total other financing (uses)	(788,725)	(1,044,428)	(1,077,772)	(33,344)
Net change in fund balances	812,045	5,595,836	8,937,795	3,341,959
Fund balances - beginning	104,637,137	107,533,777	107,533,777	-
Fund balances - ending	\$ 105,449,182	\$ 113,129,613	\$ 116,471,572	\$ 3,341,959

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, 2017

	Governmental Activities - Internal Service Funds
Assets:	
Current assets:	
Cash and investments	\$ 21,133,592
Accounts receivable - other local	241,618
Prepaid items	1,793
Inventories	30,977
Due from other funds	23,254
Total current assets	21,431,234
Noncurrent assets:	
Capital assets:	
Equipment	730,422
Accumulated depreciation	(512,437)
Total noncurrent assets	217,985
Total assets	21,649,219
Deferred outflows of resources:	
Related to pensions	181,568
Liabilities:	
Current liabilities:	
Accounts payable	5,577
Accrued salaries and related benefits	1,150
Health and accident claims payable	14,234,467
Dental claims payable	407,975
Workers compensation claims payable	957,440
Unemployment claims payable	18,871
Total current liabilities	15,625,480
Noncurrent liabilities:	
Workers compensation payable	19,540
Net pension liability	514,305
Total noncurrent liabilities	533,845
Total liabilities	16,159,325
Deferred inflows of resources:	
Related to pensions	66,133
Net position:	
Investment in capital assets	217,985
Unrestricted	5,387,344
Total net position	\$ 5,605,329

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, 2017

	Governmental Activities - Internal Service Funds
Operating revenues:	
Charges for services	\$ 68,983,573
Operating expenses:	
Salaries	458,018
Employee benefits	243,080
Medical and prescription claims	60,945,006
Dental claims	1,524,547
Medical administrative fees	2,930,416
ACA fees	316,251
Medical reinsurance premiums	1,427,131
Workers compensation claims	1,083,259
Unemployment claims	40,846
Purchased services	179,272
Supplies and materials	104,534
Depreciation	63,229
Total operating expenses	69,315,589
Operating (loss)	(332,016)
Nonoperating revenues (expenses):	
Transfers in	262,497
Change in net position	(69,519)
Net position - beginning	5,674,848
Net position - ending	\$ 5,605,329

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, 2017

	Governmental Activities - Internal Service Funds
Cash flows from operating activities:	
Receipts from interfund services provided	\$ 68,982,682
Receipts of assessments to other funds	(60,639)
Payments to employees	(697,460)
Payments to suppliers for goods and services	(249,141)
Payments for medical fees and insurance claims	(66,548,653)
Net cash provided by operating activities	1,426,789
Cash flows from noncapital financing activities:	
Transfers in from other funds	262,497
Net cash provided by noncapital financing activities	262,497
Cash flows from capital and related financing activities:	
Purchase of capital assets	(79,179)
Net change in cash and cash equivalents	1,610,107
Cash and cash equivalents - beginning	19,523,485
Cash and cash equivalents - ending*	\$ 21,133,592

* 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)	\$ (332,016)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:	
Non cash item - depreciation	63,229
(Increase) decrease in operating assets:	
Accounts receivable - other local	(891)
Prepaid items	971
Inventories	1,737
Due from other funds	(23,254)
Net pension asset	19
(Increase) decrease in deferred outflows of resources	(12,986)
Increase (decrease) in operating liabilities:	
Accounts payable	(277)
Due to other funds	(37,385)
Accrued salaries and related benefits	(56)
Health and accident insurance payable	1,892,790
Dental insurance payable	21,920
Workers compensation payable	(177,438)
Unemployment insurance payable	(18,469)
Net pension liability	32,234
Increase (decrease) in deferred inflows of resources	16,661
Total adjustments	1,758,805
Net cash provided by operating activities	\$ 1,426,789
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 fourteen 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. The Foundation issues a publicly available financial report that can be obtained by writing Granite Education Foundation, 2500 S State Street, Salt Lake City, Utah 84115 or visiting the website: granitekids.org.

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, 2017 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, 2017.
- 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, 2017 were approved by the Board on or before June 14, 2017.
- 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, 2017 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, early retirement, District retirement, and other postemployment benefits (OPEB) obligations and unpaid compensated absences.
- 3) Contractual obligations made by the District before June 30, 2017 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 restricted 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, District Retirement, and Other Postemployment Benefit (OPEB) Plans

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.

For purposes of measuring the total district retirement liability and the total OPEB liability and related expenses, the District recognizes benefit payments when due and payable in accordance with benefit terms. The total district retirement liability and the total OPEB liability are actuarially determined amounts.

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) changes of assumptions in the measurement of the net pension liability (asset), 2) net difference between projected and actual earnings on pension plan investments, 3) changes in proportion and differences between District contributions and proportionate share of contributions, and 4) District contributions subsequent to the measurement date of December 31, 2016.
- Deferred outflows of resources related to OPEB – includes 1) differences between expected and actual experience and 2) changes of assumptions or other inputs.

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 arises only under a modified accrual basis of accounting and is reported in the governmental funds balance sheet; this item is deferred and recognized as an inflow of resources in the period that the amount becomes available:

- Unavailable property tax revenue – consists of uncollected, delinquent property taxes.

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, 2017 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), 3) net difference between projected and actual earnings on pension plan investments, and 4) changes in proportion and differences between District contributions and proportionate share of contributions.

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

- Deferred inflows of resources related to OPEB – includes differences between expected and actual experience.

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, 2017, as shown on the financial statements is summarized as follows:

Carrying amount of deposits	\$ 8,946,766
Carrying amount of investments	212,924,829
Total cash and investments	<u>\$ 221,871,595</u>
Governmental funds cash and investments	\$ 200,738,003
Internal service funds cash and investments	21,133,592
Statement of net position cash and investments	<u>\$ 221,871,595</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:

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

A) Deposits:

At June 30, 2017, the District and the Foundation have the following deposits with financial institutions:

	Carrying Amount	Bank Balance	Amount Insured
Granite School District	\$ 8,491,665	\$ 12,165,451	\$ 781,267
Granite Education Foundation	455,101	465,492	268,598
Total deposits	<u>\$ 8,946,766</u>	<u>\$ 12,630,943</u>	<u>\$ 1,049,865</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 and the Foundation do not have a formal deposit policy for custodial credit risk. At June 30, 2017, \$11,581,078 of the District's and the Foundation's bank deposits were uninsured and uncollateralized.

B) Investments:

At June 30, 2017, the District and the Foundation have the following investments summarized by investment type and maturities:

Investment Type	Fair Value	Investment Maturity (in Years)			
		< 1	1-5	5-10	> 10
Granite School District:					
Utah Public Treasurers'					
Investment Fund (PTIF)	\$ 210,500,331	\$ 210,500,331	\$ -	\$ -	\$ -
Granite Education Foundation,					
a special revenue fund:					
Mutual funds investing in:					
Money market deposits	20,192	20,192	-	-	-
Bonds	520,931	-	-	520,931	-
U.S. common stocks	583,125	583,125	-	-	-
Int'l common stocks	1,300,250	1,300,250	-	-	-
Total Foundation	<u>2,424,498</u>	<u>1,903,567</u>	<u>-</u>	<u>520,931</u>	<u>-</u>
Total investments	<u>\$ 212,924,829</u>	<u>\$ 212,403,898</u>	<u>\$ -</u>	<u>\$ 520,931</u>	<u>\$ -</u>

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy regarding interest rate risk but manages its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments to not exceed the period of availability of the funds invested. Except for endowments, the Act further limits the remaining term to maturity on all investments in commercial paper and bankers' acceptances to 270 days or less and fixed-income securities to 365 days or less. In addition, variable-rate securities may not have a remaining term to final maturity exceeding two years.

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not have a formal investment policy regarding credit risks but manages its exposure to credit risk by complying with the Act and related rules. The Act and related rules limit investments in commercial paper to a first

tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody's Investors Service or by Standard & Poor's.

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

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

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

Fair Value Measurements. 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, 2017:

- Public Treasurers' Investment Fund of \$210,500,331 is valued at the District's position in the PTIF multiplied by the published fair value factor (Level 2 inputs).
- Mutual funds of \$2,424,498 are valued at quoted market prices (Level 1 inputs).

NOTE 3 – PROPERTY TAXES

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

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

As of June 30, 2017, the District reported the following property tax balances:

	Major Funds		Other	
	General	Capital Projects	Governmental Funds	Total
Property taxes - receivable:				
Levied for current and prior years:				
Collected in July 2017	\$ 1,166,556	\$ 174,493	\$ 135,717	\$ 1,476,766
Delinquent	2,125,845	317,983	360,701	2,804,529
Levied for future year	137,928,210	20,631,279	23,343,687	181,903,176
Prepayments of future year	(1,788,050)	(267,456)	(208,022)	(2,263,528)
	<u>\$ 139,432,561</u>	<u>\$ 20,856,299</u>	<u>\$ 23,632,083</u>	<u>\$ 183,920,943</u>
Property taxes - deferred inflows of resources:				
Levied for current and prior years:				
Unavailable (delinquent)	\$ 2,125,845	\$ 317,983	\$ 360,700	\$ 2,804,528
Levied for future year	137,928,210	20,631,279	23,343,687	181,903,176
	<u>\$ 140,054,055</u>	<u>\$ 20,949,262</u>	<u>\$ 23,704,387</u>	<u>\$ 184,707,704</u>

NOTE 4 - FEDERAL AND STATE GOVERNMENTAL ASSISTANCE

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

NOTE 5 – 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, 2017 consist of the following:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ -	\$ 2,173,301
Other Governmental Funds	2,150,047	-
Internal Service Funds	23,254	-
Total	<u>\$ 2,173,301</u>	<u>\$ 2,173,301</u>

Transfers. Transfers between funds during the year ended June 30, 2017 are as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 1,081,122
Other Governmental Funds	818,625	-
Internal Service Funds	262,497	-
Total	<u>\$ 1,081,122</u>	<u>\$ 1,081,122</u>

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

The *General Fund* transferred \$498,664 to the *District Activity Programs Fund* (other governmental fund) for amounts allocated to the schools by the District. The *General Fund* transferred \$319,961 to the *Granite Education Foundation Fund* (other governmental fund) to fund a portion of the salaries of the Foundation. The *General Fund* transferred \$262,497 to cover an operating deficit in the *Printing Services Fund* (an internal service fund).

NOTE 6 – RISK MANAGEMENT

The District maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to \$10 million per occurrence through policies administered by the Utah State Risk Management Fund (the Fund). The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Fund. Property physical damage is insured to actual value less a deductible; other liability is limited to the lesser of \$10 million or the statutory limit. The Fund obtains independent coverage for insured events, up to \$25 million per location. The Fund is a pooled arrangement where the participants pay experienced rated annual premiums, which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The District's annual premium is accounted for in the *General Fund*. The pool reinsures excess losses to preserve the capital base. During the year ended June 30, 2017, there were no significant reductions in coverage. Insurance settlements have not exceeded coverage for the past three years.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 38,470,740	\$ 1,694,174	\$ (138,678)	\$ 40,026,236
Construction in progress	4,815,467	8,579,003	(9,345,604)	4,048,866
Water stock	33,221	-	-	33,221
Total capital assets, not being depreciated	43,319,428	10,273,177	(9,484,282)	44,108,323
Capital assets, being depreciated:				
Buildings and improvements	783,048,029	8,685,171	(4,864,037)	786,869,163
Land improvements	45,270,026	660,433	-	45,930,459
Vehicles	25,970,589	2,184,196	(1,050,685)	27,104,100
Furniture and equipment	43,373,524	2,914,033	(1,963,225)	44,324,332
Total capital assets, being depreciated	897,662,168	14,443,833	(7,877,947)	904,228,054
Accumulated depreciation for:				
Buildings and improvements	(349,630,757)	(27,818,183)	4,272,210	(373,176,730)
Land improvements	(27,590,651)	(2,320,804)	-	(29,911,455)
Vehicles	(19,288,809)	(1,480,594)	1,024,776	(19,744,627)
Furniture and equipment	(32,689,502)	(3,000,124)	1,875,407	(33,814,219)
Total accumulated depreciation	(429,199,719)	(34,619,705)	7,172,393	(456,647,031)
Total capital assets, being depreciated, net	468,462,449	(20,175,872)	(705,554)	447,581,023
Governmental activity capital assets, net	<u>\$ 511,781,877</u>	<u>\$ (9,902,695)</u>	<u>\$ (10,189,836)</u>	<u>\$ 491,689,346</u>

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

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

Governmental activities:

Instructional services	\$ 25,813,706
Supporting services:	
Students	303,316
Instructional staff	52,442
District administration	3,300
School administration	913,068
Business	864,994
Operation and maintenance of facilities	3,678,826
Transportation	808,764
School lunch services	2,113,108
Community services	4,952
Capital assets held by the District's internal service funds are charged to the various functions based on their usage of the assets	63,229
Total depreciation expense, governmental activities	<u>\$ 34,619,705</u>

NOTE 8 – STATE RETIREMENT PLANS

Description of Plans. Eligible employees of the District are provided with the following plans through the Utah Retirement Systems (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 Hybrid Contributory Retirement System (Tier 2 Contributory System)

Defined Contribution Savings Plans (individual account plans):

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

District employees qualify for membership in the retirement systems if 1) employment, contemplated to continue during a fiscal or calendar year, normally requires an average of 20 or more hours per week and the employee receives benefits normally provided by the District as approved by the Utah State Retirement Board, 2) the employee is a classified school employee whose employment normally requires an average of 20 hours or more per week regardless of benefits, 3) the employee is a teacher who teaches half-time or more and receives benefits normally provided by the District as approved by the Utah State Retirement Board, or 4) the employee is an appointed officer.

Title 49 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 by writing Utah Retirement Systems, 560 E 200 S, Salt Lake City, Utah 84102 or visiting the website: 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 Utah Retirement Systems, are members of the Tier 2 Systems.

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

Benefits Provided. The URS provides retirement, disability, and death benefits to participants in the plans.

Retirement benefits in the defined benefit pension plans 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. If an employee terminated prior to the vesting period, employer contributions and associated earnings for that employee are subject to forfeiture. Forfeitures are used to cover a portion of the plan's administrative expenses paid by participants. 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 URS, 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.

For the year ended June 30, 2017, District required contribution rates for the plans were as follows:

	District Contribution	Amortization of UAAL*	Paid by District for Employee	District Rates for 401(k) Plan	Totals
Tier 1 Noncontributory System	12.25%	9.94%	-	1.50%	23.69%
Tier 1 Contributory System	5.45%	12.25%	5.00%	-	22.70%
Tier 2 Contributory System**	8.30%	9.94%	-	1.78%	20.02%
Tier 2 Defined Contribution Plan**	0.08%	9.94%	-	10.00%	20.02%

* The District is required to contribute additional amounts based on covered-employee payroll to finance the unfunded actuarial accrued liability (UAAL) of the Tier 1 plans.

** District contribution includes 0.08% of covered-employee payroll of the Tier 2 plans for death benefits.

Employees can make additional contributions to defined contribution plans, up to applicable plan and Internal Revenue Code limits.

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

For the year ended June 30, 2017, District and employee contributions to URS were as follows:

System	District Contributions*	Employee Contributions
Tier 1 Noncontributory System	\$ 45,191,227	\$ -
Tier 1 Contributory System	407,982	23,050
Tier 2 Contributory System	8,447,627	-
Tier 2 Defined Contribution Plan	792,975	-
401(k) Plan	4,455,868	4,739,504
457 Plan and Other Individual Plans	-	758,470

*Required contributions from Tier 2 plans to finance the unfunded actuarial accrued liability of the Tier 1 plans are reported as contributions to the Tier 2 plans.

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the District reported a net pension asset of \$0 and a net pension liability of \$254,840,899 for its proportionate share of the net pension liability (asset) for the following plans:

	Net Pension Asset	Net Pension Liability
Tier 1 Noncontributory System	\$ -	\$ 249,091,885
Tier 1 Contributory System	-	5,188,859
Tier 2 Contributory System	-	560,155
Total	\$ -	\$ 254,840,899

The net pension liability (asset) was measured as of December 31, 2016, and the total pension liability was determined by an actuarial valuation as of January 1, 2016, rolled forward using generally accepted actuarial procedures. The District's proportion of the net pension liability (asset) is equal to the ratio of the District's actual contributions compared to the total of all employer contributions during the plan year. The following presents the District's proportion (percentage) of the collective net pension liability (asset) at December 31, 2016 and the change in its proportion since the prior measurement date for each plan:

	Proportionate Share	
	2016	Change
Tier 1 Noncontributory System	7.6858461%	-0.2001988%
Tier 1 Contributory System	9.4694535%	-0.4843429%
Tier 2 Contributory System	5.0215853%	0.1616776%

For the year ended June 30, 2017, the District recognized pension expense of \$56,823,593 for the defined benefit pension plans and pension expense of \$4,455,868 for the defined contribution plans.

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources relating to defined benefit pension plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 13,902,438
Changes of assumptions	26,772,804	3,140,516
Net difference between projected and actual earnings on pension plan investments	49,555,739	14,220,486
Changes in proportion and differences between District contributions and proportionate share of contributions	401,908	6,843,776
District contributions subsequent to the measurement date	27,793,315	-
Total	<u>\$ 104,523,766</u>	<u>\$ 38,107,216</u>

The \$27,793,315 reported as deferred outflows of resources related to pensions results from District contributions prior to our fiscal year end, but subsequent to the measurement date of December 31, 2016. These contributions will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2018. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows (Inflows) of Resources
Year Ending June 30,	
2018	\$ 11,432,409
2019	12,082,768
2020	17,125,995
2021	(2,204,432)
2022	15,519
Thereafter	170,976

Actuarial Assumptions. The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.35% - 10.35%, average, including inflation
Investment rate of return	7.20%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 mortality tables or developed from actual experience, 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, 2016 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2013. Changes of assumptions that affected measurement of the total pension liability since the prior measurement date include adjustments for inflation, salary increases, payroll growth, post retirement mortality, preretirement mortality, and certain demographics to more closely reflect actual experience.

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

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:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	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%
Totals	100%		5.23%
Inflation			2.60%
Expected Arithmetic Nominal Return			7.83%

The 7.20% assumed investment rate of return is comprised of an inflation rate of 2.60% and a real return of 4.60% that is net of investment expense.

Discount Rate. The discount rate used to measure the total pension liability was 7.20%. 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 from 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 reduced to 7.20% from 7.50% from the prior measurement period.

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 7.20%, 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 (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

System	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Tier 1 Noncontributory System	\$ 456,714,488	\$ 249,091,885	\$ 75,083,874
Tier 1 Contributory System	12,756,706	5,188,859	(1,238,352)
Tier 2 Contributory System	3,812,780	560,155	(1,914,281)
District Total	\$ 473,283,974	\$ 254,840,899	\$ 71,931,241

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

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, 2017, the District reported payables of \$7,370,644 for contributions to defined benefit pension plans and \$864,585 for contributions to defined contribution plans.

NOTE 9 – 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, 2017, 4,476 active employees were covered by the benefit terms.

Total Pension Liability. At June 30, 2017, the District recorded a total pension liability of \$14,561,834 (see Note 13 for long-term liabilities), determined by an actuarial valuation as of June 30, 2017. 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, 2017 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	3.50%

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 Society of Actuaries' RP-2014 Adjusted to 2006 Total Dataset Mortality using Scale MP-2014, then projected forward with Scale MP-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 Systems pension plans, 2) female spouses are assumed to be three years younger than male spouses, 3) employee termination rates based on Educators' termination rates used in the actuarial valuation of the Utah Retirement Systems pension plans, and 4) entry age normal with service cost as a level percent of employee's projected pay. Individual severance benefits and any termination liability for COBRA are not included in this valuation.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial valuation for the current fiscal period ending June 30, 2017.

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

Changes in the Total Pension Liability.

Balance at June 30, 2016	\$ 15,002,292
Changes for the year:	
Service cost	756,810
Interest on total liability	509,335
Effect of plan changes	-
Effect of economic/demographic (gains) losses	(1,287,694)
Effect of assumptions changes or inputs	572,440
Employer contributions (benefit payments)	(991,349)
Net changes	(440,458)
Balance at June 30, 2017	<u>\$ 14,561,834</u>

No plan changes of benefit terms occurred in 2017.

The following changes in assumptions and other inputs occurred in 2017: the discount rate of return was reduced from 4.0% to 3.5%.

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 3.5%, 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 (2.5%) or 1-percentage-point higher (4.5%) than the current discount rate:

	1% Decrease (2.5%)	Discount Rate (3.5%)	1% Increase (4.5%)
Total pension liability:			
District retirement plan	\$ 15,376,653	\$ 14,561,834	\$ 13,788,858

Pension Expense and Deferred Outflows and Inflows of Resources Related to the District's Retirement Plan. For the year ended June 30, 2017, the District recognized pension expense of \$550,891. At June 30, 2017, the District reported deferred outflows of resources of \$445,853 and deferred inflows of resources of \$1,000,714 related to the District's retirement plan.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Effect of assumption changes or inputs	\$ 445,853	\$ -
Effect of economic/demographic gains or losses	-	1,000,714
Total	<u>\$ 445,853</u>	<u>\$ 1,000,714</u>

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2018	\$ (158,415)
2019	(158,415)
2020	(158,415)
2021	(158,415)

NOTE 10 - 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 benefit 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, 2017, 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	11	28
Active employees	-	4,476
Total	11	4,504

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

Total OPEB Liability. At June 30, 2017, the District recorded a total OPEB liability of \$1,779,163 (see Note 13 for long-term liabilities), determined by an actuarial valuation as of June 30, 2017.

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

Actuarial Methods and Assumptions. The total OPEB liability in the June 30, 2017 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	3.5%
Healthcare Cost Trend Rates	7.7% for 2017, 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 SOA RP-2014 Adjusted to 2006 Total Dataset Mortality using Scale MP-2014, then projected forward with Scale MP-2016. 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 and any termination liability for COBRA are not included in this valuation.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial valuation for the current fiscal period ended June 30, 2017.

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, 2016	\$ 870,422	\$ 810,355	\$ 1,680,777
Changes for the year:			
Service cost	-	197,964	197,964
Interest on total liability	21,854	51,352	73,206
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) losses	(200,996)	616,239	415,243
Effect of assumptions changes or other inputs	11,453	165,215	176,668
Employer contributions (benefit payments)	(113,945)	(650,750)	(764,695)
Net changes	(281,634)	380,020	98,386
Balance at June 30, 2017	\$ 588,788	\$ 1,190,375	\$ 1,779,163

No changes of benefit terms occurred in 2017.

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

The following changes in assumptions and other inputs occurred in 2017: the discount rate of return was reduced from 4.0% to 3.5%, and the healthcare cost trend rate was increased from 7.3% to 7.7%.

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB. For the year ended June 30, 2017, the District recognized OPEB expense of \$863,081. At June 30, 2017, the District reported deferred outflows of resources of \$615,379 and deferred inflows of resources of \$156,201 related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Effect of assumption changes or inputs	\$ 137,539	\$ -
Effect of economic/demographic gains or losses	477,840	156,201
Total	<u>\$ 615,379</u>	<u>\$ 156,201</u>

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2018	\$ 131,097
2019	131,097
2020	131,097
2021	131,097

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 3.5%, 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 (2.5%) or 1-percentage-point higher (4.5%) than the current discount rate:

	1% Decrease (2.5%)	Discount Rate (3.5%)	1% Increase (4.5%)
Pre 1/1/2005 LTD Program	\$ 606,537	\$ 588,788	\$ 572,010
Post 1/1/2005 LTD Program	1,219,609	1,190,375	1,160,639
Total OPEB Liability	<u>\$ 1,826,146</u>	<u>\$ 1,779,163</u>	<u>\$ 1,732,649</u>

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

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 7.7% 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 (6.7% decreasing to 3.0%) or 1-percentage-point higher (8.7% decreasing to 5.0%) than the current healthcare cost trend rate:

	1% Decrease (6.7% decreasing to 3.0%)	Healthcare Cost Trend Rates (7.7% decreasing to 4.0%)	1% Increase (8.7% decreasing to 5.0%)
Pre 1/1/2005 LTD Program	\$ 572,244	\$ 588,788	\$ 605,963
Post 1/1/2005 LTD Program	1,096,124	1,190,375	1,299,851
Total OPEB Liability	<u>\$ 1,668,368</u>	<u>\$ 1,779,163</u>	<u>\$ 1,905,814</u>

NOTE 11 – EARLY RETIREMENT INCENTIVE PROGRAM AND OTHER TERMINATION BENEFITS

Program 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 employee qualifies for full Social Security/Medicare benefits, whichever comes first. The District's direct payments to retired employees under this plan for the years ended June 30, 2017 and 2016 were \$6,703,442 and \$6,523,492, respectively. The participants entering the program subsequent to 1991 pay a nominal fee. During the year ended June 30, 2017, 441 former employees were included in the program. The District's estimated cost of claim payments for the year ended June 30, 2017 cannot be reasonably estimated because the insurance carrier has not disclosed the information. The District's liability for future early retirement benefits is \$5,575,755 and medical and life insurance costs will be \$18,660,881 for a total liability of \$24,236,636. Resources in the *General Fund* have been committed to meet this obligation. See Note 13 for long-term liabilities.

Calculation Methods. Projections of the retirement benefit for financial reporting are based on a substantive agreement between the District and its eligible employees. The projections include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the District and eligible employees to that point. The projections do not include any termination liability for COBRA nor individual severance benefits. The District's liability for early retirement obligations is calculated as the present value of anticipated cash flows for retired individuals.

NOTE 12 – 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 \$14,234,467 was recorded at June 30, 2017 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, 2017

\$6,000,330 and \$4,474,029 for the years ended June 30, 2017 and 2016, respectively, including administrative costs. Changes in the balances of claims liabilities during the years ended June 30, 2017 and 2016 are as follows:

	2017	2016
Unpaid claims - beginning of year	\$ 12,341,677	\$ 11,669,645
Incurred claims (including IBNRs)	62,837,796	59,591,519
Medical claims payments	(60,945,006)	(58,919,487)
Unpaid claims - end or year	<u>\$ 14,234,467</u>	<u>\$ 12,341,677</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 \$407,975 was recorded at June 30, 2017 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 \$113,026 and \$103,216 for the years ended June 30, 2017 and 2016, respectively, including administrative costs. The change in the balance of claims liabilities during the years ended June 30, 2017 and 2016 are as follows:

	2017	2016
Unpaid claims - beginning of year	\$ 386,055	\$ 216,745
Incurred claims (including IBNRs)	1,546,467	1,850,788
Dental claims payments	(1,524,547)	(1,681,478)
Unpaid claims - end of year	<u>\$ 407,975</u>	<u>\$ 386,055</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 \$18,871 was recorded at June 30, 2017 for claims outstanding at year-end. Included in this liability is an estimate by a separate third-party administrator for future claims, incurred during 2017, but which have not been billed as of year-end. Changes in the balances of claims liabilities during the years ended June 30, 2017 and 2016 are as follows:

	2017	2016
Unpaid claims - beginning of year	\$ 37,340	\$ 45,729
Incurred claims (including estimate)	22,377	31,660
Unemployment claims payments	(40,846)	(40,049)
Unpaid claims - end or year	<u>\$ 18,871</u>	<u>\$ 37,340</u>

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

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 \$976,980 was recorded at June 30, 2017 for claims outstanding at year-end with \$957,440 representing the current portion of the liability. The plan has a stop-loss provision of \$400,000 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, 2017 and 2016 are as follows:

	2017	2016
Unpaid claims - beginning of year	\$ 1,154,418	\$ 1,082,588
Incurred claims (including estimate)	905,821	1,055,844
Workers compensation claims payments	(1,083,259)	(984,014)
Unpaid claims - end of year	<u>\$ 976,980</u>	<u>\$ 1,154,418</u>

NOTE 13 - LONG-TERM LIABILITIES

Long-Term Liabilities. The following is a summary of general long-term liability activity for the year ended June 30, 2017:

	Balance at June 30, 2016	Additions	Payments	Balance at June 30, 2017	Due Within One Year
Bonds payable	\$ 185,800,000	\$ -	\$ (7,980,000)	\$ 177,820,000	\$ 8,590,000
Bond premium	5,689,286	-	(808,532)	4,880,754	-
Net bond liabilities	191,489,286	-	(8,788,532)	182,700,754	8,590,000
Workers compensation claims	1,154,418	905,821	(1,083,259)	976,980	957,440
Unemployment claims	37,340	22,377	(40,846)	18,871	18,871
Health and accident claims	12,341,677	62,837,796	(60,945,006)	14,234,467	14,234,467
Dental claims	386,055	1,546,467	(1,524,547)	407,975	407,975
Compensated absences	3,278,805	4,362,536	(3,114,865)	4,526,476	4,300,152
Obligation for early retirement compensation and insurance	21,763,188	9,176,890	(6,703,442)	24,236,636	-
Total pension liability - district retirement plan**	15,002,292	550,891	(991,349)	14,561,834	-
Total other postemployment benefits liability - long-term disability	1,680,777	863,081	(764,695)	1,779,163	-
Net pension liability - state retirement plans	253,960,822	59,382,781	(58,502,704)	254,840,899	-
Total long-term liabilities	<u>\$ 501,094,660</u>	<u>\$ 139,648,640</u>	<u>\$ (142,459,245)</u>	<u>\$ 498,284,055</u>	<u>\$ 28,508,905</u>

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

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

General obligation school building and improvement bonds payable at June 30, 2017, with their outstanding balances are comprised of the following individual issuances:

Series 2010 -	Tax exempt bonds, \$27,600,000 originally issued, due in a remaining annual installment of \$2,500,000 in June 2018, interest 5.00%.	\$ 2,500,000
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 \$3,450,000 to \$3,850,000, from June 2018 through June 2021, interest from 4.00% to 5.00%.	14,825,000
Series 2012 -	Tax exempt bonds, \$36,500,000 originally issued, due in remaining annual installments from \$1,300,000 to \$2,560,000, from June 2018 through June 2032, interest from 2.00% to 5.00%.	26,985,000
Series 2013 -	Tax exempt bonds, \$11,575,000 originally issued, due in remaining annual installments from \$280,000 to \$670,000, from June 2018 through June 2033, interest from 4.50% to 5.00%.	6,690,000
Series 2016A -	Tax Exempt Bonds, \$75,400,000 originally issued, due in remaining annual installments from \$1,060,000 to \$18,810,000, from June 2018 through June 2031, interest from 1.12% to 2.90%.	74,420,000
		<u>\$ 177,820,000</u>

The annual requirements to amortize all general obligation bonds outstanding to maturity as of June 30, 2017, including interest payments, are listed as follows:

Year Ending June 30,	Tax Exempt Bonds		Build America Bonds		Total	
	Principal	Interest	Principal	Interest*	Principal	Interest
2018	\$ 8,590,000	\$ 3,930,163	\$ -	\$ 2,556,101	\$ 8,590,000	\$ 6,486,264
2019	6,545,000	3,541,791	2,700,000	2,556,101	9,245,000	6,097,892
2020	6,755,000	3,254,452	3,000,000	2,444,888	9,755,000	5,699,340
2021	6,865,000	2,974,887	3,400,000	2,316,818	10,265,000	5,291,705
2022	7,200,000	2,689,277	3,750,000	2,166,572	10,950,000	4,855,849
2023	7,360,000	2,498,072	4,050,000	1,995,235	11,410,000	4,493,307
2024-2028	40,760,000	9,644,837	24,400,000	6,771,910	65,160,000	16,416,747
2029-2033	41,345,000	3,027,763	11,100,000	894,072	52,445,000	3,921,835
Total	<u>\$ 125,420,000</u>	<u>\$ 31,561,242</u>	<u>\$ 52,400,000</u>	<u>\$ 21,701,697</u>	<u>\$ 177,820,000</u>	<u>\$ 53,262,939</u>

* Subsidized at 32% by the federal government.

Of the District's original voter authorization in 2009 of \$256 million in bonds to be issued, \$25 million remained unissued at June 30, 2017. On November 21, 2017, the remaining \$25 million was issued (See Note 14).

GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2017

NOTE 14 – SUBSEQUENT EVENTS

Voter Authorization to Issue New Bonds. On November 7, 2017, voters in Granite School District authorized the Board to issue \$238 million in general obligation bonds to rebuild, remodel and revitalize 31 school buildings over the next ten years. Capital projects will include necessary security upgrades, seismic stability enhancements, technology improvements, and essential structural maintenance as needed.

Bond Issuance and Advance Refunding. On November 21, 2017, the District issued \$25,000,000 in general obligation school building bonds (Series 2017A Bonds) and \$42,195,000 in general obligation refunding bonds (Series 2017B Bonds).

The Series 2017A Bonds will be due in annual installments from \$1,005,000 to \$2,170,000, from June 2018 through June 2037, interest from 4.00% to 5.00%. The Series 2017B Bonds were issued to 1) advance refund, on a crossover basis, the outstanding general obligation Series 2010 Build America Bonds on the crossover date of June 1, 2020; and 2) pay interest on the 2017B Bonds up through and including the crossover date. The bonds in Series 2017B will be due in annual installments from \$2,655,000 to \$5,390,000, from June 2021 through June 2030, interest from 2.63% to 5.00%. The economic gain associated with this advance refunding will be \$2.0 million.

NOTE 15 – CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Construction Commitments. At June 30, 2017 the District was involved with several long-term construction and remodeling projects summarized as follows:

Project	Expected Cost	Cost to Date	Cost to Complete
Cottonwood High: Interior Remodeling	\$ 2,980,856	\$ 2,969,477	\$ 11,379
Bates Center: New Freezer	1,561,890	169,171	1,392,719
District Admin: HVAC Upgrade	196,372	183,228	13,144
West Valley Elementary: STEM Remodel	174,438	115,168	59,270
Other	622,260	611,823	10,437
Total	<u>\$ 5,535,816</u>	<u>\$ 4,048,867</u>	<u>\$ 1,486,949</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, 2017, the amount of encumbrances were as follows:

Fund Type	Encumbrance Amount
General Fund	\$ 3,152,636
Capital Projects Fund	4,998,599
Other Non-Major Governmental Funds	1,523,915
	<u>\$ 9,675,150</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, 2017

Schedules of the District's Proportionate Share of the Net Pension Liability (Asset)

Utah Retirement Systems

Last Three Plan Years - December 31, 2014 through 2016

	2016	2015	2014
Tier 1 Noncontributory System			
District's proportion of the net pension liability (asset)	7.6858461%	7.8860449%	8.0401108%
District's proportionate share of the net pension liability (asset)	\$ 249,091,885	\$ 247,723,254	\$ 202,010,089
District's covered employee payroll	\$ 210,881,021	\$ 217,208,727	\$ 226,516,338
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	118.12%	114.05%	89.18%
Plan fiduciary net position as a percentage of the total pension liability	84.90%	84.50%	87.20%
Tier 1 Contributory System			
District's proportion of the net pension liability (asset)	9.4694535%	9.9537964%	10.7492708%
District's proportionate share of the net pension liability (asset)	\$ 5,188,859	\$ 6,237,568	\$ 1,178,641
District's covered employee payroll	\$ 2,538,455	\$ 3,153,138	\$ 3,948,385
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	204.41%	197.82%	29.85%
Plan fiduciary net position as a percentage of the total pension liability	93.40%	92.40%	98.70%
Tier 2 Public Employees System			
District's proportion of the net pension liability (asset)	5.0215853%	4.8599077%	4.7196557%
District's proportionate share of the net pension liability (asset)	\$ 560,155	\$ (10,609)	\$ (143,027)
District's covered employee payroll	\$ 41,181,298	\$ 31,383,055	\$ 23,102,726
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1.36%	(0.03)%	(6.00)%
Plan fiduciary net position as a percentage of the total pension liability	95.10%	100.20%	103.50%

GRANITE SCHOOL DISTRICT

Required Supplementary Information...Continued – June 30, 2017

Schedules of District Contributions Utah Retirement Systems Last Three Fiscal Years - Ended June 30, 2015 through 2017

	2017	2016	2015
Tier 1 Noncontributory System:			
Contractually required contribution	\$ 45,191,227	\$ 46,474,167	\$ 47,475,713
Contributions in relation to the contractually required contribution	(45,191,227)	(46,474,167)	(47,475,713)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 209,065,071	\$ 214,990,027	\$ 222,865,036
Contributions as a percentage of covered-employee payroll	21.62%	21.62%	21.30%
Tier 1 Contributory System:			
Contractually required contribution	\$ 407,982	\$ 512,761	\$ 610,904
Contributions in relation to the contractually required contribution	(407,982)	(512,761)	(610,904)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 2,304,990	\$ 2,896,957	\$ 3,514,671
Contributions as a percentage of covered-employee payroll	17.70%	17.70%	17.38%
Tier 2 Contributory System:			
Contractually required contribution	\$ 8,447,627	\$ 6,617,200	\$ 4,928,850
Contributions in relation to the contractually required contribution	(8,447,627)	(6,617,200)	(4,928,850)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 46,313,635	\$ 36,273,114	\$ 27,246,944
Contributions as a percentage of covered-employee payroll	18.24%	18.24%	18.09%
Tier 2 Defined Contribution System:			
Contractually required contribution	\$ 792,975	\$ 584,919	\$ 402,983
Contributions in relation to the contractually required contribution	(792,975)	(584,919)	(402,983)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 7,913,919	\$ 5,835,996	\$ 4,091,887
Contributions as a percentage of covered-employee payroll	10.02%	10.02%	9.85%

GRANITE SCHOOL DISTRICT

Required Supplementary Information...Continued – June 30, 2017

Schedule of Changes in Total Pension Liability and Related Ratios

District Retirement Plan

Last Three Fiscal Years - June 30, 2015 through 2017

	2017	2016	2015
Total pension liability			
Service cost	\$ 756,810	\$ 668,795	\$ -
Interest on total liability	509,335	600,422	-
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) losses	(1,287,694)	-	-
Effect of assumptions changes or other inputs	572,440	-	-
Employer contributions (benefit payments)	(991,349)	(1,205,535)	-
Net change in total pension liability	(440,458)	63,682	-
Total pension liability - beginning	15,002,292	14,938,610	14,938,610
Total pension liability - ending	<u>\$ 14,561,834</u>	<u>\$ 15,002,292</u>	<u>\$ 14,938,610</u>
Covered-employee payroll	\$ 239,657,811	\$ 233,398,696	\$ 227,706,045
Total pension liability as a percentage of covered-employee payroll	6.08%	6.43%	6.56%

GRANITE SCHOOL DISTRICT

Required Supplementary Information...Continued – June 30, 2017

Schedules of Changes in Total OPEB Liability and Related Ratios

Long-Term Disability Plan

Last Three Fiscal Years - June 30, 2015 through 2017

	2017	2016	2015
Pre January 1, 2005 LTD Program			
Total OPEB liability:			
Service cost	\$ -	\$ -	\$ -
Interest on total liability	21,854	36,491	-
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) losses	(200,996)	-	-
Effect of assumption changes and other inputs	11,453	-	-
Employer contributions (benefit payments)	(113,945)	(155,158)	-
Net change in total OPEB liability	\$ (281,634)	\$ (118,667)	\$ -
Total OPEB liability - beginning	870,422	989,089	989,089
Total OPEB liability - ending	<u>\$ 588,788</u>	<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	N/A
Post January 1, 2005 LTD Program			
Total OPEB liability:			
Service cost	\$ 197,964	\$ 225,543	\$ -
Interest on total liability	51,352	42,816	-
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) losses	616,239	-	-
Effect of assumption changes and other inputs	165,215	-	-
Employer contributions (benefit payments)	(650,750)	(599,802)	-
Net change in total OPEB liability	380,020	(331,443)	-
Total OPEB liability - beginning	810,355	1,141,798	1,141,798
Total OPEB liability - ending	<u>\$ 1,190,375</u>	<u>\$ 810,355</u>	<u>\$ 1,141,798</u>
Covered-employee payroll	\$ 239,657,811	\$ 233,398,696	\$ 227,706,045
Total OPEB liability as a percentage of covered-employee payroll	0.50%	0.35%	0.50%

GRANITE SCHOOL DISTRICT

Notes to Required Supplementary Information – June 30, 2017

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. Required contributions from Tier 2 plans to finance the unfunded actuarial accrued liability of the Tier 1 plans are reported as contributions to the Tier 2 plans.

Changes in Assumptions. Amounts reported in plan year 2016 reflect the following actuarial assumption changes adopted in the January 1, 2016 valuation:

- The assumed investment return decreased from 7.50% to 7.20%.
- The assumed inflation rate decreased from 2.75% to 2.60%.
- Both the payroll growth and wage inflation assumptions decreased by 0.15%.

Amounts reported in plan year 2015 reflect the following assumption changes adopted in 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: The discount rate of return was reduced from 4.0% to 3.5%.

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: The discount rate of return was reduced from 4.0% to 3.5%, and the healthcare cost trend rate was increased from 7.3% to 7.7%



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, 2017 with Comparative Totals for 2016

	2017			2016
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 127,782,554	\$ 126,659,775	\$ (1,122,779)	\$ 127,477,366
Earnings on investments	2,067,920	2,045,330	(22,590)	1,229,443
Other local	11,689,253	11,296,442	(392,811)	10,459,987
State	301,481,732	300,483,592	(998,140)	289,347,546
Federal	50,330,593	40,833,618	(9,496,975)	39,311,978
Total revenues	493,352,052	481,318,757	(12,033,295)	467,826,320
Expenditures:				
Current:				
Instructional services:				
Salaries	204,503,932	199,832,840	4,671,092	195,848,708
Employee benefits	101,179,069	98,532,323	2,646,746	97,563,649
Purchased services	3,086,225	3,615,197	(528,972)	2,947,947
Supplies and materials	18,393,165	8,571,872	9,821,293	7,330,772
Equipment	274,046	6,610,153	(6,336,107)	7,284,801
Other	2,764,116	2,814,399	(50,283)	2,744,275
Total instructional services	330,200,553	319,976,784	10,223,769	313,720,152
Supporting services:				
Students	24,138,306	21,608,738	2,529,568	20,864,748
Instructional staff	17,444,173	16,462,417	981,756	15,941,286
District administration	3,991,206	3,879,652	111,554	3,439,511
School administration	31,926,720	31,915,921	10,799	31,232,278
Central	11,068,100	10,451,478	616,622	10,201,607
Operation and maintenance of facilities	58,372,067	57,355,321	1,016,746	53,990,705
Transportation	9,570,663	9,652,879	(82,216)	8,925,593
Total supporting services	156,511,235	151,326,406	5,184,829	144,595,728
Total expenditures	486,711,788	471,303,190	15,408,598	458,315,880
Excess of revenues over expenditures	6,640,264	10,015,567	3,375,303	9,510,440
Other financing sources (uses):				
Transfers in	-	-	-	4,790,926
Transfers (out)	(1,044,428)	(1,081,122)	(36,694)	(1,252,684)
Proceeds from sale of capital assets	-	3,350	3,350	-
Total other financing sources (uses)	(1,044,428)	(1,077,772)	(33,344)	3,538,242
Net change in fund balances	5,595,836	8,937,795	3,341,959	13,048,682
Fund balances - beginning	107,533,777	107,533,777	-	94,485,095
Fund balances - ending	\$ 113,129,613	\$ 116,471,572	\$ 3,341,959	\$ 107,533,777

GRANITE SCHOOL DISTRICT

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

Capital Projects Fund

Year Ended June 30, 2017 with Comparative Totals for 2016

	2017			2016
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 20,064,560	\$ 19,888,312	\$ (176,248)	\$ 23,495,179
Earnings on investments	208,254	210,198	1,944	155,588
Other local	526,320	459,009	(67,311)	2,428,625
State	831,833	681,374	(150,459)	-
Federal	832,906	832,905	(1)	833,800
Total revenues	22,463,873	22,071,798	(392,075)	26,913,192
Expenditures:				
Current:				
Instructional services	2,737,721	2,001,102	736,619	957,591
Supporting services:				
Instructional staff	6,113	6,113	-	8,281
District administration	44,284	32,067	12,217	21,076
School administration	4,583	4,583	-	-
Central	4,280,923	1,816,031	2,464,892	1,797,710
Operation and maintenance of facilities	1,598,785	1,433,028	165,757	1,280,251
Transportation	-	-	-	2,193,656
Capital outlay:				
Salaries	160,497	87,255	73,242	29,111
Employee benefits	56,373	31,694	24,679	7,718
Purchased services	26,487,584	18,059,546	8,428,038	19,002,043
Supplies and materials	31,012	33,990	(2,978)	11,607
Land and improvements	877,553	649,898	227,655	741,976
Buildings and improvements	1,164,703	1,124,079	40,624	1,072,408
Equipment	156,260	212,905	(56,645)	595,885
Other	561,207	556,207	5,000	-
Total expenditures	38,167,598	26,048,498	12,119,100	27,719,313
(Deficiency) of revenues (under) expenditures	(15,703,725)	(3,976,700)	11,727,025	(806,121)
Other financing sources:				
Proceeds from sale of capital assets	2,128,175	2,169,427	41,252	711,226
Net change in fund balances	(13,575,550)	(1,807,273)	11,768,277	(94,895)
Fund balances - beginning	18,850,095	18,850,095	-	18,944,990
Fund balances - ending	\$ 5,274,545	\$ 17,042,822	\$ 11,768,277	\$ 18,850,095



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, 2017

	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	\$ 11,189,634	\$ -	\$ 2,879,599	\$ 15,404,918	\$ 1,012,465	\$ 30,486,616
Receivables:						
Property taxes	-	7,410,517	-	-	16,221,566	23,632,083
Other local	-	-	-	22,508	-	22,508
State	-	-	-	2,129,147	-	2,129,147
Federal	-	-	-	280,515	-	280,515
Inventories	-	-	-	1,708,936	-	1,708,936
Prepaid items	334	-	-	559	-	893
Due from other funds	2,150,047	-	-	-	-	2,150,047
Total assets	\$ 13,340,015	\$ 7,410,517	\$ 2,879,599	\$ 19,546,583	\$ 17,234,031	\$ 60,410,745
Liabilities:						
Accounts and contracts payable	\$ 36,833	\$ -	\$ 63,721	\$ 173,306	\$ -	\$ 273,860
Accrued salaries and related payables	3,914	-	-	796,420	-	800,334
Total liabilities	40,747	-	63,721	969,726	-	1,074,194
Deferred inflows of resources:						
Property taxes levied for future year	-	7,297,137	-	-	16,046,550	23,343,687
Unavailable property tax revenue	-	113,380	-	-	247,320	360,700
Total deferred inflows of resources	-	7,410,517	-	-	16,293,870	23,704,387
Fund balances:						
Nonspendable:						
Inventories	-	-	-	1,708,936	-	1,708,936
Prepaid items	334	-	-	559	-	893
Restricted for:						
Debt service	-	-	-	-	940,161	940,161
Schools	-	-	369,017	-	-	369,017
Scholarships	-	-	355,681	-	-	355,681
School lunch	-	-	-	16,867,362	-	16,867,362
Committed to:						
District activity programs	13,298,934	-	-	-	-	13,298,934
Foundation	-	-	2,091,180	-	-	2,091,180
Total fund balances	13,299,268	-	2,815,878	18,576,857	940,161	35,632,164
Total liabilities, deferred inflows of resources and fund balances	\$ 13,340,015	\$ 7,410,517	\$ 2,879,599	\$ 19,546,583	\$ 17,234,031	\$ 60,410,745

GRANITE SCHOOL DISTRICT

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

Nonmajor Governmental Funds

Year Ended June 30, 2017

	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>
Revenues:						
Local:						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ 15,585,431	\$ 15,585,431
Incremental tax	-	4,636,541	-	-	-	4,636,541
Earnings on investments	119,917	-	249,586	158,016	7,985	535,504
Student activities	12,065,338	-	-	-	-	12,065,338
Foundation activities	-	-	988,941	-	-	988,941
School lunch program activities	-	-	-	4,676,126	-	4,676,126
Total local	12,185,255	4,636,541	1,238,527	4,834,142	15,593,416	38,487,881
State	1,200	-	-	5,102,741	-	5,103,941
Federal	-	-	-	24,608,667	-	24,608,667
Total revenues	12,186,455	4,636,541	1,238,527	34,545,550	15,593,416	68,200,489
Expenditures:						
Current:						
Instructional services	12,032,407	-	-	-	-	12,032,407
School lunch services	-	-	-	33,393,262	-	33,393,262
Community services	-	4,636,541	1,307,343	-	-	5,943,884
Debt service:						
Principal	-	-	-	-	7,980,000	7,980,000
Interest	-	-	-	-	6,849,257	6,849,257
Paying agent fees	-	-	-	-	2,500	2,500
Total expenditures	12,032,407	4,636,541	1,307,343	33,393,262	14,831,757	66,201,310
Excess of revenues over expenditures	154,048	-	(68,816)	1,152,288	761,659	1,999,179
Other financing sources (uses):						
Transfers in	498,664	-	319,961	-	-	818,625
Net change in fund balances	652,712	-	251,145	1,152,288	761,659	2,817,804
Fund balances - beginning	12,646,556	-	2,564,733	17,424,569	178,502	32,814,360
Fund balances - ending	\$ 13,299,268	\$ -	\$ 2,815,878	\$ 18,576,857	\$ 940,161	\$ 35,632,164

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, 2017 with Comparative Totals for 2016

	2017			2016
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Earnings on investments	\$ 126,558	\$ 119,917	\$ (6,641)	\$ 63,510
Student activities:				
Tuition	54,681	53,782	(899)	52,813
Transportation fees	59,393	58,417	(976)	59,932
Admissions and gate fees	819,814	806,341	(13,473)	822,890
Student fees	6,788,718	6,677,147	(111,571)	6,681,978
Vending and bookstore sales	299,127	294,211	(4,916)	307,704
Proceeds from fundraising activities	2,576,733	2,534,385	(42,348)	2,533,430
Facility and field rental fees	375,199	369,033	(6,166)	344,298
Donations	853,446	839,420	(14,026)	958,278
Other student activities	439,830	432,602	(7,228)	403,859
Total student activities	12,266,942	12,065,338	(201,603)	12,165,182
Total local revenue	12,393,500	12,185,255	(208,245)	12,228,692
State revenue	-	1,200	1,200	-
Total revenues	12,393,500	12,186,455	(208,244)	12,228,692
Expenditures:				
Current:				
Instructional services:				
Salaries	129,980	81,721	48,259	104,713
Benefits	21,263	24,789	(3,526)	27,769
Purchased services	4,932,630	5,014,121	(81,491)	4,728,036
Supplies	5,980,500	5,358,497	622,003	5,567,121
Textbooks	479,750	406,336	73,414	461,491
Equipment	984,750	897,623	87,127	929,347
Other	325,000	249,320	75,680	309,976
Total expenditures	12,853,873	12,032,407	821,466	12,128,453
Excess (deficiency) of revenues over (under) expenditures	(460,373)	154,048	613,222	100,239
Other financing sources:				
Transfers in	431,737	498,664	66,927	559,677
Net change in fund balances	(28,636)	652,712	680,149	659,916
Fund balances - beginning	12,646,556	12,646,556	-	11,986,640
Fund balances - ending	\$ 12,617,920	\$ 13,299,268	\$ 680,149	\$ 12,646,556

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, 2017 with Comparative Totals for 2016

	2017			2016
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Incremental property taxes	\$ 4,886,541	\$ 4,636,541	\$ (250,000)	\$ 5,766,586
Total revenues	4,886,541	4,636,541	(250,000)	5,766,586
Expenditures:				
Current:				
Community services:				
Taxes remitted to CDRA's	4,886,541	4,636,541	250,000	5,766,586
Total expenditures	4,886,541	4,636,541	250,000	5,766,586
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, 2017 with Comparative Totals for 2016

	2017			2016
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Earnings (loss) on investments	\$ 92,000	\$ 249,586	\$ 157,586	\$ (52,798)
Foundation activities:				
Donations and fundraising proceeds	912,553	988,941	76,388	886,915
Total revenues	1,004,553	1,238,527	233,974	834,117
Expenditures:				
Current:				
Community services:				
Salaries	208,377	208,377	-	203,054
Employee benefits	120,251	118,147	2,104	115,240
Purchased services	431,900	345,711	86,189	361,621
Supplies	214,500	212,873	1,627	195,710
Equipment	-	-	-	4,460
Other	350,000	422,235	(72,235)	320,500
Total expenditures	1,325,028	1,307,343	17,685	1,200,585
Excess (deficiency) of revenues over (under) expenditures	(320,475)	(68,816)	251,659	(366,468)
Other financing sources:				
Transfers in	321,374	319,961	(1,413)	339,564
Net change in fund balances	899	251,145	250,246	(26,904)
Fund balances - beginning	2,564,733	2,564,733	-	2,591,637
Fund balances - ending	\$ 2,565,632	\$ 2,815,878	\$ 250,246	\$ 2,564,733

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, 2017 with Comparative Totals for 2016

	2017			2016
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Earnings on investments	\$ 149,238	\$ 158,016	\$ 8,778	\$ 99,704
School lunch program activities:				
Lunch sales - children	1,199,209	1,402,095	202,886	1,665,119
Lunch sales - adult	362,234	320,439	(41,795)	368,279
Other	3,243,031	2,953,592	(289,439)	2,782,846
Total school lunch program activities	4,804,474	4,676,126	(128,348)	4,816,244
Total local	4,953,712	4,834,142	(119,570)	4,915,948
State lunch program	5,207,021	5,102,741	(104,280)	5,055,360
Federal lunch program	24,528,034	24,608,667	80,633	23,181,960
Total revenues	34,688,767	34,545,550	(143,217)	33,153,268
Expenditures:				
Current:				
School lunch services:				
Salaries	10,331,017	9,835,768	495,249	9,121,103
Employee benefits	3,513,518	3,342,044	171,474	3,067,591
Purchased services	4,513,206	2,826,489	1,686,717	1,946,902
Supplies	1,114,902	1,047,371	67,531	985,079
Food	13,434,355	12,778,232	656,123	11,518,613
Equipment	1,509,858	967,204	542,654	1,146,839
Indirect cost allocation	2,999,658	2,596,154	403,504	1,782,898
Total expenditures	37,416,514	33,393,262	4,023,252	29,569,025
Net change in fund balances	(2,727,747)	1,152,288	3,880,035	3,584,243
Fund balances - beginning	17,424,569	17,424,569	-	13,840,326
Fund balances - ending	\$ 14,696,822	\$ 18,576,857	\$ 3,880,035	\$ 17,424,569

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, 2017 with Comparative Totals for 2016

	2017			2016
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local:				
Property taxes	\$ 15,723,558	\$ 15,585,431	\$ (138,127)	\$ 14,800,299
Earnings on investments	-	7,985	7,985	-
Total revenues	15,723,558	15,593,416	(130,142)	14,800,299
Expenditures:				
Debt service:				
Principal	7,980,000	7,980,000	-	6,830,000
Interest	6,849,257	6,849,257	-	8,348,550
Bond issuance costs	-	-	-	267,500
Paying agent fees	10,000	2,500	7,500	2,500
Total expenditures	14,839,257	14,831,757	7,500	15,448,550
Other financing sources (uses):				
Refunding bonds issued	-	-	-	75,400,000
Refunded bonds escrow	-	-	-	(75,125,223)
Total other financing sources (uses)	-	-	-	274,777
Net change in fund balances	884,301	761,659	(122,642)	(373,474)
Fund balances - beginning	178,502	178,502	-	551,976
Fund balances - ending	\$ 1,062,803	\$ 940,161	\$ (122,642)	\$ 178,502

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, 2017 with Comparative Totals for 2016

	2017			2016
	Printing Services Fund	Self Insurance Fund	Total	Total
Assets:				
Current assets:				
Cash and investments	\$ -	\$ 21,133,592	\$ 21,133,592	\$ 19,523,485
Receivables - local	202	241,416	241,618	240,727
Prepaid items	1,793	-	1,793	2,764
Inventories	30,977	-	30,977	32,714
Due from other funds	23,254	-	23,254	-
Total current assets	56,226	21,375,008	21,431,234	19,799,690
Noncurrent assets:				
Capital assets:				
Equipment	730,422	-	730,422	651,243
Accumulated depreciation	(512,437)	-	(512,437)	(449,208)
Net pension asset	-	-	-	19
Total noncurrent assets	217,985	-	217,985	202,054
Total assets	274,211	21,375,008	21,649,219	20,001,744
Deferred outflows of resources:				
Related to pensions	125,105	56,463	181,568	168,582
Liabilities:				
Current liabilities:				
Accounts payable	-	5,577	5,577	5,854
Accrued salaries and related benefits	-	1,150	1,150	1,206
Due to other funds	-	-	-	37,385
Health and accident claims payable	-	14,234,467	14,234,467	12,341,677
Dental claims payable	-	407,975	407,975	386,055
Workers compensation claims payable	-	957,440	957,440	1,131,330
Unemployment claims payable	-	18,871	18,871	37,340
Total current liabilities	-	15,625,480	15,625,480	13,940,847
Noncurrent liabilities:				
Workers compensation claims payable	-	19,540	19,540	23,088
Net pension liability	353,748	160,557	514,305	482,071
Total noncurrent liabilities	353,748	180,097	533,845	505,159
Total liabilities	353,748	15,805,577	16,159,325	14,446,006
Deferred inflows of resources:				
Related to pensions	45,568	20,565	66,133	49,472
Net position:				
Investment in capital assets	217,985	-	217,985	202,035
Unrestricted	(217,985)	5,605,329	5,387,344	5,472,813
Total net position	\$ -	\$ 5,605,329	\$ 5,605,329	\$ 5,674,848

GRANITE SCHOOL DISTRICT**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position****Internal Service Funds**

Year Ended June 30, 2017 with Comparative Totals for 2016

	2017			2016
	Printing Services Fund	Self Insurance Fund	Total	Total
Operating revenues:				
Charges for services:				
Medical insurance premiums	\$ -	\$ 66,734,254	\$ 66,734,254	\$ 63,703,808
Unemployment insurance premiums	-	150,000	150,000	150,000
Industrial insurance premium	-	1,462,062	1,462,062	1,427,884
Other services	569,187	68,070	637,257	695,540
Total operating revenues	569,187	68,414,386	68,983,573	65,977,232
Operating expenses:				
Salaries	301,760	156,258	458,018	468,810
Employee benefits	191,586	51,494	243,080	582,320
Medical and prescription claims	-	60,945,006	60,945,006	58,919,487
Dental claims	-	1,524,547	1,524,547	1,681,478
Medical administrative fees	-	2,930,416	2,930,416	3,040,287
ACA fees	-	316,251	316,251	561,284
Medical reinsurance premiums	-	1,427,131	1,427,131	1,212,050
Workers compensation claims	-	1,083,259	1,083,259	984,014
Unemployment claims	-	40,846	40,846	40,049
Purchased services	172,982	6,290	179,272	246,252
Supplies and materials	102,127	2,407	104,534	106,513
Depreciation	63,229	-	63,229	65,248
Other	-	-	-	325
Total operating expenses	831,684	68,483,905	69,315,589	67,908,117
Operating income (loss)	(262,497)	(69,519)	(332,016)	(1,930,885)
Nonoperating revenues (expenses):				
Transfers in	262,497	-	262,497	353,443
Transfers (out)	-	-	-	(4,790,926)
(Loss) on disposal of equipment	-	-	-	(4,793)
Total nonoperating revenues (expenses)	262,497	-	262,497	(4,442,276)
Change in net position	-	(69,519)	(69,519)	(6,373,161)
Total net position - beginning	-	5,674,848	5,674,848	12,048,009
Total net position - ending	\$ -	\$ 5,605,329	\$ 5,605,329	\$ 5,674,848

GRANITE SCHOOL DISTRICT

Combining Statement of Fund Cash Flows - Internal Service Funds

Year Ended June 30, 2017 with Comparative Totals for 2016

	2017			2016
	Printing Services Fund	Self Insurance Fund	Totals	Totals
Cash flows from operating activities:				
Receipts from interfund services provided	\$ 599,347	\$ 68,383,335	\$ 68,982,682	\$ 65,757,885
Payments of assessments from other funds	(60,639)	-	(60,639)	(229,125)
Payments to employees	(498,672)	(198,788)	(697,460)	(688,009)
Payments to suppliers for goods and services	(223,354)	(25,787)	(249,141)	(349,482)
Payments for medical fees and insurance claims	-	(66,548,653)	(66,548,653)	(65,533,866)
Net cash provided (used) by operating activities	(183,318)	1,610,107	1,426,789	(1,042,597)
Cash flows from noncapital financing activities:				
Transfers in from other funds	262,497	-	262,497	353,443
Transfers (out) to other funds	-	-	-	(4,790,926)
Net cash provided (used) by noncapital financing activities	262,497	-	262,497	(4,437,483)
Cash flows from capital and related financing activities:				
Purchase of capital assets	(79,179)	-	(79,179)	-
Net change in cash and cash equivalents	-	1,610,107	1,610,107	(5,480,080)
Cash and cash equivalents - beginning	-	19,523,485	19,523,485	25,003,565
Cash and cash equivalents - ending*	\$ -	\$ 21,133,592	\$ 21,133,592	\$ 19,523,485

* 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 (loss)	\$ (262,497)	\$ (69,519)	\$ (332,016)	\$ (1,930,885)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:				
Noncash item - depreciation	63,229	-	63,229	65,248
(Increase) decrease in operating assets:				
Accounts receivable - other local	30,160	(31,051)	(891)	(218,656)
Prepaid items	971	-	971	4,022
Inventories	1,737	-	1,737	1,392
Due from other funds	(23,254)	-	(23,254)	-
Net pension asset	12	7	19	(19)
(Increase) decrease in deferred outflows of resources	(18,461)	5,475	(12,986)	(168,582)
Increase (decrease) in operating liabilities:				
Accounts payable	-	(277)	(277)	(1,806)
Due to other funds	(37,385)	-	(37,385)	(229,125)
Unearned revenue - local	-	-	-	(691)
Accrued salaries and related benefits	(1,149)	1,093	(56)	179
Health and accident insurance payable	-	1,892,790	1,892,790	672,032
Dental insurance payable	-	21,920	21,920	169,310
Workers compensation payable	-	(177,438)	(177,438)	71,830
Unemployment insurance payable	-	(18,469)	(18,469)	(8,389)
Net pension liability	49,047	(16,813)	32,234	482,071
Increase in deferred inflows of resources	14,272	2,389	16,661	49,472
Total adjustments	79,179	1,679,626	1,758,805	888,288
Net cash provided (used) by operating activities	\$ (183,318)	\$ 1,610,107	\$ 1,426,789	\$ (1,042,597)

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

Section III

Statistical

GRANITE SCHOOL DISTRICT

Statistical Section - Financial Trends

Table of Contents

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

Financial Trends

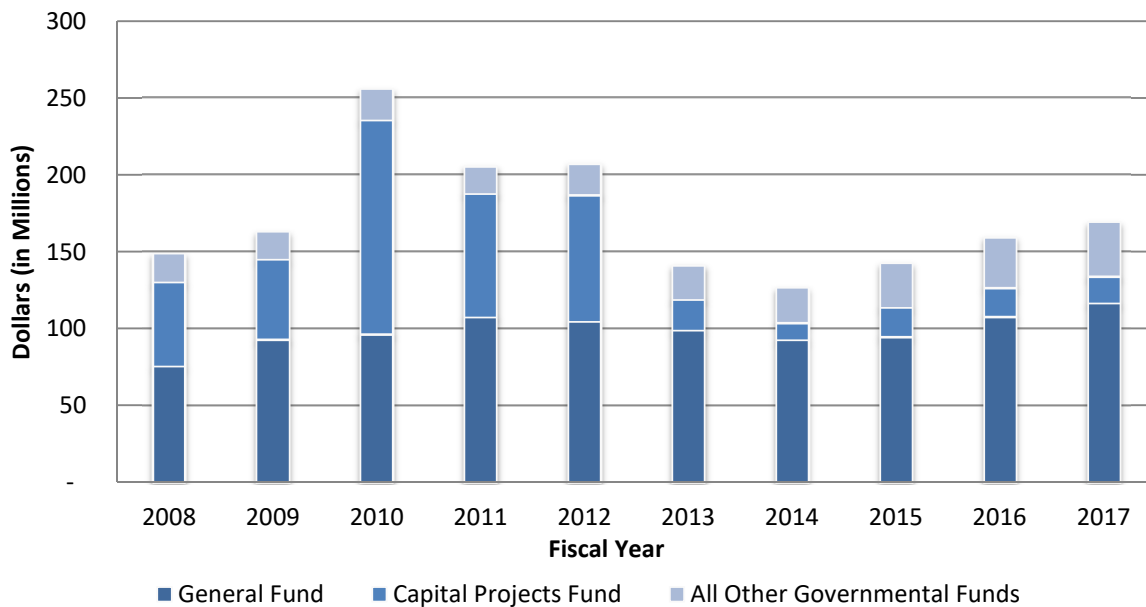
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

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Sources:

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

Governmental Fund Balances



Granite School District

Comparative Statements of Net Position

Last Ten Fiscal Years - June 30, 2008 through 2017

	2008	2009	2010	2011	2012
Assets:					
Cash and investments	\$ 207,458,012	\$ 197,719,153	\$ 285,154,233	\$ 246,660,988	\$ 272,632,468
Receivables:					
Property taxes	124,142,709	125,982,727	132,521,058	131,905,864	138,078,689
Other local	1,837,456	2,087,250	840,395	2,017,171	1,774,001
State	1,704,672	1,940,109	1,123,269	2,286,160	1,959,228
Federal	12,472,701	27,008,698	36,585,184	29,895,483	19,006,668
Prepaid items	472,265	464,609	351,864	394,551	418,293
Lease receivable	-	-	-	-	9,084,045
Inventories	5,000,700	7,954,446	4,685,021	4,174,442	4,614,854
Net other post employment benefit asset	304,253	355,237	561,382	609,335	864,391
Net pension asset	-	-	-	-	-
Capital assets:					
Land, construction in progress, and water stock	46,258,299	49,232,881	55,000,220	99,471,695	166,043,007
Other capital assets, net of accumulated depreciation	230,253,710	244,884,690	244,279,676	250,553,057	292,615,046
Total assets	<u>629,904,777</u>	<u>657,629,800</u>	<u>761,102,302</u>	<u>767,968,746</u>	<u>907,090,690</u>
Deferred Outflows of Resources:					
Related to pensions	-	-	-	-	-
Refunded bonds	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities:					
Accounts and contracts payable	10,807,811	6,017,206	8,588,487	15,054,886	24,412,684
Accrued interest	-	-	433,006	271,698	670,287
Accrued salaries and related benefits	39,606,609	44,779,667	42,628,041	42,904,209	43,386,016
Unearned revenue:					
Local	1,152,197	1,538,570	1,214,568	1,065,499	9,948,581
State	16,667,642	10,392,205	8,691,770	9,522,950	9,439,856
Federal	161,895	144,249	801,901	1,285,615	1,699,097
Long-term liabilities:					
Portion due or payable within one year	10,500,100	11,416,261	13,636,794	13,791,605	16,260,601
Portion due or payable after one year	25,733,809	29,149,187	109,960,914	89,963,247	180,566,007
Total liabilities	<u>104,630,063</u>	<u>103,437,345</u>	<u>185,955,481</u>	<u>173,859,709</u>	<u>286,383,129</u>
Deferred Inflows of Resources:					
Related to pensions	-	-	-	-	-
Property taxes levied for future year	120,686,699	121,870,805	130,454,807	126,750,223	133,854,460
Total deferred inflows of resources	<u>120,686,699</u>	<u>121,870,805</u>	<u>130,454,807</u>	<u>126,750,223</u>	<u>133,854,460</u>
Net Position:					
Net investment in capital assets	276,512,009	294,117,571	294,292,996	312,828,850	320,933,467
Restricted for:					
Capital projects	56,785,410	53,619,369	62,709,491	50,798,448	52,011,476
Debt service	-	-	-	360,073	-
Schools and scholarships	1,163,315	632,595	894,675	411,517	411,517
School lunch	7,353,969	8,163,090	9,519,525	6,831,041	8,848,379
Community recreation	1,805,530	1,091,222	1,279,785	446,335	-
Unrestricted	60,967,782	74,697,803	75,995,542	95,682,550	104,648,262
Total net position	<u>\$ 404,588,015</u>	<u>\$ 432,321,650</u>	<u>\$ 444,692,014</u>	<u>\$ 467,358,814</u>	<u>\$ 486,853,101</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 215,574,818	\$ 187,938,498	\$ 196,776,285	\$ 208,478,139	\$ 221,871,595
138,935,297	140,117,948	165,998,099	165,108,265	183,920,943
1,809,789	1,389,313	1,060,149	914,707	5,076,817
2,343,606	2,608,600	1,766,000	2,745,718	5,614,501
16,785,055	18,522,446	16,236,671	16,678,670	14,291,061
442,017	440,926	1,640,388	3,383,515	4,021,861
-	-	-	-	-
4,850,741	4,416,320	5,400,254	5,736,549	4,845,490
962,548	1,583,821	1,703,583	-	-
-	40,788	143,027	10,609	-
241,402,460	247,798,755	135,275,981	43,319,428	44,108,323
298,506,536	298,583,285	393,539,779	468,462,449	447,581,023
<u>921,612,867</u>	<u>903,440,700</u>	<u>919,540,216</u>	<u>914,838,049</u>	<u>931,331,614</u>
-	24,640,562	30,455,766	95,571,899	105,584,998
-	-	-	6,000,379	5,585,275
<u>-</u>	<u>24,640,562</u>	<u>30,455,766</u>	<u>101,572,278</u>	<u>111,170,273</u>
15,853,511	4,338,899	3,604,607	4,850,034	4,536,379
754,417	769,092	735,085	706,743	405,744
48,017,721	40,909,960	40,060,600	41,265,125	41,790,472
1,527,180	1,507,466	1,021,448	1,856,477	2,100,607
8,678,669	7,436,856	6,353,051	6,971,190	7,391,913
1,880,782	2,960,022	3,991,067	3,362,473	4,778,832
20,394,650	21,371,610	23,012,807	24,991,267	24,991,267
222,274,831	447,924,466	410,861,894	476,103,393	473,292,788
<u>319,381,761</u>	<u>527,218,371</u>	<u>489,640,559</u>	<u>560,106,702</u>	<u>559,288,002</u>
-	-	19,014,287	28,046,482	39,264,131
135,851,267	136,981,084	162,895,935	161,945,555	181,903,176
<u>135,851,267</u>	<u>136,981,084</u>	<u>181,910,222</u>	<u>189,992,037</u>	<u>221,167,307</u>
338,844,364	344,867,541	336,548,726	321,010,498	315,291,774
10,351,497	10,772,697	18,500,839	18,532,879	20,276,450
-	-	542,300	-	862,780
411,517	408,728	435,761	469,379	749,698
10,206,132	10,199,072	12,552,044	17,424,569	12,659,512
-	-	-	-	-
106,566,329	(102,366,231)	(90,134,469)	(91,125,737)	(87,793,636)
<u>\$ 466,379,839</u>	<u>\$ 263,881,807</u>	<u>\$ 278,445,201</u>	<u>\$ 266,311,588</u>	<u>\$ 262,046,578</u>

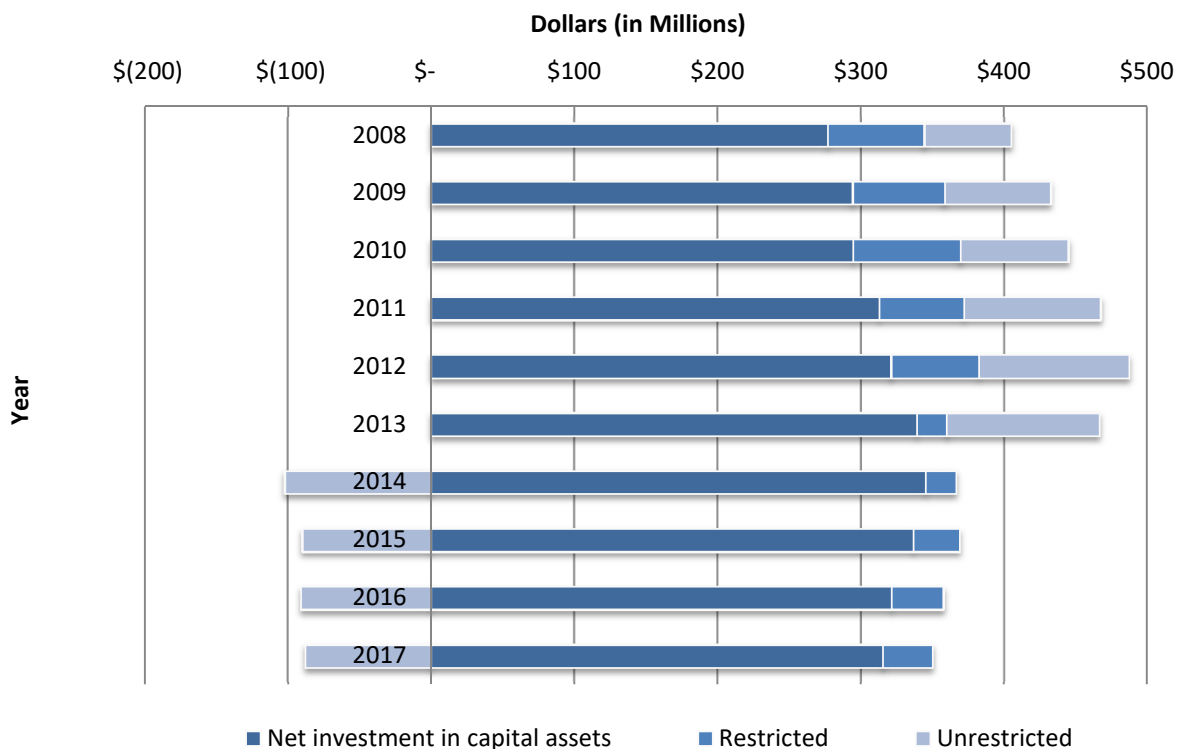


Granite School District

Net Position by Component

Last Ten Fiscal Years - June 30, 2008 through June 30, 2017
(Accrual basis of accounting)

June 30,	Net investment in capital assets	Restricted	Unrestricted	Total governmental activities net position
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
2017	315,291,774	34,548,440	(87,793,636)	262,046,578



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

Changes in Net Position

Last Ten Fiscal Years - June 30, 2008 through 2017

(Accrual basis of accounting)

	2008	2009	2010	2011
Expenses:				
Instructional services	\$ (312,044,102)	\$ (330,747,520)	\$ (323,526,457)	\$ (318,583,268)
Supporting services:				
Students	(19,191,183)	(20,130,916)	(18,495,907)	(18,310,997)
Instructional staff	(19,929,351)	(19,382,010)	(17,121,922)	(16,452,790)
District administration	(3,008,245)	(3,142,855)	(3,212,270)	(3,172,168)
School administration	(24,902,500)	(26,447,443)	(25,939,635)	(25,899,389)
Central	(8,744,300)	(9,443,494)	(9,641,355)	(9,510,994)
Operation and maintenance of facilities	(40,263,931)	(45,094,109)	(42,959,293)	(39,397,257)
Transportation	(9,613,882)	(9,543,162)	(9,022,545)	(9,267,172)
School lunch services	(21,990,249)	(22,756,762)	(22,304,140)	(27,471,654)
Community services	(16,036,280)	(14,774,146)	(14,934,127)	(14,764,773)
Interest on long-term liabilities	-	-	(1,281,355)	(3,289,197)
Total expenses	<u>(475,724,023)</u>	<u>(501,462,417)</u>	<u>(488,439,006)</u>	<u>(486,119,659)</u>
Program Revenues:				
Charges for services:				
Instructional services	13,319,053	13,290,734	14,630,732	13,149,620
Supporting services	2,037,486	2,184,825	2,821,266	2,318,265
School lunch services	5,234,813	5,131,865	4,164,925	5,192,512
Operating grants and contributions	138,267,627	145,834,845	150,681,486	158,348,843
Capital grants and contributions	-	-	151,107	-
Total program revenues	<u>158,858,979</u>	<u>166,442,269</u>	<u>172,449,516</u>	<u>179,009,240</u>
Net (Expense) and Changes in Net Position	<u>(316,865,044)</u>	<u>(335,020,148)</u>	<u>(315,989,490)</u>	<u>(307,110,419)</u>
General Revenue and Other Changes in Net Position:				
Property taxes	132,546,482	136,707,897	133,224,919	143,699,068
Federal and state aid not restricted to specific programs	205,368,598	214,392,417	188,872,801	180,777,434
Earnings on investments	8,241,020	4,412,267	2,367,634	2,028,527
Gain on sale of capital assets	-	-	-	-
Miscellaneous	5,268,377	7,241,202	3,894,500	3,272,190
Total general revenue and other changes in net position	<u>351,424,477</u>	<u>362,753,783</u>	<u>328,359,854</u>	<u>329,777,219</u>
Change in Net Position	34,559,433	27,733,635	12,370,364	22,666,800
Net Position - Beginning	<u>370,028,582</u>	<u>404,588,015</u>	<u>432,321,650</u>	<u>444,692,014</u>
Net Position - Ending	<u>\$ 404,588,015</u>	<u>\$ 432,321,650</u>	<u>\$ 444,692,014</u>	<u>\$ 467,358,814</u>

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

* 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 pension	24,640,562
Beginning net position, as restated	<u>\$ 263,881,807</u>

Source: District records

2012	2013	2014	2015	2016	2017
\$ (297,867,401)	\$ (348,317,377)	\$ (320,423,548)	\$ (335,493,515)	\$ (355,541,828)	\$ (369,346,099)
(18,140,134)	(19,224,610)	(19,904,590)	(19,970,557)	(21,053,440)	(22,186,753)
(15,094,205)	(15,745,255)	(16,713,385)	(14,946,518)	(15,973,484)	(16,686,210)
(3,261,574)	(3,311,703)	(3,459,222)	(3,231,125)	(3,717,258)	(3,970,098)
(26,259,590)	(26,437,244)	(28,301,884)	(29,413,760)	(31,905,955)	(33,272,812)
(9,823,667)	(10,471,785)	(10,299,162)	(9,931,181)	(12,809,149)	(13,243,357)
(48,472,612)	(53,044,065)	(55,594,893)	(57,466,624)	(58,918,567)	(62,909,891)
(10,199,851)	(11,119,258)	(10,340,619)	(9,588,698)	(11,384,960)	(10,571,801)
(24,604,691)	(25,185,316)	(28,341,452)	(27,396,939)	(29,697,433)	(33,023,155)
(15,722,329)	(224,767)	(393,701)	(6,159,773)	(7,165,894)	(5,949,531)
(7,467,967)	(7,928,415)	(7,917,255)	(7,655,679)	(7,381,897)	(6,157,330)
<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>	<u>(577,317,037)</u>
13,377,552	13,069,292	12,881,018	12,165,512	12,404,365	12,208,260
2,250,317	2,876,063	2,719,894	2,745,088	2,606,077	2,480,280
5,009,691	4,848,097	5,076,727	5,140,395	4,816,244	4,676,126
148,761,817	158,707,697	157,027,337	165,044,006	166,002,615	174,477,938
-	-	-	-	-	-
<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>193,842,604</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>	<u>(383,474,433)</u>
144,940,295	148,561,205	146,177,626	159,858,801	171,616,112	166,255,226
174,482,377	165,766,056	175,929,961	179,140,986	191,728,029	197,613,921
747,585	1,860,492	1,400,514	1,121,807	1,495,447	2,791,032
-	-	-	-	-	5,024,208
<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>7,525,036</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>	<u>379,209,423</u>
19,494,287	(20,473,262)	5,116,527	14,563,394	4,065,762	(4,265,010)
<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>266,311,588</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>	<u>\$ 262,046,578</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, 2008 through 2017

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General fund balance:					
Nonspendable	\$ 4,291,312	\$ 6,998,853	\$ 4,096,604	\$ 3,724,250	\$ 3,847,348
Restricted	-	-	-	-	-
Committed	60,064,382	68,376,060	71,528,522	66,518,121	59,407,142
Assigned	6,889,755	10,971,314	10,611,865	27,235,977	31,323,124
Unassigned	3,981,827	6,345,573	9,766,247	9,954,512	9,897,564
Total	<u>75,227,276</u>	<u>92,691,800</u>	<u>96,003,238</u>	<u>107,432,860</u>	<u>104,475,178</u>
Capital projects fund balance:					
Nonspendable	63,123	65,418	66,391	113,975	117,616
Restricted	54,485,251	51,801,230	139,087,750	80,055,628	81,811,179
Total	<u>54,548,374</u>	<u>51,866,648</u>	<u>139,154,141</u>	<u>80,169,603</u>	<u>81,928,795</u>
All other governmental fund balances:					
Nonspendable	1,075,100	1,309,248	824,708	690,278	1,026,508
Restricted	17,177,358	16,377,602	10,784,531	6,862,422	8,233,388
Committed	126,218	111,093	8,374,241	10,204,549	11,359,296
Assigned	428,443	481,146	379,241	-	-
Total	<u>18,807,119</u>	<u>18,279,089</u>	<u>20,362,721</u>	<u>17,757,249</u>	<u>20,619,192</u>
Total governmental fund balances	<u>\$ 148,582,769</u>	<u>\$ 162,837,537</u>	<u>\$ 255,520,100</u>	<u>\$ 205,359,712</u>	<u>\$ 207,023,165</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 4,001,748	\$ 3,545,886	\$ 5,536,720	\$ 7,432,522	\$ 6,869,403
-	-	-	25,000	25,000
61,484,871	66,829,024	64,786,545	66,464,759	69,929,848
26,142,829	14,854,416	16,212,382	25,004,349	30,626,417
<u>7,062,256</u>	<u>7,317,576</u>	<u>7,949,448</u>	<u>8,607,147</u>	<u>9,020,904</u>
<u>98,691,704</u>	<u>92,546,902</u>	<u>94,485,095</u>	<u>107,533,777</u>	<u>116,471,572</u>
97,666	128,994	167,708	128,136	255,349
<u>19,954,153</u>	<u>10,861,991</u>	<u>18,777,282</u>	<u>18,721,959</u>	<u>16,787,473</u>
<u>20,051,819</u>	<u>10,990,985</u>	<u>18,944,990</u>	<u>18,850,095</u>	<u>17,042,822</u>
1,154,475	1,139,004	1,295,322	1,523,928	1,709,829
9,633,312	9,683,000	13,539,781	16,549,259	18,532,221
11,418,409	12,099,958	14,135,476	14,741,173	15,390,114
-	-	-	-	-
<u>22,206,196</u>	<u>22,921,962</u>	<u>28,970,579</u>	<u>32,814,360</u>	<u>35,632,164</u>
<u>\$ 140,949,719</u>	<u>\$ 126,459,849</u>	<u>\$ 142,400,664</u>	<u>\$ 159,198,232</u>	<u>\$ 169,146,558</u>

Granite School District
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years - June 30, 2008 through 2017

	2008	2009	2010	2011
Revenues:				
Property taxes	\$ 131,687,338	\$ 138,095,494	\$ 134,773,196	\$ 141,393,902
Earnings on investments	8,227,906	4,410,900	2,367,634	2,028,527
Tuitions	1,635,855	1,646,362	2,225,975	1,921,243
School lunch sales	5,234,813	5,131,865	4,164,925	5,192,512
Student fees	5,094,985	5,705,941	5,319,978	6,105,400
Proceeds from fundraising activities	2,481,316	2,377,116	2,196,939	2,294,869
Other local	13,663,191	11,119,093	12,903,402	11,358,835
State	288,482,122	279,235,273	260,424,666	259,520,754
Federal	53,941,037	80,337,914	78,273,044	78,835,447
Total revenues	510,448,563	528,059,958	502,649,759	508,651,489
Expenditures:				
Current:				
Instructional services	277,489,359	296,160,837	290,027,780	289,764,079
Supporting services:				
Students	18,902,673	19,671,125	18,215,196	18,265,051
Instructional staff	19,711,431	19,042,866	16,881,822	16,410,218
District administration	2,678,068	2,795,553	2,909,550	2,807,675
School administration	24,521,494	25,817,923	25,568,334	25,868,977
Central	8,280,791	8,906,904	9,130,132	8,982,270
Operation and maintenance of facilities	40,695,887	42,737,268	40,581,482	37,798,294
Transportation	8,508,292	8,382,599	8,030,734	8,326,966
School lunch services	21,829,026	22,767,961	23,882,583	29,034,911
Community services	16,160,102	14,929,141	15,107,978	14,773,436
Capital outlay	58,940,480	56,230,944	42,928,321	89,298,616
Debt service:				
Principal	-	-	-	14,220,000
Interest	-	-	-	3,703,889
Bond issuance costs and fiscal charges	-	-	876,503	-
Total expenditures	497,717,603	517,443,121	494,140,415	559,254,382
Excess (deficiency) of revenues over (under) expenditures	12,730,960	10,616,837	8,509,344	(50,602,893)
Other financing sources (uses):				
Proceeds from sale of capital assets	28,759	155,197	116,707	642,036
Proceeds from sale of real property	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	(172,745)	(212,393)	(265,971)	(199,531)
Total other financing sources (uses)	404,061	3,637,931	84,173,219	442,505
Extraordinary item:				
Insurance proceeds	5,097,688	-	-	-
Net change in fund balances	18,232,709	14,254,768	92,682,563	(50,160,388)
Fund balances - beginning	130,350,060	148,582,769	162,837,537	255,520,100
Fund balances - ending	\$ 148,582,769	\$ 162,837,537	\$ 255,520,100	\$ 205,359,712
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	3.66%

Source: District records.

2012	2013	2014	2015	2016	2017
\$ 145,264,279	\$ 149,490,678	\$ 146,112,746	\$ 160,266,514	\$ 171,539,430	\$ 166,770,059
747,585	1,860,492	1,400,514	1,121,807	1,495,447	2,791,032
1,961,552	2,013,019	1,991,572	1,766,485	1,678,513	1,469,626
5,009,691	4,848,097	5,076,727	5,140,395	4,816,244	4,676,126
6,201,669	6,399,545	6,302,516	6,697,958	6,681,888	6,678,017
2,734,829	2,581,748	2,688,214	2,540,109	2,533,430	2,534,385
11,708,175	12,212,830	12,524,333	14,429,097	15,046,878	14,127,702
257,203,373	261,025,516	274,793,224	279,594,670	294,402,906	306,268,907
64,560,913	62,666,703	58,164,074	64,143,004	63,327,738	66,275,190
495,392,066	503,098,628	509,053,920	535,700,039	561,522,474	571,591,044
286,380,238	303,094,147	310,881,752	319,970,969	325,848,605	332,009,191
18,185,870	19,177,739	19,850,939	20,538,158	20,864,748	21,608,738
15,130,458	15,898,421	16,649,551	15,431,611	15,941,286	16,462,417
2,884,608	3,042,966	3,152,450	3,394,556	3,439,511	3,879,652
26,359,396	26,386,676	28,194,855	29,877,428	31,232,278	31,915,921
9,305,637	9,387,883	9,150,691	9,780,646	10,201,607	10,451,478
47,250,856	51,964,424	54,122,795	54,752,894	53,990,705	57,355,321
9,371,995	10,247,348	9,504,264	9,112,787	8,925,593	9,652,879
24,710,050	26,753,082	27,940,153	29,528,913	29,569,025	33,393,262
15,831,020	1,189,333	1,107,853	6,308,598	6,967,171	5,943,884
133,263,686	137,959,749	31,212,298	18,097,591	27,719,313	26,048,498
10,450,000	8,545,000	8,100,000	8,330,000	6,830,000	7,980,000
6,967,129	8,304,364	8,806,546	8,604,651	8,348,550	6,849,257
799,448	405,013	500	2,500	270,000	2,500
606,890,391	622,356,145	528,674,647	533,731,302	550,148,392	563,552,998
(111,498,325)	(119,257,517)	(19,620,727)	1,968,737	11,374,082	8,038,046
1,245,424	762,898	890,208	4,501,810	711,226	2,172,777
-	-	-	-	-	-
223,425	-	-	-	-	-
102,925,000	48,075,000	-	-	-	-
8,876,310	4,405,323	-	-	-	-
-	-	-	-	75,400,000	-
-	-	-	-	(75,125,223)	-
(108,381)	(59,150)	4,240,649	9,470,268	4,437,483	(262,497)
113,161,778	53,184,071	5,130,857	13,972,078	5,423,486	1,910,280
-	-	-	-	-	-
1,663,453	(66,073,446)	(14,489,870)	15,940,815	16,797,568	9,948,326
205,359,712	207,023,165	140,949,719	126,459,849	142,400,664	159,198,232
\$ 207,023,165	\$ 140,949,719	\$ 126,459,849	\$ 142,400,664	\$ 159,198,232	\$ 169,146,558
3.66%	3.25%	3.43%	3.25%	2.84%	2.70%

Granite School District
Comparative Balance Sheets - General Fund
Last Ten Fiscal Years - June 30, 2008 through 2017

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Assets:					
Cash and investments	\$ 84,799,443	\$ 113,508,241	\$ 108,654,214	\$ 131,870,229	\$ 138,025,909
Receivables:					
Property taxes	78,975,609	74,025,512	92,915,999	94,267,604	104,050,366
Other local	939,927	1,365,487	583,887	1,117,626	1,372,009
State	569,042	1,047,636	635,364	1,039,051	526,134
Federal	11,193,340	25,234,529	34,774,677	28,609,035	16,162,815
Inventories	3,884,697	6,603,979	3,814,200	3,448,713	3,553,368
Prepaid items	406,615	394,874	282,404	275,537	293,980
Due from other funds	-	73,999	632,691	-	392,125
Total assets	<u>\$ 180,768,673</u>	<u>\$ 222,254,257</u>	<u>\$ 242,293,436</u>	<u>\$ 260,627,795</u>	<u>\$ 264,376,706</u>
Liabilities:					
Accounts and contracts payable	2,655,747	1,955,451	1,824,520	903,812	757,538
Accrued salaries and related benefits	5,664,092	42,760,851	41,388,390	41,156,118	42,702,387
Unearned revenue:					
Local	462,271	428,051	575,676	599,954	1,054,995
State	16,422,106	10,341,017	8,641,076	9,522,950	9,439,856
Federal	161,895	144,249	800,654	1,281,968	1,773,650
Due to other funds	-	-	-	5,780,232	-
Total liabilities	<u>25,366,111</u>	<u>55,629,619</u>	<u>53,230,316</u>	<u>59,245,034</u>	<u>55,728,426</u>
Deferred Inflows of Resources:					
Property taxes levied for future year	76,777,006	71,414,974	91,544,790	90,890,695	101,011,881
Unavailable property tax revenue	<u>3,398,280</u>	<u>2,517,864</u>	<u>1,515,092</u>	<u>3,059,206</u>	<u>3,161,221</u>
Total deferred inflows of resources	<u>80,175,286</u>	<u>73,932,838</u>	<u>93,059,882</u>	<u>93,949,901</u>	<u>104,173,102</u>
Fund Balances:					
Nonspendable:					
Inventories	3,884,697	6,603,979	3,814,200	3,448,713	3,553,368
Prepaid items	406,615	394,874	282,404	275,537	293,980
Restricted for:					
Schools and scholarships	-	-	-	-	-
Committed to:					
Economic stabilization	12,000,000	17,000,000	20,349,243	20,419,262	20,547,753
Employee benefits	47,643,376	50,825,306	50,787,529	44,714,591	37,336,656
Contractual obligations	421,006	550,754	391,750	1,384,268	1,522,733
Assigned to:					
Success Charter School	-	-	-	313,776	-
Self insurance	6,000,000	9,924,400	9,517,407	14,838,733	16,123,466
Employee benefits	-	-	-	6,050,000	6,914,504
Planned projects	889,755	1,046,914	1,094,458	6,033,468	8,285,154
Textbooks	-	-	-	-	-
Unassigned	<u>3,981,827</u>	<u>6,345,573</u>	<u>9,766,247</u>	<u>9,954,512</u>	<u>9,897,564</u>
Total fund balances	<u>75,227,276</u>	<u>92,691,800</u>	<u>96,003,238</u>	<u>107,432,860</u>	<u>104,475,178</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 180,768,673</u>	<u>\$ 222,254,257</u>	<u>\$ 242,293,436</u>	<u>\$ 260,627,795</u>	<u>\$ 264,376,706</u>

Source: District records

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 134,844,685	\$ 120,865,657	\$ 123,816,801	\$ 138,023,093	\$ 151,820,222
104,112,081	106,659,003	122,667,773	123,821,980	139,432,561
1,519,629	1,259,112	965,401	633,474	1,087,085
523,513	658,359	407,702	758,439	3,485,354
16,149,504	17,859,225	15,007,012	15,836,619	13,940,913
3,669,481	3,243,980	4,078,607	4,185,935	3,105,577
332,267	301,906	1,458,113	3,246,587	3,763,826
154,633	135,752	266,561	-	-
<u>\$ 261,305,793</u>	<u>\$ 250,982,994</u>	<u>\$ 268,667,970</u>	<u>\$ 286,506,127</u>	<u>\$ 316,635,538</u>
1,112,408	1,228,108	851,972	860,180	3,007,004
44,968,638	40,171,266	39,340,629	40,535,833	40,986,798
1,506,997	1,214,181	873,955	1,094,820	1,772,063
8,678,669	7,436,856	6,353,051	6,971,190	7,391,913
1,955,335	1,433,119	3,991,067	3,362,473	4,778,832
-	-	-	2,203,496	2,173,301
<u>58,222,047</u>	<u>51,483,530</u>	<u>51,410,674</u>	<u>55,027,992</u>	<u>60,109,911</u>
101,786,514	104,271,195	120,376,958	121,451,152	137,928,210
<u>2,605,528</u>	<u>2,681,367</u>	<u>2,395,243</u>	<u>2,493,206</u>	<u>2,125,845</u>
<u>104,392,042</u>	<u>106,952,562</u>	<u>122,772,201</u>	<u>123,944,358</u>	<u>140,054,055</u>
3,669,481	3,243,980	4,078,607	4,185,935	3,105,577
332,267	301,906	1,458,113	3,246,587	3,763,826
-	-	-	25,000	25,000
21,811,871	22,229,221	22,824,786	23,373,393	24,335,589
38,799,309	43,001,662	41,640,633	42,726,720	45,032,069
873,691	1,598,141	321,126	364,646	562,190
-	-	-	-	-
12,405,824	8,561,277	8,561,277	11,122,790	11,413,984
5,451,851	1,394,806	3,143,576	6,340,453	8,433,741
8,285,154	4,898,333	4,507,529	6,973,137	7,889,506
-	-	-	567,969	2,889,186
<u>7,062,256</u>	<u>7,317,576</u>	<u>7,949,448</u>	<u>8,607,147</u>	<u>9,020,904</u>
<u>98,691,704</u>	<u>92,546,902</u>	<u>94,485,095</u>	<u>107,533,777</u>	<u>116,471,572</u>
<u>\$ 261,305,793</u>	<u>\$ 250,982,994</u>	<u>\$ 268,667,970</u>	<u>\$ 286,506,127</u>	<u>\$ 316,635,538</u>

Granite School District

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

Last Ten Fiscal Years - June 30, 2008 through 2017 and Proposed Budget for 2018

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues:					
Property taxes	\$ 83,775,271	\$ 87,411,731	\$ 85,068,472	\$ 91,921,843	\$ 105,081,687
Earnings (loss) on investments	4,090,444	3,221,399	1,401,278	1,204,839	(46,142)
Other local	6,823,146	6,670,218	7,855,547	7,709,658	8,311,120
State	274,717,288	271,171,606	252,412,503	251,934,781	249,504,811
Federal	36,383,144	62,370,769	58,863,351	57,305,579	40,159,901
Total revenue	<u>405,789,293</u>	<u>430,845,723</u>	<u>405,601,151</u>	<u>410,076,700</u>	<u>403,011,377</u>
Expenditures:					
Current:					
Instruction	265,252,631	283,602,781	278,180,311	278,464,936	275,344,998
Supporting services:					
Students	18,902,673	19,671,125	18,215,196	18,265,051	18,185,870
Instructional staff	19,711,431	19,042,866	16,881,822	16,410,218	15,130,458
District administration	2,678,068	2,795,553	2,909,550	2,807,675	2,884,608
School administration	24,521,494	25,817,923	25,568,334	25,868,977	26,359,396
Central	8,280,791	8,906,904	9,130,132	8,982,270	9,305,637
Operation and maintenance of facilities	40,695,887	42,737,268	40,581,482	37,798,294	47,250,856
Transportation	8,508,292	8,382,599	8,030,734	8,326,966	9,371,995
Total expenditures	<u>388,551,267</u>	<u>410,957,019</u>	<u>399,497,561</u>	<u>396,924,387</u>	<u>403,833,818</u>
Excess (deficiency) of revenues over (under) expenditures	17,238,026	19,888,704	6,103,590	13,152,313	(822,441)
Other financing sources (uses):					
Transfers in (out)	(2,752,735)	(2,424,180)	(2,792,152)	(1,722,691)	(2,135,241)
Proceeds from sale of assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	14,485,291	17,464,524	3,311,438	11,429,622	(2,957,682)
Fund balances - beginning	<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>
Fund balances - ending	<u>\$ 75,227,276</u>	<u>\$ 92,691,800</u>	<u>\$ 96,003,238</u>	<u>\$ 107,432,860</u>	<u>\$ 104,475,178</u>

Source: District records.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Proposed Budget 2018</u>
\$ 113,045,326	\$ 109,537,454	\$ 117,411,168	\$ 127,477,366	\$ 126,659,775	\$ 144,672,258
1,212,292	889,683	823,177	1,229,443	2,045,330	2,085,000
9,777,622	10,928,379	11,339,127	10,459,987	11,296,442	10,857,625
256,869,852	270,160,476	274,774,354	289,347,546	300,483,592	319,962,997
41,809,790	38,766,157	40,163,860	39,311,978	40,833,618	48,202,048
<u>422,714,882</u>	<u>430,282,149</u>	<u>444,511,686</u>	<u>467,826,320</u>	<u>481,318,757</u>	<u>525,779,928</u>
292,231,153	299,040,857	308,217,928	313,720,152	319,976,784	350,336,846
19,177,739	19,850,939	20,538,158	20,864,748	21,608,738	26,427,633
15,898,421	16,649,551	15,431,611	15,941,286	16,462,417	19,363,588
3,042,966	3,152,450	3,394,556	3,439,511	3,879,652	4,346,773
26,386,676	28,194,855	29,877,428	31,232,278	31,915,921	34,545,871
9,387,883	9,150,691	9,780,646	10,201,607	10,451,478	11,773,146
51,964,424	54,122,795	54,752,894	53,990,705	57,355,321	61,261,698
10,247,348	9,504,264	9,112,787	8,925,593	9,652,879	10,261,783
<u>428,336,610</u>	<u>439,666,402</u>	<u>451,106,008</u>	<u>458,315,880</u>	<u>471,303,190</u>	<u>518,317,338</u>
(5,621,728)	(9,384,253)	(6,594,322)	9,510,440	10,015,567	7,462,590
(161,746)	3,239,451	8,532,515	3,538,242	(1,081,122)	(1,295,455)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,350</u>	<u>-</u>
(5,783,474)	(6,144,802)	1,938,193	13,048,682	8,937,795	6,167,135
<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>113,129,613</u>
<u>\$ 98,691,704</u>	<u>\$ 92,546,902</u>	<u>\$ 94,485,095</u>	<u>\$ 107,533,777</u>	<u>\$ 116,471,572</u>	<u>\$ 119,296,748</u>



GRANITE SCHOOL DISTRICT

Statistical Section - Revenue Capacity

Table of Contents

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

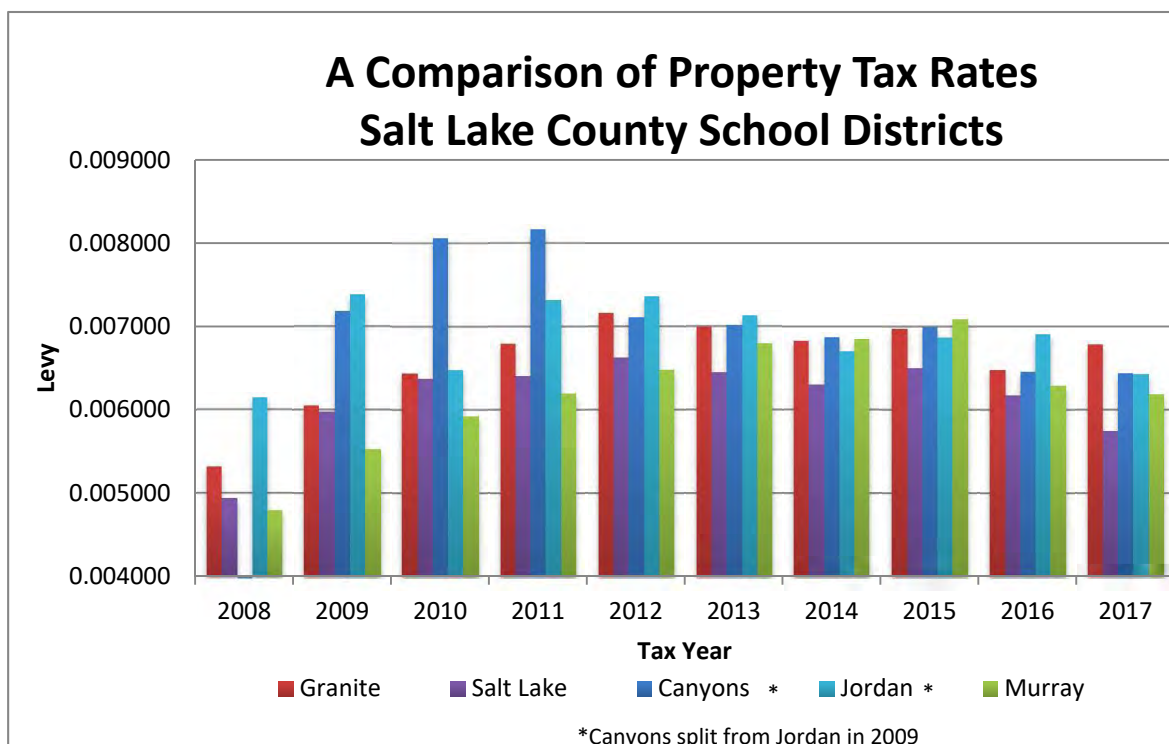
Revenue Capacity

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

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Sources:

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



Granite School District
Principal Property Tax Payers
December 31, 2016 and 2007

Taxpayer	Industry	2016			2007		
		Taxable Value*	Rank	Percent of Total Taxable Value	Taxable Value*	Rank	Percent of Total Taxable Value
Kennecott Utah Copper	Mining	\$ 1,140,111,460	1	4.54 %	\$ 1,445,575,276	1	5.83 %
Hexcel Corporation	Product Design	333,119,812	2	1.33 %	-		-
PacificCorp	Utility	210,456,497	3	0.84 %	277,907,335	2	1.12 %
Alliant Techsystems Inc.	Aerospace	140,144,624	4	0.56 %	112,521,500	3	0.45 %
Questar Gas	Utility	131,865,168	5	0.53 %	73,880,007	7	0.30 %
EOS at Millrock Park LLC	Real Estate	126,415,300	6	0.50 %	-		-
Verizon Wireless	Communications	125,478,961	7	0.50 %	108,564,703	4	0.44 %
TPP 217 Taylorsville, LLC	Commercial	92,238,700	8	0.37 %	-		-
Northern Utah Healthcare Corp.	Health Care	89,460,259	9	0.36 %	-		-
Wal-Mart Real Estate Business Trust	Supermarket	84,628,577	10	0.34 %			
Salt Lake Newspaper Production	Journalism	-		-	82,011,747	5	0.33 %
Qwest Communications	Communications	-		-	76,840,857	6	0.31 %
Hermes Associates & LTD	Retail Shopping	-		-	71,678,100	8	0.29 %
Novus Development	Financial	-		-	58,818,900	9	0.24 %
Arden Realty Limited	Real Estate	-		-	56,578,500	10	0.23 %
		<u>\$ 2,473,919,358</u>		<u>9.87 %</u>	<u>\$ 2,364,376,925</u>		<u>9.54 %</u>
Total taxable value		\$ 25,105,484,384			\$ 24,777,225,904		

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

Source: Lewis Young Robertson & Burningham, Inc. from Salt Lake County, Utah State Property Tax Division

Granite School District
Property Tax Levies and Collections
Last Ten Tax Years December 31, 2007 through 2016

Tax Year	Taxes Levied *	Collections			Total Collections to Date	
		In the Year of Levy	Percentage of Levy	In Subsequent Years	Amount	Percentage of Levy
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%	3,562,823	146,326,201	96.20%
2012	155,812,510	145,755,394	93.55%	2,747,758	148,503,152	95.31%
2013	155,031,549	145,068,290	93.57%	2,879,592	147,947,882	95.43%
2014	160,534,210	151,171,475	94.17%	2,319,579	153,491,054	95.61%
2015	172,088,527	161,444,485	93.81%	2,097,188	163,541,673	95.03%
2016	173,178,567	164,359,508	94.91%	-	164,359,508	94.91%

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

Source: District records and Salt Lake County remittance letters.

Granite School District

Historical Summaries of Taxable Values of Property

Last Ten Tax Years - For the Tax Years Ended December 31, 2007 through 2016

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Set by State Tax Commission:				
Centrally Assessed	<u>\$ 1,753,741,243</u>	<u>\$ 1,952,066,864</u>	<u>\$ 1,676,842,492</u>	<u>\$ 2,029,948,798</u>
Set by County Assessor:				
Locally Assessed				
Real Property:				
Residential real estate-primary use	13,902,613,370	14,729,753,317	13,008,368,623	12,515,386,495
Residential real estate-not primary use	565,314,690	742,507,870	621,683,380	530,648,060
Commercial and industrial real estate	5,613,321,760	6,063,623,670	4,940,975,810	4,861,606,550
Agriculture-FAA	12,330,600	3,122,790	2,546,500	2,641,160
Unimproved non FAA	<u>914,010</u>	<u>9,959,730</u>	<u>8,714,040</u>	<u>7,432,850</u>
Total Real Property	<u>20,094,494,430</u>	<u>21,548,967,377</u>	<u>18,582,288,353</u>	<u>17,917,715,115</u>
Personal Property:				
Fee in lieu property	1,571,961,716	1,561,885,885	1,443,973,546	1,489,159,055
Mobile home-primary residential use	40,090,137	42,311,722	44,365,634	41,853,103
Mobile home-other use	1,512,221	2,751,923	3,002,319	1,685,719
Commercial and industrial property	<u>1,315,426,157</u>	<u>1,422,273,525</u>	<u>1,527,200,703</u>	<u>1,454,916,023</u>
Total Personal Property	<u>2,928,990,231</u>	<u>3,029,223,055</u>	<u>3,018,542,202</u>	<u>2,987,613,900</u>
Total Locally Assessed	<u>23,023,484,661</u>	<u>24,578,190,432</u>	<u>21,600,830,555</u>	<u>20,905,329,015</u>
Total Taxable Property	<u>\$ 24,777,225,904</u>	<u>\$ 26,530,257,296</u>	<u>\$ 23,277,673,047</u>	<u>\$ 22,935,277,813</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</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>	<u>\$ 1,953,016,576</u>
12,258,416,057	11,602,096,890	12,107,463,442	12,979,459,323	13,746,599,126	15,038,672,403
478,858,170	445,747,730	449,861,180	433,165,380	447,699,630	475,841,220
4,879,587,270	4,881,426,400	5,121,010,250	5,325,372,810	5,659,892,170	6,123,211,850
2,484,800	2,446,640	2,488,520	2,275,710	2,335,310	1,931,070
7,716,940	7,338,740	7,679,100	6,538,360	6,681,790	6,290,130
<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>	<u>21,645,946,673</u>
* 611,175,504	585,561,977	567,068,999	572,977,971	623,717,876	638,454,053
40,966,709	40,302,850	39,128,490	38,194,141	37,301,968	36,061,274
1,486,580	1,596,921	2,008,240	1,335,284	1,041,177	929,416
<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>1,469,530,445</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>2,144,975,188</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>23,790,921,861</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>	<u>\$ 25,743,938,437</u>

Granite School District

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Years - December 31, 2007 through 2016

Tax Year	Taxable Assessed Value *				
	Residential	Industrial & Commercial	Agriculture	Personal	Total
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
2016	15,514,513,623	9,545,758,871	8,221,200	675,444,743	25,743,938,437

* 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
0.005411	\$ 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	35,197,424,879	67.96%
0.006481	38,077,811,445	67.61%

Granite School District

Direct and Overlapping Property Tax Rates

Last Ten Years - December 31, 2007 through 2016

(Rate per \$1 of assessed value)

	2007	2008	2009	2010	2011
Granite School District Rates:					
General fund:					
Basic state supported program for regular K-12 instruction (set by state legislature)	0.001311	0.001250	0.001433	0.001495	0.001591
Voted leeway program for regular K-12 instruction	0.001600	0.001600	0.001600	0.001600	0.001600
Board local levy (1)	-	-	-	-	-
School board leeway program for class size reduction (2)	0.000307	0.000290	0.000333	0.000336	0.000400
Board reading improvement program (2)	0.000121	0.000121	0.000139	0.000141	0.000121
Tort liability levy (2)	0.000022	0.000021	0.000027	0.000029	0.000030
10% additional basic program for textbooks and supplies (1)(2)	-	-	0.000249	0.000427	0.000968
Student transportation (2)	0.000022	0.000021	0.000027	0.000150	0.000187
Judgment levy	-	0.000082	-	-	-
Total general fund	0.003383	0.003385	0.003808	0.004178	0.004897
Capital projects fund:					
Capital outlay equalization	-	-	0.000600	0.000600	0.000600
Capital outlay for buildings and other capital needs	0.001150	0.001071	0.000667	0.000226	0.000233
10% additional basic program for construction	0.000761	0.000740	0.000759	0.000483	-
Total capital projects fund	0.001911	0.001811	0.002026	0.001309	0.000833
Other:					
Debt service (1)	-	-	-	0.000761	0.000761
Community recreation levy (2)	0.000117	0.000120	0.000213	0.000186	0.000305
Total other	0.000117	0.000120	0.000213	0.000947	0.001066
Total direct rate	0.005411	0.005316	0.006047	0.006434	0.006796
Overlapping Rates: (a)					
Salt Lake County, Municipal, and Library	0.002468	0.002382	0.002756	0.003125	0.003251
Salt Lake Valley Law Enforcement Service Area	-	-	-	-	-
Salt Lake Valley Fire Service Area (3)	-	0.001566	0.001972	0.001972	0.002028
Holladay City	0.001436	0.001312	0.001533	0.001720	0.001767
South Salt Lake City	0.002465	0.002352	0.002665	0.002729	0.002691
Taylorsville City	0.001554	0.001514	0.001690	0.001739	0.001794
West Valley City	0.003194	0.003171	0.003604	0.003644	0.004510
Central Utah Water Project	0.000302	0.000286	0.000400	0.000421	0.000436
Other local taxing entities:					
Minimum	0.000047	0.000044	0.000050	0.000050	0.000052
Maximum	0.002025	0.005850	0.002756	0.002722	0.002804

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.

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
0.001651	0.001535	0.001419	0.001736	0.001675
0.001600	0.001600	0.001526	0.001461	0.001365
0.002149	0.002106	0.002227	0.002169	0.002023
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>0.005400</u>	<u>0.005241</u>	<u>0.005172</u>	<u>0.005366</u>	<u>0.005063</u>
0.000600	0.000600	0.000600	0.000600	0.000600
0.000405	0.000392	0.000298	0.000389	0.000195
-	-	-	-	-
<u>0.001005</u>	<u>0.000992</u>	<u>0.000898</u>	<u>0.000989</u>	<u>0.000795</u>
0.000761	0.000761	0.000761	0.000623	0.000623
-	-	-	-	-
<u>0.000761</u>	<u>0.000761</u>	<u>0.000761</u>	<u>0.000623</u>	<u>0.000623</u>
<u>0.007166</u>	<u>0.006994</u>	<u>0.006831</u>	<u>0.006978</u>	<u>0.006481</u>
0.003622	0.004101	0.003931	0.003668	0.003434
-	-	0.002145	0.002042	0.001925
0.002079	0.002192	0.002097	0.002000	0.001888
0.001791	0.001707	0.001596	0.001528	0.001420
0.002757	0.002725	0.002572	0.002454	0.002303
0.001923	0.002104	0.001294	0.001250	0.001165
0.004837	0.004633	0.004831	0.004199	0.004233
0.000455	0.000446	0.000422	0.000405	0.000400
0.000054	0.000021	0.000020	0.000019	0.000018
0.005517	0.005349	0.005675	0.004862	0.004557



GRANITE SCHOOL DISTRICT

Statistical Section - Debt Capacity

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

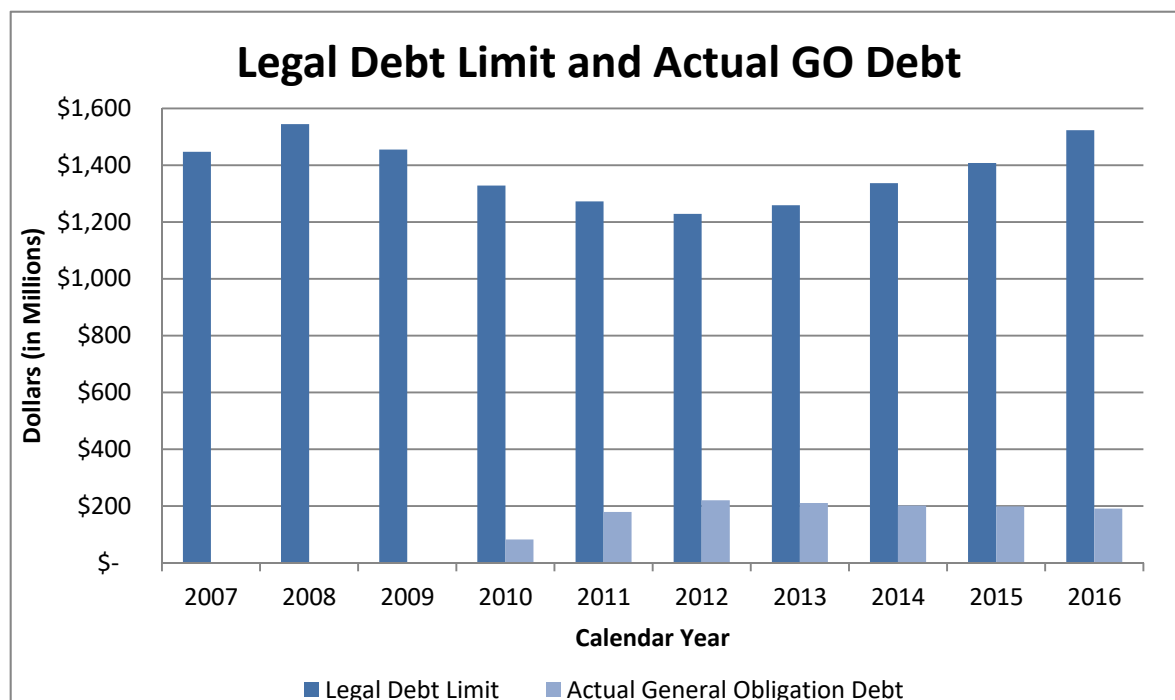
Debt Capacity

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

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Ratios of Outstanding Debt.....	110
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Sources:

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



Granite School District

Ratios of Outstanding Debt

Last Ten Fiscal Years - June 30, 2008 through 2017

Fiscal Year	Outstanding Debt					Overlapping General Obligation Debt
	Direct					
	General Obligation Bonds	Net Bond Premiums	Lease Revenue Bonds	Capital Leases	Total	
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
2017	177,820,000	4,880,754	-	-	182,700,754	93,483,513

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
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%	3,900	5,939
2016	0.80%	1.19%	0.54%	0.81%	N/A	N/A
2017	0.71%	1.07%	0.48%	0.73%	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**

\$ 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
 276,184,267

Debt per Estimated Capita		Debt per Student**	
Direct	Direct and Overlapping	Direct	Direct and Overlapping
\$ -	\$ 3,161	\$ -	\$ 1,892
-	3,309	-	1,830
2,168	5,761	1,228	3,264
1,728	4,974	1,010	2,907
4,098	7,363	2,536	4,556
5,007	7,863	3,182	4,997
4,754	7,541	3,023	4,795
4,318	6,577	2,897	4,412
N/A	N/A	2,868	4,252
N/A	N/A	2,768	4,185

Granite School District

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

As of June 30, 2017

Year Ending June 30,	Series 2010		Series 2011		Series 2012		Series 2013	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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>\$ 54,900,000</u>	<u>\$ 21,826,697</u>	<u>\$ 14,825,000</u>	<u>\$ 1,751,875</u>	<u>\$ 26,985,000</u>	<u>\$ 7,853,675</u>	<u>\$ 6,690,000</u>	<u>\$ 2,807,800</u>

Source: District records

Series 2016A		Total	
Principal	Interest	Principal	Interest
\$ 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>\$ 74,420,000</u>	<u>\$ 19,022,892</u>	<u>\$ 177,820,000</u>	<u>\$ 53,262,939</u>

Granite School District

CUSIP Numbers Associated with Outstanding General Obligation Bonded Indebtedness

As of June 30, 2017

*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*
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>\$ 54,900,000</u>			<u>\$ 14,825,000</u>			<u>\$ 26,985,000</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*
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>\$ 6,690,000</u>			<u>\$ 74,420,000</u>		

Source: District records

Granite School District

Direct and Overlapping General Obligation Debt

As of June 30, 2017

<u>Taxing Entity</u>	<u>2016 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	\$ 91,582,564,029	\$ 25,105,484,384	27.4%	\$ 194,540,000	\$ 53,329,157
CUWCD (2)	140,993,960,030	25,105,484,384	17.8%	225,509,359	40,154,356
				Total overlapping general obligation debt	<u>93,483,513</u>
				Total direct general obligation indebtedness of Granite School District	<u>182,700,754</u>
				Total direct and overlapping general obligation debt	<u>\$ 276,184,267</u>

Notes:

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

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

Granite School District
Legal Debt Margin Information

Last Ten Tax Years - December 31, 2007 through 2016

Tax Year	Estimated Fair Market Value	Debt Limit*	Less General Obligation Debt	Legal Debt Margin*	Percentage of Debt to Debt Limit
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	35,197,424,879	1,407,896,995	198,536,627	1,209,360,368	16.42%
2016	38,077,811,445	1,523,112,458	190,883,626	1,332,228,832	14.33%

* 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, 2017 which reduced the principal balance of the general obligation debt to \$182,700,754 as of June 30, 2017. The general obligation debt includes unamortized bond premiums.

Source: District records

GRANITE SCHOOL DISTRICT

Statistical Section - Demographic and Economic Information

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

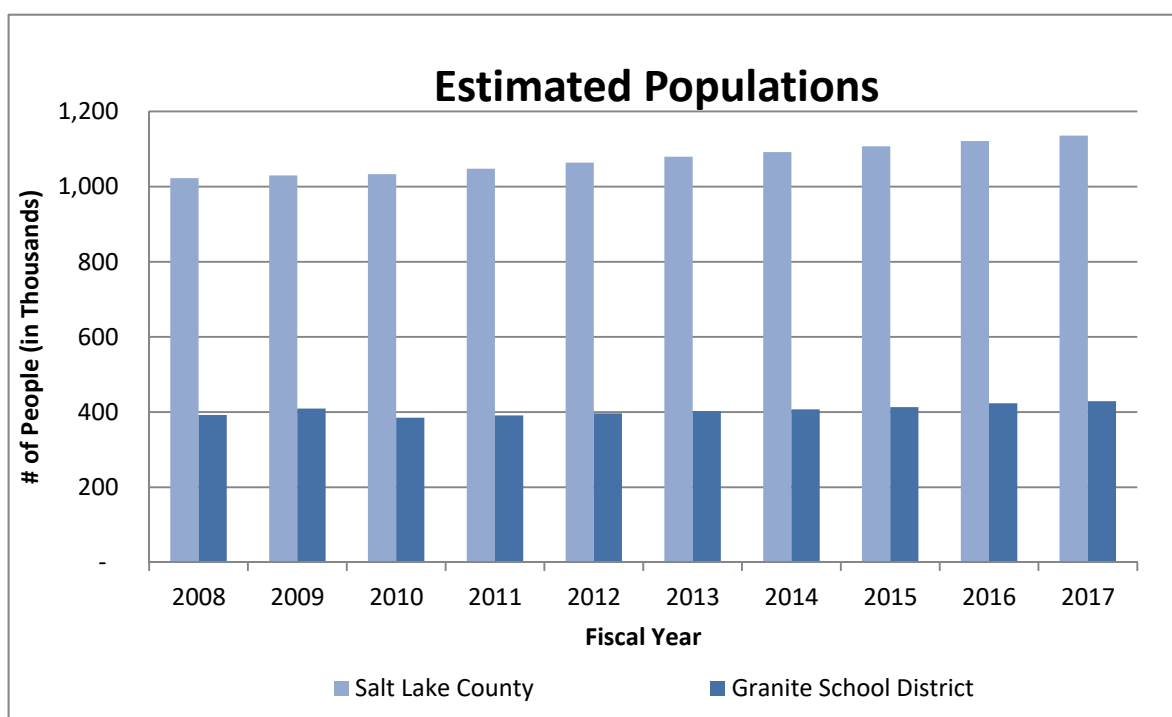
Demographic and Economic Information

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

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Principal Employers.....	119

Sources:

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



Granite School District
Demographic and Economic Statistics
Last Ten Fiscal Years - June 30, 2008 through 2017

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
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	413,112	1,107,314	49,488,031	44,692	3.3%	1,868,836,000	31,202
2016	423,491	1,121,354	N/A	N/A	2.9%	1,603,083,200	32,020
2017	428,919	1,135,572	N/A	N/A	2.5%	2,187,229,400	32,512

* 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, 2016 and 2007

Employer	2016				2007			
	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	4.7%	8.7%	-	-	-	-
Intermountain Healthcare	15,000 - 19,999	2	3.5%	7.7%	10,000	1	2.6%	4.8%
State of Utah	10,000 - 14,999	3	2.4%	5.5%	-	-	-	-
Granite School District	7,000 - 9,999	4	1.7%	3.7%	8,000	2	2.1%	3.8%
Jordan School District	5,000 - 6,999	5	1.2%	2.6%	-	-	-	-
Salt Lake County	5,000 - 6,999	6	1.2%	2.6%	-	-	-	-
Wal-Mart	4,000 - 4,999	7	0.9%	2.0%	2,000	5	0.5%	1.0%
Canyons School District	4,000 - 4,999	8	0.9%	2.0%	-	-	-	-
Delta Airlines	3,000 - 3,999	9	0.7%	1.5%	-	-	-	-
Smiths Marketplace	3,000 - 3,999	10	0.7%	1.5%	2,000	6	0.5%	1.0%
Novus (Discover Card)	-	-	-	-	3,500	3	0.9%	1.7%
Salt Lake Community College	-	-	-	-	2,500	4	0.6%	1.2%
L3 Communications Corp.	-	-	-	-	2,000	7	0.5%	1.0%
Convergys	-	-	-	-	1,500	8	0.4%	0.7%
Teleperformance USA	-	-	-	-	1,500	9	0.4%	0.7%
Qwest Corp.	-	-	-	-	1,500	10	0.4%	0.7%
Totals	<u>76,000 - 76,991</u>		<u>18.1%</u>	<u>37.8%</u>	<u>34,500</u>		<u>8.9%</u>	<u>16.5%</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



GRANITE SCHOOL DISTRICT

Statistical Section - Operating Information

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

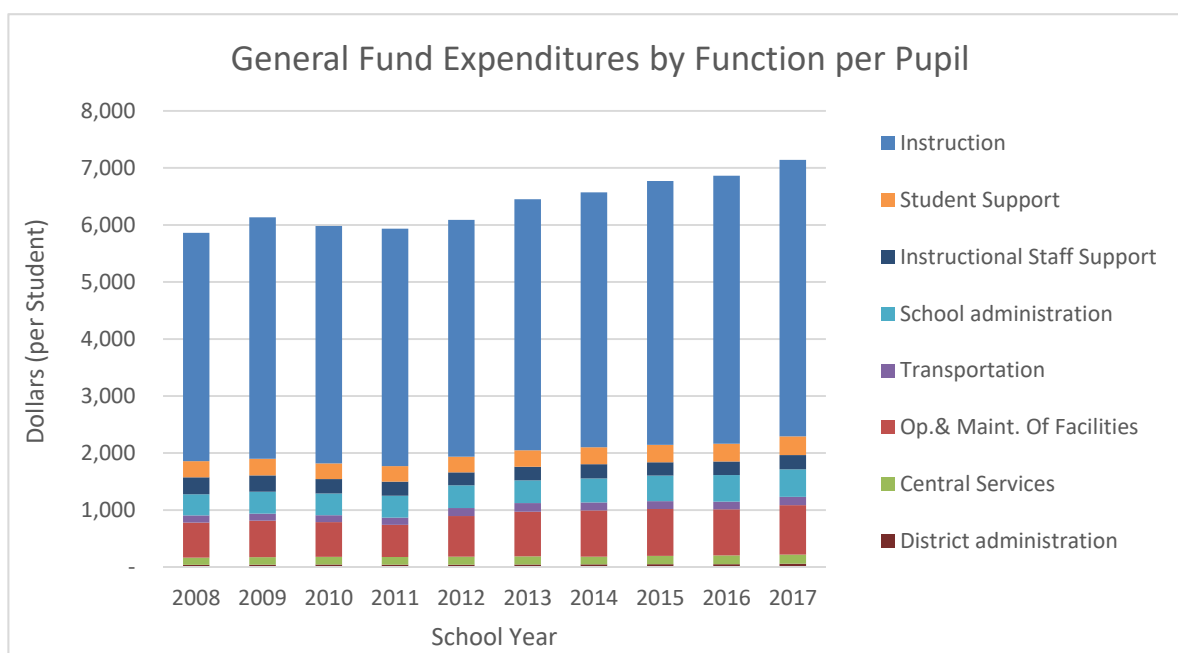
Operating Information

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

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Sources:

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



Granite School District
Teacher Compensation Data

Last Ten Fiscal Years - June 30, 2008 through 2017

Fiscal Year	Bachelor Degree 1st Year Teacher Wage	Doctorate Degree 20th Year Teacher Wage	District Average* Teacher Wage	Statewide Median* Teacher Wage
2008	\$ 31,604	\$ 63,770	\$ 43,175	\$ 44,339
2009	33,870	66,620	47,274	46,713
2010	33,004	64,799	47,338	46,340
2011	33,004	64,799	47,338	62,880
2012	33,004	64,799	47,338	46,623
2013	33,234	65,283	46,119	46,232
2014	33,331	65,485	46,075	46,421
2015	33,806	66,485	46,356	46,689
2016	34,990	68,977	46,946	47,341
2017	36,714	70,919	A	A

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

A) The 2017 numbers were not available when this schedule was prepared.

Granite School District

Students per Instructional Staff

Last Ten Fiscal Years - June 30, 2008 through 2017

<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>
2008	66,286	3,338	19.86
2009	67,018	3,367	19.91
2010	66,761	3,339	19.99
2011	66,884	3,330	20.08
2012	66,320	3,289	20.16
2013	66,385	3,367	19.71
2014	66,888	3,325	20.12
2015	66,622	3,379	19.72
2016	66,766	3,384	19.73
2017	65,997	3,306	19.96

Source: District records

Granite School District

Average Daily Membership vs. Average Daily Attendance

Last Ten Fiscal Years - June 30, 2008 through 2017

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Average Daily Attendance</u>	<u>Ratio of ADA to ADM</u>
2008	66,286	63,905	96.41%
2009	67,018	64,282	95.92%
2010	66,761	63,967	95.81%
2011	66,884	64,141	95.90%
2012	66,320	63,614	95.92%
2013	66,385	63,196	95.20%
2014	66,888	64,149	95.91%
2015	66,622	65,173	97.83%
2016	66,766	62,537	93.67%
2017	65,997	62,843	95.22%

Source: Utah State Board of Education's Annual Statistical Report, District Records

Granite School District
History of High School Graduates

Last Ten School Years - School Years 2008 through 2017

	<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>2017</u>	<u>Totals</u>
Cottonwood	372	391	407	417	418	408	403	374	365	343	3,898
Cyprus	335	382	363	397	336	373	392	471	458	502	4,009
Granger	330	351	321	363	372	348	486	501	613	630	4,315
Granite	47	75	-	-	-	-	-	-	-	-	122
Hunter	521	520	513	573	523	549	600	575	592	565	5,531
Kearns	367	417	407	399	379	359	402	403	415	434	3,982
Olympus	391	426	433	400	434	433	487	448	482	461	4,395
Skyline	439	429	417	439	435	465	440	490	442	508	4,504
Taylorville	454	516	503	486	459	511	480	456	526	490	4,881
Special Programs	<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>287</u>	<u>2,531</u>
Total	<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>4,220</u>	<u>38,168</u>

Source: District records

Granite School District

Full-Time Equivalents by Functional Category

Last Ten Fiscal Years - June 30, 2008 through 2017

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instructional services	3,338.22	3,366.74	3,339.24	3,330.43	3,289.49	3,367.47
Supporting services:						
Students	245.51	238.21	230.95	230.28	233.15	241.37
Instructional staff	130.00	125.43	125.03	124.53	114.92	125.07
District administration	13.75	13.75	14.25	13.75	14.25	14.27
School administration	273.03	277.67	270.70	267.95	274.13	266.00
Central	101.00	101.00	99.00	97.50	97.50	91.10
Operation and maintenance of facilities	381.33	384.08	365.08	330.36	433.50	457.90
Transportation	126.15	126.60	120.24	118.05	119.86	120.85
School lunch services	134.43	139.03	130.69	125.94	116.46	115.61
Community services	112.03	114.03	100.60	99.19	121.86	11.00
Capital outlay	<u>84.92</u>	<u>82.92</u>	<u>80.92</u>	<u>96.64</u>	<u>2.00</u>	<u>2.00</u>
Total full-time equivalents	<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>	<u>4,812.64</u>

Source: District records

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
3,324.66	3,378.68	3,384.19	3,305.90
241.61	247.52	248.19	256.10
118.79	113.96	118.37	123.27
14.25	14.30	14.30	16.30
269.00	277.50	282.50	279.50
88.10	88.10	90.50	92.50
469.10	469.50	473.50	473.50
120.86	121.84	123.38	127.61
116.86	120.11	118.71	126.00
14.00	12.00	13.00	12.00
<u>2.00</u>	<u>-</u>	<u>-</u>	<u>2.00</u>
<u><u>4,779.23</u></u>	<u><u>4,843.51</u></u>	<u><u>4,866.64</u></u>	<u><u>4,814.68</u></u>

Granite School District

Expenses by Function-Statement of Activities

Last Ten Fiscal Years - June 30, 2008 through 2017

Function	2008	2009	2010	2011	2012
Instruction	\$ 312,044,102 65.59%	\$ 330,747,520 65.96%	\$ 323,526,457 66.24%	\$ 318,583,268 65.54%	\$ 297,867,401 62.46%
Support services:					
Students	19,191,183 4.03%	20,130,916 4.01%	18,495,907 3.79%	18,310,997 3.77%	18,140,134 3.80%
Instructional staff	19,929,351 4.19%	19,382,010 3.87%	17,121,922 3.51%	16,452,790 3.38%	15,094,205 3.16%
District administration	3,008,245 0.63%	3,142,855 0.63%	3,212,270 0.66%	3,172,168 0.65%	3,261,574 0.68%
School administration	24,902,500 5.23%	26,447,443 5.27%	25,939,635 5.31%	25,899,389 5.33%	26,259,590 5.51%
Central	8,744,300 1.84%	9,443,494 1.88%	9,641,355 1.97%	9,510,994 1.96%	9,823,667 2.06%
Operation and maintenance of facilities	40,263,931 8.46%	45,094,109 8.99%	42,959,293 8.80%	39,397,257 8.10%	48,472,612 10.16%
Transportation	9,613,882 2.02%	9,543,162 1.90%	9,022,545 1.85%	9,267,172 1.91%	10,199,851 2.14%
School lunch services	21,990,249 4.62%	22,756,762 4.54%	22,304,140 4.57%	27,471,654 5.65%	24,604,691 5.16%
Community services	16,036,280 3.37%	14,774,146 2.95%	14,934,127 3.06%	14,764,773 3.04%	15,722,329 3.30%
Interest on long-term liabilities	- 0.00%	- 0.00%	1,281,355 0.26%	3,289,197 0.68%	7,467,967 1.57%
Total expenses	<u>\$ 475,724,023</u>	<u>\$ 501,462,417</u>	<u>\$ 488,439,006</u>	<u>\$ 486,119,659</u>	<u>\$ 476,914,021</u>
Average daily membership	66,286	67,018	66,761	66,884	66,320
Average expenses per pupil	\$7,177	\$7,483	\$7,316	\$7,268	\$7,191

Source: District records.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 348,317,377 66.85%	\$ 320,423,548 63.87%	\$ 335,493,515 64.36%	\$ 355,541,828 64.00%	\$ 369,346,099 63.98%
19,224,610 3.69%	19,904,590 3.97%	19,970,557 3.83%	21,053,440 3.79%	22,186,753 3.84%
15,745,255 3.02%	16,713,385 3.33%	14,946,518 2.87%	15,973,484 2.88%	16,686,210 2.89%
3,311,703 0.64%	3,459,222 0.69%	3,231,125 0.62%	3,717,258 0.67%	3,970,098 0.69%
26,437,244 5.07%	28,301,884 5.64%	29,413,760 5.64%	31,905,955 5.74%	33,272,812 5.76%
10,471,785 2.01%	10,299,162 2.05%	9,931,181 1.91%	12,809,149 2.31%	13,243,357 2.29%
53,044,065 10.18%	55,594,893 11.08%	57,466,624 11.02%	58,918,567 10.61%	62,909,891 10.90%
11,119,258 2.13%	10,340,619 2.06%	9,588,698 1.84%	11,384,960 2.05%	10,571,801 1.83%
25,185,316 4.83%	28,341,452 5.65%	27,396,939 5.26%	29,697,433 5.35%	33,023,155 5.72%
224,767 0.04%	393,701 0.08%	6,159,773 1.18%	7,165,894 1.29%	5,949,531 1.03%
7,928,415 1.52%	7,917,255 1.58%	7,655,679 1.47%	7,381,897 1.33%	6,157,330 1.07%
<u>\$ 521,009,795</u>	<u>\$ 501,689,711</u>	<u>\$ 521,254,369</u>	<u>\$ 555,549,865</u>	<u>\$ 577,317,037</u>
66,385	66,888	66,622	66,766	65,997
\$7,848	\$7,500	\$7,824	\$8,321	\$8,748

Granite School District
Expenses by Function Per Pupil-Statement of Activities
Last Ten Fiscal Years - June 30, 2008 through 2017

<u>Function</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction	\$ 4,708 65.59%	\$ 4,936 65.96%	\$ 4,846 66.24%	\$ 4,764 65.54%	\$ 4,491 62.46%
Support services:					
Students	290 4.03%	300 4.01%	277 3.79%	274 3.77%	274 3.80%
Instructional staff	301 4.19%	289 3.87%	256 3.51%	246 3.38%	228 3.16%
District administration	45 0.63%	47 0.63%	48 0.66%	47 0.65%	49 0.68%
School administration	376 5.23%	395 5.27%	389 5.31%	387 5.33%	396 5.51%
Central	132 1.84%	141 1.88%	144 1.97%	142 1.96%	148 2.06%
Operation and maintenance of facilities	607 8.46%	673 8.99%	643 8.80%	589 8.10%	731 10.16%
Transportation	145 2.02%	142 1.90%	135 1.85%	139 1.91%	154 2.14%
School lunch services	332 4.62%	340 4.54%	334 4.57%	411 5.65%	371 5.16%
Community services	242 3.37%	220 2.95%	224 3.06%	221 3.04%	237 3.30%
Interest on long-term liabilities	- 0.00%	- 0.00%	19 0.26%	49 0.68%	113 1.57%
Total expenses	<u>\$ 7,177</u>	<u>\$ 7,483</u>	<u>\$ 7,316</u>	<u>\$ 7,268</u>	<u>\$ 7,191</u>
Average daily membership	66,286	67,018	66,761	66,884	66,320

Source: District records

2013	2014	2015	2016	2017
\$ 5,247 66.85%	\$ 4,790 63.87%	\$ 5,036 64.36%	\$ 5,325 64.00%	\$ 5,596 63.98%
290 3.69%	298 3.97%	300 3.83%	315 3.79%	336 3.84%
237 3.02%	250 3.33%	224 2.87%	239 2.88%	253 2.89%
50 0.64%	52 0.69%	48 0.62%	56 0.67%	60 0.69%
398 5.07%	423 5.64%	442 5.64%	478 5.74%	504 5.76%
158 2.01%	154 2.05%	149 1.91%	192 2.31%	201 2.29%
799 10.18%	831 11.08%	863 11.02%	882 10.61%	953 10.90%
167 2.13%	155 2.06%	144 1.84%	171 2.05%	160 1.83%
379 4.83%	424 5.65%	411 5.26%	445 5.35%	500 5.72%
3 0.04%	6 0.08%	92 1.18%	107 1.29%	90 1.03%
119 1.52%	118 1.58%	115 1.47%	111 1.33%	93 1.07%
<u>\$ 7,848</u>	<u>\$ 7,500</u>	<u>\$ 7,824</u>	<u>\$ 8,321</u>	<u>\$ 8,748</u>
66,385	66,888	66,622	66,766	65,997

Granite School District
Expenditures by Function-General Fund
 Last Ten Fiscal Years - June 30, 2008 through 2017

Function	2008	2009	2010	2011	2012
Instruction	\$ 265,252,631 68.27%	\$ 283,602,781 69.01%	\$ 278,180,311 69.63%	\$ 278,464,936 70.16%	\$ 275,344,998 68.18%
Support services:					
Students	18,902,673 4.86%	19,671,125 4.79%	18,215,196 4.56%	18,265,051 4.60%	18,185,870 4.50%
Instructional staff	19,711,431 5.07%	19,042,866 4.63%	16,881,822 4.23%	16,410,218 4.13%	15,130,458 3.75%
District administration	2,678,068 0.69%	2,795,553 0.68%	2,909,550 0.73%	2,807,675 0.71%	2,884,608 0.71%
School administration	24,521,494 6.31%	25,817,923 6.28%	25,568,334 6.40%	25,868,977 6.52%	26,359,396 6.53%
Central	8,280,791 2.13%	8,906,904 2.17%	9,130,132 2.29%	8,982,270 2.26%	9,305,637 2.30%
Operation and maintenance of facilities	40,695,887 10.47%	42,737,268 10.40%	40,581,482 10.16%	37,798,294 9.52%	47,250,856 11.70%
Transportation	8,508,292 2.19%	8,382,599 2.04%	8,030,734 2.01%	8,326,966 2.10%	9,371,995 2.32%
Total expenditures	<u>\$ 388,551,267</u>	<u>\$ 410,957,019</u>	<u>\$ 399,497,561</u>	<u>\$ 396,924,387</u>	<u>\$ 403,833,818</u>
Average daily membership	66,286	67,018	66,761	66,884	66,320
Average expenditures per pupil	\$5,862	\$6,132	\$5,984	\$5,935	\$6,089

Source: District records

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 292,231,153 68.22%	\$ 299,040,857 68.02%	\$ 308,217,928 68.32%	\$ 313,720,152 68.45%	\$ 319,976,784 67.89%
19,177,739 4.48%	19,850,939 4.52%	20,538,158 4.55%	20,864,748 4.55%	21,608,738 4.58%
15,898,421 3.71%	16,649,551 3.79%	15,431,611 3.42%	15,941,286 3.48%	16,462,417 3.49%
3,042,966 0.71%	3,152,450 0.72%	3,394,556 0.75%	3,439,511 0.75%	3,879,652 0.82%
26,386,676 6.16%	28,194,855 6.41%	29,877,428 6.62%	31,232,278 6.81%	31,915,921 6.77%
9,387,883 2.19%	9,150,691 2.08%	9,780,646 2.17%	10,201,607 2.23%	10,451,478 2.22%
51,964,424 12.13%	54,122,795 12.31%	54,752,894 12.14%	53,990,705 11.78%	57,355,321 12.17%
10,247,348 2.39%	9,504,264 2.16%	9,112,787 2.02%	8,925,593 1.95%	9,652,879 2.05%
<u>\$ 428,336,610</u>	<u>\$ 439,666,402</u>	<u>\$ 451,106,008</u>	<u>\$ 458,315,880</u>	<u>\$ 471,303,190</u>
66,385	66,888	66,622	66,766	65,997
\$6,452	\$6,573	\$6,771	\$6,865	\$7,141

Granite School District
Expenditures by Function Per Pupil-General Fund
 Last Ten Fiscal Years - June 30, 2008 through 2017

Function	2008	2009	2010	2011	2012	2013	2014
Instruction	\$ 4,003 68.27%	\$ 4,232 69.01%	\$ 4,166 69.63%	\$ 4,165 70.16%	\$ 4,152 68.18%	\$ 4,402 68.22%	\$ 4,471 68.02%
Support services:							
Students	285 4.86%	294 4.79%	273 4.56%	273 4.60%	274 4.50%	289 4.48%	297 4.52%
Instructional staff	297 5.07%	284 4.63%	253 4.23%	245 4.13%	228 3.75%	239 3.71%	249 3.79%
District administration	40 0.69%	42 0.68%	44 0.73%	42 0.71%	43 0.71%	46 0.71%	47 0.72%
School administration	370 6.31%	385 6.28%	383 6.40%	387 6.52%	398 6.53%	397 6.16%	421 6.41%
Central	125 2.13%	133 2.17%	137 2.29%	134 2.26%	140 2.30%	141 2.19%	137 2.08%
Operation and maintenance of facilities	614 10.47%	638 10.40%	608 10.16%	565 9.52%	712 11.70%	783 12.13%	809 12.31%
Transportation	128 2.19%	125 2.04%	120 2.01%	125 2.10%	141 2.32%	154 2.39%	142 2.16%
Total expenditures	<u>\$ 5,862</u>	<u>\$ 6,133</u>	<u>\$ 5,984</u>	<u>\$ 5,936</u>	<u>\$ 6,088</u>	<u>\$ 6,451</u>	<u>\$ 6,573</u>
Average daily membership	66,286	67,018	66,761	66,884	66,320	66,385	66,888

Source: District records

<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 4,625 68.32%	\$ 4,700 68.45%	\$ 4,849 67.89%
308 4.55%	312 4.55%	327 4.58%
232 3.42%	239 3.48%	249 3.49%
51 0.75%	51 0.75%	59 0.82%
448 6.62%	467 6.81%	483 6.77%
147 2.17%	153 2.23%	159 2.22%
822 12.14%	809 11.78%	869 12.17%
137 2.02%	134 1.95%	146 2.05%
<u>\$ 6,770</u>	<u>\$ 6,865</u>	<u>\$ 7,141</u>
66,622	66,766	65,997

Granite School District

Nutrition Services - Facts and Figures

Last Ten Fiscal Years - June 30, 2008 through 2017

	2008	2009	2010	2011	2012	2013
Participating schools:						
Lunch	89	88	89	90	89	97
Breakfast	64	66	66	67	69	73
Student lunches served:						
Free	2,834,800	3,225,994	3,605,136	3,999,613	3,899,803	3,857,384
Reduced	758,814	797,596	738,015	600,159	674,960	640,014
Fully paid	<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>	<u>2,157,488</u>
Total	<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>	<u>6,654,886</u>
Student breakfasts served:						
Free	936,232	1,106,993	1,242,399	1,388,333	1,349,266	2,643,404
Reduced	152,341	164,062	144,604	117,269	137,451	130,558
Fully paid	<u>239,521</u>	<u>231,488</u>	<u>211,012</u>	<u>213,687</u>	<u>219,917</u>	<u>210,901</u>
Total	<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>	<u>2,984,863</u>
Student dinners served:						
Free	-	-	-	-	-	-
Percentage of free/reduced/fully paid lunch:						
Free	45.34%	48.35%	52.93%	56.79%	56.11%	57.96%
Reduced	12.14%	11.95%	10.84%	8.52%	9.71%	9.62%
Fully paid	42.52%	39.70%	36.23%	34.69%	34.17%	32.42%
Percentage of free/reduced fully paid breakfast:						
Free	70.49%	73.67%	77.75%	80.75%	79.06%	88.56%
Reduced	11.47%	10.92%	9.05%	6.82%	8.05%	4.37%
Fully paid	18.03%	15.41%	13.20%	12.43%	12.89%	7.07%
Average daily participation:						
Lunch	35,275	37,852	38,921	39,791	39,487	37,598
Breakfast	7,290	8,016	9,132	9,715	9,697	16,864
Dinner	-	-	-	-	-	-
Average daily membership	66,286	67,018	66,761	66,884	66,320	66,385
Percentage participating in school lunch/breakfast						
Lunch	53.22%	56.48%	58.30%	59.49%	59.54%	56.64%
Breakfast	11.00%	11.96%	13.68%	14.53%	14.62%	25.40%

Source: District records

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
104	103	102	102
77	82	82	82
4,188,624	4,113,400	4,132,230	3,935,269
664,534	690,340	663,791	654,815
<u>2,234,041</u>	<u>2,232,415</u>	<u>2,284,802</u>	<u>2,234,920</u>
<u>7,087,199</u>	<u>7,036,155</u>	<u>7,080,823</u>	<u>6,825,004</u>
1,314,999	1,531,911	2,128,873	2,403,597
142,838	169,619	289,266	354,902
<u>233,110</u>	<u>301,930</u>	<u>779,495</u>	<u>982,841</u>
<u>1,690,947</u>	<u>2,003,460</u>	<u>3,197,634</u>	<u>3,741,340</u>
-	16,142	83,340	117,195
59.10%	58.46%	58.36%	57.66%
9.38%	9.81%	9.37%	9.59%
31.52%	31.73%	32.27%	32.75%
77.77%	76.46%	66.58%	64.24%
8.45%	8.47%	9.05%	9.49%
13.79%	15.07%	24.38%	26.27%
40,041	39,752	40,005	38,559
9,553	11,319	18,066	21,138
-	91	471	662
66,888	66,622	66,766	65,997
59.86%	59.67%	59.92%	58.43%
14.28%	16.99%	27.06%	32.03%

Granite School District

Capital Asset Information

Last Ten Fiscal Years - June 30, 2008 through 2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Buildings:										
Elementary:										
Number	60	60	60	61	62	62	63	63	63	63
Square feet	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	3,873,402
Capacity	43,686	43,686	43,686	44,145	45,684	45,684	46,872	46,872	46,872	46,872
Enrollment	36,681	37,398	37,792	38,312	38,102	38,042	38,336	42,545	37,432	36,765
Middle Schools:										
Number	16	16	16	16	16	16	16	16	15	15
Square feet	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	2,248,693
Capacity	20,871	20,871	20,871	20,871	20,871	20,871	20,871	20,871	19,602	19,602
Enrollment	14,769	14,811	14,661	14,925	14,917	15,179	14,363	13,528	12,848	11,696
High Schools:										
Number	9	9	9	8	8	8	8	8	8	8
Square feet	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	2,829,227
Capacity	19,404	19,404	19,404	18,228	18,228	18,228	19,236	19,236	20,505	20,505
Enrollment	12,796	12,885	13,783	13,945	13,528	13,466	14,483	15,255	15,757	17,071
Special Schools:										
Number	4	4	4	4	4	6	6	6	6	6
Square feet	343,046	343,046	343,046	343,046	343,046	477,885	477,885	477,885	477,885	477,885
Capacity *										
Enrollment	1,089	1,317	1,385	1,370	337	844	382	823	1,785	1,645
Other Buildings:										
Number	12	12	12	12	12	17	15	14	13	13
Square Feet	772,905	772,905	772,905	772,905	817,087	741,232	634,479	585,150	537,052	537,052
Total School Buildings:										
Number	89	89	89	89	90	92	93	93	92	92
Square Feet	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	9,429,207
Capacity	83,961	83,961	83,961	83,244	84,783	84,783	86,979	86,979	86,979	86,979
Enrollment	65,335	66,411	67,621	68,552	66,884	67,531	67,564	72,151	67,822	67,177
Acres of Land										
	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	1,451.8
Number of Portables										
	237	236	237	235	232	246	255	256	258	260
Number of Vehicles										
	657	663	672	699	672	703	705	707	713	729

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

Source: District records

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