



2017-18

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ending June 30, 2018

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





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# **Comprehensive Annual Financial Report**

**for the  
Fiscal Year Ended  
June 30, 2018**

## **GRANITE SCHOOL DISTRICT**

**2500 South State Street  
Salt Lake City, Utah 84115-3110  
[www.graniteschools.org](http://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  
Brian Ipson, Assistant Director of Accounting Services  
Charlotte Bacon, Accountant**

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# ***Section I***

# ***Introductory***





# Letter of Transmittal

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November 30, 2018

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

In accordance with state law (*Utah Code*, 53G-4-404) 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, 2018. 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 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, 2018 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

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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**

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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**

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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.

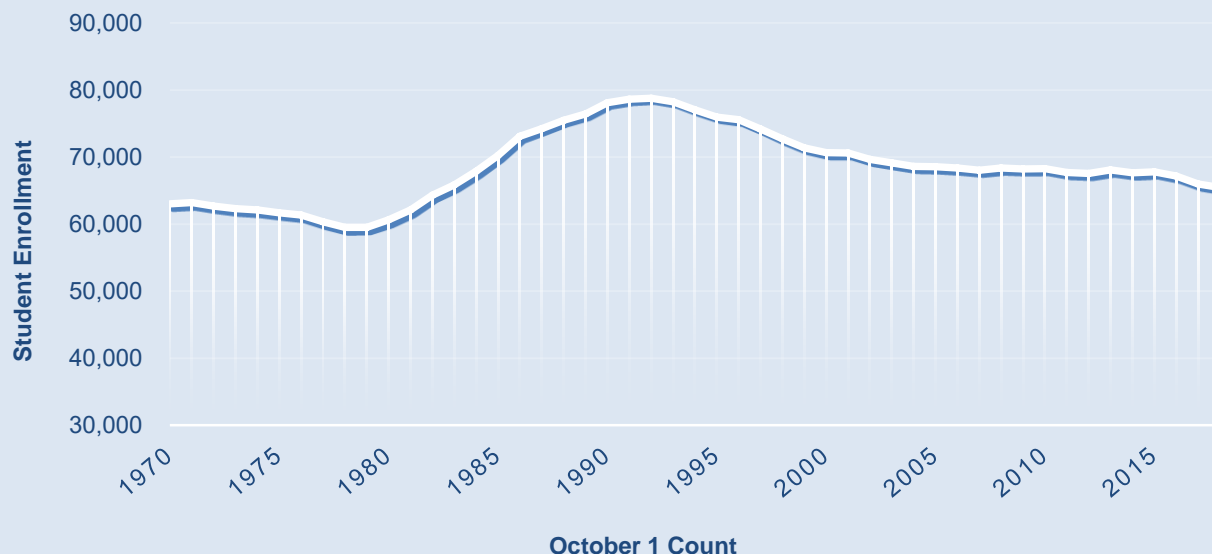
The District receives state funding based upon average daily membership, which is based on the total number of days between each student's entry and exit dates, regardless of where they fall during the school year, divided by 180. An additional component is added for growth based on the number of students 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, with decreases in

## STUDENT FALL ENROLLMENT HISTORY THROUGH OCTOBER 1, 2018



the last two years. On October 1, 2017, student enrollment was 66,024, a decrease of 1,153 students from the prior-year. On October 1, 2018, student enrollment was 64,281, a decrease of 1,743 students.

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. Federal fiscal policy and the federal tax reform will impact the economy in future years but these impacts remain uncertain.

According to the Utah Economic Council's 2018 Economic Report to the Governor, the Utah economy remains healthy in 2017 with an estimated 3.1 percent annual employment growth rate and a 43,500 job increase. Every major industrial sector in the state expanded in 2017. Several economic indicators continue to signal moderate growth and healthy economic conditions in the future, barring any significant deterioration in the global economy:

- Utah's employment growth rate during 2017 outpaced the national average and is on par with the state's long-term average. This, along with maintained low unemployment, will continue to support wage growth in 2018.

- Commercial and residential construction is expected to remain at healthy levels during 2018 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 two percent in 2018 and reach \$4.90 billion while new commercial construction is expected to decrease 21 percent to \$1.9 billion, still a solid level of activity compared to the annual average since 2000.
- Large investments in infrastructure are being seen across the state 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 more than \$3.0 billion and is expected to add more than \$3.3 billion into the state economy. Additional projects include the new state prison, the new Amazon fulfillment center, and over \$1 billion in road construction.
- The leisure and hospitality sector showed exceptionally strong growth of 5.1 percent in 2017, with a record number of visitors to national parks and ski resorts during 2017.

The consensus forecast calls for an economy with continued moderate, healthy growth during 2018. Strong consumer spending, demographic advantages, new construction, and favorable federal fiscal policy changes may provide potential benefits to the state economy during 2018. Economists forecast net in-migration, above average job and wage growth, low unemployment, and low levels of inflation in 2018. 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. According to recent research by the Utah Foundation, Utah's K-12 education funding effort (the amount spent per \$1,000 of personal income) has

increased recently from 37th in the nation to 32nd. However, on a per pupil basis, Utah still ranks 50th. In March of 2018, the State Legislature increased funding for public education by \$292 million and put in place property tax changes that will increase revenue for public education in future years as well. For many years, public education in the state has borne the burden of the state's low taxes, contrary to the stated priorities of Utah voters and many elected officials themselves. We are hopeful that these recent changes to increase funding to public education will continue into the future.

Demographically, Utah experienced the third highest growth rate in the nation during 2017 at 1.9%. It is expected that Utah will continue to experience population growth at a rate higher than most states in 2018. Annual changes in population are comprised of two components: natural increase and net migration. In 2017, Utah had a natural increase of 32,056, which accounted for 54% of Utah's population growth and net in-migration of 26,989, or 46% of the total population increase. For 2018, natural increase is anticipated to add approximately 34,888 people and in-migration is projected to increase, adding approximately 28,000 people. Enrollment in the Granite School District is projected using multiple-year cohort survival analysis to again level off after decreases seen the past two school years (65,710 in 2019, 65,210 in 2020, 64,609 in 2021, 64,029 in 2022, and 63,726 in 2023). 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 2017, which is significantly higher than the national PCI growth rate and is on par with last year's Utah PCI growth rate. Utah's personal income is expected to continue to have moderate growth in the next few years, continuing the upward trend experienced since the great recession. This growth 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 60.3% in 2009 to 67.4% in 2018. 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

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*Children will leave us prepared for college, career and life in the 21<sup>st</sup> century world.* That is the charge and responsibility adopted by the Board in 2011. In 2012, the District prepared a detailed 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 21<sup>st</sup> century education experience for every student through less traditional and more individualized opportunities, and improvement efforts in K-12 literacy and English and world languages. These initiatives are intended to increase achievement for every student and increase college and career readiness.

### CAPITAL IMPROVEMENTS AND BONDING

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The District has 44 schools (nearly half) that are more than 50 years old. The District has embarked on a long-term capital improvement plan to address the aging building stock and to make needed security and seismic upgrades. The plan anticipates rebuilding or remodeling one elementary per year, one junior high every four years, and one high school every eight years. The District plans to finance these capital projects with the existing property tax levy as well as through general obligation bonding approved by voters in November 2017. See [gsdfuture.org](http://gsdfuture.org) for more detailed information.

The District, by issuing bonds, has obligations to repay the bondholders over the life of the bonds. The obligation for the bonds and associated premiums at June 30, 2018 is \$248.9 million.

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 9, 2018. 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

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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 2017-18 fiscal year, is \$42.3 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 has set aside \$11.6 million specifically anticipating fluctuations in the calculations associated with these benefits.

## Awards and Acknowledgements

### **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING FROM GFOA**

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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, 2017. 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 27th 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**

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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, 2017. 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 27th consecutive year the District has received this prestigious award.

### **ACKNOWLEDGEMENTS**

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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, 2018**

**Elected Officials**

<u>Board of Education</u>	<u>Initial Term Began</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, 2018
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, 2018	June, 2020
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, 2017**

*Christopher P. Morill*

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, 2017.**

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



**Charles E. Peterson, Jr., SFO, RSBA, MBA**  
President

**John D. Musso, CAE**  
Executive Director



ADMINISTRATION 2018

# 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

**Business Services**  
David F. Garrett  
Business Administrator

**Accounting & Printing**  
Chris Lewis

**Budget Development**  
Mitch Robison

**Child Nutrition**  
Dana Adams

**Payroll**  
Richard Welch

**Purchasing & Warehouse**  
Jared Gardner

**Risk & Property Management & Student Accounting**  
Kieth Bradshaw

**Teaching & Learning Services**  
Linda Mariotti  
Assistant Superintendent

**Career & Technical Ed**  
James Taylor

**College & Career Readiness**  
Judy Petersen

**Curriculum & Instruction**  
Leslie Bell

**Educational Equity**  
Charlene Lui

**Educational Technology**  
Chris Larsen

**Information Systems**  
Dale Roberts

**Special Education**  
Noelle Converse

**Student Assessment**  
Dr. Rob Averett

**School Accountability Services**  
John Welburn  
Assistant Superintendent

**Elementary Schools**  
Jon Adams  
Michael Douglas  
Natalie Hansen  
Tina West

**Junior High Schools**  
Danny Striland

**Senior High Schools**  
Garett Muse

**Prevention & Student Placement**  
Clay Pearce

**Educator Support & Development Services**  
Rick Anthony  
Assistant Superintendent

**Educator Support**  
Dr. Bill Kenley

**Provisional Teacher Support & Development**  
Kandace Barber

**Research & Evaluation**  
Todd Braeger

**School Improvement & Resource Development**  
Mitch Nerdin

**Talent Development**  
Dr. Annette Duzett

**Support Services**  
Donald Adams  
Assistant Superintendent

**Architecture, Engineering & Construction**  
Justin Naegle

**Energy Management**  
Steven Forbes

**Maintenance**  
Rex Goudy

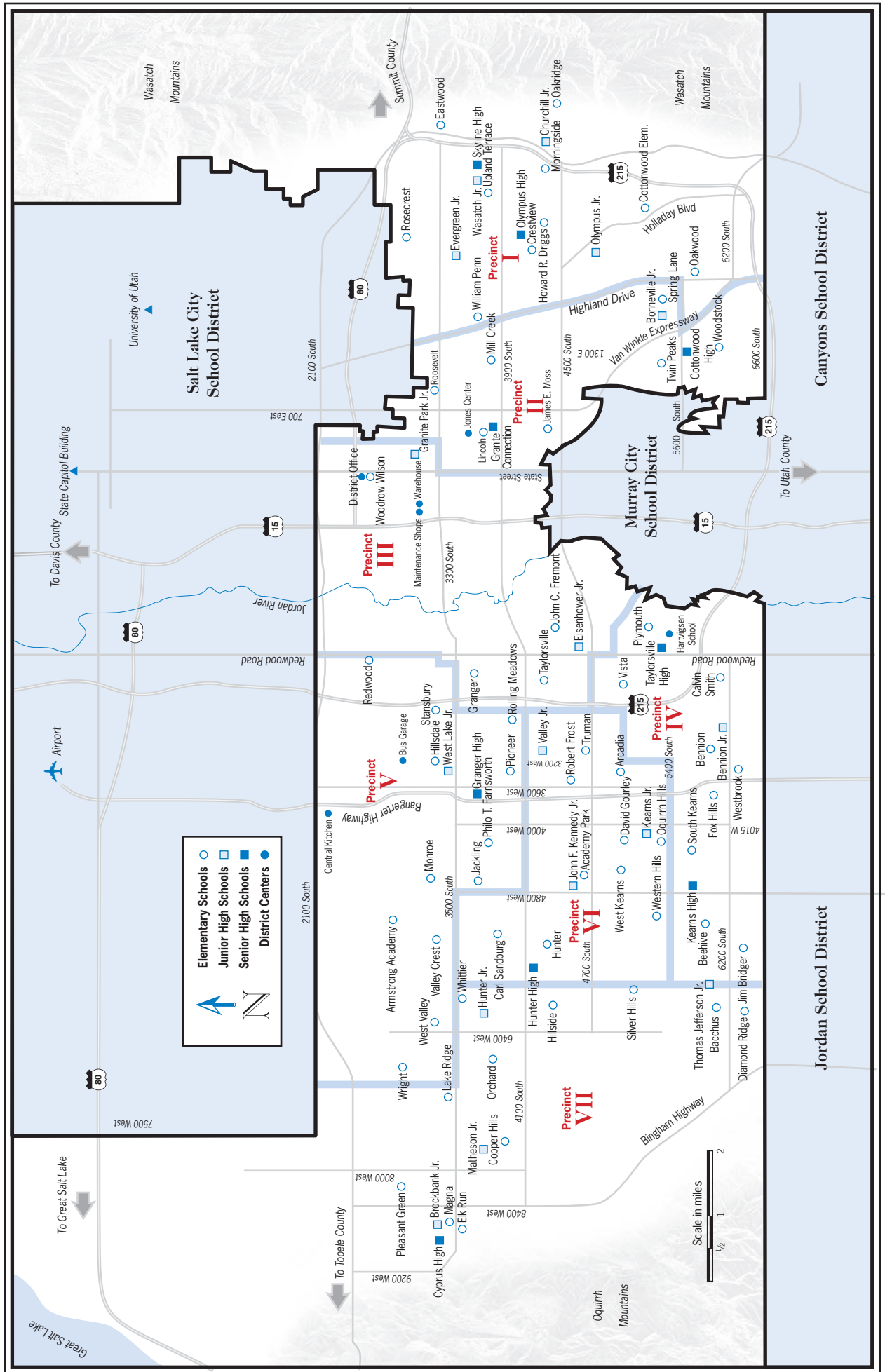
**Planning & Boundaries**  
Steve Hogan

**Transportation**  
Tom Given

**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, 2018, 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, 2018, 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, 2018, 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.

A handwritten signature in black ink that reads "Aguirre & Company, PC". The signature is written in a cursive, flowing style.

Orem, Utah  
November 30, 2018





# ***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, 2018. 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 \$281.6 million (*net position*). This represents a \$19.6 million increase 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 \$281.6 million net position is a portion called *unrestricted net position*, which has a deficit balance of (\$52.8) million, a decrease of \$35.0 million from (\$87.8) 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 \$248.8 million, an increase of \$79.6 million in comparison with the prior year. Approximately 3.7% of this amount (\$9.3 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 \$123.5 million, or approximately 24.7% of total general fund expenditures.
- At the close of the current fiscal year, the District's total outstanding long-term liabilities were \$499.5 million, consisting of the net pension liability associated with the Utah Retirement Systems of \$193.2 million (38.7%), general obligation bonds and associated premiums payable of \$248.9 million (49.8%), and other employee benefit obligations of \$57.4 million (11.5%).
- With regard to the \$57.4 million other employee benefit obligations, \$42.3 million is for district retirement and separation benefits for which fund balance has been set aside to fund 100% of the actuarially determined liability for these obligations as well as an additional 30% 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

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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.

Functions within 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, community services, contributions to other governments, and interest on long-term liabilities.

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

## **FUND FINANCIAL STATEMENTS**

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

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

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

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

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

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

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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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 describes the nature of assistance the District receives from the federal and state government.
- Note 4 explains property taxes and differentiates between those collected to fund current operations from future year operations as well as taxes levied for and contributed to other governments.
- Note 5 describes the District's general exposure to risk and how it manages that risk.
- Note 6 explains property and equipment of the District including accumulated depreciation and net carrying amounts.
- Note 7 explains the District's interfund balances and activity for the year.
- 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 plan.
- 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 a significant event that occurred subsequent to June 30, 2018 but that was known prior to the issuance of this report.
- Note 15 describes significant commitments of the District.

The notes to the basic financial statements can be found on pages 37 to 63.

## **ADDITIONAL INFORMATION**

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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 65 to 68 of this report with notes to required supplementary information following on page 69.

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 72 to 86 of this report.

The statistical section of this report presents detailed trend and comparative data that supports the other sections of this report and can be found on pages 87 to 144 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 \$281.8 million at June 30, 2018.

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

GRANITE SCHOOL DISTRICT Statement of Net Position (in millions of dollars)			
	Governmental Activities		
	2018	2017	Change 2018-17
Current and other assets	\$ 572.2	\$ 439.6	\$ 132.6
Capital assets	479.7	491.7	(12.0)
Total assets	1,051.9	931.3	120.6
Deferred outflows of resources	122.3	111.2	11.1
Other liabilities	65.8	61.0	4.8
Long-term liabilities	499.5	498.3	1.2
Total liabilities	565.3	559.3	6.0
Deferred inflows of resources	327.2	221.2	106.0
Net position:			
Net investment in capital assets	301.2	315.3	(14.1)
Restricted	33.2	34.5	(1.3)
Unrestricted	(52.8)	(87.8)	35.0
Total net position	\$ 281.6	\$ 262.0	\$ 19.6

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 \$301.2 million (106.9% of total net position) reflects the District's investment in capital assets (primarily land and buildings but also includes equipment, and vehicles) net of accumulated 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 (\$33.2 million, or 11.8%) 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 (\$52.8) million as of June 30, 2018. 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 \$42.8 million. Of that amount, \$16.8 million is unspent bond proceeds intended to fund the initial costs of rebuilding two high schools. The other \$26.0 million of the increase in cash and investments is primarily attributable to operating surpluses caused by increased property tax revenues combined with concerted efforts to reduce costs as well as lower than expected health insurance claims.
- Property taxes receivable, part of *current and other assets*, increased \$41.1 million and an offsetting deferred inflows related to property taxes levied for future years, part of *deferred inflows of resources*, increased \$34.9 million. Both increases are directly attributable to an increase in the amount of property taxes assessed on January 1, 2018 for the upcoming 2018-19 fiscal year compared to those assessed on January 1, 2017 for the then upcoming 2017-18 fiscal year. This increase in taxes assessed is the result of an increase of \$2.9 billion in taxable value of property within the District and an increase in the tax rate per \$1 of taxable value from 0.006654 to 0.007725.
- Restricted cash and investments with fiscal agent, part of *current and other assets*, increased \$48.9 million, the amount held in escrow that will be used to service crossover refunded debt.
- Capital assets, reported net of accumulated depreciation, decreased \$12.0 million. This reduction is primarily attributable to an increase of \$10.2 million in land offset by a \$24.0 million reduction in the value of depreciable assets due to a higher rate of depreciation compared to additions for the year.
- Deferred outflows related to pensions increased \$11.1 million as a result of an increase in the District's share of the deferred outflows of resources related to pensions reported by Utah Retirement Systems. This increase is primarily attributable to changes in actuarial assumptions



including a reduction of the investment return assumption from 7.20% to 6.95%.

- Long-term liabilities were \$499.5 million (which was 88.4% of all liabilities), representing a modest net increase of \$1.2 million. There were two large offsetting items reflected in that change. The district issued \$67.2 million in new general obligation bonds, of which \$25 million will be used for construction costs associated with the District's long-term capital plan and \$42.2 million are crossover refunding bonds. Offsetting that increase was a \$61.6 million decrease in the district's share of the unfunded liability reported by Utah Retirement Systems which requires higher than normal contributions until the liability is fully funded. The district also paid \$10.7 million against the liability for outstanding bonds.
- Deferred inflows related to pensions increased \$63.5 million as a result of an increase in the District's share of the deferred inflows of resources related to pensions reported by Utah Retirement Systems. This increase is primarily attributable to the decrease in the net difference between projected and actual earnings on pension plan investments.
- Deferred inflows of property taxes levied for future years increased \$41.9 million due to an increase in the amount of property taxes assessed on January 1, 2018 for the upcoming 2018-19 fiscal year compared to those assessed on January 1, 2017 for the then upcoming 2017-18 fiscal year as mentioned above.

### **Governmental Activities**

The \$19.6 million increase 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 restricted to specific programs increased by \$4.0 million over the previous year. This increase was primarily attributable to an increase in the restricted portion of state funding for the minimum school program.
- Property tax revenue increased by \$25.9 million from the prior year. This increase was

GRANITE SCHOOL DISTRICT Changes in Net Position (in millions of dollars)				
Governmental Activities				
	2018	2017	Change	
			2018-17	
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 18.6	\$ 19.4	\$ (0.8)	
Operating grants and contributions	178.5	174.5	4.0	
General revenues:				
Property taxes	192.2	166.3	25.9	
Federal and state grants not restricted to specific purposes	206.8	197.6	9.2	
Earnings on investments	5.2	2.8	2.4	
Gain on sale of capital assets	0.9	5.0	(4.1)	
Miscellaneous	7.2	7.5	(0.3)	
Total revenues	609.4	573.1	36.3	
<b>Expenses:</b>				
Instructional services	348.3	369.4	(21.1)	
Supporting services:				
Students	35.5	22.2	13.3	
Instructional staff	28.7	16.7	12.0	
District administration	4.2	4.0	0.2	
School administration	35.2	33.3	1.9	
Central	15.3	13.2	2.1	
Operation and maintenance of facilities	61.6	62.9	(1.3)	
Transportation	11.9	10.6	1.3	
School lunch services	31.8	33.0	(1.2)	
Community services	1.5	1.3	0.2	
Contributions to other governments	8.2	4.6	3.6	
Interest on long-term liabilities	7.6	6.2	1.4	
Total expenses	589.8	577.4	12.4	
Change in net position	19.6	(4.3)	23.9	
Net position - beginning	262.0	266.3	(4.3)	
Net position - ending	\$ 281.6	\$ 262.0	\$ 19.6	

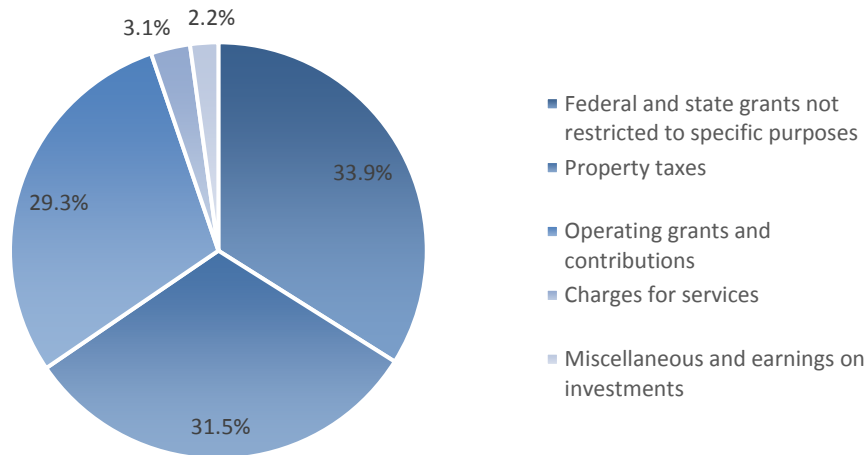
primarily the result of an increase in the overall property tax levy (from 0.006481 to .006779) per \$1 of taxable value resulting in an additional \$89.40 of property tax revenue on a typical \$300,000 home value. This increase in the overall levy occurred largely in the board local levy and a new state-imposed charter school levy.

- Federal and state grants not restricted to specific programs increased by \$9.2 million over the previous year. This increase was primarily attributable to an increase in the unrestricted portion of state funding for the minimum school program as well as the state-supported property tax guarantee programs for the voted and board local levies. The state guarantees a certain amount of revenue generated by the weighted pupil unit provided the District levies a property tax rate above a defined floor.

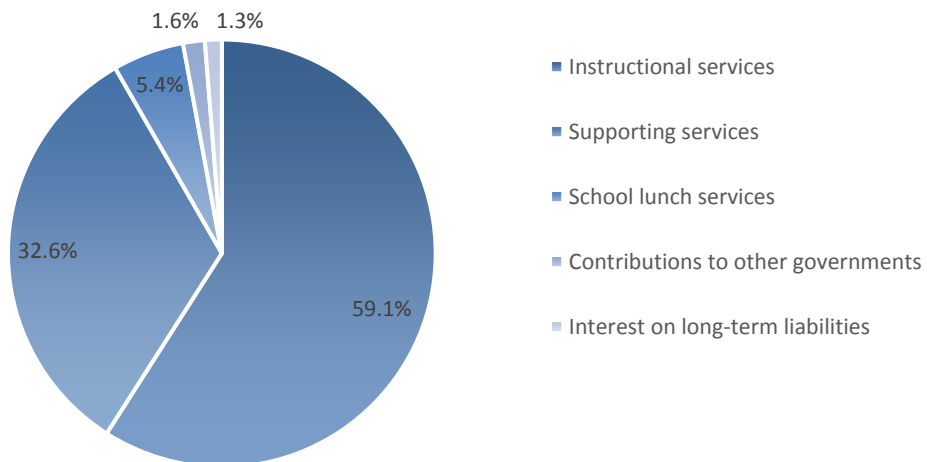
- Overall expenses increased by \$12.4 million over the previous year primarily as the result

of providing an 11.7% increase in pay to all educators.

### Revenues by Source Year Ended June 30, 2018



### Expenses by Function Year Ended June 30, 2018



## 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

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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

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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, 2018, the District's combined governmental fund balances increased by a net \$79.6 million during the year ended June 30, 2018 to \$248.8 million (\$9.5 million in nonspendable, \$99.5 million in restricted, \$86.3 million in committed, \$44.2 million in assigned, and \$9.3 million in unassigned fund balances). The primary factors for the increase are:

- Property tax revenue increased by \$25.7 million as the result of an increase in the overall property tax levy (from 0.006481 to .006779) per \$1 of

taxable value resulting in an additional \$89.40 of property tax revenue on a typical \$300,000 home value. This increase in the overall levy occurred largely in the board local levy and a new state-imposed charter school levy.

- State funding increased by \$12.7 million due to increases in funding for the minimum school program, including the state guarantees on the voted and board local levies.
- Proceeds from the issuance of bonds increased by \$67.2 which consisted of \$25.0 million in new bonds and \$42.2 million in bonds issued in a crossover refunding.
- Offsetting the increases in revenue is a \$47.0 million increase in expenditures associated with higher personnel costs due to the 11.7% raise given to every educator and \$8.2 million more in capital outlay expenditures as part of the commencement of several significant construction projects as part of the long-term capital plan.

### Proprietary Funds

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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 increased by \$7.1 million during the year ended June 30, 2018 to \$12.7 million. This change is due primarily to \$2.3 million higher revenue from increased insurance premiums charged to the other funds combined with a \$4.6 million reduction in medical and prescription claims, both of which occurred in the self-insurance fund.

## General Fund Budgetary Highlights

The Board revised the 2018 budget during the year. Budget amendments reflected changes in programs and related funding.

Final budgeted revenues were \$5.6 million or 1.1% lower than original estimates. The change was primarily attributable to an increase in the projected amount of state program funding to be carried over to 2018-2019.

The difference between the original budget and the final amended budget for total expenditures was a

decrease of \$10.7 million or 2.1% of total original estimated expenditures. This difference is primarily due to a \$5.9 million increase in accrued salary and benefit costs due to a timing difference between the prior and current fiscal years, and a \$2.2 million increase in state program funding that has been carried over to 2018-19.

Actual expenditures were \$8.4 million less than the final amended budget. The decrease is due primarily to a \$6.1 million decrease in instructional services caused by federal program funding that has been carried over to 2018-19.

The District did not overspend its legal spending authority for the year ending June 30, 2018.

## Capital Assets and Debt Administration

### Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$479.7 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 \$12.0 million, or 2.4%. Additional information on the District's capital assets can be found in Note 6 to the basic financial statements.

GRANITE SCHOOL DISTRICT Capital Assets (net of accumulated depreciation, in millions of dollars)			
	2018	2017	Change 2018-17
Land	\$ 50.2	\$ 40.0	\$ 10.2
Construction in progress	5.9	4.0	1.9
Buildings and improvements	391.9	413.6	(21.7)
Land improvements	14.7	16.0	(1.3)
Vehicles	7.6	7.6	-
Furniture and equipment	9.4	10.5	(1.1)
Total net position	<u>\$ 479.7</u>	<u>\$ 491.7</u>	<u>\$ (\$12.0)</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, 2018, the District had several long-term construction projects carried as construction in progress, the largest of which are \$1.1 million for architecture and engineering costs associated with the rebuilds of Skyline High School and Cyprus High School and \$1.0 million for an HVAC upgrade at Kearns High School. The amounts for Skyline and Cyprus High Schools are part of the initial costs of multi-year projects with construction expected to begin in 2020.

### Debt Administration

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 13 to the basic financial statements.

The District had \$248.9 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 \$1,382.7 million at December 31, 2017. 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 first \$50.0 million was issued on November 27, 2018. The remaining bonds will be issued over the next several years. Additional information on the bond authorization and issuance can be found in Notes 13 and 14 to the basic financial statements. All told, the long-term capital plan is to

rebuild 13 schools and renovate 17 more. More information on the planned construction projects is available at [gsdfuture.org](http://gsdfuture.org).

## **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, 2018

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 264,716,854
Receivables:	
Property taxes	224,983,835
Local	5,687,681
State	2,281,342
Federal	16,050,151
Prepaid items	4,090,379
Inventories	5,454,629
Restricted cash and investments with fiscal agent	48,923,785
Capital assets:	
Land, construction in progress, and water stock	56,090,781
Other capital assets, net of accumulated depreciation	423,581,219
<b>Total assets</b>	<b>1,051,860,656</b>
<b>Deferred outflows of resources:</b>	
Related to state retirement pensions	115,563,551
Related to district retirement pensions	819,316
Related to district OPEB plan	712,684
Bond refunding costs	5,186,324
<b>Total deferred outflows of resources</b>	<b>122,281,875</b>
<b>Liabilities:</b>	
Accounts and contracts payable	3,977,976
Accrued interest	819,093
Accrued salaries and related benefits	47,655,515
Unearned revenue:	
Local	1,992,631
State	9,580,265
Federal	1,734,499
Long-term liabilities:	
Portion due or payable within one year	36,939,664
Portion due or payable after one year	462,577,988
<b>Total liabilities</b>	<b>565,277,631</b>
<b>Deferred inflows of resources:</b>	
Related to state retirement pensions	101,907,183
Related to district retirement pensions	717,294
Related to district OPEB plan	796,656
Property taxes levied for future year	223,805,741
<b>Total deferred inflows of resources</b>	<b>327,226,874</b>
<b>Net position:</b>	
Net investment in capital assets	301,175,565
Restricted for:	
Capital projects	20,799,971
Debt service	1,408,103
Pass-through taxes	78,730
Schools and scholarships	783,739
School lunch	10,156,653
Unrestricted	(52,764,735)
<b>Total net position</b>	<b>\$ 281,638,026</b>

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

# GRANITE SCHOOL DISTRICT

## Statement of Activities

Year Ended June 30, 2018

Activities or Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
<b>Governmental activities:</b>				
Instructional services	\$ 348,324,558	\$ 12,417,029	\$ 108,951,818	\$ (226,955,711)
Supporting services:				
Students	35,524,217	-	18,505,217	(17,019,000)
Instructional staff	28,706,882	-	10,671,282	(18,035,600)
District administration	4,201,137	-	160,604	(4,040,533)
School administration	35,176,036	-	1,998,635	(33,177,401)
Central	15,267,081	-	107,070	(15,160,011)
Operation and maintenance of facilities	61,625,697	1,856,793	553,194	(59,215,710)
Transportation	11,924,768	502,860	9,511,360	(1,910,548)
School lunch services	31,814,472	3,854,718	27,990,354	30,600
Community services	1,456,918	-	-	(1,456,918)
Contributions to other governments	8,232,386	-	-	(8,232,386)
Interest on long-term liabilities	7,551,547	-	-	(7,551,547)
<b>Total school district</b>	<b>\$ 589,805,699</b>	<b>\$ 18,631,400</b>	<b>\$ 178,449,534</b>	<b>(392,724,765)</b>
<b>General revenues:</b>				
Property taxes levied for:				
Basic state supported program (set by state legislature)				43,352,251
Voted local				35,583,129
Board local				65,664,283
Capital outlay				22,146,143
Debt service				17,224,778
Redevelopment agencies				4,921,014
Charter schools				3,311,372
<b>Total property taxes</b>				<b>192,202,970</b>
Federal and state grants not restricted to specific programs				206,775,969
Earnings on investments				5,203,179
Miscellaneous				8,134,095
<b>Total general revenues</b>				<b>412,316,213</b>
Change in net position				19,591,448
<b>Net position - beginning</b>				<b>262,046,578</b>
<b>Net position - ending</b>				<b>\$ 281,638,026</b>

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, 2018

	Major Funds			Other	Total
	General	Capital Projects	Debt Service	Governmental Funds	Governmental Funds
<b>Assets:</b>					
Cash and investments	\$ 169,066,736	\$ 36,668,745	\$ 1,296,886	\$ 29,857,533	\$ 236,889,900
Receivables:					
Property taxes	142,377,256	18,648,629	54,633,781	9,324,169	224,983,835
Local	1,264,557	4,240,749	83,403	43,069	5,631,778
State	1,025,488	-	-	1,255,854	2,281,342
Federal	15,713,478	-	-	266,742	15,980,220
Inventories	3,436,400	-	-	1,989,321	5,425,721
Prepaid items	3,774,710	308,281	-	7,061	4,090,052
Restricted cash and investments with fiscal agent	-	-	48,923,785	-	48,923,785
Due from other funds	-	-	-	2,226,055	2,226,055
<b>Total assets</b>	<b>\$ 336,658,625</b>	<b>\$ 59,866,404</b>	<b>\$ 104,937,855</b>	<b>\$ 44,969,804</b>	<b>\$ 546,432,688</b>
<b>Liabilities:</b>					
Accounts and contracts payable	\$ 432,676	\$ 3,355,509	\$ -	\$ 181,782	\$ 3,969,967
Accrued salaries and related benefits	46,841,886	801	-	812,828	47,655,515
Unearned revenue:					
Local	1,737,069	255,562	-	-	1,992,631
State	9,580,265	-	-	-	9,580,265
Federal	1,734,499	-	-	-	1,734,499
Due to other funds	2,300,141	-	-	-	2,300,141
<b>Total liabilities</b>	<b>62,626,536</b>	<b>3,611,872</b>	<b>-</b>	<b>994,610</b>	<b>67,233,018</b>
<b>Deferred inflows of resources:</b>					
Property taxes levied for future year	141,669,001	18,555,861	54,362,006	9,218,873	223,805,741
Unavailable property tax revenue	1,618,121	211,942	620,914	105,296	2,556,273
Unavailable proceeds from property sales	-	4,065,027	-	-	4,065,027
<b>Total deferred inflows of resources</b>	<b>143,287,122</b>	<b>22,832,830</b>	<b>54,982,920</b>	<b>9,324,169</b>	<b>230,427,041</b>
<b>Fund balances:</b>					
Nonspendable:					
Inventories	3,436,400	-	-	1,989,321	5,425,721
Prepaid items	3,774,710	308,281	-	7,061	4,090,052
Restricted for:					
Capital projects	-	33,113,421	-	-	33,113,421
Debt service	-	-	49,954,935	-	49,954,935
Schools and scholarships	25,878	-	-	751,568	777,446
School lunch	-	-	-	15,637,262	15,637,262
Committed to:					
Economic stabilization	27,401,246	-	-	-	27,401,246
Employee benefits	42,189,085	-	-	-	42,189,085
Contractual obligations	385,573	-	-	-	385,573
District activity programs	-	-	-	13,754,544	13,754,544
Foundation	-	-	-	2,511,269	2,511,269
Assigned to:					
Self insurance	15,958,841	-	-	-	15,958,841
Employee benefits	11,559,244	-	-	-	11,559,244
Planned projects	11,442,089	-	-	-	11,442,089
Textbooks	5,225,474	-	-	-	5,225,474
Unassigned	9,346,427	-	-	-	9,346,427
<b>Total fund balances</b>	<b>130,744,967</b>	<b>33,421,702</b>	<b>49,954,935</b>	<b>34,651,025</b>	<b>248,772,629</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 336,658,625</b>	<b>\$ 59,866,404</b>	<b>\$ 104,937,855</b>	<b>\$ 44,969,804</b>	<b>\$ 546,432,688</b>

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

# GRANITE SCHOOL DISTRICT

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

June 30, 2018

### Total fund balances for governmental funds

\$ 248,772,629

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	\$ 50,176,048	
Construction in progress	5,881,512	
Water stock	33,221	
Buildings and improvements, net of \$373,176,730 accumulated depreciation	391,878,523	
Land improvements, net of \$29,911,455 accumulated depreciation	14,651,826	
Vehicles, net of \$19,744,627 accumulated depreciation	7,636,820	
Furniture and equipment, net of \$33,301,782 accumulated depreciation	9,270,301	479,528,251

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	4,065,027	
Unavailable property tax revenue	2,556,273	
Unavailable interest subsidies on Build America Bonds	69,931	6,691,231

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:

12,672,746

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	(234,295,000)	
Unamortized bond premiums	(14,634,861)	
Accrued interest	(819,093)	
Deferred outflows of resources - bond refunding costs	5,186,324	
Net pension liability - state retirement plans	(192,929,545)	
Deferred outflows of resources - related to state retirement pensions	115,381,550	
Deferred inflows of resources - related to state retirement pensions	(101,747,234)	
Total pension liability - district retirement plan	(15,332,804)	
Deferred outflows of resources - related to district retirement pension	817,867	
Deferred inflows of resources - related to district retirement pensions	(716,025)	
Total OPEB liability - long-term disability plans	(2,205,603)	
Deferred outflows of resources - related to OPEB	711,423	
Deferred inflows of resources - related to OPEB	(795,247)	
Compensated absences payable	(4,588,200)	
Early retirement compensation and insurance payable	(20,060,383)	(466,026,831)

### Total net position of governmental activities

\$ 281,638,026

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, 2018

	<b>Major Funds</b>			<b>Other</b>	<b>Total</b>
	<b>General</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>Revenues:</b>					
Property taxes	\$ 144,794,791	\$ 22,176,028	\$ 17,248,022	\$ 8,232,386	\$ 192,451,227
Earnings on investments	2,829,790	546,937	979,010	626,546	4,982,283
Other local	10,311,195	471,330	-	17,517,311	28,299,836
State	313,717,784	378,055	-	4,881,492	318,977,331
Federal	42,303,423	835,589	-	23,108,862	66,247,874
<b>Total revenues</b>	<b>513,956,983</b>	<b>24,407,939</b>	<b>18,227,032</b>	<b>54,366,597</b>	<b>610,958,551</b>
<b>Expenditures:</b>					
Current:					
Instructional services	314,430,030	2,562,171	-	10,580,255	327,572,456
Supporting services:					
Students	36,374,578	34,852	-	161,741	36,571,171
Instructional staff	29,410,870	51,320	-	268,377	29,730,567
District administration	4,369,980	14,102	-	-	4,384,082
School administration	34,632,807	47,872	-	933,738	35,614,417
Central	11,818,625	3,131,184	-	-	14,949,809
Operation and maintenance of facilities	58,104,674	1,168,396	-	193,556	59,466,626
Transportation	10,139,277	1,156,827	-	172,261	11,468,365
School lunch services	-	-	-	33,052,083	33,052,083
Community services	-	-	-	1,589,536	1,589,536
Contributions to other governments	-	-	-	8,232,386	8,232,386
Debt service:					
Principal	-	-	10,720,000	-	10,720,000
Interest	-	-	7,910,252	-	7,910,252
Bond issuance costs	-	137,676	234,080	-	371,756
Paying agent fees	-	-	3,500	-	3,500
Capital outlay	-	28,910,833	-	-	28,910,833
<b>Total expenditures</b>	<b>499,280,841</b>	<b>37,215,233</b>	<b>18,867,832</b>	<b>55,183,933</b>	<b>610,547,839</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>14,676,142</b>	<b>(12,807,294)</b>	<b>(640,800)</b>	<b>(817,336)</b>	<b>410,712</b>
<b>Other financing sources (uses):</b>					
Proceeds from sale of capital assets	533,385	330,314	-	-	863,699
Bonds issued	-	25,000,000	-	-	25,000,000
Refunding bonds issued	-	-	42,195,000	-	42,195,000
Premiums on bonds issued	-	3,839,794	7,460,574	-	11,300,368
Transfers in	-	16,066	-	776,358	792,424
Transfers (out)	(936,132)	-	-	-	(936,132)
<b>Total other financing sources (uses)</b>	<b>(402,747)</b>	<b>29,186,174</b>	<b>49,655,574</b>	<b>776,358</b>	<b>79,215,359</b>
<b>Net change in fund balances</b>	<b>14,273,395</b>	<b>16,378,880</b>	<b>49,014,774</b>	<b>(40,978)</b>	<b>79,626,071</b>
<b>Fund balances - beginning</b>	<b>116,471,572</b>	<b>17,042,822</b>	<b>940,161</b>	<b>34,692,003</b>	<b>169,146,558</b>
<b>Fund balances - ending</b>	<b>\$ 130,744,967</b>	<b>\$ 33,421,702</b>	<b>\$ 49,954,935</b>	<b>\$ 34,651,025</b>	<b>\$ 248,772,629</b>

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, 2018

**Net change in fund balances for total governmental funds** **\$ 79,626,071**

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	\$ 22,839,389	
Gain on sale of capital assets	1,178,861	
Proceeds from sale of capital assets	(863,699)	
Depreciation expense	<u>(34,728,297)</u>	(11,573,746)

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	(248,255)
Unavailable interest subsidy on Build America Bonds	298

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	10,720,000	
Proceeds from bonds and bond premiums	(78,495,368)	
Amortization of bond premiums	1,546,261	
Interest expense	<u>(812,300)</u>	(67,041,407)

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.

State retirement pension expense	8,802,119	
District retirement pension expense	(139,131)	
Long-term disability insurance OPEB expense	(973,419)	
Compensated absences expense	(61,724)	
Early retirement benefit expense	<u>4,133,225</u>	11,761,070

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.

7,067,417

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<b>Change in net position of governmental activities</b>	<b>\$ 19,591,448</b>
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The notes to the basic financial statements are an integral part of this statement.



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

Year Ended June 30, 2018

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>Revenues:</b>				
Property taxes	\$ 144,672,258	\$ 144,459,044	\$ 144,794,791	\$ 335,747
Earnings on investments	2,085,000	2,772,964	2,829,790	56,826
Other local	10,857,625	10,098,648	10,311,195	212,547
State	319,962,997	314,371,581	313,717,784	(653,797)
Federal	48,202,048	48,508,989	42,303,423	(6,205,566)
<b>Total revenues</b>	<b>525,779,928</b>	<b>520,211,226</b>	<b>513,956,983</b>	<b>(6,254,243)</b>
<b>Expenditures:</b>				
Current:				
Instructional services	350,336,846	320,484,626	314,430,030	6,054,596
Supporting services:				
Students	26,427,633	37,580,164	36,374,578	1,205,586
Instructional staff	19,363,588	30,283,603	29,410,870	872,733
District administration	4,346,773	4,339,146	4,369,980	(30,834)
School administration	34,545,871	34,400,784	34,632,807	(232,023)
Central	11,773,146	12,287,100	11,818,625	468,475
Operation and maintenance of facilities	61,261,698	58,062,153	58,104,674	(42,521)
Transportation	10,261,783	10,208,046	10,139,277	68,769
<b>Total expenditures</b>	<b>518,317,338</b>	<b>507,645,622</b>	<b>499,280,841</b>	<b>8,364,781</b>
<b>Excess of revenues over expenditures</b>	<b>7,462,590</b>	<b>12,565,604</b>	<b>14,676,142</b>	<b>2,110,538</b>
<b>Other financing sources (uses):</b>				
Transfers (out)	(1,295,455)	(890,755)	(936,132)	(45,377)
Proceeds from sale of capital assets	-	860	533,385	532,525
<b>Total other financing sources (uses)</b>	<b>(1,295,455)</b>	<b>(889,895)</b>	<b>(402,747)</b>	<b>487,148</b>
<b>Net change in fund balances</b>	<b>6,167,135</b>	<b>11,675,709</b>	<b>14,273,395</b>	<b>2,597,686</b>
<b>Fund balances - beginning</b>	<b>113,129,613</b>	<b>116,471,572</b>	<b>116,471,572</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 119,296,748</b>	<b>\$ 128,147,281</b>	<b>\$ 130,744,967</b>	<b>\$ 2,597,686</b>

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, 2018

	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets:</b>	
Current assets:	
Cash and investments	\$ 27,826,954
Accounts receivable - local	55,903
Prepaid items	327
Inventories	28,908
Due from other funds	74,086
<b>Total current assets</b>	<b>27,986,178</b>
Noncurrent assets:	
Capital assets:	
Equipment	730,422
Accumulated depreciation	(586,673)
<b>Total noncurrent assets</b>	<b>143,749</b>
<b>Total assets</b>	<b>28,129,927</b>
<b>Deferred outflows of resources:</b>	
Related to state retirement pensions	182,001
Related to district retirement pensions	1,449
Related to district OPEB plan	1,261
<b>Total deferred outflows of resources</b>	<b>184,711</b>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	8,009
Health and accident claims payable	13,924,437
Dental claims payable	356,769
Workers compensation claims payable	781,083
Unemployment claims payable	19,200
<b>Total current liabilities</b>	<b>15,089,498</b>
Noncurrent liabilities:	
Workers compensation payable	15,940
Net pension liability - state retirement plans	307,199
Total pension liability - district retirement plan	27,171
Net OPEB liability - district long-term disability plans	3,908
Early retirement liability	35,549
<b>Total noncurrent liabilities</b>	<b>389,767</b>
<b>Total liabilities</b>	<b>15,479,265</b>
<b>Deferred inflows of resources:</b>	
Related to state retirement pensions	159,949
Related to district retirement pensions	1,269
Related to district OPEB plan	1,409
<b>Total deferred inflows of resources</b>	<b>162,627</b>
<b>Net position:</b>	
Investment in capital assets	143,749
Unrestricted	12,528,997
<b>Total net position</b>	<b>\$ 12,672,746</b>

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, 2018

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating revenues:</b>	
Charges for services	\$ 71,327,353
<b>Operating expenses:</b>	
Salaries	457,261
Employee benefits	157,843
Medical and prescription claims	56,336,222
Dental claims	1,782,796
Medical administrative fees	2,854,247
Affordable Care Act fees	54,412
Medical reinsurance premiums	1,412,254
Workers compensation claims	1,172,358
Unemployment claims	10,585
Purchased services	199,765
Supplies and materials	112,561
Depreciation	74,236
Total operating expenses	64,624,540
<b>Operating income</b>	<b>6,702,813</b>
<b>Nonoperating revenues:</b>	
Earnings on investments	220,896
Transfers in	143,708
Total nonoperating revenues	364,604
<b>Change in net position</b>	<b>7,067,417</b>
<b>Net position - beginning</b>	<b>5,605,329</b>
<b>Net position - ending</b>	<b>\$ 12,672,746</b>

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, 2018

	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash flows from operating activities:</b>	
Receipts from interfund services provided	\$ 71,513,068
Payments of assessments from other funds	(50,832)
Payments to employees	(663,381)
Payments to suppliers for goods and services	(306,359)
Payments for medical fees and insurance claims	(64,163,738)
Net cash provided by operating activities	6,328,758
<b>Cash flows from noncapital financing activities:</b>	
Transfers in from other funds	143,708
<b>Cash flows from investing activities:</b>	
Earnings on investments	220,896
Net change in cash and cash equivalents	6,693,362
<b>Cash and cash equivalents - beginning</b>	<b>21,133,592</b>
<b>Cash and cash equivalents - ending*</b>	<b>\$ 27,826,954</b>

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

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 6,702,813
Adjustments to reconcile operating income to net cash provided by operating activities:	
Non cash item - depreciation	74,236
(Increase) decrease in operating assets:	
Accounts receivable - local	185,715
Prepaid items	1,466
Inventories	2,069
Due from other funds	(50,832)
(Increase) in deferred outflows of resources	(3,143)
Increase (decrease) in operating liabilities:	
Accounts payable	2,432
Accrued salaries and related benefits	(1,150)
Health and accident insurance payable	(310,030)
Dental insurance payable	(51,206)
Workers compensation payable	(179,957)
Unemployment insurance payable	329
Net pension liability	(140,478)
Increase in deferred inflows of resources	96,494
Total adjustments	(374,055)
Net cash provided by operating activities	\$ 6,328,758

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](http://granitekids.org).

#### B) Government-Wide and Fund Financial Statements

Government-wide and fund financial statements are presented separately; however, they are interrelated. 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 internal service 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, 2018 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* is a special revenue fund that 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.
- The *Debt Service Fund* is a special revenue fund that accounts for the accumulation of resources used for the payment of general obligation bond principal and interest.

Additionally, the District reports the following fund types:

- The District has four non-major special revenue funds. 1) The *District Activity Programs Fund* accounts for the co-curricular and extra-curricular activities in schools and includes all student fee revenues that flow through the individual school checking accounts. 2) The *Pass-through Taxes Fund* accounts for both the tax increment financing authorized by the Community Development and Renewal Agencies Act and property tax revenue related to the charter school levy. 3) The *Granite Education Foundation Fund* accounts for donations received by the tax-exempt non-profit organization formed to exclusively benefit the District. 4) The *School Lunch Fund* accounts for the food service activities of the District, as required by state and federal law.



- The District has two internal service funds (proprietary funds). 1) The *Printing Services Fund* accounts 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* accounts 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 current year ending June 30, 2018.
- 2) Copies of the proposed budget are made available for public inspection for a period of at least 15 days.
- 3) A public hearing is held prior to June 22 in which the budget is legally adopted by resolution of the Board after obtaining taxpayer input.
- 4) Once adopted, the budget can be amended by subsequent Board action. The Board, upon recommendation of the Superintendent, can approve reductions in appropriations, but increased appropriations by fund require a public hearing prior to amending the budget. Management may make interim transfers from one appropriation to another within any given fund. All such interim transfers made by management are reviewed and approved by the Board. All interim transfers made in the year ended June 30, 2018 were approved by the Board on or before June 22, 2018.
- 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, 2018 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. Under the District's investment policy, all temporary cash surpluses are invested, either directly or through a "sweep account". Interest earned on District investments is prorated to individual funds at the end of each month on the basis of their average daily cash balances during the month when interest was earned. Because participating funds use the PTIF as if it were a demand deposit account, the internal service fund equity in pooled investments is considered a cash equivalent for cash flow reporting purposes. 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) Tax revenues that are restricted for other entities in the *Pass-through Taxes Fund*
- 3) Donations held in the *Granite Education Foundation Fund*.
- 4) Remaining fund balances in the *School Lunch 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, 2018 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, planned projects, and textbooks.

**Unassigned.** Residual balances in the *General Fund* are classified as unassigned. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount.

### 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 (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, the District recognizes benefit payments when due and payable in accordance with benefit terms. The total district retirement liability is an actuarially determined amount.

For purposes of measuring the total OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the District recognizes benefit payments when due and payable in accordance with benefit terms. The total OPEB liability is an actuarially determined amount.

**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.

**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.

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

### 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, 2018, as shown on the financial statements is summarized as follows:

Carrying amount of deposits	\$ 23,973,992
Carrying amount of investments	<u>289,666,647</u>
Total cash and investments	<u>\$ 313,640,639</u>
Governmental funds cash and investments	\$ 285,813,685
Internal service funds cash and investments	<u>27,826,954</u>
Statement of net position cash and investments	<u>\$ 313,640,639</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 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.

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, which primarily consists of money market securities held by the Utah State Treasurer, including corporate notes (87.6%), money market mutual funds (0.7%), top-rated commercial paper (10.4%), repurchase agreements (0.7%), and certificates of deposit (0.6%). The portfolio has a weighted average maturity of 52 days. The PTIF is not rated. The reported value of the pool is the same as the fair value of the pool shares.

Under the District's investment policy, all temporary cash surpluses are invested, either directly or through a "sweep account" held with the District's financial institution.

All of the District's investments are with the PTIF. Each fund's share of PTIF investments is included in the participating fund's balance sheet under the caption "Cash and investments". Interest earned on PTIF investments is prorated to individual funds at the end of each month on the basis of their average daily cash balances during the month when interest was earned. The PTIF operates like a demand deposit account in that all District funds may deposit cash at any time and also withdraw cash out of the pool without prior notice or penalty.

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. 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

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

other governmental funds and those deposits and investments bear risks that differ from those of the District. Accordingly, the Foundation's deposits and investments are reported separately in the following schedules:

### A) Deposits:

At June 30, 2018, the District and the Foundation have the following deposits with financial institutions:

	Carrying Amount	Bank Balance	Amount Insured
Granite School District	\$ 23,173,331	\$ 21,519,985	\$ 659,723
Granite Education Foundation	800,661	791,768	250,000
Total deposits	<u>\$ 23,973,992</u>	<u>\$ 22,311,753</u>	<u>\$ 909,723</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, 2018, \$21,402,030 of the District's and the Foundation's bank deposits were uninsured and uncollateralized.

### B) Investments:

At June 30, 2018, 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)	\$ 287,080,991	\$ 287,080,991	\$ -	\$ -	\$ -
Granite Education Foundation,					
a special revenue fund:					
Mutual funds investing in:					
Money market deposits	9,687	9,687	-	-	-
Bonds	587,273	-	-	587,273	-
U.S. common stocks	852,211	852,211	-	-	-
Int'l common stocks	1,136,485	1,136,485	-	-	-
Total Foundation	<u>2,585,656</u>	<u>1,998,383</u>	<u>-</u>	<u>587,273</u>	<u>-</u>
Total investments	<u>\$ 289,666,647</u>	<u>\$ 289,079,374</u>	<u>\$ -</u>	<u>\$ 587,273</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, 2018:

- Public Treasurers' Investment Fund of \$287,080,991 is valued at the District's position in the PTIF multiplied by the published fair value factor (Level 2 inputs).
- Mutual funds of \$2,585,656 are valued at quoted market prices (Level 1 inputs).

### NOTE 3 - 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 4 – 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

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

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.

**Incremental Taxes and Charter School Levy.** In addition to property taxes the District levies for its own purposes, the District levies property taxes for redevelopment agencies (located within the boundaries of the District) in accordance with the Community Development and Renewal Agencies Act (*Utah Code 17C-1*) and for charter schools (for students living within the District's boundaries who are enrolled in charter schools) in accordance with *Utah Code 53F-2-703*. These taxes are forwarded directly by the County to the redevelopment agencies or the state charter school levy account as these taxes are collected by the County. During the year ended June 30, 2018, taxes levied by the District for the redevelopment agencies totaled \$4,921,014 and for charter schools totaled \$3,311,372. These amounts were recorded as revenue with an equivalent expenditure for contributions to other governments in the other governmental funds (in the *Pass-through Taxes Fund*).

As of June 30, 2018, the District reported the following property tax balances:

	Major Funds			Other	
	General	Capital Projects	Debt Service	Governmental Funds	Total
Property taxes - receivable:					
Levied for current and prior years:					
Collected in July 2018	\$ 829,336	\$ 108,627	\$ 318,237	\$ -	\$ 1,256,200
Delinquent	1,618,121	211,942	620,914	105,296	2,556,273
Levied for future year	141,669,001	18,555,861	54,362,006	9,218,873	223,805,741
Prepayments of future year	(1,739,202)	(227,801)	(667,376)	-	(2,634,379)
	<u>\$ 142,377,256</u>	<u>\$ 18,648,629</u>	<u>\$ 54,633,781</u>	<u>\$ 9,324,169</u>	<u>\$ 224,983,835</u>
Property taxes - deferred inflows of resources:					
Levied for current and prior years:					
Unavailable (delinquent)	\$ 1,618,121	\$ 211,942	\$ 620,914	\$ 105,296	\$ 2,556,273
Levied for future year	141,669,001	18,555,861	54,362,006	9,218,873	223,805,741
	<u>\$ 143,287,122</u>	<u>\$ 18,767,803</u>	<u>\$ 54,982,920</u>	<u>\$ 9,324,169</u>	<u>\$ 226,362,014</u>

### NOTE 5 – 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, 2018, there were no significant reductions in coverage. Insurance settlements have not exceeded coverage for the past three years.



# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

### NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 40,026,236	\$ 10,200,963	\$ (51,151)	\$ 50,176,048
Construction in progress	4,048,866	8,910,857	(7,078,211)	5,881,512
Water stock	33,221	-	-	33,221
Total capital assets, not being depreciated	44,108,323	19,111,820	(7,129,362)	56,090,781
Capital assets, being depreciated:				
Buildings and improvements	786,869,163	6,312,627	(81,357)	793,100,433
Land improvements	45,930,459	765,584	(312,962)	46,383,081
Vehicles	27,104,100	1,806,306	(828,913)	28,081,493
Furniture and equipment	44,324,332	1,921,263	(787,383)	45,458,212
Total capital assets, being depreciated	904,228,054	10,805,780	(2,010,615)	913,023,219
Accumulated depreciation for:				
Buildings and improvements	(373,176,730)	(28,126,537)	81,357	(401,221,910)
Land improvements	(29,911,455)	(2,132,762)	312,962	(31,731,255)
Vehicles	(19,744,627)	(1,525,908)	825,862	(20,444,673)
Furniture and equipment	(33,814,219)	(3,017,326)	787,383	(36,044,162)
Total accumulated depreciation	(456,647,031)	(34,802,533)	2,007,564	(489,442,000)
Total capital assets, being depreciated, net	447,581,023	(23,996,753)	(3,051)	423,581,219
Governmental activity capital assets, net	<u>\$ 491,689,346</u>	<u>\$ (4,884,933)</u>	<u>\$ (7,132,413)</u>	<u>\$ 479,672,000</u>

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

#### Governmental activities:

Instructional services	\$ 26,034,878
Supporting services:	
Students	304,741
Instructional staff	24,323
District administration	3,135
School administration	913,314
Business	757,899
Operation and maintenance of facilities	3,735,502
Transportation	828,561
School lunch services	2,121,625
Community services	4,319
Capital assets held by the District's internal service funds are charged to the various functions based on their usage of the assets	74,236
Total depreciation expense, governmental activities	<u>\$ 34,802,533</u>

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

At June 30, 2018, the District was obligated under several ongoing construction commitments with remaining costs to complete totaling \$10,264,443 that will be financed from resources restricted for capital projects in the *Capital Projects Fund* and property tax proceeds levied specifically for such purposes. These projects are summarized as follows:

Project	Expected Cost	Cost to Date	Cost to Complete
Skyline High architecture and engineering for rebuild	\$ 5,398,977	\$ 901,231	\$ 4,497,747
Cyprus High architecture and engineering for rebuild	4,448,681	214,604	4,234,076
Kearns High HVAC upgrade	1,064,072	1,030,301	33,770
Fox Hills Elementary security upgrade	446,787	415,648	31,139
Hunter Elementary security upgrade	439,947	405,068	34,879
Copper Hills Elementary security upgrade	438,614	418,318	20,296
Smith Elementary security upgrade	423,735	398,913	24,822
Hillside Elementary HVAC upgrade	344,583	284,707	59,876
Other	3,140,559	1,812,722	1,327,838
Total	<u>\$ 16,145,955</u>	<u>\$ 5,881,512</u>	<u>\$ 10,264,443</u>

### NOTE 7 – 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, 2018 consist of the following:

Fund	Due from other funds	Due to other funds
General Fund	\$ -	\$ 2,300,141
Other Governmental Funds	2,226,055	-
Internal Service Funds	74,086	-
Total	<u>\$ 2,300,141</u>	<u>\$ 2,300,141</u>

**Transfers.** Transfers between funds during the year ended June 30, 2018 are as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 936,132
Capital Projects Fund	16,066	-
Other Governmental Funds	776,358	-
Internal Service Funds	143,708	-
Total	<u>\$ 936,132</u>	<u>\$ 936,132</u>

During the year ended June 30, 2018, the District made the following transfers:

- The *General Fund* transferred \$16,066 to the *Capital Projects Fund* to cover the cost of a capital project completed at a District school.
- The *General Fund* transferred \$295,479 to the *District Activity Programs Fund* (other governmental fund) for amounts allocated to the schools by the District.
- The *General Fund* transferred \$480,879 to the *Granite Education Foundation Fund* (other governmental fund) to fund a portion of the salaries of the Foundation.

- The *General Fund* transferred \$143,708 to cover an operating deficit in the *Printing Services Fund* (an internal service fund).

### NOTE 8 – STATE RETIREMENT PLAN

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

Defined Benefit Pension Systems (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](http://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.

**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

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

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, 2018, District required contribution rates for the plans were as follows:

	Defined Benefit Plans Rates				Totals
	District Contribution	Amortization of UAAL*	Paid by District for Employee	District Rates for 401(k) Plan	
Tier 1 Noncontributory System	12.25%	9.94%	-	1.50%	23.69%
Tier 1 Contributory System	5.45%	12.25%	6.00%	-	23.70%
Tier 2 Contributory System**	8.50%	9.94%	-	1.58%	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.

For the year ended June 30, 2018, District and employee contributions to URS were as follows:

System	District Contributions*	Employee Contributions
Tier 1 Noncontributory System	\$ 46,998,901	\$ -
Tier 1 Contributory System	351,977	19,886
Tier 2 Contributory System	10,604,705	-
Tier 2 Defined Contribution Plan	1,050,672	-
401(k) Plan	4,924,722	5,244,192
457 Plan and Other Individual Plans	-	998,562

\*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.

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

**Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At June 30, 2018, the District reported a net pension asset of \$0 and a net pension liability of \$193,236,744 for its proportionate share of the net pension liability (asset) for the following plans:

	Net Pension Asset	Net Pension Liability
Tier 1 Noncontributory System	\$ -	\$ 192,153,346
Tier 1 Contributory System	-	619,877
Tier 2 Contributory System	-	463,521
Total	\$ -	\$ 193,236,744

The net pension liability (asset) was measured as of December 31, 2017, and the total pension liability was determined by an actuarial valuation as of January 1, 2017, 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, 2017 and the change in its proportion since the prior measurement date for each plan:

	Proportionate Share	
	2017	Change
Tier 1 Noncontributory System	7.8578686%	0.1720225%
Tier 1 Contributory System	9.4200388%	-0.0494147%
Tier 2 Contributory System	5.2572836%	0.2356983%

For the year ended June 30, 2018, the District recognized pension expense of \$50,147,246 for the defined benefit pension plans and pension expense of \$4,924,722 for the defined contribution plans.

At June 30, 2018, 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	\$ 17,353	\$ 11,564,676
Changes of assumptions	49,141,171	1,507,380
Net difference between projected and actual earnings on pension plan investments	33,426,352	84,355,168
Changes in proportion and differences between District contributions and proportionate share of contributions	2,846,963	4,479,959
District contributions subsequent to the measurement date	30,131,712	-
Total	\$ 115,563,551	\$ 101,907,183

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

The \$30,131,712 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, 2017. These contributions will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2019.

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
2019	\$ 3,955,453
2020	9,108,457
2021	(11,624,863)
2022	(18,327,607)
2023	(98,786)
Thereafter	512,002

**Actuarial Assumptions.** The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% - 9.75%, average, including inflation
Investment rate of return	6.95%, 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, 2017 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2016. Changes of assumptions that affected measurement of the total pension liability since the prior measurement date include adjustments for inflation, salary increases, payroll growth, earnings rate assumptions, life expectancy, post retirement mortality, preretirement mortality, and certain demographics to more closely reflect actual experience.

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.

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

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	Target Allocation	Expected Return Arithmetic Basis	
		Real Return Arithmetic Basis	Long-Term Expected Real Rate of Return
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
Total	100%		4.75%
Inflation			2.50%
Expected arithmetic nominal return			7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return of 4.45% that is net of investment expense.

**Discount Rate.** The discount rate used to measure the total pension liability was 6.95%. 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.

**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 6.95%, 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 (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Tier 1 Noncontributory System	\$ 419,552,048	\$ 192,153,346	\$ 2,093,794
Tier 1 Contributory System	8,169,253	619,877	(5,807,330)
Tier 2 Contributory System	5,457,728	463,521	(3,387,730)
District Total	\$ 433,179,029	\$ 193,236,744	\$ (7,101,266)

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



# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

**Payables to the Pension Plans.** – At June 30, 2018, the District reported payables of \$8,084,563 for contributions to defined benefit pension plans and \$973,529 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.** Contributions to the District retirement plan are paid from 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, 2018, 4,501 active employees were covered by the benefit terms.

**Total Pension Liability.** At June 30, 2018, the District recorded a total pension liability of \$15,359,975 (see Note 13 for long-term liabilities), determined by an actuarial valuation as of June 30, 2018. 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 June 30, 2018 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	2.30%
Salary growth	1.95%
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 SOA RP-2014 White Collar Mortality with Scale MP-2017.

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) employee termination rates based on educators' termination rates used in the actuarial valuation of the Utah Retirement Systems pension plans, and 3) entry age normal with service cost as a level percent of employee's projected pay. Individual severance benefits and any termination liability for COBRA were not included in this valuation.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial valuation for the current fiscal period ending June 30, 2018.



# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

### Changes in the Total Pension Liability.

Balance at June 30, 2017	\$ 14,561,834
Changes for the year:	
Service cost	782,059
Interest on total liability	518,322
Effect of plan changes	-
Effect of economic/demographic (gains) losses	576,433
Effect of assumption changes or inputs	-
Employer contributions (benefit payments)	<u>(1,078,673)</u>
Net changes	<u>798,141</u>
Balance at June 30, 2018	<u>\$ 15,359,975</u>

No plan changes of benefit terms occurred in 2018.

The following changes in assumptions and other inputs occurred in 2018: the inflation rate was reduced from 2.5% to 2.3% and the salary growth rate increased from 1.75% to 1.95%.

**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	\$ 16,233,978	\$ 15,359,975	\$ 14,529,240

**Pension Expense and Deferred Outflows and Inflows of Resources Related to the District's Retirement Plan.** For the year ended June 30, 2018, the District recognized pension expense of \$1,217,953. At June 30, 2018, the District reported deferred outflows of resources of \$819,316 and deferred inflows of resources of \$717,294 related to the District's retirement plan.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Effect of assumption changes or inputs	\$ 318,870	\$ -
Effect of economic/demographic gains or losses	500,446	717,294
Total	<u>\$ 819,316</u>	<u>\$ 717,294</u>

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – 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:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2019	\$ (82,428)
2020	(82,428)
2021	(5,607)
2022	75,987
2023	75,987
Thereafter	120,511

### 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 paid 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, 2018, the following employees were covered by the benefit terms:

	Pre 1/1/2005 LTD Program	Post 1/1/2005 LTD Program	Total LTD Plan
Inactive employees or beneficiaries currently receiving benefit payments	11	19	30
Active employees	-	4,501	4,501
Total	11	4,520	4,531

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

**Total OPEB Liability.** At June 30, 2018, the District recorded a total OPEB liability of \$2,209,511 (see Note 13 for long-term liabilities), determined by an actuarial valuation as of June 30, 2018.

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

**Actuarial Methods and Assumptions.** The total OPEB liability in the June 30, 2018 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	2.3%
Discount Rate	3.5%
Healthcare Cost Trend Rates	6.1% for 2018, 6.8% for 2019, 5.2% for 2020, decreasing to 4.1% 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 White Collar Mortality with Scale MP-2017. 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 June 30, 2018 valuation were based on the results of an actuarial valuation for the current fiscal period ended June 30, 2018.

### 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, 2017	\$ 588,788	\$ 1,190,375	\$ 1,779,163
Changes for the year:			
Service cost	-	213,767	213,767
Interest on total liability	18,631	60,435	79,066
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) losses	329,664	(728,954)	(399,290)
Effect of assumptions changes or other inputs	-	-	-
Employer contributions (benefit payments)	(113,945)	650,750	536,805
Net changes	234,350	195,998	430,348
Balance at June 30, 2018	\$ 823,138	\$ 1,386,373	\$ 2,209,511

No changes of benefit terms occurred in 2018.

The following changes in assumptions and other inputs occurred in 2018: the inflation rate was reduced from 2.5% to 2.3%, and the healthcare cost trend rate was decreased from 7.7% to 6.1%.

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

**OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB.** For the year ended June 30, 2018, the District recognized OPEB expense of \$438,329. At June 30, 2018, the District reported deferred outflows of resources of \$712,684 and deferred inflows of resources of \$796,656 related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Effect of assumption changes or inputs	\$ 98,410	\$ -
Effect of economic/demographic gains or losses	614,274	796,656
Total	<u>\$ 712,684</u>	<u>\$ 796,656</u>

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

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2019	\$ 145,496
2020	\$ 145,496
2021	81,922
2022	14,399
2023	(7,891)
Thereafter	(463,394)

**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	\$ 864,098	\$ 823,138	\$ 785,834
Post 1/1/2005 LTD Program	1,416,772	1,386,373	1,355,442
Total OPEB Liability	<u>\$ 2,280,870</u>	<u>\$ 2,209,511</u>	<u>\$ 2,141,276</u>

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

**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 6.1% 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 (5.1% decreasing to 3.0%) or 1-percentage-point higher (7.1% decreasing to 5.0%) than the current healthcare cost trend rate:

	1% Decrease (5.1% decreasing to 3.0%)	Healthcare Cost Trend Rates (6.1% decreasing to 4.0%)	1% Increase (7.1% decreasing to 5.0%)
Pre 1/1/2005 LTD Program	\$ 789,970	\$ 823,138	\$ 858,787
Post 1/1/2005 LTD Program	1,257,059	1,386,373	1,526,167
Total OPEB Liability	<u>\$ 2,047,029</u>	<u>\$ 2,209,511</u>	<u>\$ 2,384,954</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, 2018 and 2017 were \$6,944,554 and \$6,703,442, respectively. The participants entering the program subsequent to 1991 pay a nominal fee. During the year ended June 30, 2018, 382 former employees were included in the program. The District's estimated cost of claim payments for the year ended June 30, 2018 cannot be reasonably estimated because the insurance carrier has not disclosed the information. The District's liabilities for future early retirement benefits and medical/life insurance costs are \$4,177,282 and \$15,918,650, respectively, for a total liability of \$20,095,932. 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 \$13,924,437 was recorded at June 30, 2018 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 stop-loss provisions ranging from \$350,000 to \$400,000 per claim. Included in this liability are claims that have been estimated by the District as being incurred but not reported (IBNR) in the amount of \$5,490,601 and \$6,000,330 for

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

the years ended June 30, 2018 and 2017, respectively, including administrative costs. Changes in the balances of claims liabilities during the years ended June 30, 2018 and 2017 are as follows:

	2018	2017
Unpaid claims - beginning of year	\$ 14,234,467	\$ 12,341,677
Incurred claims (including IBNRs)	56,026,192	62,837,796
Medical claims payments	(56,336,222)	(60,945,006)
Unpaid claims - end of year	<u>\$ 13,924,437</u>	<u>\$ 14,234,467</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 \$356,769 was recorded at June 30, 2018 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 \$112,148 and \$113,026 for the years ended June 30, 2018 and 2017, respectively, including administrative costs. The change in the balance of claims liabilities during the years ended June 30, 2018 and 2017 are as follows:

	2018	2017
Unpaid claims - beginning of year	\$ 407,975	\$ 386,055
Incurred claims (including estimate)	1,731,590	1,546,467
Unemployment claims payments	(1,782,796)	(1,524,547)
Unpaid claims - end of year	<u>\$ 356,769</u>	<u>\$ 407,975</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 \$19,200 was recorded at June 30, 2018 for claims outstanding at year-end. Included in this liability is an estimate by a separate third-party administrator for future claims, incurred during 2018, but which have not been billed as of year-end. Changes in the balances of claims liabilities during the years ended June 30, 2018 and 2017 are as follows:

	2018	2017
Unpaid claims - beginning of year	\$ 18,871	\$ 37,340
Incurred claims (including estimate)	10,914	22,377
Unemployment claims payments	(10,585)	(40,846)
Unpaid claims - end of year	<u>\$ 19,200</u>	<u>\$ 18,871</u>

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

### 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 \$797,023 was recorded at June 30, 2018 for claims outstanding at year-end with \$781,083 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, 2018 and 2017 are as follows:

	2018	2017
Unpaid claims - beginning of year	\$ 976,980	\$ 1,154,814
Incurred claims (including estimate)	992,401	905,425
Unemployment claims payments	(1,172,358)	(1,083,259)
Unpaid claims - end of year	<u>\$ 797,023</u>	<u>\$ 976,980</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, 2018:

	Balance at June 30, 2017	Additions	Payments	Balance at June 30, 2018	Due Within One Year
Bonds payable	\$ 177,820,000	\$ 67,195,000	\$ (10,720,000)	\$ 234,295,000	\$ 10,260,000
Bond premiums	4,880,754	11,300,368	(1,546,261)	14,634,861	-
Net bond liabilities	182,700,754	78,495,368	(12,266,261)	248,929,861	10,260,000
Workers compensation claims	976,980	992,401	(1,172,358)	797,023	781,083
Unemployment claims	18,871	10,914	(10,585)	19,200	19,200
Health and accident claims	14,234,467	56,026,192	(56,336,222)	13,924,437	13,924,437
Dental claims	407,975	1,731,590	(1,782,796)	356,769	356,769
Compensated absences	4,526,476	4,361,876	(4,300,152)	4,588,200	4,358,790
Obligation for early retirement compensation and insurance	24,236,636	2,803,850	(6,944,554)	20,095,932	7,239,385
Total pension liability - district retirement plan	14,561,834	1,876,814	(1,078,673)	15,359,975	-
Total other postemployment benefits liability - long-term disability	1,779,163	967,219	(536,871)	2,209,511	-
Net pension liability - state retirement plans	254,840,899	(2,612,937)	(58,991,218)	193,236,744	-
Total long-term liabilities	<u>\$ 498,284,055</u>	<u>\$ 144,653,287</u>	<u>\$(143,419,690)</u>	<u>\$ 499,517,652</u>	<u>\$ 36,939,664</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 53G, Chapter 4; 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, 2018

General obligation school building and improvement bonds payable at June 30, 2018, with their outstanding balances are comprised of the following individual issuances:

Series 2010	Build America Bonds, \$52,400,000 originally issued, remaining portion due in 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 \$3,700,000 to \$3,850,000, from June 2019 through June 2021, interest from 4.50% to 5.00%.	11,375,000
Series 2012	Tax exempt bonds, \$36,500,000 originally issued, due in remaining annual installments from \$1,495,000 to \$2,560,000, from June 2019 through June 2032, interest from 3.00% to 5.00%.	25,685,000
Series 2013	Tax exempt bonds, \$11,575,000 originally issued, due in remaining annual installments from \$280,000 to \$670,000, from June 2019 through June 2033, interest from 4.50% to 5.00%.	6,410,000
Series 2016	Tax exempt Bonds, \$75,400,000 originally issued, due in remaining annual installments from \$1,070,000 to \$18,810,000, from June 2019 through June 2031, interest from 1.27% to 2.90%.	73,360,000
Series 2017A	Tax exempt Bonds, \$25,000,000 originally issued, due in remaining annual installments from \$1,015,000 to \$1,445,000, from June 2019 through June 2037, interest from 4.00% to 5.00%.	22,870,000
Series 2017B	Tax exempt Bonds, \$42,195,000 originally issued to advance refund the series 2010 bonds on a crossover date in June 2020, due in remaining annual installments from \$2,735,000 to \$5,515,000, from June 2021 through June 2030, interest from 2.63% to 5.00%.	42,195,000
		<u>\$ 234,295,000</u>

**Crossover Refunding.** In November 2017, the District issued \$25,000,000 in general obligation school building bonds (Series 2017A) with a premium of \$3,839,794 and \$42,195,000 in general obligation refunding bonds (Series 2017B) with a premium of \$7,460,571. The Series 2017B bonds were used to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of the refunding bonds until June 1, 2020 (the crossover date) and to refund in advance \$46,700,000 of the Series 2010 Build America Bonds on the crossover date. The District will continue to service the refunded bonds until the crossover date. On the crossover date, the refunded bonds will be defeased and the District will begin to pay the debt service on the Series 2017B general obligation refunding bonds. Both the refunded bonds and the refunding bonds as well as the resources held in escrow (cash and investments with the fiscal agent) are recorded by the District until the crossover date. The crossover advance refunding will result in an economic gain of \$2.0 million.



# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2018

The annual requirements to amortize all general obligation bonds outstanding to maturity as of June 30, 2018, including interest payments, are listed as follows:

Year Ending June 30,	Tax Exempt Bonds		Build America Bonds		Total	
	Principal	Interest	Principal	Interest*	Principal	Interest
2019	\$ 7,560,000	\$ 6,621,010	\$ 2,700,000	\$ 2,556,101	\$ 10,260,000	\$ 9,177,111
2020	7,780,000	6,282,921	3,000,000	2,444,888	10,780,000	8,727,809
2021	10,630,000	5,952,106	3,400,000	2,316,818	14,030,000	8,268,924
2022	11,365,000	5,478,246	3,750,000	2,166,572	15,115,000	7,644,818
2023	11,885,000	5,078,791	4,050,000	1,995,235	15,935,000	7,074,026
2024-2028	68,620,000	18,809,182	24,400,000	6,771,911	93,020,000	25,581,093
2029-2033	58,375,000	5,750,551	11,100,000	894,072	69,475,000	6,644,623
2034-2037	5,680,000	586,750	-	-	5,680,000	586,750
Total	\$ 181,895,000	\$ 54,559,557	\$ 52,400,000	\$ 19,145,597	\$ 234,295,000	\$ 73,705,154

\* Subsidized at 32% by the federal government.

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. At June 30, 2018, all \$238 million in bonds remained unissued. On November 27, 2018, the District issued \$50 million of this authorization (see Note 14).

### NOTE 14 – SUBSEQUENT EVENT

**Bond Issuance.** On November 27, 2018, the District issued \$50,000,000 in general obligation bonds (Series 2018A Bonds). These bonds are issued under the voter authorization received on November 7, 2017 and will be used fund capital projects to rebuild, remodel, and revitalize District school buildings.

### NOTE 15 – SIGNIFICANT COMMITMENTS

**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. At June 30, 2018, the amount of encumbrances were as follows:

Fund Type	Encumbrance Amount
General Fund	\$ 792,648
Capital Projects Fund	18,221,951
Other Non-Major Governmental Funds	604,314
Total	<u>\$ 19,618,913</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, 2018

## Schedules of the District's Proportionate Share of the Net Pension Liability (Asset) Utah Retirement Systems Last Four Plan Years - December 31, 2014 through 2017

	2017	2016	2015	2014
<b>Tier 1 Noncontributory System</b>				
District's proportion of the net pension liability (asset)	7.8578686%	7.6858461%	7.8860449%	8.0401108%
District's proportionate share of the net pension liability (asset)	\$ 192,153,346	\$ 249,091,885	\$ 247,723,254	\$ 202,010,089
District's covered payroll	\$ 212,137,189	\$ 2,120,881,021	\$ 217,208,727	\$ 226,516,338
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	90.58%	118.12%	114.05%	89.18%
Plan fiduciary net position as a percentage of the total pension liability	89.20%	84.90%	84.50%	87.20%
<b>Tier 1 Contributory System</b>				
District's proportion of the net pension liability (asset)	9.4200388%	9.4694535%	9.9537964%	10.7492708%
District's proportionate share of the net pension liability (asset)	\$ 619,877	\$ 5,188,859	\$ 6,237,568	\$ 1,178,641
District's covered payroll	\$ 2,143,329	\$ 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 payroll	28.92%	204.41%	197.82%	29.85%
Plan fiduciary net position as a percentage of the total pension liability	99.20%	84.90%	92.40%	98.70%
<b>Tier 2 Public Employees System</b>				
District's proportion of the net pension liability (asset)	5.2572836%	5.2158530%	4.8599077%	4.7196557%
District's proportionate share of the net pension liability (asset)	\$ 463,521	\$ 560,155	\$ (10,609)	\$ (143,027)
District's covered payroll	\$ 51,639,217	\$ 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 payroll	0.90%	1.36%	-0.03%	-6.00%
Plan fiduciary net position as a percentage of the total pension liability	97.40%	95.10%	100.20%	103.50%

# GRANITE SCHOOL DISTRICT

Required Supplementary Information...Continued – June 30, 2018

## Schedules of District Contributions Utah Retirement Systems Last Four Fiscal Years - Ended June 30, 2015 through 2018

	2018	2017	2016	2015
<b>Tier 1 Noncontributory System:</b>				
Contractually required contribution	\$ 46,998,901	\$ 45,191,227	\$ 46,474,167	\$ 47,475,713
Contributions in relation to the contractually required contribution	(46,998,901)	(45,191,227)	(46,474,167)	(47,475,713)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 217,167,276	\$ 209,065,071	\$ 214,990,027	\$ 222,865,036
Contributions as a percentage of covered payroll	21.64%	21.62%	21.62%	21.30%
<b>Tier 1 Contributory System:</b>				
Contractually required contribution	\$ 351,977	\$ 407,982	\$ 512,761	\$ 610,904
Contributions in relation to the contractually required contribution	(351,977)	(407,982)	(512,761)	(610,904)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,988,571	\$ 2,304,990	\$ 2,896,957	\$ 3,514,671
Contributions as a percentage of covered payroll	17.70%	17.70%	17.70%	17.38%
<b>Tier 2 Contributory System:</b>				
Contractually required contribution	\$ 10,604,705	\$ 8,447,627	\$ 6,617,200	\$ 4,928,850
Contributions in relation to the contractually required contribution	(10,604,705)	(8,447,627)	(6,617,200)	(4,928,850)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 57,594,570	\$ 46,313,635	\$ 36,273,114	\$ 27,246,944
Contributions as a percentage of covered payroll	18.41%	18.24%	18.24%	18.09%
<b>Tier 2 Defined Contribution System:</b>				
Contractually required contribution	\$ 1,050,672	\$ 792,975	\$ 584,919	\$ 402,983
Contributions in relation to the contractually required contribution	(1,050,672)	(792,975)	(584,919)	(402,983)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 10,485,791	\$ 7,913,919	\$ 5,835,996	\$ 4,091,887
Contributions as a percentage of covered payroll	10.02%	10.02%	10.02%	9.85%

**GRANITE SCHOOL DISTRICT**

Required Supplementary Information...Continued – June 30, 2018

**Schedule of Changes in Total Pension Liability and Related Ratios****District Retirement Plan****Last Four Fiscal Years - June 30, 2015 through 2018**

	2018	2017	2016	2015
Total pension liability				
Service cost	\$ 782,059	\$ 756,810	\$ 668,795	\$ -
Interest on total liability	518,322	509,335	600,422	-
Effect of plan changes	-	-	-	-
Effect of economic/demographic (gains) losses	576,433	(1,287,694)	-	-
Effect of assumptions changes or other inputs	-	572,440	-	-
Employer contributions (benefit payments)	(1,078,673)	(991,349)	(1,205,535)	-
Net change in total pension liability	798,141	(440,458)	63,682	-
Total pension liability - beginning	14,561,834	15,002,292	14,938,610	14,938,610
Total pension liability - ending	<u>\$ 15,359,975</u>	<u>\$ 14,561,834</u>	<u>\$ 15,002,292</u>	<u>\$ 14,938,610</u>
Covered-employee payroll	\$ 248,703,343	\$ 239,657,811	\$ 233,398,696	\$ 227,706,045
Total pension liability as a percentage of covered-employee payroll	6.18%	6.08%	6.43%	6.56%

# GRANITE SCHOOL DISTRICT

Required Supplementary Information...Continued – June 30, 2018

## Schedules of Changes in Total OPEB Liability and Related Ratios

### Long-Term Disability Plan

Last Four Fiscal Years - June 30, 2015 through 2018

	2018	2017	2016	2015
<b>Pre January 1, 2005 LTD Program</b>				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest on total liability	18,631	21,854	36,491	-
Effect of economic/demographic (gains) losses	329,664	(200,996)	-	-
Effect of assumption changes and other inputs	-	11,453	-	-
Employer Contributions (Benefit Payments)	(113,945)	(113,945)	(155,158)	-
Net change in total OPEB liability	234,350	(281,634)	(118,667)	-
Total OPEB liability - beginning	588,788	870,422	989,089	989,089
Total OPEB liability - ending	<u>\$ 823,138</u>	<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	N/A
<b>Post January 1, 2005 LTD Program</b>				
Service cost	\$ 213,767	\$ 197,964	\$ 225,543	\$ -
Interest on total liability	60,435	51,352	42,816	-
Effect of economic/demographic (gains) losses	(728,954)	616,239	-	-
Effect of assumption changes and other inputs	-	165,215	-	-
Employer Contributions (Benefit Payments)	650,750	(650,750)	(599,802)	-
Net change in total OPEB liability	195,998	380,020	(331,443)	-
Total OPEB liability - beginning	1,190,375	810,355	1,141,798	1,141,798
Total OPEB liability - ending	<u>\$ 1,386,373</u>	<u>\$ 1,190,375</u>	<u>\$ 810,355</u>	<u>\$ 1,141,798</u>
Covered-employee payroll	\$ 248,703,343	\$ 239,657,811	\$ 233,398,696	\$ 227,706,045
Total OPEB liability as a percentage of covered-employee payroll	0.56%	0.50%	0.35%	0.50%
<b>Combined LTD Plan</b>				
Service cost	\$ 213,767	\$ 197,964	\$ 225,543	\$ -
Interest on total liability	79,066	73,206	79,307	-
Effect of economic/demographic (gains) losses	(399,290)	415,243	-	-
Effect of assumption changes and other inputs	-	176,668	-	-
Employer Contributions (Benefit Payments)	536,805	(764,695)	(754,960)	-
Net change in total OPEB liability	430,348	98,386	(450,110)	-
Total OPEB liability - beginning	1,779,163	1,680,777	2,130,887	2,130,887
Total OPEB liability - ending	<u>\$ 2,209,511</u>	<u>\$ 1,779,163</u>	<u>\$ 1,680,777</u>	<u>\$ 2,130,887</u>



# GRANITE SCHOOL DISTRICT

## Notes to Required Supplementary Information – June 30, 2018

### 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 2017 reflect the following actuarial assumption changes adopted in the January 1, 2017 valuation:

- The assumed investment return decreased from 7.20% to 6.95%.
- The assumed inflation rate decreased from 2.60% to 2.50%.
- The adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience.
- Minor adjustments to several other demographic assumptions, but those changes had a minimal impact on the total pension liability.

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 inflation rate was reduced from 2.5% to 2.3% and the salary growth rate increased from 1.75% to 1.95%.

### 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 inflation rate was reduced from 2.5% to 2.3%, and the healthcare cost trend rate was decreased from 7.7% to 6.1%.



# ***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.

## 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 53F-8-303*.

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

Year Ended June 30, 2018 with Comparative Totals for 2017

	2018			2017
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Property taxes	\$ 144,459,044	\$ 144,794,791	\$ 335,747	\$ 126,659,775
Earnings on investments	2,772,964	2,829,790	56,826	2,045,330
Other local	10,098,648	10,311,195	212,547	11,296,442
State	314,371,581	313,717,784	(653,797)	300,483,592
Federal	48,508,989	42,303,423	(6,205,566)	40,833,618
Total revenues	520,211,226	513,956,983	(6,254,243)	481,318,757
<b>Expenditures:</b>				
Current:				
Instructional services:				
Salaries	204,664,321	202,925,300	1,739,021	199,832,840
Employee benefits	99,011,509	98,162,027	849,482	98,532,323
Purchased services	2,528,325	2,140,334	387,991	3,615,197
Supplies and materials	13,596,687	10,711,615	2,885,072	8,571,872
Equipment	656,957	474,645	182,312	6,610,153
Other	26,827	16,109	10,718	2,814,399
Total instructional services	320,484,626	314,430,030	6,054,596	319,976,784
Supporting services:				
Students	37,580,164	36,374,578	1,205,586	21,608,738
Instructional staff	30,283,603	29,410,870	872,733	16,462,417
District administration	4,339,146	4,369,980	(30,834)	3,879,652
School administration	34,400,784	34,632,807	(232,023)	31,915,921
Central	12,287,100	11,818,625	468,475	10,451,478
Operation and maintenance of facilities	58,062,153	58,104,674	(42,521)	57,355,321
Transportation	10,208,046	10,139,277	68,769	9,652,879
Total supporting services	187,160,996	184,850,811	2,310,185	151,326,406
Total expenditures	507,645,622	499,280,841	8,364,781	471,303,190
Excess of revenues over expenditures	12,565,604	14,676,142	2,110,538	10,015,567
<b>Other financing sources (uses):</b>				
Transfers (out)	(890,755)	(936,132)	(45,377)	(1,081,122)
Proceeds from sale of capital assets	860	533,385	532,525	3,350
Total other financing sources (uses)	(889,895)	(402,747)	487,148	(1,077,772)
Net change in fund balances	11,675,709	14,273,395	2,597,686	8,937,795
<b>Fund balances - beginning</b>	116,471,572	116,471,572	-	107,533,777
<b>Fund balances - ending</b>	\$ 128,147,281	\$ 130,744,967	\$ 2,597,686	\$ 116,471,572

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

Year Ended June 30, 2018 with Comparative Totals for 2017

	2018			2017
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Property taxes	\$ 22,124,670	\$ 22,176,028	\$ 51,358	\$ 19,888,312
Earnings on investments	510,999	546,937	35,938	210,198
Other local	488,702	471,330	(17,372)	459,009
State	455,367	378,055	(77,312)	681,374
Federal	835,589	835,589	-	832,905
<b>Total revenues</b>	<b>24,415,327</b>	<b>24,407,939</b>	<b>(7,388)</b>	<b>22,071,798</b>
<b>Expenditures:</b>				
Current:				
Instructional services	2,825,912	2,562,171	263,741	2,001,102
Supporting services:				
Students	51,664	34,852	16,812	-
Instructional staff	124,805	51,320	73,485	6,113
District administration	50,000	14,102	35,898	32,067
School administration	45,268	47,872	(2,604)	4,583
Central	4,334,008	3,131,184	1,202,824	1,816,031
Operation and maintenance of facilities	1,742,231	1,168,396	573,835	1,433,028
Transportation	1,156,827	1,156,827	-	-
Capital outlay:				
Salaries	126,131	106,697	19,434	87,255
Employee benefits	42,745	34,863	7,882	31,694
Purchased services	28,928,873	16,598,412	12,330,461	18,059,546
Supplies and materials	1,661,270	1,595,043	66,227	33,990
Land and improvements	8,107,923	8,826,213	(718,290)	649,898
Buildings and improvements	1,420,650	1,420,500	150	1,124,079
Equipment	327,605	327,605	-	212,905
Other	6,500	1,500	5,000	556,207
Debt service:				
Bond issuance costs	137,788	137,676	112	-
<b>Total expenditures</b>	<b>51,090,200</b>	<b>37,215,233</b>	<b>13,874,967</b>	<b>26,048,498</b>
(Deficiency) of revenues (under) expenditures	(26,674,873)	(12,807,294)	13,867,579	(3,976,700)
<b>Other financing sources:</b>				
Proceeds from sale of capital assets	202,775	330,314	127,539	2,169,427
Bonds issued	25,000,000	25,000,000	-	-
Premiums on bonds issued	3,839,794	3,839,794	-	-
Transfers in	16,454	16,066	(388)	-
<b>Total other financing sources</b>	<b>29,059,023</b>	<b>29,186,174</b>	<b>127,151</b>	<b>2,169,427</b>
<b>Net change in fund balances</b>	<b>2,384,150</b>	<b>16,378,880</b>	<b>13,994,730</b>	<b>(1,807,273)</b>
<b>Fund balances - beginning</b>	<b>17,042,822</b>	<b>17,042,822</b>	<b>-</b>	<b>18,850,095</b>
<b>Fund balances - ending</b>	<b>\$ 19,426,972</b>	<b>\$ 33,421,702</b>	<b>\$ 13,994,730</b>	<b>\$ 17,042,822</b>

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

Year Ended June 30, 2018 with Comparative Totals for 2017

	2018			2017
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Property taxes	\$ 17,208,056	\$ 17,248,022	\$ 39,966	\$ 15,585,431
Earnings on investments	825,000	979,010	154,010	7,985
<b>Total revenues</b>	<b>18,033,056</b>	<b>18,227,032</b>	<b>193,976</b>	<b>15,593,416</b>
<b>Expenditures:</b>				
Debt service:				
Principal	10,720,000	10,720,000	-	7,980,000
Interest	7,910,252	7,910,252	-	6,849,257
Bond issuance costs	234,467	234,080	387	-
Paying agent fees	10,000	3,500	6,500	2,500
<b>Total expenditures</b>	<b>18,874,719</b>	<b>18,867,832</b>	<b>6,887</b>	<b>14,831,757</b>
Excess (deficiency) of revenues over (under) expenditures	(841,663)	(640,800)	200,863	761,659
<b>Other financing sources:</b>				
Refunding bonds issued	42,195,000	42,195,000	-	-
Premiums on bonds issued	7,460,574	7,460,574	-	-
<b>Total other financing sources</b>	<b>49,655,574</b>	<b>49,655,574</b>	<b>-</b>	<b>-</b>
Net change in fund balances	48,813,911	49,014,774	200,863	761,659
<b>Fund balances - beginning</b>	<b>940,160</b>	<b>940,161</b>	<b>(1)</b>	<b>178,502</b>
<b>Fund balances - ending</b>	<b>\$ 49,754,071</b>	<b>\$ 49,954,935</b>	<b>\$ 200,862</b>	<b>\$ 940,161</b>



# ***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.

***Pass-through Taxes Fund*** - The purpose of this fund is to: 1) 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; and 2) account for the pass-through property taxes collected from the charter school levy. The incremental taxes are collected by Salt Lake County and paid directly to the CDRA within the District. The charter school property taxes are collected by Salt Lake County and paid directly to the Utah State Treasurer for distribution to charter schools 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.

**GRANITE SCHOOL DISTRICT**  
**Combining Balance Sheet - Nonmajor Governmental Funds**  
June 30, 2018

	Special Revenue				Total
	<i>District Activity Programs</i>	<i>Pass- through Taxes</i>	<i>Granite Education Foundation</i>	<i>School Lunch</i>	<i>Nonmajor Governmental Funds</i>
<b>Assets:</b>					
Cash and investments	\$ 11,555,856	\$ -	\$ 3,386,317	\$ 14,915,360	\$ 29,857,533
Receivables:					
Property taxes	-	9,324,169	-	-	9,324,169
Local	-	-	-	43,069	43,069
State	-	-	-	1,255,854	1,255,854
Federal	-	-	-	266,742	266,742
Inventories	-	-	-	1,989,321	1,989,321
Prepaid items	6,293	-	-	768	7,061
Due from other funds	2,226,055	-	-	-	2,226,055
<b>Total assets</b>	<b>\$ 13,788,204</b>	<b>\$ 9,324,169</b>	<b>\$ 3,386,317</b>	<b>\$ 18,471,114</b>	<b>\$ 44,969,804</b>
<b>Liabilities:</b>					
Accounts and contracts payable	\$ 20,231	\$ -	\$ 123,480	\$ 38,071	\$ 181,782
Accrued salaries and related payables	7,136	-	-	805,692	812,828
<b>Total liabilities</b>	<b>27,367</b>	<b>-</b>	<b>123,480</b>	<b>843,763</b>	<b>994,610</b>
<b>Deferred inflows of resources:</b>					
Property taxes levied for future year	-	9,218,873	-	-	9,218,873
Unavailable property tax revenue	-	105,296	-	-	105,296
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>9,324,169</b>	<b>-</b>	<b>-</b>	<b>9,324,169</b>
<b>Fund balances:</b>					
Nonspendable:					
Inventories	-	-	-	1,989,321	1,989,321
Prepaid items	6,293	-	-	768	7,061
Restricted for:					
Schools	-	-	371,884	-	371,884
Scholarships	-	-	379,684	-	379,684
School lunch	-	-	-	15,637,262	15,637,262
Committed to:					
District activity programs	13,754,544	-	-	-	13,754,544
Foundation	-	-	2,511,269	-	2,511,269
<b>Total fund balances</b>	<b>13,760,837</b>	<b>-</b>	<b>3,262,837</b>	<b>17,627,351</b>	<b>34,651,025</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 13,788,204</b>	<b>\$ 9,324,169</b>	<b>\$ 3,386,317</b>	<b>\$ 18,471,114</b>	<b>\$ 44,969,804</b>

# GRANITE SCHOOL DISTRICT

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

### Nonmajor Governmental Funds

Year Ended June 30, 2018

	Special Revenue				Total
	District Activity Programs	Pass- through Taxes	Granite Education Foundation	School Lunch	Nonmajor Governmental Funds
<b>Revenues:</b>					
Local:					
Property taxes	\$ -	\$ 8,232,386	\$ -	\$ -	\$ 8,232,386
Earnings on investments	193,952	-	175,089	257,505	626,546
Student activities	12,346,843	-	-	-	12,346,843
Foundation activities	-	-	1,315,750	-	1,315,750
School lunch program activities	-	-	-	3,854,718	3,854,718
Total local	12,540,795	8,232,386	1,490,839	4,112,223	26,376,243
State	-	-	-	4,881,492	4,881,492
Federal	-	-	-	23,108,862	23,108,862
Total revenues	12,540,795	8,232,386	1,490,839	32,102,577	54,366,597
<b>Expenditures:</b>					
Current:					
Instructional services	10,580,255	-	-	-	10,580,255
Supporting services:					
Students	161,741	-	-	-	161,741
Instructional staff	268,377	-	-	-	268,377
School administration	933,738	-	-	-	933,738
Operation and maintenance of facilities	193,556	-	-	-	193,556
Transportation	172,261	-	-	-	172,261
School lunch services	-	-	-	33,052,083	33,052,083
Community services	64,777	-	1,524,759	-	1,589,536
Contributions to other governments	-	8,232,386	-	-	8,232,386
Total expenditures	12,374,705	8,232,386	1,524,759	33,052,083	55,183,933
Excess (deficiency) of revenues over (under) expenditures	166,090	-	(33,920)	(949,506)	(817,336)
<b>Other financing sources:</b>					
Transfers in	295,479	-	480,879	-	776,358
Total other financing sources	295,479	-	480,879	-	776,358
Net change in fund balances	461,569	-	446,959	(949,506)	(40,978)
<b>Fund balances - beginning</b>	13,299,268	-	2,815,878	18,576,857	34,692,003
<b>Fund balances - ending</b>	\$ 13,760,837	\$ -	\$ 3,262,837	\$ 17,627,351	\$ 34,651,025

**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, 2018 with Comparative Totals for 2017

	2018			2017
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Earnings on investments	\$ 101,296	\$ 193,952	\$ 92,656	\$ 119,917
Student activities:				
Tuition	52,663	53,303	640	53,782
Transportation fees	65,224	66,016	792	58,417
Admissions and gate fees	856,152	866,549	10,397	806,341
Vending and bookstore sales	34,696	35,117	421	294,211
Student organization membership dues	53,538	54,188	650	-
Student fees	6,240,856	6,316,644	75,788	6,677,147
Proceeds from general sales activities	739,178	748,154	8,976	-
Proceeds from fundraising activities	2,545,696	2,576,611	30,915	2,534,385
Facility and field rental fees	373,827	378,367	4,540	369,033
Donations	1,228,401	1,243,318	14,917	839,420
Other student activities	8,473	8,576	103	432,602
Total student activities	12,198,704	12,346,843	148,139	12,065,338
Total local revenue	12,300,000	12,540,795	240,795	12,185,255
State revenue	-	-	-	1,200
Total revenues	12,300,000	12,540,795	240,795	12,186,455
<b>Expenditures:</b>				
Current:				
Instructional services:				
Salaries	120,000	112,769	7,231	81,721
Benefits	25,179	20,037	5,142	24,789
Purchased services	4,042,656	4,310,755	(268,099)	5,014,121
Supplies	6,435,186	5,350,389	1,084,797	5,358,497
Textbooks	661,550	460,143	201,407	406,336
Equipment	-	102,035	(102,035)	897,623
Other	176,750	224,127	(47,377)	249,320
Supporting services:				
Students	-	161,741	(161,741)	-
Instructional staff	45,450	268,377	(222,927)	-
School administration	682,421	933,738	(251,317)	-
Operation and maintenance of facilities	16,223	193,556	(177,333)	-
Transportation	378,750	172,261	206,489	-
Community services	-	64,777	(64,777)	-
Total expenditures	12,584,165	12,374,705	209,460	12,032,407
Excess (deficiency) of revenues over (under) expenditures	(284,165)	166,090	450,255	154,048
<b>Other financing sources:</b>				
Transfers in	195,655	295,479	99,824	498,664
Net change in fund balances	(88,510)	461,569	550,079	652,712
<b>Fund balances - beginning</b>	13,299,268	13,299,268	-	12,646,556
<b>Fund balances - ending</b>	\$ 13,210,758	\$ 13,760,837	\$ 550,079	\$ 13,299,268

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

Year Ended June 30, 2018 with Comparative Totals for 2017

	2018			2017
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Property taxes	\$ 8,349,880	\$ 8,232,386	\$ (117,494)	\$ 4,636,541
Total revenues	8,349,880	8,232,386	(117,494)	4,636,541
<b>Expenditures:</b>				
Current:				
Contributions to redevelopment agencies	4,921,014	4,921,014	-	4,636,541
Contributions to state for charter schools	3,134,273	3,311,372	(177,099)	-
Total expenditures	8,055,287	8,232,386	(177,099)	4,636,541
Net change in fund balances	294,593	-	(294,593)	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ 294,593	\$ -	\$ (294,593)	\$ -

**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, 2018 with Comparative Totals for 2017

	2018			2017
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Earnings on investments	\$ 250,000	\$ 175,089	\$ (74,911)	\$ 249,586
Foundation activities:				
Donations and fundraising proceeds	1,000,000	1,315,750	315,750	988,941
Total revenues	1,250,000	1,490,839	240,839	1,238,527
<b>Expenditures:</b>				
Current:				
Community services:				
Salaries	488,001	491,109	(3,108)	208,377
Employee benefits	240,194	241,132	(938)	118,147
Purchased services	455,850	430,897	24,953	345,711
Supplies	243,105	241,093	2,012	212,873
Other	410,146	120,528	289,618	422,235
Total expenditures	1,837,296	1,524,759	312,537	1,307,343
Excess (deficiency) of revenues over (under) expenditures	(587,296)	(33,920)	553,376	(68,816)
<b>Other financing sources:</b>				
Transfers in	470,482	480,879	10,397	319,961
Net change in fund balances	(116,814)	446,959	563,773	251,145
<b>Fund balances - beginning</b>	2,815,878	2,815,878	-	2,564,733
<b>Fund balances - ending</b>	<b>\$ 2,699,064</b>	<b>\$ 3,262,837</b>	<b>\$ 563,773</b>	<b>\$ 2,815,878</b>



**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, 2018 with Comparative Totals for 2017

	2018			2017
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Earnings on investments	\$ 243,730	\$ 257,505	\$ 13,775	\$ 158,016
School lunch program activities:				
Lunch sales - children	800,000	760,364	(39,636)	1,402,095
Lunch sales - adult	320,000	295,906	(24,094)	320,439
Other	3,059,963	2,798,448	(261,515)	2,953,592
Total school lunch program activities	4,179,963	3,854,718	(325,245)	4,676,126
Total local	4,423,693	4,112,223	(311,470)	4,834,142
State lunch program	5,239,306	4,881,492	(357,814)	5,102,741
Federal lunch program	25,497,877	23,108,862	(2,389,015)	24,608,667
Total revenues	35,160,876	32,102,577	(3,058,299)	34,545,550
<b>Expenditures:</b>				
Current:				
School lunch services:				
Salaries	9,722,112	10,063,070	(340,958)	9,835,768
Employee benefits	3,341,721	3,524,344	(182,623)	3,342,044
Purchased services	4,434,018	3,690,803	743,215	2,826,489
Supplies	1,126,177	1,186,128	(59,951)	1,047,371
Food	13,576,000	11,566,085	2,009,915	12,778,232
Equipment	556,158	308,449	247,709	967,204
Indirect cost allocation	2,741,456	2,713,204	28,252	2,596,154
Total expenditures	35,497,642	33,052,083	2,445,559	33,393,262
Net change in fund balances	(336,766)	(949,506)	(612,740)	1,152,288
<b>Fund balances - beginning</b>	18,576,857	18,576,857	-	17,424,569
<b>Fund balances - ending</b>	\$ 18,240,091	\$ 17,627,351	\$ (612,740)	\$ 18,576,857



# ***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, 2018 with Comparative Totals for 2017

	2018			2017
	Printing Services Fund	Self Insurance Fund	Total	Total
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ -	\$ 27,826,954	\$ 27,826,954	\$ 21,133,592
Receivables - local	208	55,695	55,903	241,618
Prepaid items	327	-	327	1,793
Inventories	28,908	-	28,908	30,977
Due from other funds	74,086	-	74,086	23,254
Total current assets	103,529	27,882,649	27,986,178	21,431,234
Noncurrent assets:				
Capital assets:				
Equipment	730,422	-	730,422	730,422
Accumulated depreciation	(586,673)	-	(586,673)	(512,437)
Total noncurrent assets	143,749	-	143,749	217,985
Total assets	247,278	27,882,649	28,129,927	21,649,219
<b>Deferred outflows of resources:</b>				
Related to state retirement pensions	126,653	55,348	182,001	179,681
Related to district retirement pensions	982	467	1,449	791
Related to district OPEB plan	855	406	1,261	1,096
Total deferred outflows of resources	128,490	56,221	184,711	181,568
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	3,748	4,261	8,009	5,577
Accrued salaries and related benefits	-	-	-	1,150
Health and accident claims payable	-	13,924,437	13,924,437	14,234,467
Dental claims payable	-	356,769	356,769	407,975
Workers compensation claims payable	-	781,083	781,083	957,440
Unemployment claims payable	-	19,200	19,200	18,871
Total current liabilities	3,748	15,085,750	15,089,498	15,625,480
Noncurrent liabilities:				
Workers compensation claims payable	-	15,940	15,940	19,540
Net pension liability - state retirement plans	213,734	93,465	307,199	442,265
Total pension liability - district retirement plan	18,414	8,757	27,171	25,853
Total OPEB liability - district long-term disability plans	2,649	1,259	3,908	3,159
Early retirement liability	24,092	11,457	35,549	43,028
Total noncurrent liabilities	258,889	130,878	389,767	533,845
Total liabilities	262,637	15,216,628	15,479,265	16,159,325
<b>Deferred inflows of resources:</b>				
Related to state retirement pensions	111,316	48,633	159,949	64,075
Related to district retirement pension	860	409	1,269	1,780
Related to district OPEB plan	955	454	1,409	278
Total deferred inflows of resources	113,131	49,496	162,627	66,133
<b>Net position:</b>				
Investment in capital assets	143,749	-	143,749	217,985
Unrestricted	(143,749)	12,672,746	12,528,997	5,387,344
<b>Total net position</b>	<b>\$ -</b>	<b>\$ 12,672,746</b>	<b>\$ 12,672,746</b>	<b>\$ 5,605,329</b>

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

Year Ended June 30, 2018 with Comparative Totals for 2017

	<b>2018</b>			<b>2017</b>
	<b>Printing Services Fund</b>	<b>Self Insurance Fund</b>	<b>Total</b>	<b>Total</b>
<b>Operating revenues:</b>				
Charges for services:				
Medical insurance premiums	\$ -	\$ 69,038,533	\$ 69,038,533	\$ 66,734,254
Unemployment insurance premiums	-	10,585	10,585	150,000
Industrial insurance premium	-	1,586,365	1,586,365	1,462,062
Printing and other services	645,129	46,741	691,870	637,692
<b>Total operating revenues</b>	<b>645,129</b>	<b>70,682,224</b>	<b>71,327,353</b>	<b>68,984,008</b>
<b>Operating expenses:</b>				
Salaries	298,159	159,102	457,261	458,018
Employee benefits	114,113	43,730	157,843	243,080
Medical and prescription claims	-	56,336,222	56,336,222	60,945,006
Dental claims	-	1,782,796	1,782,796	1,524,547
Medical administrative fees	-	2,854,247	2,854,247	2,930,416
Affordable Care Act fees	-	54,412	54,412	316,251
Medical reinsurance premiums	-	1,412,254	1,412,254	1,427,131
Workers compensation claims	-	1,172,358	1,172,358	1,083,259
Unemployment claims	-	10,585	10,585	40,846
Purchased services	193,667	6,098	199,765	179,272
Supplies and materials	108,999	3,562	112,561	104,534
Depreciation	74,236	-	74,236	63,229
<b>Total operating expenses</b>	<b>789,174</b>	<b>63,835,366</b>	<b>64,624,540</b>	<b>69,315,589</b>
<b>Operating income (loss)</b>	<b>(144,045)</b>	<b>6,846,858</b>	<b>6,702,813</b>	<b>(331,581)</b>
<b>Nonoperating revenues (expenses):</b>				
Earnings (loss) on investments	337	220,559	220,896	(435)
Transfers in	143,708	-	143,708	262,497
<b>Total nonoperating revenues (expenses)</b>	<b>144,045</b>	<b>220,559</b>	<b>364,604</b>	<b>262,062</b>
<b>Change in net position</b>	<b>-</b>	<b>7,067,417</b>	<b>7,067,417</b>	<b>(69,519)</b>
<b>Total net position - beginning</b>	<b>-</b>	<b>5,605,329</b>	<b>5,605,329</b>	<b>5,674,848</b>
<b>Total net position - ending</b>	<b>\$ -</b>	<b>\$ 12,672,746</b>	<b>\$ 12,672,746</b>	<b>\$ 5,605,329</b>

# GRANITE SCHOOL DISTRICT

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

Year Ended June 30, 2018 with Comparative Totals for 2017

	2018			2017
	Printing Services Fund	Self Insurance Fund	Totals	Totals
<b>Cash flows from operating activities:</b>				
Receipts from interfund services provided	\$ 645,123	\$ 70,867,945	\$ 71,513,068	\$ 68,983,118
Payments of assessments from other funds	(50,832)	-	(50,832)	(60,639)
Payments to employees	(442,953)	(220,428)	(663,381)	(665,227)
Payments to suppliers for goods and services	(295,383)	(10,976)	(306,359)	(281,375)
Payments for medical fees and insurance claims	-	(64,163,738)	(64,163,738)	(66,548,653)
Net cash provided (used) by operating activities	(144,045)	6,472,803	6,328,758	1,427,224
<b>Cash flows from noncapital financing activities:</b>				
Transfers in from other funds	143,708	-	143,708	262,497
<b>Cash flows from capital and related financing activities:</b>				
Purchase of capital assets	-	-	-	(79,179)
<b>Cash flows from investing activities:</b>				
Earnings (loss) on investments	337	220,559	220,896	(435)
Net change in cash and cash equivalents	-	6,693,362	6,693,362	1,610,107
<b>Cash and cash equivalents - beginning</b>	-	21,133,592	21,133,592	19,523,485
<b>Cash and cash equivalents - ending*</b>	\$ -	\$ 27,826,954	\$ 27,826,954	\$ 21,133,592

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

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

Operating income (loss)	\$ (144,045)	\$ 6,846,858	\$ 6,702,813	\$ (331,581)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Noncash item - depreciation	74,236	-	74,236	63,229
(Increase) decrease in operating assets:				
Accounts receivable - local	(6)	185,721	185,715	(891)
Prepaid items	1,466	-	1,466	971
Inventories	2,069	-	2,069	1,737
Due from other funds	(50,832)	-	(50,832)	(23,254)
Net pension asset	-	-	-	19
(Increase) decrease in deferred outflows of resources	(3,385)	242	(3,143)	(12,986)
Increase (decrease) in operating liabilities:				
Accounts payable	3,748	(1,316)	2,432	(277)
Due to other funds	-	-	-	(37,385)
Accrued salaries and related benefits	-	(1,150)	(1,150)	(56)
Health and accident insurance payable	-	(310,030)	(310,030)	1,892,790
Dental insurance payable	-	(51,206)	(51,206)	21,920
Workers compensation payable	-	(179,957)	(179,957)	(177,438)
Unemployment insurance payable	-	329	329	(18,469)
Net pension liability	(94,859)	(45,619)	(140,478)	32,234
Increase in deferred inflows of resources	67,563	28,931	96,494	16,661
Total adjustments	-	(374,055)	(374,055)	1,758,805
Net cash provided (used) by operating activities	\$ (144,045)	\$ 6,472,803	\$ 6,328,758	\$ 1,427,224



# *Section III*

# *Statistical*



# GRANITE SCHOOL DISTRICT

## Statistical Section - Financial Trends

### Table of Contents

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

## Financial Trends

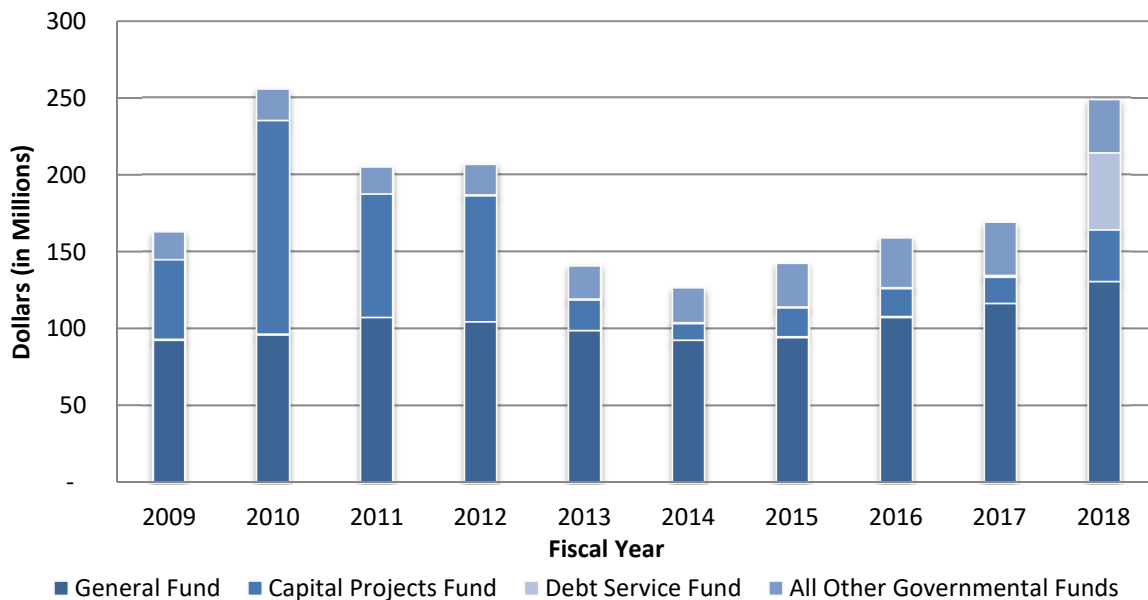
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

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#### Sources:

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

## Governmental Fund Balances



**Granite School District**  
**Comparative Statements of Net Position**  
Last Ten Fiscal Years - June 30, 2009 through 2018

	2009	2010	2011	2012	2013	2014
<b>Assets:</b>						
Cash and investments	\$ 197,719,153	\$ 285,154,233	\$ 246,660,988	\$ 272,632,468	\$ 215,574,818	\$ 187,938,498
Receivables:						
Property taxes	125,982,727	132,521,058	131,905,864	138,078,689	138,935,297	140,117,948
Local	2,087,250	840,395	2,017,171	1,774,001	1,809,789	1,389,313
State	1,940,109	1,123,269	2,286,160	1,959,228	2,343,606	2,608,600
Federal	27,008,698	36,585,184	29,895,483	19,006,668	16,785,055	18,522,446
Prepaid items	464,609	351,864	394,551	418,293	442,017	440,926
Lease receivable	-	-	-	9,084,045	-	-
Inventories	7,954,446	4,685,021	4,174,442	4,614,854	4,850,741	4,416,320
Restricted cash and investments with fiscal agent	-	-	-	-	-	-
Net other post employment benefit asset	355,237	561,382	609,335	864,391	962,548	1,583,821
Net pension asset	-	-	-	-	-	40,788
Capital assets:						
Land, construction in progress, and water stock	49,232,881	55,000,220	99,471,695	166,043,007	241,402,460	247,798,755
Other capital assets, net of accumulated depreciation	244,884,690	244,279,676	250,553,057	292,615,046	298,506,536	298,583,285
Total assets	<u>657,629,800</u>	<u>761,102,302</u>	<u>767,968,746</u>	<u>907,090,690</u>	<u>921,612,867</u>	<u>903,440,700</u>
<b>Deferred outflows of resources:</b>						
Related to state retirement pensions	-	-	-	-	-	24,640,562
Related to district retirement pensions	-	-	-	-	-	-
Related to district OPEB plan	-	-	-	-	-	-
Bond refunding costs	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,640,562</u>
<b>Liabilities:</b>						
Accounts and contracts payable	6,017,206	8,588,487	15,054,886	24,412,684	15,853,511	4,338,899
Accrued interest	-	433,006	271,698	670,287	754,417	769,092
Accrued salaries and related benefits	44,779,667	42,628,041	42,904,209	43,386,016	48,017,721	40,909,960
Unearned revenue:						
Local	1,538,570	1,214,568	1,065,499	9,948,581	1,527,180	1,507,466
State	10,392,205	8,691,770	9,522,950	9,439,856	8,678,669	7,436,856
Federal	144,249	801,901	1,285,615	1,699,097	1,880,782	2,960,022
Long-term liabilities:						
Portion due or payable within one year	11,416,261	13,636,794	13,791,605	16,260,601	20,394,650	21,371,610
Portion due or payable after one year	29,149,187	109,960,914	89,963,247	180,566,007	222,274,831	447,924,466
Total liabilities	<u>103,437,345</u>	<u>185,955,481</u>	<u>173,859,709</u>	<u>286,383,129</u>	<u>319,381,761</u>	<u>527,218,371</u>
<b>Deferred inflows of resources:</b>						
Related to state retirement pensions	-	-	-	-	-	-
Related to district retirement pensions	-	-	-	-	-	-
Related to district OPEB plan	-	-	-	-	-	-
Property taxes levied for future year	121,870,805	130,454,807	126,750,223	133,854,460	135,851,267	136,981,084
Total deferred inflows of resources	<u>121,870,805</u>	<u>130,454,807</u>	<u>126,750,223</u>	<u>133,854,460</u>	<u>135,851,267</u>	<u>136,981,084</u>
<b>Net position:</b>						
Net investment in capital assets	294,117,571	294,292,996	312,828,850	320,933,467	338,844,364	344,867,541
Restricted for:						
Capital projects	53,619,369	62,709,491	50,798,448	52,011,476	10,351,497	10,772,697
Debt service	-	-	360,073	-	-	-
Pass-through taxes	-	-	-	-	-	-
Schools and scholarships	632,595	894,675	411,517	411,517	411,517	408,728
School lunch	8,163,090	9,519,525	6,831,041	8,848,379	10,206,132	10,199,072
Community recreation	1,091,222	1,279,785	446,335	-	-	-
Unrestricted	74,697,803	75,995,542	95,682,550	104,648,262	106,566,329	(102,366,231)
Total net position	<u>\$ 432,321,650</u>	<u>\$ 444,692,014</u>	<u>\$ 467,358,814</u>	<u>\$ 486,853,101</u>	<u>\$ 466,379,839</u>	<u>\$ 263,881,807</u>

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

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

Source: District records

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 196,776,285	\$ 208,478,139	\$ 221,871,595	\$ 264,716,854
165,998,099	165,108,265	183,920,943	224,983,835
1,060,149	914,707	5,076,817	5,687,681
1,766,000	2,745,718	5,614,501	2,281,342
16,236,671	16,678,670	14,291,061	16,050,151
1,640,388	3,383,515	4,021,861	4,090,379
-	-	-	-
5,400,254	5,736,549	4,845,490	5,454,629
-	-	-	48,923,785
1,703,583	-	-	-
143,027	10,609	-	-
135,275,981	43,319,428	44,108,323	56,090,781
393,539,779	468,462,449	447,581,023	423,581,219
<u>919,540,216</u>	<u>914,838,049</u>	<u>931,331,614</u>	<u>1,051,860,656</u>
30,455,766	95,571,899	104,967,705	115,563,551
-	-	-	819,316
-	-	617,293	712,684
-	6,000,379	5,585,275	5,186,324
<u>30,455,766</u>	<u>101,572,278</u>	<u>111,170,273</u>	<u>122,281,875</u>
3,604,607	4,850,034	4,536,379	3,977,976
735,085	706,743	405,744	819,093
40,060,600	41,265,125	41,790,472	47,655,515
1,021,448	1,856,477	2,100,607	1,992,631
6,353,051	6,971,190	7,391,913	9,580,265
3,991,067	3,362,473	4,778,832	1,734,499
23,012,807	24,991,267	24,991,267	36,939,664
410,861,894	476,103,393	473,292,788	462,577,988
<u>489,640,559</u>	<u>560,106,702</u>	<u>559,288,002</u>	<u>565,277,631</u>
19,014,287	28,046,482	39,107,652	101,907,183
-	-	-	717,294
-	-	156,479	796,656
<u>162,895,935</u>	<u>161,945,555</u>	<u>181,903,176</u>	<u>223,805,741</u>
<u>181,910,222</u>	<u>189,992,037</u>	<u>221,167,307</u>	<u>327,226,874</u>
336,548,726	321,010,498	315,291,774	301,175,565
18,500,839	18,532,879	20,276,450	20,799,971
542,300	-	862,780	1,408,103
123,165	127,880	113,380	78,730
435,761	469,379	749,698	783,739
12,552,044	17,424,569	12,659,512	10,156,653
-	-	-	-
<u>(90,257,634)</u>	<u>(91,253,617)</u>	<u>(87,907,016)</u>	<u>(52,764,735)</u>
<u>\$ 278,445,201</u>	<u>\$ 266,311,588</u>	<u>\$ 262,046,578</u>	<u>\$ 281,638,026</u>

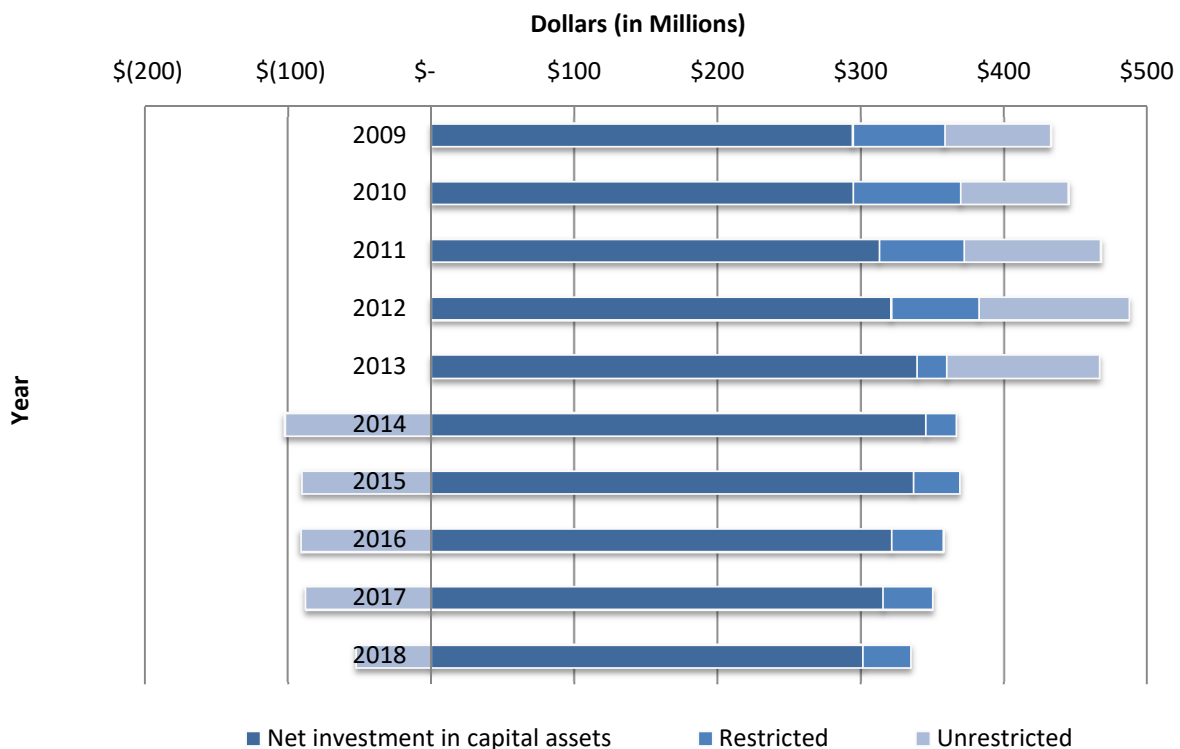


# Granite School District

## Net Position by Component

Last Ten Fiscal Years - June 30, 2009 through June 30, 2018  
(Accrual basis of accounting)

		Net investment in			Total governmental activities
June 30,	capital assets	Restricted	Unrestricted	net position	
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	32,154,109	(90,257,634)	278,445,201	
2016	321,010,498	36,554,707	(91,253,617)	266,311,588	
2017	315,291,774	34,661,820	(87,907,016)	262,046,578	
2018	301,175,565	33,227,196	(52,764,735)	281,638,026	



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

# Granite School District

## Changes in Net Position

Last Ten Fiscal Years - June 30, 2009 through 2018

(Accrual basis of accounting)

	2009	2010	2011
<b>Expenses:</b>			
Instructional services	\$ 330,747,520	\$ 323,526,457	\$ 318,583,268
Supporting services:			
Students	20,130,916	18,495,907	18,310,997
Instructional staff	19,382,010	17,121,922	16,452,790
District administration	3,142,855	3,212,270	3,172,168
School administration	26,447,443	25,939,635	25,899,389
Central	9,443,494	9,641,355	9,510,994
Operation and maintenance of facilities	45,094,109	42,959,293	39,397,257
Transportation	9,543,162	9,022,545	9,267,172
School lunch services	22,756,762	22,304,140	27,471,654
Community services	14,774,146	14,934,127	14,764,773
Contributions to other governments	-	-	-
Interest on long-term liabilities	-	1,281,355	3,289,197
Total expenses	<u>501,462,417</u>	<u>488,439,006</u>	<u>486,119,659</u>
<b>Program revenues:</b>			
Charges for services:			
Instructional services	13,290,734	14,630,732	13,149,620
Supporting services	2,184,825	2,821,266	2,318,265
School lunch services	5,131,865	4,164,925	5,192,512
Operating grants and contributions	<u>145,834,845</u>	<u>150,832,593</u>	<u>158,348,843</u>
Total program revenues	<u>166,442,269</u>	<u>172,449,516</u>	<u>179,009,240</u>
<b>Net (expense) and changes in net position</b>	<u>(335,020,148)</u>	<u>(315,989,490)</u>	<u>(307,110,419)</u>
<b>General revenue and other changes in net position:</b>			
Property taxes	136,707,897	133,224,919	143,699,068
Federal and state aid not restricted to specific programs	214,392,417	188,872,801	180,777,434
Earnings on investments	4,412,267	2,367,634	2,028,527
Miscellaneous	<u>7,241,202</u>	<u>3,894,500</u>	<u>3,272,190</u>
Total general revenue and other changes in net position	<u>362,753,783</u>	<u>328,359,854</u>	<u>329,777,219</u>
<b>Change in net position</b>	27,733,635	12,370,364	22,666,800
<b>Net position - beginning</b>	<u>404,588,015</u>	<u>432,321,650</u>	<u>444,692,014</u>
<b>Net position - ending</b>	<u>\$ 432,321,650</u>	<u>\$ 444,692,014</u>	<u>\$ 467,358,814</u>

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

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

Source: District records



	2012	2013	2014	2015	2016	2017	2018
\$	297,867,401	\$ 348,317,377	\$ 320,423,548	\$ 335,493,515	\$ 355,541,828	\$ 369,346,099	\$ 348,324,558
	18,140,134	19,224,610	19,904,590	19,970,557	21,053,440	22,186,753	35,524,217
	15,094,205	15,745,255	16,713,385	14,946,518	15,973,484	16,686,210	28,706,882
	3,261,574	3,311,703	3,459,222	3,231,125	3,717,258	3,970,098	4,201,137
	26,259,590	26,437,244	28,301,884	29,413,760	31,905,955	33,272,812	35,176,036
	9,823,667	10,471,785	10,299,162	9,931,181	12,809,149	13,243,357	15,267,081
	48,472,612	53,044,065	55,594,893	57,466,624	58,918,567	62,909,891	61,625,697
	10,199,851	11,119,258	10,340,619	9,588,698	11,384,960	10,571,801	11,924,768
	24,604,691	25,185,316	28,341,452	27,396,939	29,697,433	33,023,155	31,814,472
	15,722,329	224,767	393,701	966,017	1,399,308	1,312,990	1,456,918
	-	-	-	5,193,756	5,766,586	4,636,541	8,232,386
	7,467,967	7,928,415	7,917,255	7,655,679	7,381,897	6,157,330	7,551,547
	<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>	<u>589,805,699</u>
	13,377,552	13,069,292	12,881,018	12,165,512	12,404,365	12,208,260	12,417,029
	2,250,317	2,876,063	2,719,894	2,745,088	2,606,077	2,480,280	2,359,653
	5,009,691	4,848,097	5,076,727	5,140,395	4,816,244	4,676,126	3,854,718
	<u>148,761,817</u>	<u>158,707,697</u>	<u>157,027,337</u>	<u>165,044,006</u>	<u>166,002,615</u>	<u>174,477,938</u>	<u>178,449,534</u>
	<u>169,399,377</u>	<u>179,501,149</u>	<u>177,704,976</u>	<u>185,095,001</u>	<u>185,829,301</u>	<u>193,842,604</u>	<u>197,080,934</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>	<u>(392,724,765)</u>
	144,940,295	148,561,205	146,177,626	159,858,801	171,616,112	166,255,226	192,202,970
	174,482,377	165,766,056	175,929,961	179,140,986	191,728,029	197,613,921	206,775,969
	747,585	1,860,492	1,400,514	1,121,807	1,495,447	2,791,032	5,203,179
	<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>12,549,244</u>	<u>8,134,095</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>	<u>412,316,213</u>
	19,494,287	(20,473,262)	5,116,527	14,563,394	4,065,762	(4,265,010)	19,591,448
	467,358,814	486,853,101	466,379,839	* 263,881,807	** 262,245,826	266,311,588	262,046,578
\$	<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>	<u>\$ 281,638,026</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, 2009 through 2018

	2009	2010	2011	2012	2013
<b>General fund balance:</b>					
Nonspendable	\$ 6,998,853	\$ 4,096,604	\$ 3,724,250	\$ 3,847,348	\$ 4,001,748
Restricted	-	-	-	-	-
Committed	68,376,060	71,528,522	66,518,121	59,407,142	61,484,871
Assigned	10,971,314	10,611,865	27,235,977	31,323,124	26,142,829
Unassigned	6,345,573	9,766,247	9,954,512	9,897,564	7,062,256
<b>Total</b>	<b>92,691,800</b>	<b>96,003,238</b>	<b>107,432,860</b>	<b>104,475,178</b>	<b>98,691,704</b>
<b>Capital projects fund balance:</b>					
Nonspendable	65,418	66,391	113,975	117,616	97,666
Restricted	51,801,230	139,087,750	80,055,628	81,811,179	19,954,153
<b>Total</b>	<b>51,866,648</b>	<b>139,154,141</b>	<b>80,169,603</b>	<b>81,928,795</b>	<b>20,051,819</b>
<b>Debt service fund balance:</b>					
Restricted	-	-	-	-	169,543
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>169,543</b>
<b>All other governmental fund balances:</b>					
Nonspendable	1,309,248	824,708	690,278	1,026,508	1,154,475
Restricted	16,377,602	10,784,531	6,862,422	8,233,388	9,463,769
Committed	111,093	8,374,241	10,204,549	11,359,296	11,418,409
Assigned	481,146	379,241	-	-	-
<b>Total</b>	<b>18,279,089</b>	<b>20,362,721</b>	<b>17,757,249</b>	<b>20,619,192</b>	<b>22,036,653</b>
<b>Total governmental fund balances</b>	<b>\$ 162,837,537</b>	<b>\$ 255,520,100</b>	<b>\$ 205,359,712</b>	<b>\$ 207,023,165</b>	<b>\$ 140,949,719</b>

### 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

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<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 3,545,886	\$ 5,536,720	\$ 7,432,522	\$ 6,869,403	\$ 7,211,110
-	-	25,000	25,000	25,878
66,829,024	64,786,545	66,464,759	69,929,848	69,975,904
14,854,416	16,212,382	25,004,349	30,626,417	44,185,648
7,317,576	7,949,448	8,607,147	9,020,904	9,346,427
<u>92,546,902</u>	<u>94,485,095</u>	<u>107,533,777</u>	<u>116,471,572</u>	<u>130,744,967</u>
128,994	167,708	128,136	255,349	308,281
<u>10,861,991</u>	<u>18,777,282</u>	<u>18,721,959</u>	<u>16,787,473</u>	<u>33,113,421</u>
<u>10,990,985</u>	<u>18,944,990</u>	<u>18,850,095</u>	<u>17,042,822</u>	<u>33,421,702</u>
213,402	551,976	178,502	940,161	49,954,935
<u>213,402</u>	<u>551,976</u>	<u>178,502</u>	<u>940,161</u>	<u>49,954,935</u>
1,139,004	1,295,322	1,523,928	1,709,829	1,996,382
9,469,598	12,987,805	16,370,757	17,592,060	16,388,830
12,099,958	14,135,476	14,741,173	15,390,114	16,265,813
-	-	-	-	-
<u>22,708,560</u>	<u>28,418,603</u>	<u>32,635,858</u>	<u>34,692,003</u>	<u>34,651,025</u>
<u>\$ 126,459,849</u>	<u>\$ 142,400,664</u>	<u>\$ 159,198,232</u>	<u>\$ 169,146,558</u>	<u>\$ 248,772,629</u>

**Granite School District**  
**Changes in Fund Balances - Governmental Funds**  
Last Ten Fiscal Years - June 30, 2009 through 2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Revenues:</b>				
Property taxes	\$ 138,095,494	\$ 134,773,196	\$ 141,393,902	\$ 145,264,279
Earnings on investments	4,410,900	2,367,634	2,028,527	747,585
Tuitions	1,646,362	2,225,975	1,921,243	1,961,552
School lunch sales	5,131,865	4,164,925	5,192,512	5,009,691
Student fees	5,705,941	5,319,978	6,105,400	6,201,669
Proceeds from fundraising activities	2,377,116	2,196,939	2,294,869	2,734,829
Other local	11,119,093	12,903,402	11,358,835	11,708,175
State	279,235,273	260,424,666	259,520,754	257,203,373
Federal	80,337,914	78,273,044	78,835,447	64,560,913
Total revenues	<u>528,059,958</u>	<u>502,649,759</u>	<u>508,651,489</u>	<u>495,392,066</u>
<b>Expenditures:</b>				
Current:				
Instructional services	296,160,837	290,027,780	289,764,079	286,380,238
Supporting services:				
Students	19,671,125	18,215,196	18,265,051	18,185,870
Instructional staff	19,042,866	16,881,822	16,410,218	15,130,458
District administration	2,795,553	2,909,550	2,807,675	2,884,608
School administration	25,817,923	25,568,334	25,868,977	26,359,396
Central	8,906,904	9,130,132	8,982,270	9,305,637
Operation and maintenance of facilities	42,737,268	40,581,482	37,798,294	47,250,856
Transportation	8,382,599	8,030,734	8,326,966	9,371,995
School lunch services	22,767,961	23,882,583	29,034,911	24,710,050
Community services	14,929,141	15,107,978	14,773,436	15,831,020
Contributions to other governments	-	-	-	-
Capital outlay	56,230,944	42,928,321	89,298,616	133,263,686
Debt service:				
Principal	-	-	14,220,000	10,450,000
Interest	-	-	3,703,889	6,967,129
Bond issuance costs and fiscal charges	-	876,503	-	799,448
Total expenditures	<u>517,443,121</u>	<u>494,140,415</u>	<u>559,254,382</u>	<u>606,890,391</u>
Excess (deficiency) of revenues over (under) expenditures	10,616,837	8,509,344	(50,602,893)	(111,498,325)
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	3,850,324	2,412,122	642,036	1,245,424
Capital lease proceeds	-	-	-	223,425
Bonds issued	-	80,000,000	-	102,925,000
Refunding bonds issued	-	-	-	-
Premiums on bonds issued	-	2,027,068	-	8,876,310
Refunded bonds escrow	-	-	-	-
Transfer to (from) internal service funds	(212,393)	(265,971)	(199,531)	(108,381)
Total other financing sources (uses)	<u>3,637,931</u>	<u>84,173,219</u>	<u>442,505</u>	<u>113,161,778</u>
<b>Net change in fund balances</b>	14,254,768	92,682,563	(50,160,388)	1,663,453
<b>Fund balances - beginning</b>	<u>148,582,769</u>	<u>162,837,537</u>	<u>255,520,100</u>	<u>205,359,712</u>
<b>Fund balances - ending</b>	<u>\$ 162,837,537</u>	<u>\$ 255,520,100</u>	<u>\$ 205,359,712</u>	<u>\$ 207,023,165</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	3.66%	3.66%

Source: District records

2013	2014	2015	2016	2017	2018
\$ 149,490,678	\$ 146,112,746	\$ 160,266,514	\$ 171,539,430	\$ 166,770,059	\$ 192,451,227
1,860,492	1,400,514	1,121,807	1,495,447	2,791,032	4,982,283
2,013,019	1,991,572	1,766,485	1,678,513	1,469,626	1,390,836
4,848,097	5,076,727	5,140,395	4,816,244	4,676,126	3,854,718
6,399,545	6,302,516	6,697,958	6,681,888	6,678,017	6,317,234
2,581,748	2,688,214	2,540,109	2,533,430	2,534,385	2,576,611
12,212,830	12,524,333	14,429,097	15,046,878	14,127,702	14,160,437
261,025,516	274,793,224	279,594,670	294,402,906	306,268,907	318,977,331
62,666,703	58,164,074	64,143,004	63,327,738	66,275,190	66,247,874
<u>503,098,628</u>	<u>509,053,920</u>	<u>535,700,039</u>	<u>561,522,474</u>	<u>571,591,044</u>	<u>610,958,551</u>
303,094,147	310,881,752	319,970,969	325,848,605	334,010,293	327,572,456
19,177,739	19,850,939	20,538,158	20,864,748	21,608,738	36,571,171
15,898,421	16,649,551	15,431,611	15,941,286	16,468,530	29,730,567
3,042,966	3,152,450	3,394,556	3,439,511	3,911,719	4,384,082
26,386,676	28,194,855	29,877,428	31,232,278	31,920,504	35,614,417
9,387,883	9,150,691	9,780,646	10,201,607	12,267,509	14,949,809
51,964,424	54,122,795	54,752,894	53,990,705	58,788,349	59,466,626
10,247,348	9,504,264	9,112,787	8,925,593	9,652,879	11,468,365
26,753,082	27,940,153	29,528,913	29,569,025	33,393,262	33,052,083
1,189,333	1,107,853	1,114,842	1,200,585	1,307,343	1,589,536
-	-	5,193,756	5,766,586	4,636,541	8,232,386
137,959,749	31,212,298	18,097,591	27,719,313	20,755,574	28,910,833
8,545,000	8,100,000	8,330,000	6,830,000	7,980,000	10,720,000
8,304,364	8,806,546	8,604,651	8,348,550	6,849,257	7,910,252
405,013	500	2,500	270,000	2,500	375,256
<u>622,356,145</u>	<u>528,674,647</u>	<u>533,731,302</u>	<u>550,148,392</u>	<u>563,552,998</u>	<u>610,547,839</u>
(119,257,517)	(19,620,727)	1,968,737	11,374,082	8,038,046	410,712
762,898	890,208	4,501,810	711,226	2,172,777	863,699
-	-	-	-	-	-
48,075,000	-	-	-	-	25,000,000
-	-	-	75,400,000	-	42,195,000
4,405,323	-	-	-	-	11,300,368
-	-	-	(75,125,223)	-	-
<u>(59,150)</u>	<u>4,240,649</u>	<u>9,470,268</u>	<u>4,437,483</u>	<u>(262,497)</u>	<u>(143,708)</u>
<u>53,184,071</u>	<u>5,130,857</u>	<u>13,972,078</u>	<u>5,423,486</u>	<u>1,910,280</u>	<u>79,215,359</u>
(66,073,446)	(14,489,870)	15,940,815	16,797,568	9,948,326	79,626,071
207,023,165	140,949,719	126,459,849	142,400,664	159,198,232	169,146,558
<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>	<u>\$ 248,772,629</u>
3.25%	3.43%	3.25%	2.84%	2.70%	3.17%

**Granite School District**  
**Comparative Balance Sheets - General Fund**  
Last Ten Fiscal Years - June 30, 2009 through 2018

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Assets:</b>					
Cash and investments	\$ 113,508,241	\$ 108,654,214	\$ 131,870,229	\$ 138,025,909	\$ 134,844,685
Receivables:					
Property taxes	74,025,512	92,915,999	94,267,604	104,050,366	104,112,081
Local	1,365,487	583,887	1,117,626	1,372,009	1,519,629
State	1,047,636	635,364	1,039,051	526,134	523,513
Federal	25,234,529	34,774,677	28,609,035	16,162,815	16,149,504
Inventories	6,603,979	3,814,200	3,448,713	3,553,368	3,669,481
Prepaid items	394,874	282,404	275,537	293,980	332,267
Due from other funds	73,999	632,691	-	392,125	154,633
Total assets	<u>\$ 222,254,257</u>	<u>\$ 242,293,436</u>	<u>\$ 260,627,795</u>	<u>\$ 264,376,706</u>	<u>\$ 261,305,793</u>
<b>Liabilities:</b>					
Accounts and contracts payable	1,955,451	1,824,520	903,812	757,538	1,112,408
Accrued salaries and related benefits	42,760,851	41,388,390	41,156,118	42,702,387	44,968,638
Unearned revenue:					
Local	428,051	575,676	599,954	1,054,995	1,506,997
State	10,341,017	8,641,076	9,522,950	9,439,856	8,678,669
Federal	144,249	800,654	1,281,968	1,773,650	1,955,335
Due to other funds	-	-	5,780,232	-	-
Total liabilities	<u>55,629,619</u>	<u>53,230,316</u>	<u>59,245,034</u>	<u>55,728,426</u>	<u>58,222,047</u>
<b>Deferred inflows of resources:</b>					
Property taxes levied for future year	71,414,974	91,544,790	90,890,695	101,011,881	101,786,514
Unavailable property tax revenue	<u>2,517,864</u>	<u>1,515,092</u>	<u>3,059,206</u>	<u>3,161,221</u>	<u>2,605,528</u>
Total deferred inflows of resources	<u>73,932,838</u>	<u>93,059,882</u>	<u>93,949,901</u>	<u>104,173,102</u>	<u>104,392,042</u>
<b>Fund balances:</b>					
Nonspendable:					
Inventories	6,603,979	3,814,200	3,448,713	3,553,368	3,669,481
Prepaid items	394,874	282,404	275,537	293,980	332,267
Restricted for:					
Schools and scholarships	-	-	-	-	-
Committed to:					
Economic stabilization	17,000,000	20,349,243	20,419,262	20,547,753	21,811,871
Employee benefits	50,825,306	50,787,529	44,714,591	37,336,656	38,799,309
Contractual obligations	550,754	391,750	1,384,268	1,522,733	873,691
Assigned to:					
Success Charter School	-	-	313,776	-	-
Self insurance	9,924,400	9,517,407	14,838,733	16,123,466	12,405,824
Employee benefits	-	-	6,050,000	6,914,504	5,451,851
Planned projects	1,046,914	1,094,458	6,033,468	8,285,154	8,285,154
Textbooks	-	-	-	-	-
Unassigned	<u>6,345,573</u>	<u>9,766,247</u>	<u>9,954,512</u>	<u>9,897,564</u>	<u>7,062,256</u>
Total fund balances	<u>92,691,800</u>	<u>96,003,238</u>	<u>107,432,860</u>	<u>104,475,178</u>	<u>98,691,704</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 222,254,257</u>	<u>\$ 242,293,436</u>	<u>\$ 260,627,795</u>	<u>\$ 264,376,706</u>	<u>\$ 261,305,793</u>

Source: District records

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 120,865,657	\$ 123,816,801	\$ 138,023,093	\$ 151,820,222	\$ 169,066,736
106,659,003	122,667,773	123,821,980	139,432,561	142,377,256
1,259,112	965,401	633,474	1,087,085	1,264,557
658,359	407,702	758,439	3,485,354	1,025,488
17,859,225	15,007,012	15,836,619	13,940,913	15,713,478
3,243,980	4,078,607	4,185,935	3,105,577	3,436,400
301,906	1,458,113	3,246,587	3,763,826	3,774,710
135,752	266,561	-	-	-
<u>\$ 250,982,994</u>	<u>\$ 268,667,970</u>	<u>\$ 286,506,127</u>	<u>\$ 316,635,538</u>	<u>\$ 336,658,625</u>
1,228,108	851,972	860,180	3,007,004	432,676
40,171,266	39,340,629	40,535,833	40,986,798	46,841,886
1,214,181	873,955	1,094,820	1,772,063	1,737,069
7,436,856	6,353,051	6,971,190	7,391,913	9,580,265
1,433,119	3,991,067	3,362,473	4,778,832	1,734,499
-	-	2,203,496	2,173,301	2,300,141
<u>51,483,530</u>	<u>51,410,674</u>	<u>55,027,992</u>	<u>60,109,911</u>	<u>62,626,536</u>
104,271,195	120,376,958	121,451,152	137,928,210	141,669,001
<u>2,681,367</u>	<u>2,395,243</u>	<u>2,493,206</u>	<u>2,125,845</u>	<u>1,618,121</u>
<u>106,952,562</u>	<u>122,772,201</u>	<u>123,944,358</u>	<u>140,054,055</u>	<u>143,287,122</u>
3,243,980	4,078,607	4,185,935	3,105,577	3,436,400
301,906	1,458,113	3,246,587	3,763,826	3,774,710
-	-	25,000	25,000	25,878
22,229,221	22,824,786	23,373,393	24,335,589	27,401,246
43,001,662	41,640,633	42,726,720	45,032,069	42,189,085
1,598,141	321,126	364,646	562,190	385,573
-	-	-	-	-
8,561,277	8,561,277	11,122,790	11,413,984	15,958,841
1,394,806	3,143,576	6,340,453	8,433,741	11,559,244
4,898,333	4,507,529	6,973,137	7,889,506	11,442,089
-	-	567,969	2,889,186	5,225,474
<u>7,317,576</u>	<u>7,949,448</u>	<u>8,607,147</u>	<u>9,020,904</u>	<u>9,346,427</u>
<u>92,546,902</u>	<u>94,485,095</u>	<u>107,533,777</u>	<u>116,471,572</u>	<u>130,744,967</u>
<u>\$ 250,982,994</u>	<u>\$ 268,667,970</u>	<u>\$ 286,506,127</u>	<u>\$ 316,635,538</u>	<u>\$ 336,658,625</u>

# Granite School District

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

Last Ten Fiscal Years - June 30, 2009 through 2018 and Proposed Budget for 2019

	2009	2010	2011	2012	2013
<b>Revenues:</b>					
Property taxes	\$ 87,411,731	\$ 85,068,472	\$ 91,921,843	\$ 105,081,687	\$ 113,045,326
Earnings (loss) on investments	3,221,399	1,401,278	1,204,839	(46,142)	1,212,292
Other local	6,670,218	7,855,547	7,709,658	8,311,120	9,777,622
State	271,171,606	252,412,503	251,934,781	249,504,811	256,869,852
Federal	62,370,769	58,863,351	57,305,579	40,159,901	41,809,790
Total revenue	430,845,723	405,601,151	410,076,700	403,011,377	422,714,882
<b>Expenditures:</b>					
Current:					
Instruction	283,602,781	278,180,311	278,464,936	275,344,998	292,231,153
Supporting services:					
Students	19,671,125	18,215,196	18,265,051	18,185,870	19,177,739
Instructional staff	19,042,866	16,881,822	16,410,218	15,130,458	15,898,421
District administration	2,795,553	2,909,550	2,807,675	2,884,608	3,042,966
School administration	25,817,923	25,568,334	25,868,977	26,359,396	26,386,676
Central	8,906,904	9,130,132	8,982,270	9,305,637	9,387,883
Operation and maintenance of facilities	42,737,268	40,581,482	37,798,294	47,250,856	51,964,424
Transportation	8,382,599	8,030,734	8,326,966	9,371,995	10,247,348
Total expenditures	410,957,019	399,497,561	396,924,387	403,833,818	428,336,610
Excess (deficiency) of revenues over (under) expenditures	19,888,704	6,103,590	13,152,313	(822,441)	(5,621,728)
Other financing sources (uses):					
Proceeds from sale of capital assets	-	-	-	-	-
Transfers in (out)	(2,424,180)	(2,792,152)	(1,722,691)	(2,135,241)	(161,746)
Net change in fund balances	17,464,524	3,311,438	11,429,622	(2,957,682)	(5,783,474)
Fund balances - beginning	75,227,276	92,691,800	96,003,238	107,432,860	104,475,178
Fund balances - ending	\$ 92,691,800	\$ 96,003,238	\$ 107,432,860	\$ 104,475,178	\$ 98,691,704

Source: District records



<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Proposed Budget 2019</u>
\$ 109,537,454	\$ 117,411,168	\$ 127,477,366	\$ 126,659,775	\$ 144,794,791	\$ 149,211,148
889,683	823,177	1,229,443	2,045,330	2,829,790	2,800,000
10,928,379	11,339,127	10,459,987	11,296,442	10,311,195	10,616,323
270,160,476	274,774,354	289,347,546	300,483,592	313,717,784	337,268,586
38,766,157	40,163,860	39,311,978	40,833,618	42,303,423	45,110,826
<u>430,282,149</u>	<u>444,511,686</u>	<u>467,826,320</u>	<u>481,318,757</u>	<u>513,956,983</u>	<u>545,006,883</u>
299,040,857	308,217,928	313,720,152	319,976,784	314,430,030	347,738,705
19,850,939	20,538,158	20,864,748	21,608,738	36,374,578	39,832,513
16,649,551	15,431,611	15,941,286	16,462,417	29,410,870	31,894,060
3,152,450	3,394,556	3,439,511	3,879,652	4,369,980	5,053,775
28,194,855	29,877,428	31,232,278	31,915,921	34,632,807	37,655,322
9,150,691	9,780,646	10,201,607	10,451,478	11,818,625	12,497,324
54,122,795	54,752,894	53,990,705	57,355,321	58,104,674	62,614,500
9,504,264	9,112,787	8,925,593	9,652,879	10,139,277	10,738,722
<u>439,666,402</u>	<u>451,106,008</u>	<u>458,315,880</u>	<u>471,303,190</u>	<u>499,280,841</u>	<u>548,024,921</u>
(9,384,253)	(6,594,322)	9,510,440	10,015,567	14,676,142	(3,018,038)
-	-	-	3,350	533,385	-
<u>3,239,451</u>	<u>8,532,515</u>	<u>3,538,242</u>	<u>(1,081,122)</u>	<u>(936,132)</u>	<u>447,731</u>
(6,144,802)	1,938,193	13,048,682	8,937,795	14,273,395	(2,570,307)
<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>130,744,967</u>
<u>\$ 92,546,902</u>	<u>\$ 94,485,095</u>	<u>\$ 107,533,777</u>	<u>\$ 116,471,572</u>	<u>\$ 130,744,967</u>	<u>\$ 128,174,660</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.

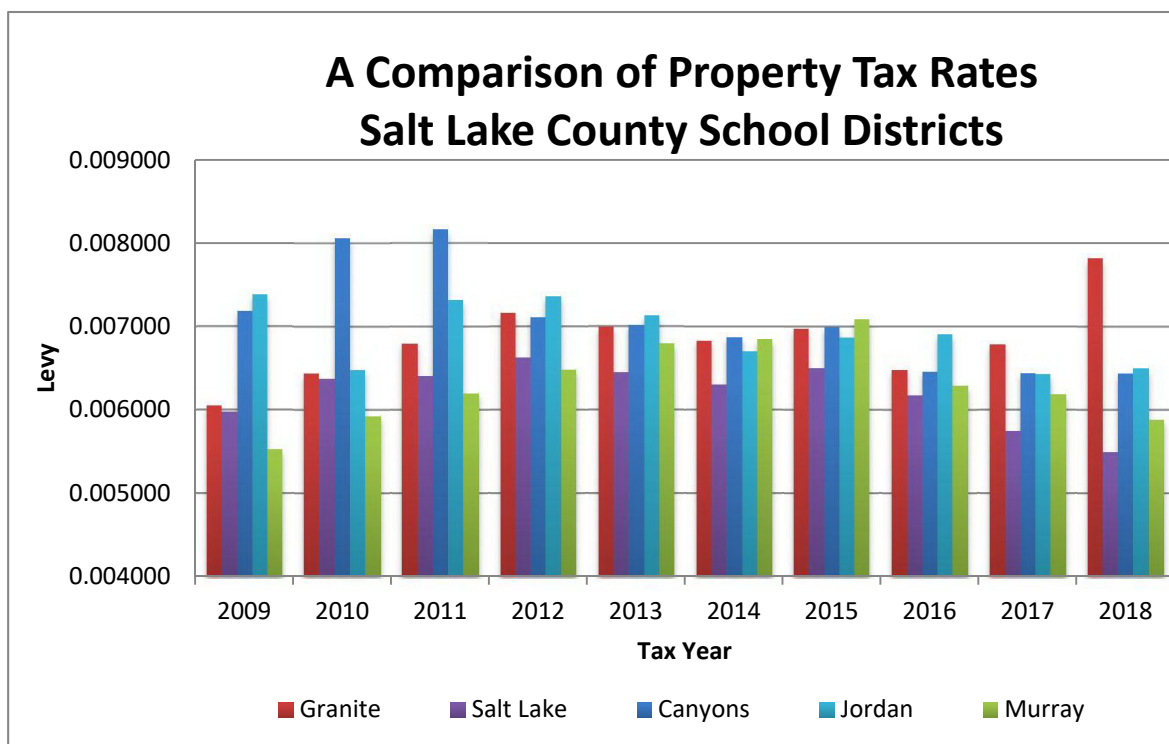
## Revenue Capacity

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

Contents	Page
Principal Property Tax Payers.....	104
Property Tax Levies and Collections.....	105
Historical Summaries of Taxable Values of Property.....	106
Assessed Value and Estimated Actual Value of Taxable Property.....	108
Direct and Overlapping Property Tax Rates.....	110

#### 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, 2017 and 2008

Taxpayer	Industry	2017			2008		
		Taxable Value*	Rank	Percent of Total Taxable Value	Taxable Value*	Rank	Percent of Total Taxable Value
Kennecott Utah Copper	Mining	\$ 1,494,274,594	1	5.55 %	\$ 1,445,535,976	1	5.79 %
Hexcel Corporation	Product Design	340,819,293	2	1.27 %	85,908,506	5	0.34 %
PacificCorp	Utility	254,336,956	3	0.94 %	277,907,335	2	1.11 %
Alliant Techsystems Inc.	Aerospace	145,073,325	4	0.54 %	175,096,175	3	0.70 %
Questar Gas	Utility	176,621,989	5	0.66 %	73,880,007	8	0.30 %
EOS at Millrock Park LLC	Real Estate	126,451,200	6	0.47 %	-	-	-
Verizon Wireless	Communications	121,476,268	7	0.45 %	108,564,703	4	0.43 %
TPP 217 Taylorsville, LLC	Commercial	95,748,100	8	0.36 %	-	-	-
Northern Utah Healthcare Corp.	Health Care	95,123,851	9	0.35 %	-	-	-
Wal-Mart Real Estate Business Trust	Supermarket	86,481,502	10	0.32 %	80,610,000	6	0.32 %
Salt Lake Newspaper Production	Journalism	-	-	-	72,918,693	9	0.29 %
Qwest Communications	Communications	-	-	-	76,840,857	7	0.31 %
Hermes Associates & LTD	Retail Shopping	-	-	-	70,971,950	10	0.28 %
		<u>\$ 2,936,407,078</u>		<u>10.91 %</u>	<u>\$ 2,468,234,202</u>		<u>9.87 %</u>
Total taxable value		\$ 26,929,034,844			\$ 24,968,371,411		

\* 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, 2008 through 2017

Tax Year	Taxes Levied *	Collections			Total Collections to Date	
		In the Year of Levy	Percentage of Levy	In Subsequent Years	Amount	Percentage of Levy
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%	2,776,617	148,532,011	95.33%
2013	155,031,549	145,068,290	93.57%	3,060,851	148,129,141	95.55%
2014	160,534,210	151,171,475	94.17%	2,525,472	153,696,947	95.74%
2015	172,088,527	161,444,485	93.81%	2,538,328	163,982,813	95.29%
2016	173,178,567	164,359,508	94.91%	2,171,114	166,530,622	96.16%
2017	189,471,794	175,818,128	92.79%	-	175,818,128	92.79%

\* Includes the taxable value used to determine uniform fees on tangible personal property and excludes property taxes levied for other governments.

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, 2008 through 2017

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Set by State Tax Commission:				
Centrally assessed	<u>\$ 1,952,066,864</u>	<u>\$ 1,676,842,492</u>	<u>\$ 2,029,948,798</u>	<u>\$ 2,147,557,466</u>
Set by County Assessor:				
Locally assessed				
Real property:				
Residential real estate-primary use	14,729,753,317	13,008,368,623	12,515,386,495	12,258,416,057
Residential real estate-not primary use	742,507,870	621,683,380	530,648,060	478,858,170
Commercial and industrial real estate	6,063,623,670	4,940,975,810	4,861,606,550	4,879,587,270
Agriculture-FAA	3,122,790	2,546,500	2,641,160	2,484,800
Unimproved non-FAA	<u>9,959,730</u>	<u>8,714,040</u>	<u>7,432,850</u>	<u>7,716,940</u>
Total real property	<u>21,548,967,377</u>	<u>18,582,288,353</u>	<u>17,917,715,115</u>	<u>17,627,063,237</u>
Personal property:				
Fee in lieu property	1,561,885,885	1,443,973,546	1,489,159,055	* 611,175,504
Mobile home-primary residential use	42,311,722	44,365,634	41,853,103	40,966,709
Mobile home-other use	2,751,923	3,002,319	1,685,719	1,486,580
Commercial and industrial property	<u>1,422,273,525</u>	<u>1,527,200,703</u>	<u>1,454,916,023</u>	<u>1,319,166,296</u>
Total personal property	<u>3,029,223,055</u>	<u>3,018,542,202</u>	<u>2,987,613,900</u>	<u>1,972,795,089</u>
Total locally assessed	<u>24,578,190,432</u>	<u>21,600,830,555</u>	<u>20,905,329,015</u>	<u>19,599,858,326</u>
Total taxable property	<u>\$ 26,530,257,296</u>	<u>\$ 23,277,673,047</u>	<u>\$ 22,935,277,813</u>	<u>\$ 21,747,415,792</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</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>	<u>\$ 1,818,510,466</u>
11,602,096,890	12,107,463,442	12,979,459,323	13,746,599,126	15,038,672,403	16,407,657,935
445,747,730	449,861,180	433,165,380	447,699,630	475,841,220	480,986,500
4,881,426,400	5,121,010,250	5,325,372,810	5,659,892,170	6,123,211,850	6,659,643,650
2,446,640	2,488,520	2,275,710	2,335,310	1,931,070	7,757,580
<u>7,338,740</u>	<u>7,679,100</u>	<u>6,538,360</u>	<u>6,681,790</u>	<u>6,290,130</u>	<u>69,600</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>	<u>23,556,115,265</u>
585,561,977	567,068,999	572,977,971	623,717,876	638,454,053	686,470,293
40,302,850	39,128,490	38,194,141	37,301,968	36,061,274	34,869,829
1,596,921	2,008,240	1,335,284	1,041,177	929,416	1,006,222
<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>1,518,533,062</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>2,240,879,406</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>25,796,994,671</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>	<u>\$ 27,615,505,137</u>

## Granite School District

### Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Years - December 31, 2008 through 2017

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Tax Year	Taxable Assessed Value *				
	Residential	Industrial & Commercial	Agriculture	Personal	Total
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
2017	16,888,644,435	9,996,687,178	7,827,180	722,346,344	27,615,505,137

\* 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.



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<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value (FMV)</b>	<b>Assessed Value as a Percentage of Actual Value</b>
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%
0.006654	41,068,482,398	67.24%

# Granite School District

## Direct and Overlapping Property Tax Rates

Last Ten Years - December 31, 2008 through 2017

(Rate per \$1 of assessed value)

	2008	2009	2010	2011	2012
<b>Granite School District Rates:</b>					
<b>General fund:</b>					
Basic state supported program for regular K-12 instruction (set by state legislature)	0.001250	0.001433	0.001495	0.001591	0.001651
Voted leeway program for regular K-12 instruction	0.001600	0.001600	0.001600	0.001600	0.001600
Board local levy (1)(2)	-	-	-	-	0.002149
School board leeway program for class size reduction (3)	0.000290	0.000333	0.000336	0.000400	-
Board reading improvement program (3)	0.000121	0.000139	0.000141	0.000121	-
Tort liability levy (3)	0.000021	0.000027	0.000029	0.000030	-
10% additional basic program for textbooks and supplies (1)(3)	-	0.000249	0.000427	0.000968	-
Student transportation (3)	0.000021	0.000027	0.000150	0.000187	-
Judgment levy	0.000082	-	-	-	-
Total general fund	0.003385	0.003808	0.004178	0.004897	0.005400
<b>Capital projects fund:</b>					
Capital outlay equalization (4)	-	0.000600	0.000600	0.000600	0.000600
Capital outlay for buildings and other capital needs	0.001071	0.000667	0.000226	0.000233	0.000405
10% additional basic program for construction	0.000740	0.000759	0.000483	-	-
Total capital projects fund	0.001811	0.002026	0.001309	0.000833	0.001005
<b>Other:</b>					
Debt service (1)	-	-	0.000761	0.000761	0.000761
Community recreation levy (3)	0.000120	0.000213	0.000186	0.000305	-
Total other	0.000120	0.000213	0.000947	0.001066	0.000761
Total direct rate	0.005316	0.006047	0.006434	0.006796	0.007166
<b>Overlapping Rates: (5)</b>					
Salt Lake County, Municipal, and Library	0.002382	0.002756	0.003125	0.003251	0.003622
Salt Lake Valley Law Enforcement Service Area (1)	-	-	-	-	0.001999
Salt Lake Valley Fire Service Area	0.001566	0.001972	0.001972	0.002028	0.002079
Holladay City	0.001312	0.001533	0.001720	0.001767	0.001791
Millcreek City (1)	-	-	-	-	-
South Salt Lake City	0.002352	0.002665	0.002729	0.002691	0.002757
Taylorsville City	0.001514	0.001690	0.001739	0.001794	0.001923
West Valley City	0.003171	0.003604	0.003644	0.004510	0.004837
Central Utah Water Project	0.000286	0.000400	0.000421	0.000436	0.000455
Other local taxing entities:					
Minimum	0.000022	0.000025	0.000050	0.000052	0.000054
Maximum	0.005850	0.004656	0.005428	0.005439	0.005517

### Notes:

- (1) Tax rates begin the first year the entity levied a rate.
- (2) Tax rate includes charter school levy beginning in 2017.
- (3) Tax rate discontinued for 2012 and combined into a new board local levy accounted for in the *General Fund*.
- (4) Tax rate discontinued for 2017.
- (5) 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
0.001535	0.001419	0.001736	0.001675	0.001568
0.001600	0.001526	0.001461	0.001365	0.001287
0.002106	0.002227	0.002169	0.002023	0.002375
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>0.005241</u>	<u>0.005172</u>	<u>0.005366</u>	<u>0.005063</u>	<u>0.005230</u>
0.000600	0.000600	0.000600	0.000600	-
0.000392	0.000298	0.000389	0.000195	0.000801
-	-	-	-	-
<u>0.000992</u>	<u>0.000898</u>	<u>0.000989</u>	<u>0.000795</u>	<u>0.000801</u>
0.000761	0.000761	0.000623	0.000623	0.000623
-	-	-	-	-
<u>0.000761</u>	<u>0.000761</u>	<u>0.000623</u>	<u>0.000623</u>	<u>0.000623</u>
<u>0.006994</u>	<u>0.006831</u>	<u>0.006978</u>	<u>0.006481</u>	<u>0.006654</u>
0.004101	0.003931	0.003668	0.003434	0.002924
0.002230	0.002145	0.002042	0.001925	0.002033
0.002192	0.002097	0.002000	0.001888	0.001812
0.001707	0.001596	0.001528	0.001420	0.001380
-	-	-	-	0.000068
0.002725	0.002572	0.002454	0.002303	0.002032
0.002104	0.001294	0.001250	0.001165	0.001090
0.004633	0.004831	0.004199	0.004233	0.004151
0.000446	0.000422	0.000405	0.000400	0.000400
0.000021	0.000020	0.000019	0.000018	0.000017
0.005349	0.005675	0.004862	0.004557	0.004286



# GRANITE SCHOOL DISTRICT

## Statistical Section - Debt Capacity

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

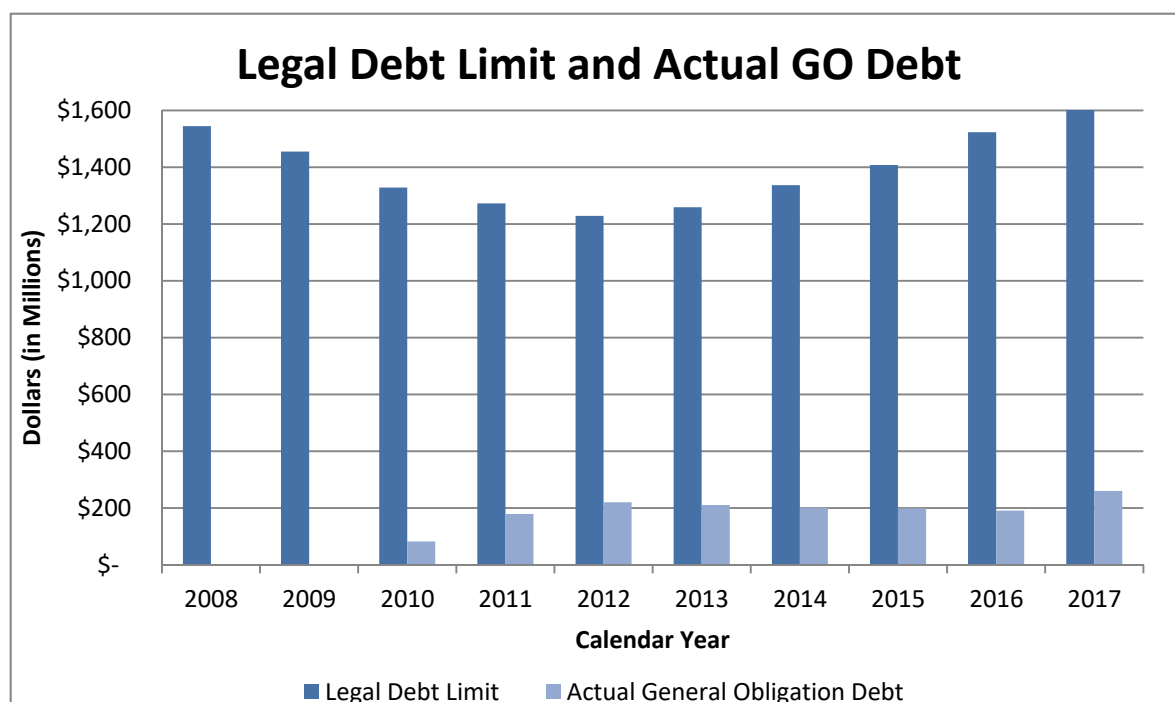
## Debt Capacity

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

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### Sources:

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



# Granite School District

## Ratios of Outstanding Debt

Last Ten Fiscal Years - June 30, 2009 through 2018

Fiscal Year	Outstanding Debt					
	Direct				Overlapping	Total
	General	Unamortized	Capital	Subtotal	General	Direct and
	Obligation	Bond	Leases		Obligation	Overlapping
	Bonds	Premiums			Debt	
2009	\$ -	\$ -	\$ -	\$ -	\$ 122,632,536	\$ 122,632,536
2010	80,000,000	1,998,914	-	81,998,914	135,909,872	217,908,786
2011	65,780,000	1,745,530	-	67,525,530	126,879,494	194,405,024
2012	158,255,000	9,924,641	-	168,179,641	133,995,309	302,174,950
2013	197,785,000	13,464,872	-	211,249,872	120,465,217	331,715,089
2014	189,685,000	12,547,406	-	202,232,406	118,505,740	320,738,146
2015	181,355,000	11,629,941	-	192,984,941	100,938,960	293,923,901
2016	185,800,000	5,689,286	-	191,489,286	92,424,890	283,914,176
2017	177,820,000	4,880,754	-	182,700,754	93,483,513	276,184,267
2018	234,295,000	14,634,861	-	248,929,861	101,167,738	350,097,599

Fiscal Year	Debt as a Percentage of Taxable Value		Debt as a Percentage of Estimated Actual Value (FMV)		Debt per Personal Income*	
	Direct	Direct and Overlapping	Direct	Direct and Overlapping	Direct	Direct and Overlapping
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%	3,652	5,414
2017	0.71%	1.07%	0.48%	0.73%	N/A	N/A
2018	0.90%	1.27%	0.61%	0.85%	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.

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Debt per Estimated Capita		Debt per Student**	
Direct	Direct and Overlapping	Direct	Direct and Overlapping
\$ -	\$ 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
4,095	6,071	2,868	4,252
N/A	N/A	2,768	4,185
N/A	N/A	3,853	5,419

# Granite School District

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

As of June 30, 2018

Year Ending June 30,	Series 2010		Series 2011		Series 2012		Series 2013	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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	1,601,333	-	-	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
2034	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-
	<u>\$ 52,400,000</u>	<u>\$ 19,145,597</u>	<u>\$ 11,375,000</u>	<u>\$ 1,049,000</u>	<u>\$ 25,685,000</u>	<u>\$ 6,842,350</u>	<u>\$ 6,410,000</u>	<u>\$ 2,489,900</u>

Source: District records



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Series 2016A		Series 2017A		Series 2017B		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 1,070,000	\$ 1,761,191	\$ 1,015,000	\$ 1,100,450	\$ -	\$ 1,978,769	\$ 10,260,000	\$ 9,177,111
1,085,000	1,747,602	1,025,000	1,049,700	-	1,978,769	10,780,000	8,727,809
1,100,000	1,732,412	1,030,000	998,450	2,735,000	1,978,769	14,030,000	8,268,924
5,115,000	1,715,802	1,045,000	946,950	3,120,000	1,842,019	15,115,000	7,644,818
5,205,000	1,628,847	1,065,000	894,700	3,460,000	1,686,019	15,935,000	7,074,026
5,290,000	1,535,157	1,085,000	841,450	3,705,000	1,513,019	16,665,000	6,492,741
5,405,000	1,424,067	1,100,000	787,200	4,055,000	1,327,769	17,530,000	5,857,694
5,465,000	1,305,157	1,125,000	732,200	4,655,000	1,125,019	18,905,000	5,175,019
5,655,000	1,179,462	1,155,000	675,950	4,820,000	892,269	19,550,000	4,420,270
6,055,000	1,046,569	1,180,000	618,200	4,980,000	651,269	20,370,000	3,635,369
6,445,000	899,433	1,210,000	559,200	5,150,000	402,269	21,185,000	2,800,846
6,660,000	728,640	1,240,000	498,700	5,515,000	144,769	22,225,000	1,917,537
18,810,000	545,490	1,270,000	436,700	-	-	20,080,000	1,106,890
-	-	1,305,000	373,200	-	-	4,345,000	497,900
-	-	1,340,000	307,950	-	-	1,640,000	321,450
-	-	1,375,000	240,950	-	-	1,375,000	240,950
-	-	1,410,000	172,200	-	-	1,410,000	172,200
-	-	1,450,000	115,800	-	-	1,450,000	115,800
-	-	1,445,000	57,800	-	-	1,445,000	57,800
<u>\$ 73,360,000</u>	<u>\$ 17,249,829</u>	<u>\$ 22,870,000</u>	<u>\$ 11,407,750</u>	<u>\$ 42,195,000</u>	<u>\$ 15,520,728</u>	<u>\$ 234,295,000</u>	<u>\$ 73,705,154</u>

# Granite School District

## CUSIP Numbers Associated with Outstanding General Obligation Bonded Indebtedness

As of June 30, 2018

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

Payment Due June 1,	Series 2010			Series 2011			Series 2012			Series 2013		
	\$80,000,000 Original Par Value			\$102,925,000 Original Par Value			\$36,500,000 Original Par Value			\$11,575,000 Original Par Value		
	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*
2019	\$ 2,700,000	4.119%	JB5	\$ 3,700,000	5.000%	KE7	\$ 1,495,000	5.000%	LC0	\$ 280,000	5.000%	LW6
2020	3,000,000	4.269%	JC3	3,825,000	4.500%	KF4	1,565,000	5.000%	LD8	280,000	5.000%	LX4
2021	3,400,000	4.419%	JD1	3,850,000	4.500%	KG2	1,635,000	5.000%	LE6	280,000	5.000%	LY2
2022	3,750,000	4.569%	JE9	-	-	-	1,705,000	5.000%	LF3	380,000	5.000%	LZ9
2023	4,050,000	4.669%	JF6	-	-	-	1,775,000	3.000%	LG1	380,000	5.000%	MA3
2024	4,250,000	4.819%	JG4	-	-	-	1,855,000	3.000%	LH9	480,000	5.000%	MB1
2025	4,550,000	4.919%	JH2	-	-	-	1,940,000	3.000%	LJ5	480,000	5.000%	MC9
2026	5,100,000	4.954%	JJ8	-	-	-	2,030,000	3.000%	LK2	530,000	5.000%	MD7
2027	5,200,000	5.054%	JK5	-	-	-	2,130,000	3.000%	LL0	590,000	4.500%	ME5
2028	5,300,000	5.154%	JL3	-	-	-	2,225,000	3.500%	LM8	630,000	4.500%	MF2
2029	5,400,000	5.254%	JM1	-	-	-	2,330,000	3.500%	LN6	650,000	4.500%	MG0
2030	5,700,000	5.354%	JN9	-	-	-	2,440,000	3.500%	LP1	670,000	4.500%	MH8
2031	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	2,560,000	3.500%	LQ9	480,000	4.500%	MJ4
2033	-	-	-	-	-	-	-	-	-	300,000	-	MK1
2034	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 52,400,000</u>			<u>\$ 11,375,000</u>			<u>\$ 25,685,000</u>			<u>\$ 6,410,000</u>		

Source: District records

Series 2016A			Series 2017A			Series 2017B		
\$75,400,000 Original Par Value			\$25,000,000 Original Par Value			\$42,195,000 Original Par Value		
Principal	Rate	CUSIP*	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*
\$ 1,070,000	1.270%	MN5	\$ 1,015,000	4.000%	NC8	\$ -	-	-
1,085,000	1.400%	MP0	1,025,000	5.000%	ND6	-	-	-
1,100,000	1.510%	MQ8	1,030,000	5.000%	NE4	2,735,000	5.000%	NX2
5,115,000	1.700%	MR6	1,045,000	5.000%	NF1	3,120,000	5.000%	NY0
5,205,000	1.800%	MS4	1,065,000	5.000%	NG9	3,460,000	5.000%	NZ7
5,290,000	2.100%	MT2	1,085,000	5.000%	NH7	3,705,000	5.000%	PA0
5,405,000	2.200%	MU9	1,100,000	5.000%	NJ3	4,055,000	5.000%	PB8
5,465,000	2.300%	MV7	1,125,000	5.000%	NK0	4,655,000	5.000%	PC6
5,655,000	2.350%	MW5	1,155,000	5.000%	NL8	4,820,000	5.000%	PD4
6,055,000	2.430%	MX3	1,180,000	5.000%	NM6	4,980,000	5.000%	PE2
6,445,000	2.650%	MY1	1,210,000	5.000%	NN4	5,150,000	5.000%	PF9
6,660,000	2.750%	MZ8	1,240,000	5.000%	NP9	5,515,000	2.625%	PG7
18,810,000	-	NA2	1,270,000	5.000%	NQ7	-	-	-
-	-	-	1,305,000	5.000%	NR5	-	-	-
-	-	-	1,340,000	5.000%	NS3	-	-	-
-	-	-	1,375,000	5.000%	NT1	-	-	-
-	-	-	1,410,000	4.000%	NU8	-	-	-
-	-	-	1,450,000	4.000%	NV6	-	-	-
-	-	-	1,445,000	4.000%	NW4	-	-	-
<u>\$ 73,360,000</u>			<u>\$ 22,870,000</u>			<u>\$ 42,195,000</u>		

**Granite School District**  
**Direct and Overlapping General Obligation Debt**  
As of June 30, 2018

---

<u>Taxing Entity</u>	<u>2017 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	\$ 98,782,768,971	\$ 26,929,034,844	27.3%	\$ 218,025,000	\$ 59,435,496
CUWCD (2)	140,993,960,030	26,929,034,844	19.1%	218,500,000	41,732,242
				Total overlapping general obligation debt	<u>101,167,738</u>
				Total direct general obligation indebtedness of Granite School District	<u>248,929,861</u>
				Total direct and overlapping general obligation debt	<u>\$ 350,097,599</u>

Notes:

Overlapping governments are those that coincide, at least in part, with geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Granite School District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- (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 0.000400 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, 2008 through 2017

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<b>Tax Year</b>	<b>Estimated Fair Market Value</b>	<b>Debt Limit*</b>	<b>Less General Obligation Debt</b>	<b>Legal Debt Margin*</b>	<b>Percentage of Debt to Debt Limit</b>
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	190,962,018	1,332,150,440	14.33%
2017	41,068,482,398	1,642,739,296	260,059,408**	1,382,679,888	18.81%

\* 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, 2018 which reduced the principal balance of the general obligation debt to \$248,929,861 as of June 30, 2018. The general obligation debt includes unamortized bond premiums.

Source: District records



# GRANITE SCHOOL DISTRICT

## Statistical Section - Demographic and Economic Information

### Table of Contents

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

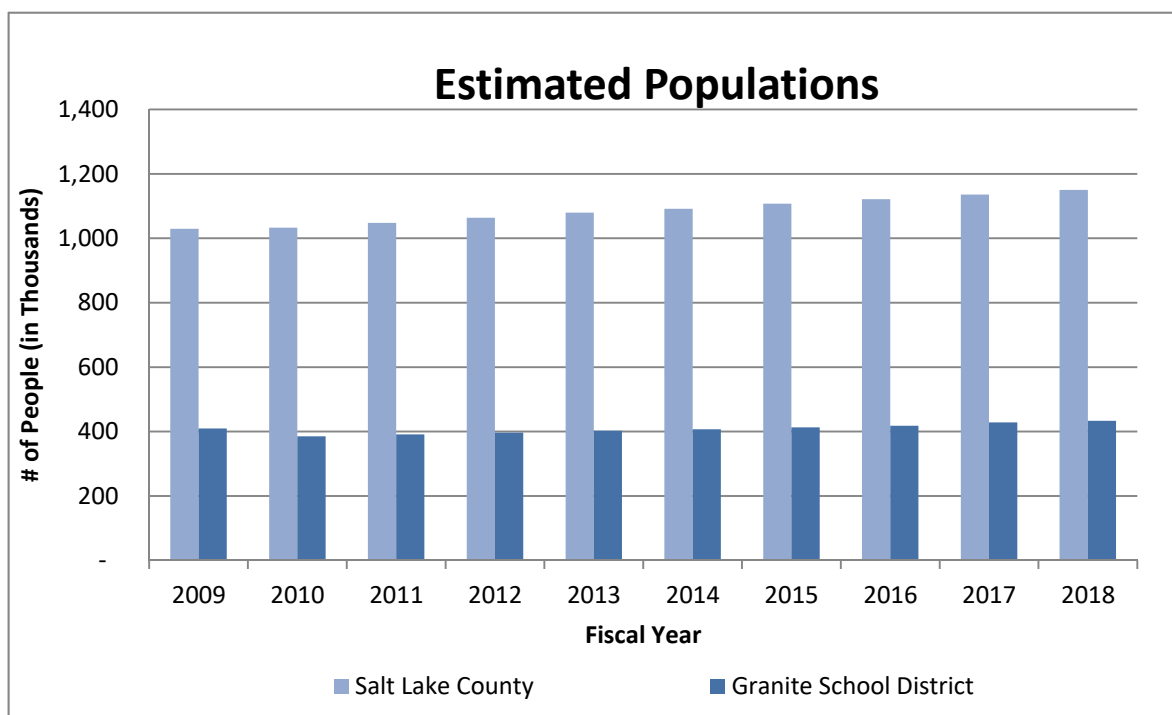
## Demographic and Economic Information

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

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Principal Employers.....	125

#### 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, 2009 through 2018

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
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	418,349	1,121,354	52,436,840	46,762	2.9%	1,603,083,200	32,020
2017	428,398	1,135,649	N/A	N/A	2.9%	2,187,229,400	32,512
2018	433,514	1,150,126	N/A	N/A	2.9%	2,879,908,300	32,537

\* 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, 2017 and 2008

Employer	2017				2008			
	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	4.6%	8.5%	-	-	-	-
Intermountain Healthcare	15,000 - 19,999	2	3.5%	7.5%	10,000	1	2.4%	4.5%
State of Utah	10,000 - 14,999	3	2.3%	5.3%	-	-	-	-
Granite School District	7,000 - 9,999	4	1.6%	3.6%	8,000	2	2.0%	3.6%
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	5,000 - 6,999	7	1.2%	2.6%	2,000	5	0.5%	0.9%
Canyons School District	4,000 - 4,999	8	0.9%	1.9%	-	-	-	-
Smiths	4,000 - 4,999	9	0.9%	1.9%	2,000	6	0.5%	0.9%
Delta Airlines	4,000 - 4,999	10	0.9%	1.9%	-	-	-	-
Novus (Discover Card)	-	-	-	-	3,500	3	0.9%	1.6%
Salt Lake Community College	-	-	-	-	2,500	4	0.6%	1.1%
L3 Communications Corp.	-	-	-	-	2,000	7	0.5%	0.9%
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	79,000 - 80,991		19.1%	38.4%	34,500		8.9%	15.6%

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

Source: Utah Department of Workforce Services



# GRANITE SCHOOL DISTRICT

## Statistical Section - Operating Information

### Table of Contents

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

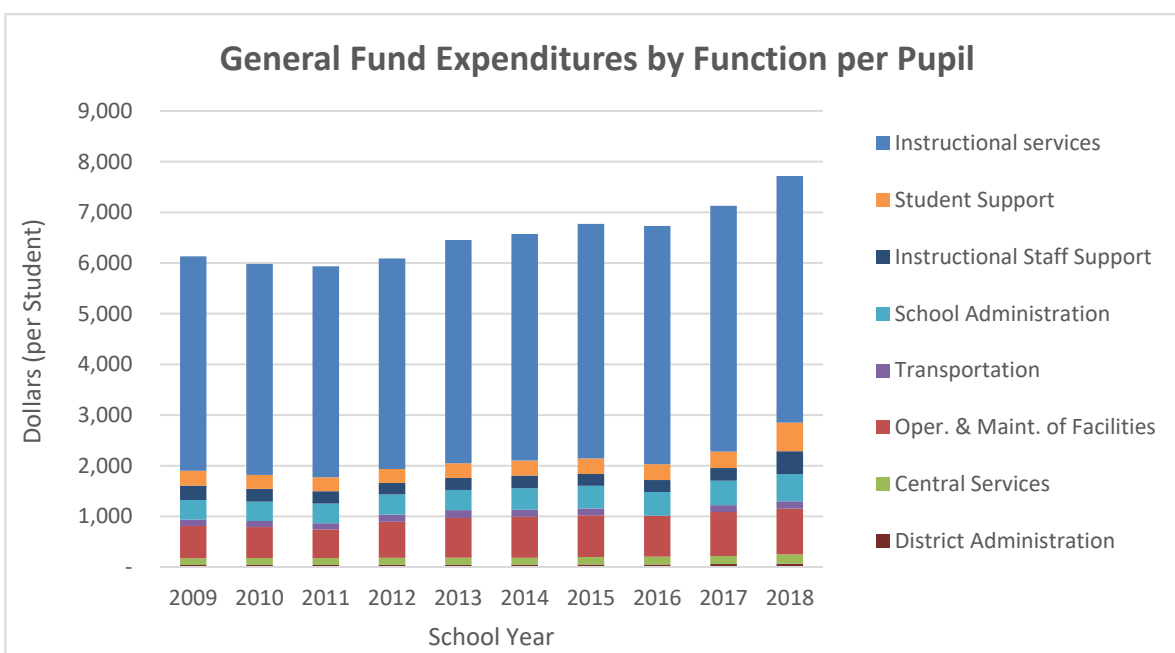
## Operating Information

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

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#### Sources:

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



**Granite School District**  
**Teacher Compensation Data**

Last Ten Fiscal Years - June 30, 2009 through 2018

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<b>Fiscal Year</b>	<b>Bachelor Degree 1st Year Teacher Wage</b>	<b>Doctorate Degree 20th Year Teacher Wage</b>	<b>District Average* Teacher Wage</b>	<b>Statewide Median* Teacher Wage</b>
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	48,153	48,576
2018	41,000	79,195	A	A

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

A) The 2018 numbers were not available when this schedule was prepared.

# Granite School District

## Students per Instructional Staff

Last Ten Fiscal Years - June 30, 2009 through 2018

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<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Teachers and Instructional Staff</u>	<u>Average Ratio of Students to Teachers and Instructional Staff</u>
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
2018	64,609	3,157	20.47

Source: District records

## Granite School District

### Average Daily Membership vs. Average Daily Attendance

Last Ten Fiscal Years - June 30, 2009 through 2018

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<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Average Daily Attendance</u>	<u>Ratio of ADA to ADM</u>
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%
2018	64,609	61,419	95.06%

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 2009 through 2018

	<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>2018</u>	<u>Totals</u>
Cottonwood	391	407	417	418	408	403	374	365	343	336	3,862
Cyprus	382	363	397	336	373	392	471	458	502	514	4,188
Granger	351	321	363	372	348	486	501	613	630	605	4,590
Granite	75	-	-	-	-	-	-	-	-	-	75
Hunter	520	513	573	523	549	600	575	592	565	590	5,600
Kearns	417	407	399	379	359	402	403	415	434	481	4,096
Olympus	426	433	400	434	433	487	448	482	461	493	4,497
Skyline	429	417	439	435	465	440	490	442	508	477	4,542
Taylorsville	516	503	486	459	511	480	456	526	490	496	4,923
Special Programs	<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>114</u>	<u>2,505</u>
Total	<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>4,106</u>	<u>38,878</u>

Source: District records

## Granite School District

### Full-Time Equivalents by Functional Category

Last Ten Fiscal Years - June 30, 2009 through 2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instructional services	3,366.74	3,339.24	3,330.43	3,289.49	3,367.47	3,324.66
Supporting services:						
Students	238.21	230.95	230.28	233.15	241.37	241.61
Instructional staff	125.43	125.03	124.53	114.92	125.07	118.79
District administration	13.75	14.25	13.75	14.25	14.27	14.25
School administration	277.67	270.70	267.95	274.13	266.00	269.00
Central	101.00	99.00	97.50	97.50	91.10	88.10
Operation and maintenance of facilities	384.08	365.08	330.36	433.50	457.90	469.10
Transportation	126.60	120.24	118.05	119.86	120.85	120.86
School lunch services	139.03	130.69	125.94	116.46	115.61	116.86
Community services	114.03	100.60	99.19	121.86	11.00	14.00
Capital outlay	<u>82.92</u>	<u>80.92</u>	<u>96.64</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
Total full-time equivalents	<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>	<u>4,779.23</u>

Source: District records



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<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
3,378.68	3,384.19	3,305.90	3,156.75
247.52	248.19	256.10	371.01
113.96	118.37	123.27	193.87
14.30	14.30	16.30	16.30
277.50	282.50	279.50	281.50
88.10	90.50	92.50	92.50
469.50	473.50	473.50	464.00
121.84	123.38	127.61	127.36
120.11	118.71	126.00	132.00
12.00	13.00	12.00	18.00
-	-	2.00	2.00
<u>4,843.51</u>	<u>4,866.64</u>	<u>4,814.68</u>	<u>4,855.29</u>

# Granite School District

## Expenses by Function-Statement of Activities

Last Ten Fiscal Years - June 30, 2009 through 2018

Function	2009	2010	2011	2012	2013
Instructional services	\$ 330,747,520 65.96%	\$ 323,526,457 66.24%	\$ 318,583,268 65.54%	\$ 297,867,401 62.46%	\$ 348,317,377 66.85%
Support services:					
Students	20,130,916 4.01%	18,495,907 3.79%	18,310,997 3.77%	18,140,134 3.80%	19,224,610 3.69%
Instructional staff	19,382,010 3.87%	17,121,922 3.51%	16,452,790 3.38%	15,094,205 3.16%	15,745,255 3.02%
District administration	3,142,855 0.63%	3,212,270 0.66%	3,172,168 0.65%	3,261,574 0.68%	3,311,703 0.64%
School administration	26,447,443 5.27%	25,939,635 5.31%	25,899,389 5.33%	26,259,590 5.51%	26,437,244 5.07%
Central	9,443,494 1.88%	9,641,355 1.97%	9,510,994 1.96%	9,823,667 2.06%	10,471,785 2.01%
Operation and maintenance of facilities	45,094,109 8.99%	42,959,293 8.80%	39,397,257 8.10%	48,472,612 10.16%	53,044,065 10.18%
Transportation	9,543,162 1.90%	9,022,545 1.85%	9,267,172 1.91%	10,199,851 2.14%	11,119,258 2.13%
School lunch services	22,756,762 4.54%	22,304,140 4.57%	27,471,654 5.65%	24,604,691 5.16%	25,185,316 4.83%
Community services	14,774,146 2.95%	14,934,127 3.06%	14,764,773 3.04%	15,722,329 3.30%	224,767 0.04%
Contributions to other governments	- -	- -	- -	- -	- -
Interest on long-term liabilities	- -	1,281,355 0.26%	3,289,197 0.68%	7,467,967 1.57%	7,928,415 1.52%
Total expenses	<u>\$ 501,462,417</u>	<u>\$ 488,439,006</u>	<u>\$ 486,119,659</u>	<u>\$ 476,914,021</u>	<u>\$ 521,009,795</u>
Average daily membership	67,018	66,761	66,884	66,320	66,385
Average expenses per pupil	\$7,483	\$7,316	\$7,268	\$7,191	\$7,848

Source: District records

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 320,423,548 63.87%	\$ 335,493,515 64.36%	\$ 355,541,828 64.00%	\$ 369,346,099 63.98%	\$ 348,324,558 59.06%
19,904,590 3.97%	19,970,557 3.83%	21,053,440 3.79%	22,186,753 3.84%	35,524,217 6.02%
16,713,385 3.33%	14,946,518 2.87%	15,973,484 2.88%	16,686,210 2.89%	28,706,882 4.87%
3,459,222 0.69%	3,231,125 0.62%	3,717,258 0.67%	3,970,098 0.69%	4,201,137 0.71%
28,301,884 5.64%	29,413,760 5.64%	31,905,955 5.74%	33,272,812 5.76%	35,176,036 5.96%
10,299,162 2.05%	9,931,181 1.91%	12,809,149 2.31%	13,243,357 2.29%	15,267,081 2.59%
55,594,893 11.08%	57,466,624 11.02%	58,918,567 10.61%	62,909,891 10.90%	61,625,697 10.45%
10,340,619 2.06%	9,588,698 1.84%	11,384,960 2.05%	10,571,801 1.83%	11,924,768 2.02%
28,341,452 5.65%	27,396,939 5.26%	29,697,433 5.35%	33,023,155 5.72%	31,814,472 5.39%
393,701 0.08%	966,017 0.19%	1,399,308 0.25%	1,312,990 0.23%	1,456,918 0.25%
- -	5,193,756 1.00%	5,766,586 1.04%	4,636,541 0.80%	8,232,386 1.40%
7,917,255 1.58%	7,655,679 1.47%	7,381,897 1.33%	6,157,330 1.07%	7,551,547 1.28%
<u>\$ 501,689,711</u>	<u>\$ 521,254,369</u>	<u>\$ 555,549,865</u>	<u>\$ 577,317,037</u>	<u>\$ 589,805,699</u>
66,888	66,622	66,766	65,997	64,609
\$7,500	\$7,824	\$8,321	\$8,748	\$9,129

**Granite School District**  
**Expenses by Function Per Pupil-Statement of Activities**  
Last Ten Fiscal Years - June 30, 2009 through 2018

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Function	2009	2010	2011	2012	2013
Instructional services	\$ 4,936 65.96%	\$ 4,846 66.24%	\$ 4,764 65.54%	\$ 4,491 62.46%	\$ 5,247 66.85%
Support services:					
Students	300 4.01%	277 3.79%	274 3.77%	274 3.80%	290 3.69%
Instructional staff	289 3.87%	256 3.51%	246 3.38%	228 3.16%	237 3.02%
District administration	47 0.63%	48 0.66%	47 0.65%	49 0.68%	50 0.64%
School administration	395 5.27%	389 5.31%	387 5.33%	396 5.51%	398 5.07%
Central	141 1.88%	144 1.97%	142 1.96%	148 2.06%	158 2.01%
Operation and maintenance of facilities	673 8.99%	643 8.80%	589 8.10%	731 10.16%	799 10.18%
Transportation	142 1.90%	135 1.85%	139 1.91%	154 2.14%	167 2.13%
School lunch services	340 4.54%	334 4.57%	411 5.65%	371 5.16%	379 4.83%
Community services	220 2.95%	224 3.06%	221 3.04%	237 3.30%	3 0.04%
Contributions to other governments	- -	- -	- -	- -	- -
Interest on long-term liabilities	- -	19 0.26%	49 0.68%	113 1.57%	119 1.52%
Total expenses	<u>\$ 7,483</u>	<u>\$ 7,316</u>	<u>\$ 7,268</u>	<u>\$ 7,191</u>	<u>\$ 7,848</u>
Average daily membership	67,018	66,761	66,884	66,320	66,385

Source: District records

	2014	2015	2016	2017	2018
\$	4,790	\$ 5,036	\$ 5,325	\$ 5,596	\$ 5,391
	63.87%	64.36%	64.00%	63.98%	59.06%
	298	300	315	336	550
	3.97%	3.83%	3.79%	3.84%	6.02%
	250	224	239	253	444
	3.33%	2.87%	2.88%	2.89%	4.87%
	52	48	56	60	65
	0.69%	0.62%	0.67%	0.69%	0.71%
	423	442	478	504	544
	5.64%	5.64%	5.74%	5.76%	5.96%
	154	149	192	201	236
	2.05%	1.91%	2.31%	2.29%	2.59%
	831	863	882	953	954
	11.08%	11.02%	10.61%	10.90%	10.45%
	155	144	171	160	185
	2.06%	1.84%	2.05%	1.83%	2.02%
	424	411	445	500	492
	5.65%	5.26%	5.35%	5.72%	5.39%
	6	14	21	20	23
	0.08%	0.19%	0.25%	0.23%	0.25%
	-	78	86	70	127
	-	1.00%	1.04%	0.80%	1.40%
	118	115	111	93	117
	1.58%	1.47%	1.33%	1.07%	1.28%
\$	<u>7,500</u>	<u>\$ 7,824</u>	<u>\$ 8,321</u>	<u>\$ 8,748</u>	<u>\$ 9,129</u>
	66,888	66,622	66,766	65,997	64,609

**Granite School District**  
**Expenditures by Function-General Fund**  
 Last Ten Fiscal Years - June 30, 2009 through 2018

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Function	2009	2010	2011	2012	2013
Instructional services	\$ 283,602,781 69.01%	\$ 278,180,311 69.63%	\$ 278,464,936 70.16%	\$ 275,344,998 68.18%	\$ 292,231,153 68.22%
Support services:					
Students	19,671,125 4.79%	18,215,196 4.56%	18,265,051 4.60%	18,185,870 4.50%	19,177,739 4.48%
Instructional staff	19,042,866 4.63%	16,881,822 4.23%	16,410,218 4.13%	15,130,458 3.75%	15,898,421 3.71%
District administration	2,795,553 0.68%	2,909,550 0.73%	2,807,675 0.71%	2,884,608 0.71%	3,042,966 0.71%
School administration	25,817,923 6.28%	25,568,334 6.40%	25,868,977 6.52%	26,359,396 6.53%	26,386,676 6.16%
Central	8,906,904 2.17%	9,130,132 2.29%	8,982,270 2.26%	9,305,637 2.30%	9,387,883 2.19%
Operation and maintenance of facilities	42,737,268 10.40%	40,581,482 10.16%	37,798,294 9.52%	47,250,856 11.70%	51,964,424 12.13%
Transportation	8,382,599 2.04%	8,030,734 2.01%	8,326,966 2.10%	9,371,995 2.32%	10,247,348 2.39%
Total expenditures	<u>\$ 410,957,019</u>	<u>\$ 399,497,561</u>	<u>\$ 396,924,387</u>	<u>\$ 403,833,818</u>	<u>\$ 428,336,610</u>
Average daily membership	67,018	66,761	66,884	66,320	66,385
Average expenditures per pupil	\$6,132	\$5,984	\$5,935	\$6,089	\$6,452

Source: District records

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 299,040,857 68.02%	\$ 308,217,928 68.32%	\$ 313,720,152 68.45%	\$ 319,976,784 67.89%	\$ 314,430,030 62.98%
19,850,939 4.52%	20,538,158 4.55%	20,864,748 4.55%	21,608,738 4.58%	36,374,578 7.28%
16,649,551 3.79%	15,431,611 3.42%	15,941,286 3.48%	16,462,417 3.49%	29,410,870 5.88%
3,152,450 0.72%	3,394,556 0.75%	3,439,511 0.75%	3,879,652 0.82%	4,369,980 0.88%
28,194,855 6.41%	29,877,428 6.62%	31,232,278 6.81%	31,915,921 6.77%	34,632,807 6.94%
9,150,691 2.08%	9,780,646 2.17%	10,201,607 2.23%	10,451,478 2.22%	11,818,625 2.37%
54,122,795 12.31%	54,752,894 12.14%	53,990,705 11.78%	57,355,321 12.17%	58,104,674 11.64%
9,504,264 2.16%	9,112,787 2.02%	8,925,593 1.95%	9,652,879 2.05%	10,139,277 2.03%
<u>\$ 439,666,402</u>	<u>\$ 451,106,008</u>	<u>\$ 458,315,880</u>	<u>\$ 471,303,190</u>	<u>\$ 499,280,841</u>
66,888	66,622	66,766	65,997	64,609
\$6,573	\$6,771	\$6,865	\$7,141	\$7,728

**Granite School District**  
**Expenditures by Function Per Pupil-General Fund**  
 Last Ten Fiscal Years - June 30, 2009 through 2018

Function	2009	2010	2011	2012	2013	2014	2015
Instructional services	\$ 4,231 69.01%	\$ 4,166 69.63%	\$ 4,164 70.16%	\$ 4,153 68.18%	\$ 4,403 68.22%	\$ 4,471 68.02%	\$ 4,626 68.32%
Support services:							
Students	294 4.79%	273 4.56%	273 4.60%	274 4.50%	289 4.48%	297 4.52%	308 4.55%
Instructional staff	284 4.63%	253 4.23%	245 4.13%	228 3.75%	239 3.71%	249 3.79%	232 3.42%
District administration	42 0.68%	44 0.73%	42 0.71%	43 0.71%	46 0.71%	47 0.72%	51 0.75%
School administration	385 6.28%	383 6.40%	387 6.52%	398 6.53%	397 6.16%	421 6.41%	448 6.62%
Central	133 2.17%	137 2.29%	134 2.26%	140 2.30%	141 2.19%	137 2.08%	147 2.17%
Operation and maintenance of facilities	638 10.40%	608 10.16%	565 9.52%	712 11.70%	783 12.13%	809 12.31%	822 12.14%
Transportation	125 2.04%	120 2.01%	125 2.10%	141 2.32%	154 2.39%	142 2.16%	137 2.02%
Total expenditures	<u>\$ 6,132</u>	<u>\$ 5,984</u>	<u>\$ 5,935</u>	<u>\$ 6,089</u>	<u>\$ 6,452</u>	<u>\$ 6,573</u>	<u>\$ 6,771</u>
Average daily membership	67,018	66,761	66,884	66,320	66,385	66,888	66,622

Source: District records



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<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ 4,700 68.45%	\$ 4,849 67.89%	\$ 4,867 62.98%
312 4.55%	327 4.58%	563 7.28%
239 3.48%	249 3.49%	454 5.88%
51 0.75%	59 0.82%	68 0.88%
467 6.81%	483 6.77%	536 6.94%
153 2.23%	159 2.22%	183 2.37%
809 11.78%	869 12.17%	900 11.64%
134 1.95%	146 2.05%	157 2.03%
<u>\$ 6,865</u>	<u>\$ 7,141</u>	<u>\$ 7,728</u>
66,766	65,997	64,609

# Granite School District

## Nutrition Services - Facts and Figures

Last Ten Fiscal Years - June 30, 2009 through 2018

	2009	2010	2011	2012	2013	2014
Participating schools:						
Lunch	88	89	90	89	97	104
Breakfast	66	66	67	69	73	77
Student lunches served:						
Free	3,225,994	3,605,136	3,999,613	3,899,803	3,857,384	4,188,624
Reduced	797,596	738,015	600,159	674,960	640,014	664,534
Fully paid	<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>	<u>2,234,041</u>
Total	<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>	<u>7,087,199</u>
Student breakfasts served:						
Free	1,106,993	1,242,399	1,388,333	1,349,266	2,643,404	1,314,999
Reduced	164,062	144,604	117,269	137,451	130,558	142,838
Fully paid	<u>231,488</u>	<u>211,012</u>	<u>213,687</u>	<u>219,917</u>	<u>210,901</u>	<u>233,110</u>
Total	<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>	<u>1,690,947</u>
Student dinners served:						
Free	-	-	-	-	-	-
Percentage of free/reduced/fully paid lunch:						
Free	48.35%	52.93%	56.79%	56.12%	57.96%	59.10%
Reduced	11.95%	10.84%	8.52%	9.71%	9.62%	9.38%
Fully paid	39.70%	36.23%	34.69%	34.17%	32.42%	31.52%
Percentage of free/reduced/fully paid breakfast:						
Free	73.67%	77.75%	80.75%	79.06%	88.56%	77.76%
Reduced	10.92%	9.05%	6.82%	8.05%	4.37%	8.45%
Fully paid	15.41%	13.20%	12.43%	12.89%	7.07%	13.79%
Average daily participation:						
Lunch	37,852	38,921	39,791	39,487	37,598	40,041
Breakfast	8,016	9,132	9,715	9,697	16,864	9,553
Dinner	-	-	-	-	-	-
Average daily membership:	67,018	66,761	66,884	66,320	66,385	66,888
Percentage participating in school lunch/breakfast:						
Lunch	56.48%	58.30%	59.49%	59.54%	56.64%	59.86%
Breakfast	11.96%	13.68%	14.53%	14.62%	25.40%	14.28%

Source: District records

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
103	102	102	98
82	82	82	81
4,113,400	4,132,230	3,935,269	3,674,170
690,340	663,791	654,815	650,610
<u>2,232,415</u>	<u>2,284,802</u>	<u>2,234,920</u>	<u>2,087,704</u>
<u>7,036,155</u>	<u>7,080,823</u>	<u>6,825,004</u>	<u>6,412,484</u>
1,531,911	2,128,873	2,403,597	2,232,995
169,619	289,266	354,902	378,593
<u>301,930</u>	<u>779,495</u>	<u>982,841</u>	<u>986,181</u>
<u>2,003,460</u>	<u>3,197,634</u>	<u>3,741,340</u>	<u>3,597,769</u>
16,142	83,340	117,195	154,825
58.46%	58.36%	57.66%	57.29%
9.81%	9.37%	9.59%	10.15%
31.73%	32.27%	32.75%	32.56%
76.46%	66.57%	64.24%	62.07%
8.47%	9.05%	9.49%	10.52%
15.07%	24.38%	26.27%	27.41%
39,752	40,005	38,559	32,551
11,319	18,066	21,138	18,263
91	471	662	933
66,622	66,766	65,997	64,609
59.67%	59.92%	58.43%	50.38%
16.99%	27.06%	32.03%	28.27%

# Granite School District

## Capital Asset Information

Last Ten Fiscal Years - June 30, 2009 through 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Buildings:										
Elementary schools:										
Number	60	60	61	62	62	63	63	63	63	63
Square feet	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	3,873,402
Capacity	43,686	43,686	44,145	45,684	45,684	46,872	46,872	46,872	46,872	46,872
Enrollment	37,398	37,792	38,312	38,102	38,042	38,336	42,545	37,432	36,765	35,159
Middle schools:										
Number	16	16	16	16	16	16	16	15	15	15
Square feet	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	2,248,693
Capacity	20,871	20,871	20,871	20,871	20,871	20,871	20,871	19,602	19,602	19,602
Enrollment	14,811	14,661	14,925	14,917	15,179	14,363	13,528	12,848	11,696	11,561
High schools:										
Number	9	9	8	8	8	8	8	9	9	9
Square feet	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	2,829,227
Capacity	19,404	19,404	18,228	18,228	18,228	19,236	19,236	20,505	20,505	20,505
Enrollment	12,885	13,783	13,945	13,528	13,466	14,483	15,255	15,757	17,071	17,634
Special schools:										
Number	4	4	4	4	6	6	6	6	6	6
Square feet	343,046	343,046	343,046	343,046	477,885	477,885	477,885	477,885	477,885	477,885
Capacity *										
Enrollment	1,317	1,385	1,370	337	844	382	823	1,785	1,645	1,670
Other buildings:										
Number	12	12	12	12	17	15	14	13	13	13
Square feet	772,905	772,905	772,905	817,087	741,232	634,479	585,150	537,052	537,052	537,052
Total school buildings:										
Number	89	89	89	90	92	93	93	93	93	93
Square feet	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	9,429,207
Capacity	83,961	83,961	83,244	84,783	84,783	86,979	86,979	86,979	86,979	86,979
Enrollment	66,411	67,621	68,552	66,884	67,531	67,564	72,151	67,822	67,177	66,024
Acres of land										
	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	1,452.6
Number of portables										
	236	237	235	232	246	255	256	258	260	262
Number of vehicles										
	663	672	699	672	703	705	707	713	729	733

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

Source: District records



GRANITE SCHOOL DISTRICT  
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