

# GRANITE SCHOOL DISTRICT



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ending June 30, 2023

2500 SOUTH STATE STREET  
SALT LAKE CITY, UT 84115

# 2022-2023



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# **Annual Comprehensive Financial Report**

**for the  
Fiscal Year Ended  
June 30, 2023**

## **GRANITE SCHOOL DISTRICT**

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

**Nicole McDermott, President of the Board  
Dr. Rich K. Nye, Superintendent  
Todd Hauber, Business Administrator/Treasurer**

**Prepared by:  
Chris A. Lewis, Director of Accounting Services  
Charlotte Bacon, Assistant Director of Accounting Services  
Traci Peterson, Accountant**

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# **Section I**

## **Introductory**

# **Section I**

## **Introductory**



## Letter of Transmittal

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November 29, 2023

President McDermott, Members of the Board of Education, and Citizens of Granite School District:

The Annual Comprehensive Financial Report of Granite School District (District) for the fiscal year ended June 30, 2023, is submitted herewith.

State of Utah (State) law requires that school districts publish, within five months of the close of each year, a complete set of financial statements presented 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 published to fulfill that requirement for the year ended June 30, 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive internal control framework that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Squire & Company, PC, a firm of licensed certified public accountants, has issued an unmodified

(“clean”) opinion on Granite School District’s financial statements for the year ended June 30, 2023. 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, the notes to the basic financial statements, required supplementary information, combining financial statements and individual fund schedules, and the statistical section.

As a recipient of state funding, the District was subject to and underwent a *State Compliance Audit*, the purpose of which is to examine compliance with applicable state laws and regulations.

As a recipient of federal funding, the District’s independent audit of the financial statements becomes part of a broader, federally mandated *Single Audit* designed to meet the specific needs of federal grantor agencies. The standards governing a Single Audit require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District’s internal controls over compliance and whether the District has complied with laws, regulations, and provisions of contracts or grant agreements for each major federal program tested.

The *State Compliance Audit* and *Single Audit* reports are included as Section IV of this document.

## 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 includes several urban and suburban communities comprising approximately the northern half of Salt Lake County. The imposing Wasatch Mountains form the eastern border with the Oquirrh Mountain Range, which includes portions of the world-famous Kennecott Open-Pit Copper Mine property, forming the western border.

The District's primary mission is to provide a comprehensive array of learning opportunities for students who reside within the boundaries of the District. To accomplish this purpose, the District operated eight high schools, fifteen junior high schools, sixty elementary schools, and seven special purpose schools during the school year 2022-23.

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 (Board), consisting of seven members who are elected from among the District's seven districts (precincts). The Board is responsible for, among other things: developing policy, adopting the budget, levying taxes, incurring bonded debt, and hiring both the superintendent and business administrator. The superintendent and business administrator are responsible for implementing policies of the Board and overseeing the day-to-day operations of the District. The Board is elected on a non-partisan basis. Board members serve four-year staggered terms with no more than four board members elected every two years.

**Reporting Entity.** The accompanying report includes all funds and subsidiary accounts of the primary government, Granite School District as legally defined, as well as the Granite Education Foundation as a component unit. 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.

## BUDGETARY CONTROL

**The Budget Cycle.** 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.

**Balanced Budget.** 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.

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.

## **ECONOMIC CONDITION**

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The economic condition of the District is largely dependent upon two major factors. First, the broader state economy that is increasingly tied to the national and global economies; and second, the views of the governor's office and state legislature toward funding public education with the resources generated by the State.

**State Economy.** Utah has a highly diversified economy that includes many industries such as technology, construction, tourism, aerospace and defense, energy, mining, agriculture, and others. The majority of Utah's gross state product is produced in Salt Lake and Utah counties. The State's economy is performing well compared to other states and consistently ranks among the top in the nation according to publications such as *The Wall Street Journal* and *Business Insider*.

The 2023 *Economic Report to the Governor*, prepared by the Utah Economic Council, presented the following summary of Utah's economic outlook, "Current economic challenges amid an overheated economy include stubbornly high inflation, rapidly rising interest rates, low consumer sentiment, and unmistakable construction and real estate slowdowns. At the same time, many often-underappreciated economic buffers exist. Extremely low unemployment coupled with improving supply chains, and very strong overall household, firm, and state and local government financial reserves combine to provide a hedge against economic challenges that could spiral into a recession. Economic performance in 2023 will depend on economic decisions made in this complex new environment."

The 2023 U.S. News & World Report's *Best States* project ranks Utah as #1 in Best States Overall. Now in its fifth edition, the project captures how all 50 states serve their residents by analyzing more than

70 metrics across eight categories. Utah's economy is an area where it shines brightest, according to the U.S. News analysis: The state ranked No. 1 in the economy and fiscal stability categories and ranks first and second, respectively, in the employment and growth subcategories. Utah's highly educated population plays a role in the state's economic prowess. Utah ranks No. 5 in the education category, particularly excelling in metrics assessing college graduates' debt at graduation and math and reading scores among eight-grade students. Regardless of industry, data shows the state is attracting newcomers, including young people. In the *Best States* analysis, Utah had the highest rate of growth among 25- to 29-year-olds – a metric within the economy category.

**Local Economy.** Sound fiscal health is imperative to ensuring the effective operation of the District. Financial condition is affected by a combination of local 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.

Key economic indicators in Salt Lake County:

*Unemployment and Wages.* Salt Lake County's unemployment rate as of June 2023 was 2.3%, just below the statewide rate. The county's unemployment rate has remained close to that of the state since April 2021. Nonfarm employment increased by 2.6% over the year ended June 2023. Nearly every industry added employees to their payrolls over the last year. The leisure and hospitality sector continued to add jobs, increasing employment by 4.7%, followed closely by the professional and business services sector, which increased employment by 2.1%. Information and financial activities were the only industries to show an overall decline in employment

over the year. The information sector reduced employment by 0.9% and accounts for 3% of the county's total employment. The financial sector also saw a 0.9% decline in employment amid an increase in interest rates, which weighed on mortgage financing activities. Salt Lake County's four-quarter moving average wage grew nearly 2% in the first quarter of 2023. The county's average monthly wages have been consistently above those of the rest of the state. The average monthly wage in Salt Lake County was \$6,249, 18% above the statewide average of \$5,295.

*Construction.* Total construction values were down 38% from January 2022 levels amid a decline in both residential and nonresidential construction. In the month of January 2023, over 72% of residential permit values were for multiunit residences. Of the \$46 million permit values allocated to nonresidential construction, \$33 million were for public buildings and projects.

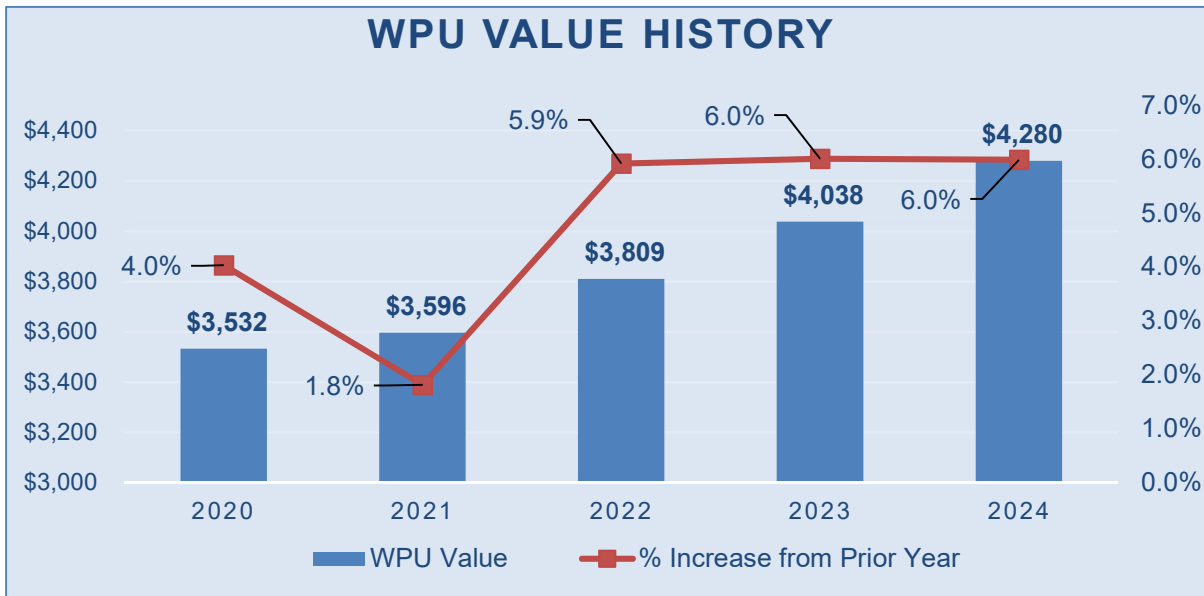
*Sales.* Taxable sales increased 1.4% in the first quarter of 2023. Taxable services increased 10.9% from the first quarter of 2022. However, those gains were limited by losses in all other taxable sales, including a \$114.8 million decrease in taxable retail sales.

**State Funding Efforts.** The District receives state funding based on 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. Every year, the District looks at student population by school to identify possible closures of underutilized buildings.

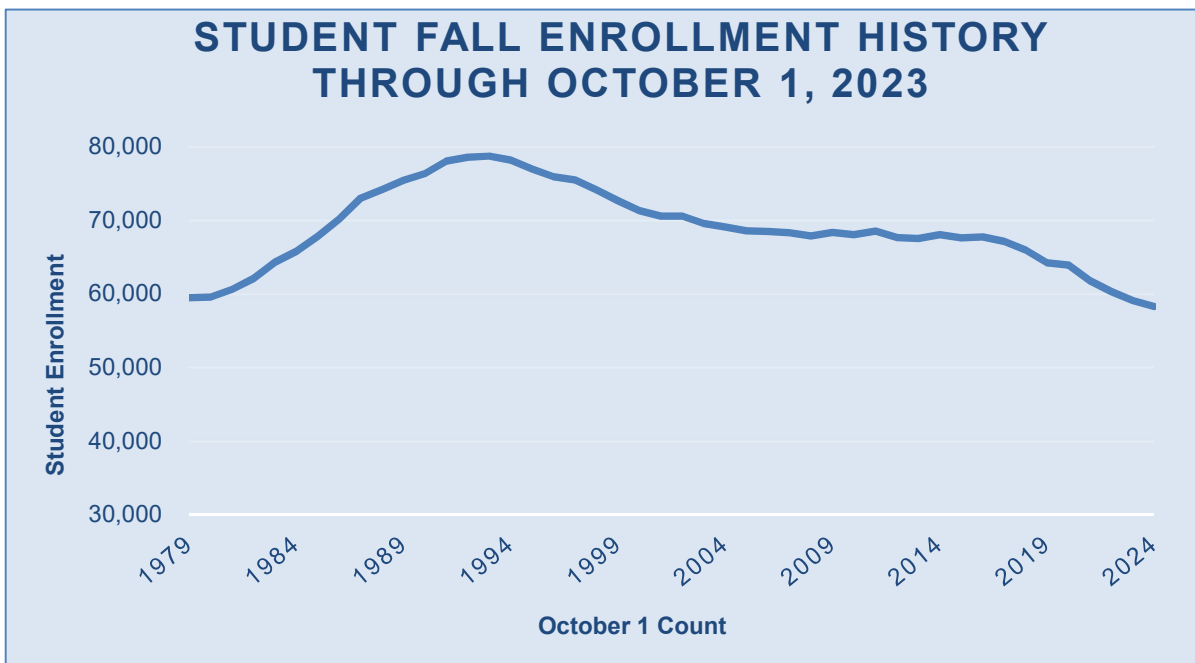
State funding for education is always a significant issue in Utah because children represent such a large percentage of the population. When compared to other states, three factors put the state in a difficult situation when it comes to generating tax revenue to fund public education:

- Utah is near the middle in terms of household income.
- Utah has larger households than most states. The result is less income per household available for education funding or a higher per household effort in education funding comparably. Utah is typically near the top when measuring the share of income devoted to education, although, this commitment has decreased per \$1,000 of household income because of changes in education funding by the Utah Legislature. Utah has nearly the lowest per-pupil funding in the nation.
- K-12 funding in Utah is further complicated by the fact that a large portion of the state is public land controlled by the federal government, which does not generate property tax revenue.



The District receives 44.8% of combined governmental fund revenues from state sources. As a result, the state funding effort is one of the most significant factors within the District's budget. State aid is based primarily on weighted pupil units (WPU – basic allocation per student). During 2023, the value of the weighted pupil unit (WPU) was \$4,038 – an increase of \$229 or 6.0% over the prior year value of \$3,809. Prospectively, the value of the WPU for 2024 is \$4,280 – an increase of \$242 or 6.0% over the 2023 value.

**Student 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, declined steadily to 68,075 for the 2007-08 school year, and remained steady at that level for several years. Over the past five years, enrollment has decreased by an average of approximately 2% each year. On October 1, 2022, student enrollment was 59,121, a decrease of 1,248 students. The October 1, 2023 student enrollment was 58,312, a decrease of 811 students, or (1.4%). This trend is a



result of an aging population in many geographical areas of the District (fewer K-12 students in those areas) along with an increased availability of charter schools, resulting in more parents within the District boundaries choosing to enroll their children in charter schools. Charter schools are independent of the District and are primarily funded by the State.

## Major Initiatives

### **GRADUATE OF GRANITE**

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Granite School District has adopted and implemented a proficiency-based learning approach to education. Academic proficiency started as the driver, but soon several social skills and dispositions were also identified as important traits of a Graduate of Granite. Through internal collaboration and adjustment based on feedback from the community through the District Community Council, several characteristics of a Graduate of Granite were developed.

The two overarching strategic goals of Granite School District are to increase graduation rates and to increase literacy and numeracy proficiency. These goals are tightly aligned with measures that inform our practice and ensure every student is prepared to be successful in college, career, and life.

Three priorities have been developed to attain these goals. The Academic Priority and the Social Skills and Dispositions Priority provide the path to facilitate the academics, culture, and climate at school sites, while the Talent Development Priority increases the internal capacity of employees, external support systems, and resources that will enable accelerated student achievement.

New revenue resources have been prioritized and aligned with the strategic priorities outlined.

### **CAPITAL IMPROVEMENTS AND BONDING**

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Nearly half of the District's schools 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. (See [gsdfuture.org](http://gsdfuture.org) for detailed information on the projects.) To continue paying for the capital projects associated with the long-term plan, the District used the final \$42.5 million in bond proceeds during the fiscal year 2022-23 that were the result of voters approving \$238 million in a bond election in November 2017 along with money generated from the existing property tax levy. Going forward, the District will use the funds generated from the property tax levy to meet the objectives of the long-term capital improvement plan.

The outstanding obligation to bondholders for bonds issued and the associated premiums at June 30, 2023 was \$250.9 million.

Periodically when 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 March 2021. The District was awarded a prime AAA rating from FitchRatings and a high grade Aa1 rating from Moody's Investors Service. In April 2023, Moody's Investors Service issued an Annual Comment report reaffirming their Aa1 rating of the District. It is worth noting that ratings from both FitchRatings and Moody's Investors Service are backed by the state's ratings of AAA and Aa1, 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 June 30, 2023 was \$44.3 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 so funds can 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 \$12.1 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. 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 Annual Comprehensive 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 32nd consecutive year that the District has received this prestigious award. We believe our current Annual Comprehensive 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. 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 32nd 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 the business departments. Special appreciation is expressed to Chris Lewis, Charlotte Bacon, and Traci Peterson of the Accounting Services Department, where the major portion of this presentation has been compiled.

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

Respectfully submitted,



Dr. Richard Nye, Superintendent of Schools



Todd Hauber, Business Administrator/Treasurer

**THE GRANITE SCHOOL DISTRICT**  
**List of Elected and Appointed Officials**  
**June 30, 2023**

**Elected Officials**

<u>Board of Education</u>	<u>Initial Term Began</u>	<u>Present Term Began</u>	<u>Present Term Expires</u>
Nicole McDermott, President Precinct IV	January 2019	January 2021	December 2024
Kris Nguyen, Vice President Precinct VII	August 2020	January 2023	December 2026
Connie Burgess, Member Precinct III	January 2003	January 2023	December 2026
Kim Chandler, Member Precinct V	January 2023	January 2023	December 2026
Julie Jackson, Member Precinct I	January 2021	January 2021	December 2024
Clarke Nelson, Member Precinct II	January 2021	January 2021	December 2024
Karyn Winder, Member Precinct VI	January 2015	January 2023	December 2026

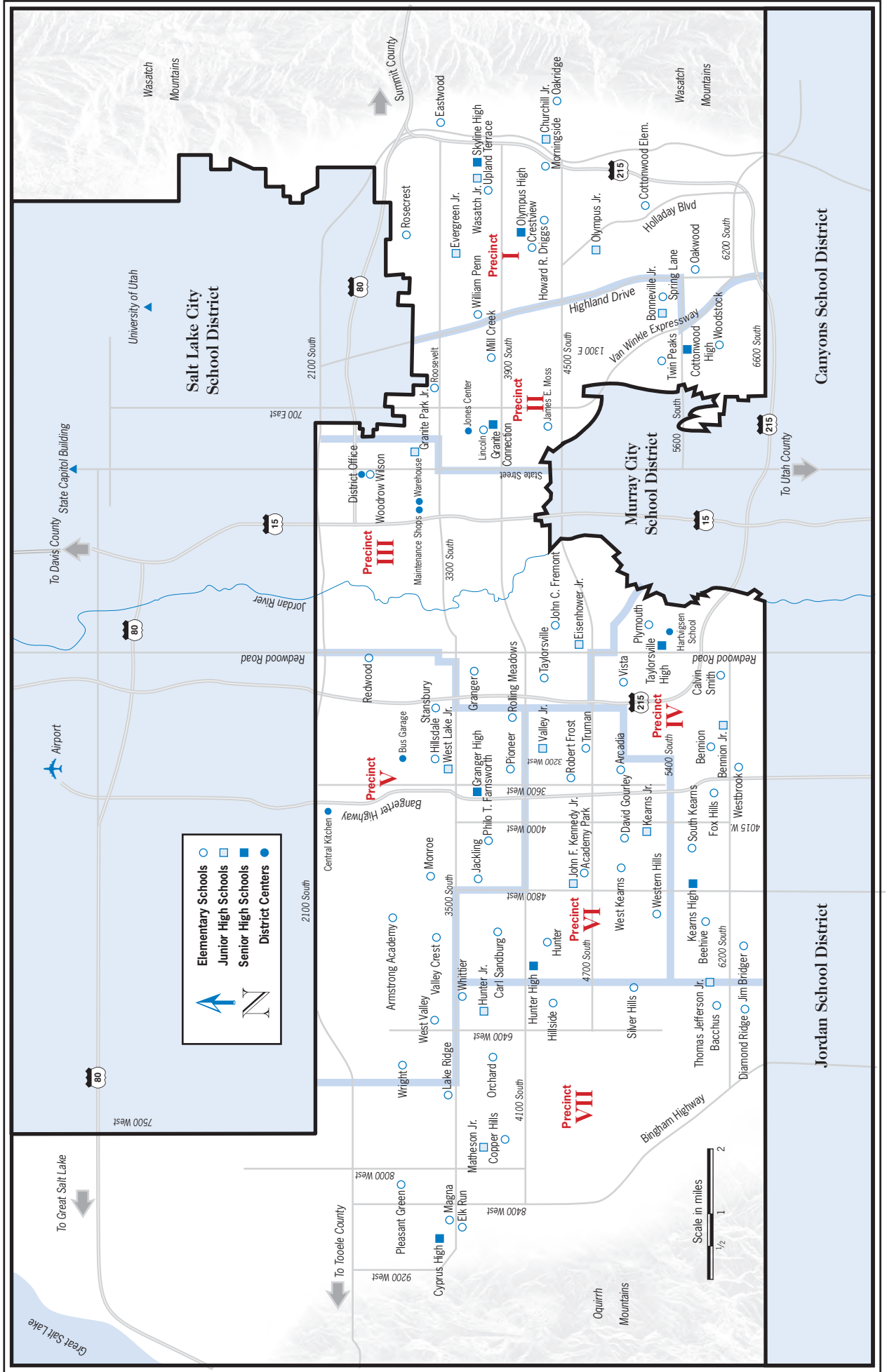
The term of office for a Board member is four years, beginning on the first Monday in January following the November election.

**Appointed Officials**

	<u>Initial Appointment</u>	<u>Present Term Began</u>	<u>Present Term Expires</u>
Dr. Richard K. Nye Superintendent	July 2021	July 2023	June 2025
Todd Hauber Business Administrator/Treasurer	October 2022	October 2022	October 2024

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

# GRANITE SCHOOL DISTRICT





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Granite School District  
Utah**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*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 Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style.

**John W. Hutchison**  
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style.

**Siobhán McMahon, CAE**  
Chief Operations Officer/  
Interim Executive Director



ADMINISTRATION 2023-2024

**BOARD of EDUCATION**

**Superintendent of Schools**  
Dr. Rich K. Nye

**Superintendent's Office**  
**Communications Office** Granite School District Police  
*Ben Horsley, Chief of Staff* *Randy Porter, Chief*  
**Human Resources** Policy & Legal Services  
*Dr. Patrick Flanagan* *Doug Larson, General Council*

**Business Services**  
Todd Hauber  
Business Administrator

**Accounting & Printing**  
*Chris Lewis*

**Budget Development**  
*Brian Ipson*

**Nutrition Services**  
*Dana Adams*

**Payroll**  
*Richard Welch*

**Purchasing & Warehouse**  
*Jared Gardner*

Risk, Property & Record Management & Student Accounting  
Steven Thompson

**Student Learning & Support**  
Leslie Bell  
Assistant Superintendent

**Career & Technical Ed**  
*James Taylor*

**College & Career Readiness**  
*Scott Bell*

**Educational Equity**  
*David Gomez*

Granite Education Foundation  
Family & Community Engagement  
*Jadee Talbot*

**Preschool Services**  
*Nannette Barnes*

**Special Education**  
*Dr. Bryce Day*

Prevention & Student Placement  
*Jared Reynolds*

**School Leadership & Improvement**  
John Welburn  
Assistant Superintendent

**Elementary Schools**  
*Jon Adams*  
*Cindy Dunn*  
*Natalie Hansen*  
*Shauna Jensen*  
*Tina West*

**Secondary Schools**  
*Rich Nielsen*  
*Steve Perschon*  
*Craig Stauffer*

**Administrator Onboarding**  
*Dr. Bill Kenley*

**PBL & Talent Development Administrator**  
*Rob McDaniel*

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

**Curriculum & Instruction**  
*Dr. Noelle Converse*

**Information System**  
*Dale Roberts*

**Organizational Effectiveness**  
*Dr. Aaron Wilson*

**Teacher Onboarding & Instructional Coaching**  
*Lynne Rada*

**Support Services**  
Donald Adams  
Assistant Superintendent

**Architecture, Engineering & Construction**  
*Justin Naegle*

Emergency Management  
*Roger Brooks*

Energy Management  
*Steven Forbes*

**Maintenance**  
*Rex Goudy*

**Planning & Boundaries**  
*Steve Hogan*

**Transportation**  
*Dr. Dave Gatti*

**Granite School District Schools**

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

# **Section II**

## **Financial**

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## **Financial**





## Independent Auditor's Report

Board of Education  
Granite School District

### Report on the Basic Financial Statements

#### *Opinions*

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2023, 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.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Granite School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Granite School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a

guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Granite School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Granite School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

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

### ***Supplementary 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 individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the introductory and statistical sections included in the annual report. The introductory and statistical sections do not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the introductory and statistical sections, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the introductory and statistical sections and consider whether a material inconsistency exists between the introductory and statistical sections and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the introductory and statistical sections exists, we are required to describe it in our report.

***Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the governmental activities, each major fund, and the aggregate remaining fund information of Granite School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 29, 2023, which contained unmodified opinions on those basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2023, 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 solely 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 the effectiveness of the District's 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.

*Squire & Company, PC*

Orem, Utah  
November 29, 2023

## Management's Discussion & Analysis

This section of Granite School District's (District) annual comprehensive financial report presents management's discussion and analysis of the District's financial performance for the year ended June 30, 2023. Please read it in conjunction with the letter of transmittal, which can be found preceding this narrative, and the basic financial statements which follow.

### Financial Highlights

- Student enrollment decreased by 1,248 students to a total of 59,123 students as of October 1, 2022, due to an aging population in many geographical areas of the District along with more parents within the District boundaries choosing to enroll their children in charter schools.

Going forward, school-age population in the whole of Salt Lake County is projected to decrease by 1.0% from 2020 to 2060 per a Kem C. Gardner Policy Institute of the University of Utah report titled, *Opportunity Knocks, The Fiscal Impacts of Declining School-age Population in Utah*, issued in October 2023 and available at [gardner.utah.edu](http://gardner.utah.edu).

Potentially offsetting this projected decline in school-age population is the State's economic strength and ability to attract newcomers, including 25- to 29-year-olds where Utah had the highest rate of growth of any state, as mentioned in the 2023 U.S. News & World Report's *Best States* project referred to on page 3 above.

- The District's total net position was \$650.7 million at fiscal year-end which represents a \$97.6 million increase over the prior fiscal year end. Of the \$650.7 million, 86.1% was either invested in capital assets or restricted for the construction of capital assets.
- Property tax revenues increased by 8.3% in 2023 to \$304.8 million due to new growth in taxable value from commercial and residential development.

- Operating grants and contributions increased by 7.9% in 2023 to \$282.7 million due primarily to the impact of COVID-19 relief funding combined with increased state funding for public education.
- At the close of the current fiscal year, the District's governmental funds reported combined fund balances of \$305.5 million, a decrease of \$25.5 million in comparison with the prior year. Approximately 3.1% of this amount (\$9.6 million) is unassigned.
- 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 \$147.8 million, or approximately 23.7% of total general fund expenditures.
- Various District construction projects are underway. The four largest projects are the construction of two new high schools funded with general obligation bond proceeds combined with property tax revenue; one junior high school funded with insurance and FEMA money awarded as a result of earthquake damage sustained in March 2020; and several school HVAC upgrades funded with COVID-19 relief grants. As of June 30, 2023, a total of \$250.7 million has been spent on all current projects with \$204.9 million remaining planned to be spent for a total projected cost of \$455.6 million.
- At the close of the current fiscal year, the District's total outstanding long-term liabilities were \$496.8 million, consisting of general obligation bonds and associated unamortized premiums payable of \$250.9 million (50.5%), other employee benefit obligations of \$244.3 million (49.2%), with leases and subscriptions payable making up the rest for a combined \$1.6 million (0.3%).
- With regard to the \$244.3 million of other employee benefit obligations, \$39.2 million is for District retirement and separation benefits for which fund balance has been committed to fund 100% of the actuarially determined liability for these obligations as well as an additional \$11.8 million (30%) to cover future unexpected changes in the actuarial calculation.
- In 2023, the District adopted Government Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology*

*Arrangements.* The new standard is based on the foundational principle that such subscriptions are financings of the right to use another party's information technology software.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements, which include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. The focus is on both the District as a whole (government-wide) and the major individual funds. The dual perspectives allow the reader to address relevant questions, broaden a basis for comparison (year-to-year or district-to-district), and enhance the District's accountability.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the remainder reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the 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 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

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. 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 and reconciliations can be found on pages 29 to 33.

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

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

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

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

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

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. Information in the Notes to the Basic Financial Statements is described as follows:

- Note 1 provides a general description of the District, as well as a summary of significant

accounting policies including the basis of accounting, budget policies and procedures, net position and fund balance flow assumptions, and other significant accounting policies.

- Note 2 describes deposits and investments as well as investment risk disclosures.
- Note 3 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 the District's interfund balances and activity for the year.
- Note 7 describes the District's lease agreements and reports the total principal and interest amounts of future lease payments.
- Note 8 explains property and equipment of the District including accumulated depreciation and net carrying amounts.
- Note 9 provides information on the state retirement plan to include: the District's proportionate share of the plan's net pension liability and related deferred inflows and deferred outflows; pension expense; contributions to the plan; and an explanation of the actuarial assumptions used in estimating these amounts.
- Note 10 provides the same type of information as Note 9, but for the District retirement plan.
- Note 11 describes the District's long-term disability benefit plan.
- Note 12 explains the District's early retirement incentive program.
- Note 13 provides information on the District's self-insured plans and the associated liabilities associated with each.
- Note 14 describes significant commitments of the District.
- Note 15 provides a summary of the District's long-term liabilities and activity for the year.

The notes to the basic financial statements can be found on pages 38 to 65.

## ADDITIONAL INFORMATION

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

Required supplementary information can be found on pages 66 to 73 of this report with notes to the required supplementary information following on pages 74 to 76.

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 78 to 91 report.

The statistical section of this report presents detailed trends and comparative data that supports the other sections of this report and can be found on pages 93 to 150 of this report.

## Government-wide Financial Analysis

As noted earlier, over time, increases or decreases in net position may serve as a useful indicator of whether a government's financial position is improving or deteriorating. The District reports total net position of \$650.7 million at June 30, 2023, when compared to \$553.1 million at the end of the prior fiscal year, an increase of \$97.6 million.

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

As is typical of a school district, at the end of the current fiscal year, the largest portion of the District's net position is classified as *net investment in capital assets*. The \$434.9 million (66.8% of total net position) reflects the District's investment in capital assets (primarily land and buildings but also includes equipment, vehicles, and right-to-use assets related to leases, and subscriptions) 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 (\$145.9 million, or 22.4%) is classified as *restricted* and represents resources that are subject to external restrictions on how they may be used. This is an increase of \$18.1 million, or 14.2%, from the prior year that is due primarily to an increase of \$22.4 million in the portion of net position classified as restricted for capital projects offset by a decrease of \$4.2 million classified as restricted for school lunch. The District currently has several outstanding construction projects including two new high schools that will replace existing schools, one new junior high school that will replace a school destroyed by an earthquake in 2020, and several HVAC upgrades to schools throughout the District.

GRANITE SCHOOL DISTRICT			
Statement of Net Position			
(in millions of dollars)			
	Governmental Activities		
	2023	2022	Change 2022-23
Current and other assets	\$ 741.2	\$ 748.3	\$ (7.1)
Net pension asset	-	73.8	(73.8)
Capital assets	706.9	617.3	89.6
Total assets	1,448.1	1,439.4	8.7
Deferred outflows of resources	118.8	102.9	15.9
Other liabilities	103.9	98.0	5.9
Long-term liabilities	496.8	335.4	161.4
Total liabilities	600.7	433.4	167.3
Deferred inflows of resources	315.5	555.8	(240.3)
Net position:			
Net investment in capital assets	434.9	386.3	48.6
Restricted	145.9	201.6	(55.7)
Unrestricted	69.9	(34.8)	104.7
Total net position	\$ 650.7	\$ 553.1	\$ 97.6

Included in the District's \$650.7 million net position is a portion called *unrestricted net position*, which has a balance of \$69.9 million. This is a significant increase of \$104.7 million as compared to the balance of (\$34.8) million in the prior year. This large increase is directly related to a shift from a net pension asset to a net pension liability associated with the District's proportionate share of unfunded obligations of defined benefit pension plans administered by the Utah

Retirement Systems (URS). The balances of the net pension asset and net pension liability change drastically from year to year as actuarial assumptions change. Such was the case for the year ended June 30, 2023 as the beginning asset of \$73.6 million changed to an ending liability of \$180.3 million. Since 2010, the District's, as well as all other participants', required contributions to URS have been increased so that over time the obligations will become fully funded. As progress is made toward that goal, the District's required contributions to URS are expected to be reduced in future fiscal years.

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

- Prepaid items increased by \$7.7 million due to an increase in amounts paid in the current year for major textbook adoptions that will be used throughout our schools in the coming six years.
- Capital assets, reported net of accumulated depreciation, increased by \$89.6 million to a total of \$706.9 million. This change is primarily attributable to a net \$116.6 million increase in construction in progress as projects to replace two high schools and one junior high school continued as well as installation of updated HVAC systems throughout several schools, offset by a \$31.7 million decrease for asset depreciation.
- Deferred outflows related to pensions increased \$16.4 million mostly as a result of a \$16.6 million increase in the District's share of the deferred outflows of resources related to state retirement pension plans administered by URS. This increase was driven by differences between expected and actual experience with economic and demographic factors such as mortality, payroll increases, and retirement.
- Long-term liabilities were \$496.8 million (which was 82.7% of all liabilities), representing a net increase of \$161.4 million. The primary components of this net increase are a \$24.9 million decrease in bonds (and the associated premiums) payable and a \$184.1 million net increase in retirement obligations. The \$24.9 million decrease in bond liabilities was the result of \$19.6 in principal payments made on the bonds and \$5.3 million in bond premium amortization. The \$184.1 million increase in District retirement

obligations was primarily the result of a net \$180.3 million increase in the net pension liability for the URS administered state retirement plan driven by actual earnings on pension plan investments being significantly lower than projections.

- Deferred inflows related to state retirement pension plans decreased by \$251.6 million. This large decrease is primarily attributable to changes in the net difference between projected and actual earnings on pension plan investments.

## Governmental Activities

GRANITE SCHOOL DISTRICT			
Changes in Net Position			
(in millions of dollars)			
	Governmental Activities		
	2023	2022	Change 2022-23
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 18.5	\$ 13.4	\$ 5.1
Operating grants and contributions	282.7	262.1	20.6
General revenues:			
Property taxes	304.8	281.3	23.5
Federal and state grants not restricted to specific purposes	193.3	196.6	(3.3)
Earnings on investments	17.2	1.7	15.5
Miscellaneous	7.8	3.6	4.2
Extraordinary item	5.0	30.7	(25.7)
Total revenues	<u>829.3</u>	<u>789.4</u>	<u>39.9</u>
<b>Expenses:</b>			
Instructional services	404.4	352.3	52.1
Supporting services:			
Students	54.9	43.7	11.2
Instructional staff	52.9	36.2	16.7
District administration	6.1	5.2	0.9
School administration	44.8	37.0	7.8
Central	22.4	18.4	4.0
Operation and maintenance of facilities	77.2	64.9	12.3
Transportation	14.3	14.0	0.3
School lunch services	28.8	23.6	5.2
Community services	19.9	17.2	2.7
Interest on long-term liabilities	6.0	6.9	(0.9)
Total expenses	<u>731.7</u>	<u>619.4</u>	<u>112.3</u>
<b>Change in net position</b>	<u>97.6</u>	<u>170.0</u>	<u>(72.4)</u>
<b>Net position - beginning</b>	<u>553.1</u>	<u>383.1</u>	<u>170.0</u>
<b>Net position - ending</b>	<u>\$ 650.7</u>	<u>\$ 553.1</u>	<u>\$ 97.6</u>

The \$97.6 million increase in net position can also be analyzed from an operational standpoint. The following

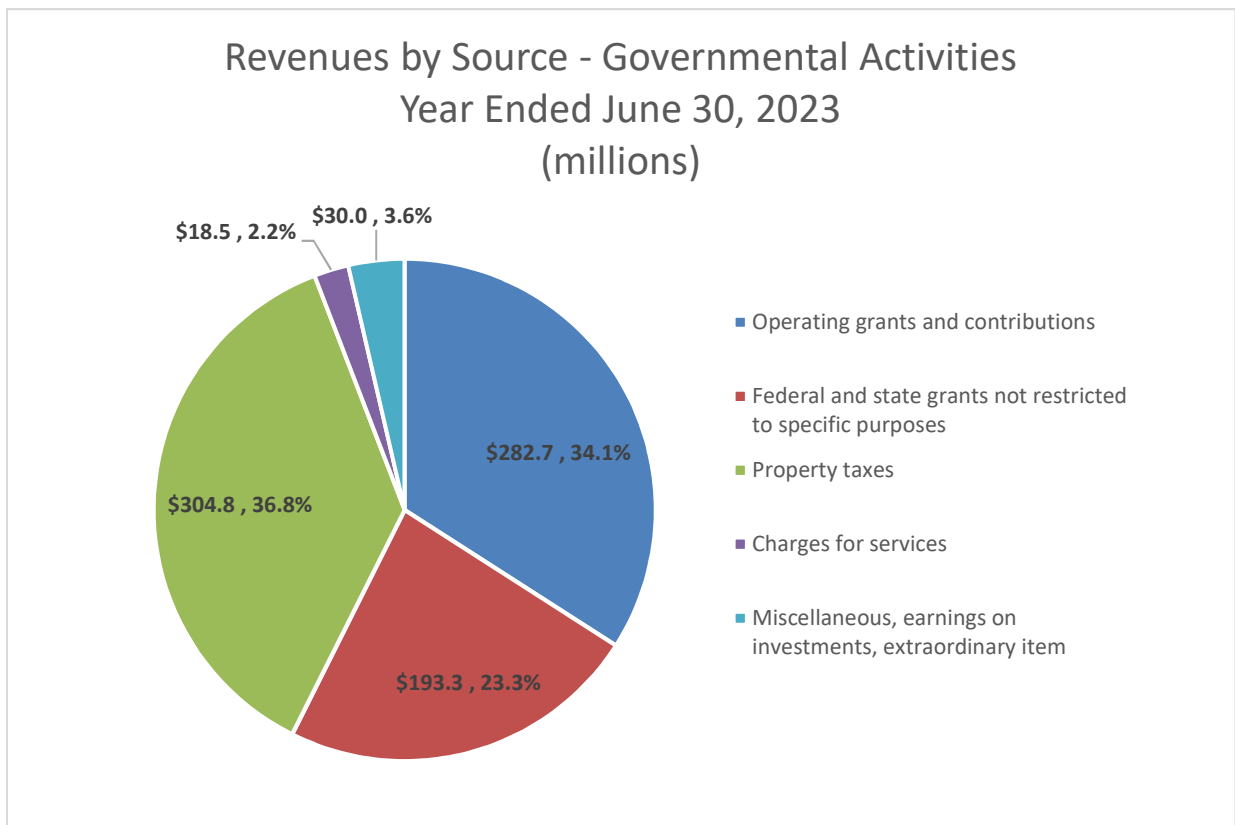


list highlights some key changes in revenues and expenses during the year compared to the prior year:

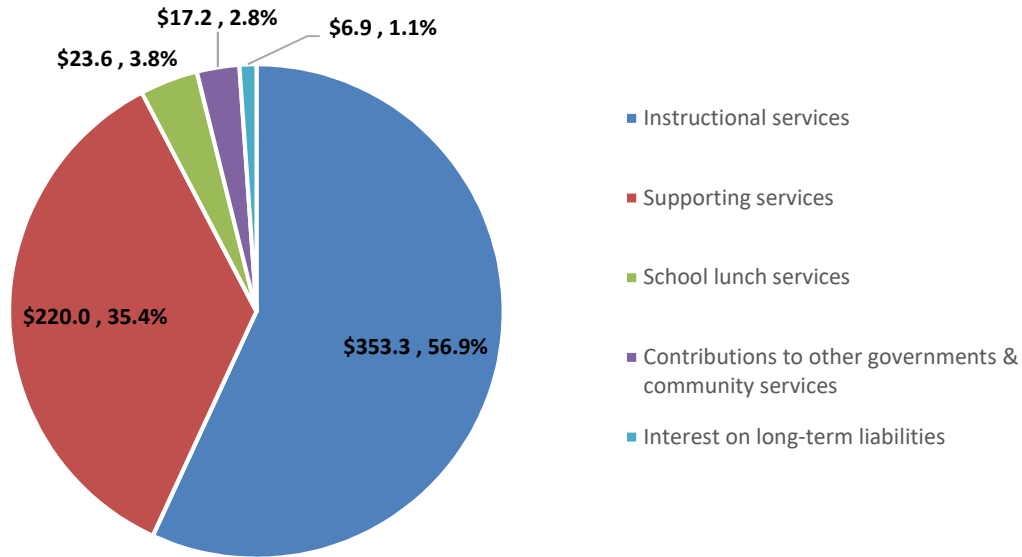
- Operating grants and contributions restricted to specific programs increased by \$20.6 million over the previous year. This increase was primarily attributable to increases in the federal funding to enhance instructional services offered to students to help offset the impact the COVID-19 pandemic had on student learning.
- Property tax revenue increased by \$23.5 million from the prior year. This increase was primarily the result of significant increases in property valuations combined with a frozen basic rate (set by the state legislature) and a higher capital local rate than would have

otherwise been levied had the District not increased the rate above the certified tax rate.

- During the fiscal year ended June 30, 2023, the District received \$5.0 million in insurance recoveries (classified as an extraordinary item) from losses experienced in the March 2020 earthquake that damaged 20 District buildings. This brings the total amount of insurance recovery to date from the earthquake to \$45.6 million. These funds, combined with \$17.8 million awarded from FEMA are being used to rebuild the junior high school that was destroyed in the earthquake.



## Expenses by Function - Governmental Activities Year Ended June 30, 2022 (millions)



## Financial Analysis of the District's Funds

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

### Governmental Funds

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

### Fund Balances

Governmental funds report the differences between their assets, liabilities, and deferred outflows/inflows of resources as fund balance, which is divided into nonspendable, restricted, and unrestricted portions. *Nonspendable* includes inventories and prepaid items

that are not expected to be converted to cash. *Restricted* includes net fund resources of the District that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or creditors. Restrictions include tax revenues levied for specific purposes. The unrestricted fund balance is, in turn, subdivided between committed, assigned, and unassigned portions. *Committed* balances reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. *Assigned* balances in the *General Fund* are those that do not meet the requirements of restricted or committed but that are intended to be used for specific purposes. *Unassigned* balances in the *General Fund* are all other available net fund resources.

During the year, the District's combined governmental fund balances decreased by a total of \$25.5 million to \$305.5 million as of June 30, 2023 (\$5.6 million increase in *nonspendable*, \$39.4 million decrease in *restricted*, \$0.9 million decrease in *committed*, \$8.2 million increase in *assigned*, and \$1.0 million increase

in *unassigned* fund balances). The primary sources of increase and decrease to governmental fund balances during the year include the following:

- Property tax revenue increased by \$22.8 million, the result of significant increases in property valuations combined with a frozen basic rate (set by the state legislature) and a higher capital local rate than would have otherwise been levied had the District not increased the rate above the certified tax rate in accordance with the District's long-term financing plan for capital projects for the tax year ended December 31, 2022. Of the \$22.8 million increase, \$13.0 million was in the *General Fund* and \$6.9 million was in the *Capital Projects Fund*.
- Earnings on investments increased by \$15.1 million, the result of higher rates of interest earned on the District's investment of temporarily idle cash. The District's overall rate of return on investments increased from 1.6% in July 2022 to 5.1% by June 2023. Of the \$15.1 million increase, \$7.9 million was in the *General Fund* and \$4.8 million was in the *Capital Projects Fund*.
- State revenues increased by \$27.3 million as a result of a 6.0% increase in the state funding mechanism called the weighted pupil unit (WPU) from \$3,809 to \$4,038 per student which was offset by higher collections from the basic school levy, resulting in a reduced state share of the Minimum School Program cost. Of the \$27.3 million increase, \$21.8 million was in the *General Fund* and \$6.6 million was in the *Capital Projects Fund*.
- In the *General Fund*, expenditures increased by a total of \$19.7 million, most of which was due to \$9.4 million (a 21.6% increase) for instructional staff support and \$5.2 million (a 7.9% increase) for operation and maintenance of facilities.
- In the *Capital Projects Fund*, expenditures increased by a total of \$25.8 million (23.0%) primarily for facility acquisition and construction as the District continues to carry out its long-term plan to replace and remodel aging school buildings.
- In the other governmental funds, expenditures increased by a total of \$8.7 million (14.9%). The largest factors were a \$3.6 million increase in the cost of food in the *School Lunch Fund* caused by

inflationary factors and a \$1.5 million increase in purchased services for technology and student travel in the *District Activity Fund* as the District continues to integrate technology into instruction and as student travel returns to pre-pandemic levels.

## Proprietary Funds

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The District's proprietary fund statements 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 a modest \$0.1 million during the year ended June 30, 2023, to \$3.4 million. This is primarily due to a \$0.3 million increase in earnings on investment. A \$1.4 million increase in operating revenues was offset by a \$1.4 million increase in operating expenses during the year. The District actively manages the operating revenues generated in its proprietary funds to be sufficient to cover operating expenses without overburdening other operations of the District which are the customers of these internal service funds.

## General Fund Budgetary Highlights

The Board revised the 2023 budget during the year. Budget amendments reflected changes in programs and related funding. The District did not overspend its legal spending authority for the year ended June 30, 2023.

Final budgeted revenues were \$47.1 million or 6.7% lower than originally estimated. The primary contributors to this were lower final budgets for state revenue (\$18.1 million) and federal revenue (\$43.0 million) with an offsetting increase in final budget for earnings on investment (\$8.4 million). The original budget for state revenues was higher due to an assumption that the District's total regular K-12 weighted pupil units (WPUs) would remain steady as compared to the previous fiscal year, but they decreased. For many federal programs (including much of the COVID relief funding), federal revenue was budgeted at the entire amount of the federal award in the original budget. These amounts were reduced to the estimated expenditures of the award in the final budget, thereby reducing the amount of budgeted federal revenue. The increase in the final

budget for earnings on investment was caused by conservative estimates of rates of return on the District's investments, primarily short term, given the unknown lengths the U.S. Federal Reserve would go to rein in inflation.

The difference between the original budget and the final amended budget for total expenditures was a decrease of \$58.2 million or 8.4% of total original estimated expenditures. The biggest factors in this change are the decreases in the final budgets for salaries and employee benefits of \$19.5 million and supplies and materials of \$45.9 million. This decrease is proportionate to the decrease in budgeted state revenues which reflects the natural budget adjustments to school staffing and supply allocations that occur when District average daily membership and enrollment numbers decrease and the decrease in budgeted federal expenditures versus the actual spending of federal awards as opposed to budgeting for the full awards to be spent.

Actual expenditures were \$10.9 million less than the final amended budget. This difference is mostly due to \$8.8 million less in actual expenditures for salary and benefits and \$3.5 million less in actual expenditures for supplies and materials. These decreases are indicative of the challenges faced by the District and its schools in staffing as well as procuring goods and services following the COVID-19 pandemic and the associated supply chain shortages.

## Capital Assets and Debt Administration

### Capital Assets

The District's investment in capital assets for its governmental and proprietary activities as of June 30, 2023 amounts to \$706.9 million, net of accumulated depreciation. This investment in capital assets includes land, land improvements, buildings and improvements, furniture and equipment, vehicles, and right-to-use assets associated with leases and subscriptions. The total increase in capital assets for the current fiscal year was \$89.6 million, reflecting the District's current emphasis on building remodeling and replacement. Additional information on the District's capital assets can be found in Note 8 to the basic financial statements.

### Capital Assets (net of accumulated depreciation, in millions of dollars)

	Change		
	2023	2022	2022-23
Land	\$ 51.7	\$ 51.8	\$ (0.1)
Constuction in progress	250.7	134.0	116.7
Buildings and improvements	374.0	400.1	(26.1)
Land improvements	8.4	10.1	(1.7)
Vehicles	9.7	10.3	(0.6)
Furniture and equipment	10.7	10.6	0.1
Lease assets	0.5	0.4	0.1
Subscription assets	1.2	-	1.2
<b>Total capital assets, net</b>	<b>\$ 706.9</b>	<b>\$ 617.3</b>	<b>\$ 89.6</b>

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, 2023, the District had various new long-term construction projects carried as construction in progress, along with projects carried over from the prior year. The largest of these ongoing projects are a \$190.7 million rebuild of Skyline High School (\$107.2 million spent through June 30, 2023 with \$83.5 million remaining to be spent), a \$187.2 million rebuild of Cyprus High School (\$97.6 million spent through June 30, 2023 with \$89.6 million remaining to be spent), a \$61.9 million rebuild of West Lake Junior High School (\$37.3 million spent through June 30, 2023 with \$24.6 million remaining to be spent), and several HVAC upgrade projects totaling \$9.6 million (\$5.8 million spent through June 30, 2023 with \$3.8 million remaining to be spent).

### Debt Administration

The District had \$250.9 million in outstanding general obligation bonds, net of unamortized bond premiums, at June 30, 2023. 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 \$2,618.2 million at December 31, 2022. Additional information on the District's outstanding obligations can be found in Note 15 to the basic financial statements.

## Conditions with Expected Future Impact

### Long-term Capital Plan

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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. \$50.0 million of this authorization was issued on November 27, 2018, an additional \$100.0 million was issued on December 12, 2019, and the final \$88.0 million was issued on October 22, 2020.

In the year ended June 30, 2023, the District continued carrying out its plan that as the general obligation bonds are retired, to shift the associated property tax levy to the capital local levy with the intent to continue financing construction projects in the long-term using a pay-as-you-go model with capital funds. These accumulated funds will be used after all proceeds from the bonds mentioned above have been fully spent.

The long-term capital plan is to rebuild and renovate a number of aging District schools. Projects already completed include rebuilds of South Kearns Elementary, Walker Elementary and renovations or additions at Driggs Elementary, Rosecrest Elementary, and Hunter High. After finishing the outstanding projects at Cyprus High, Skyline High, Westlake Junior High, and several HVAC upgrades in schools, additional projects will begin. More information on the planned construction projects is available at [gsdfuture.org](http://gsdfuture.org).

### Earthquake

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On March 18, 2020, a magnitude 5.7 earthquake and subsequent aftershocks in the Magna area damaged over 20 District buildings, with Cyprus High and West Lake STEM Junior High suffering the most extensive damage. The latter was deemed unsafe to enter. Losses from this earthquake, including immediate costs associated with capital needs to temporarily accommodate relocated West Lake STEM students, are insured by the Utah State Risk Management Fund, subject to a \$0.1 million deductible.

It took several months to complete the work necessary to assess whether the Westlake STEM Junior High building could be repaired or was in need of full

replacement. The District determined the building was a total loss requiring full replacement. At its May 4, 2021, meeting, the District Board of Education accepted a settlement with insurers who agreed to pay \$37.4 million for the damage caused by the earthquake. These funds will go toward the total estimated replacement cost of approximately \$62.1 million. The District worked with the Federal Emergency Management Agency (FEMA) to obtain \$17.8 million of federal funding to help cover the remaining \$24.7 million in costs.

To date, the District has received \$45.6 million through insurance recovery, including capital costs specifically related to temporarily relocating the affected students to another site and for the rebuild of the West Lake STEM Junior High building.

### COVID-19 and Inflation

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The COVID-19 pandemic has caused significant disruptions and challenges to our students and their families, our staff and those who support them, our communities, and to the operations and funding of the District itself.

Due to the student learning disruption during the pandemic, many students have fallen behind academically and need individualized help to bridge the gap. The District has been awarded federal funding to address resulting student needs. In the year that ended June 30, 2023, the District received \$41.5 million in federal funding to help offset these additional costs.

As of June 30, 2023, the District has access to \$61.6 million in remaining balances from these federal awards that must be spent by September 30, 2024, that will continue to be used to help students recover. The District plans to use these funds to understand and assess student academic and social emotional needs, address accelerated student learning, provide for the safe return of students to in-person instruction and continuity of services, and take steps to permit students and teachers to overcome barriers that impede access to or participation in the full suite of educational opportunities provided by the District.

Additionally, the economic situation both nationally and here in Utah in the aftermath of the pandemic has created significant challenges for the District.

Beginning in late 2021 and continuing throughout 2023, inflationary pressures have increased costs for goods and services. CPI increases reached their peak in June 2022 with a 9.1% year-over-year increase and the latest CPI data in September 2023 reporting a 3.7% year-over-year increase. These price increases impact the District, its budgets, and District employees and communities. If inflationary pressures are sustained long-term, larger adjustments to District spending and budgets will become necessary. It is critical that funding for public education continue to increase to keep pace.

## 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.

**GRANITE SCHOOL DISTRICT****Statement of Net Position**

June 30, 2023

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 370,234,059
Receivables:	
Property taxes	307,020,033
Local	617,418
State	2,464,586
Federal	41,040,522
Leases	118,996
Prepaid items	12,578,578
Inventories	7,175,100
Capital assets:	
Land, construction in progress, and water stock	302,346,254
Other capital assets, net of accumulated depreciation	404,543,065
<b>Total assets</b>	<b>1,448,138,611</b>
<b>Deferred outflows of resources:</b>	
Related to state retirement pension plans	114,433,689
Related to district retirement pension plan	815,201
Related to long-term disability OPEB plan	402,356
Bond refunding costs, net of accumulated amortization	3,191,584
<b>Total deferred outflows of resources</b>	<b>118,842,830</b>
<b>Liabilities:</b>	
Accounts and contracts payable	25,886,835
Accrued interest	1,025,933
Accrued salaries and related benefits	55,770,516
Unearned revenue:	
Local	3,402,366
State	17,845,952
Long-term liabilities:	
Portion due or payable within one year	57,036,860
Portion due or payable after one year	439,805,196
<b>Total liabilities</b>	<b>600,773,658</b>
<b>Deferred inflows of resources:</b>	
Related to state retirement pension plans	7,491,009
Related to district retirement pension plan	866,166
Related to long-term disability OPEB plan	614,146
Related to leases	121,161
Property taxes levied for future year	306,396,938
<b>Total deferred inflows of resources</b>	<b>315,489,420</b>
<b>Net position:</b>	
Net investment in capital assets	434,894,248
Restricted for:	
Capital projects	125,227,008
Schools and scholarships	936,491
School lunch	19,742,878
Unrestricted	69,917,738
<b>Total net position</b>	<b>\$ 650,718,363</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, 2023

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	\$ 404,407,358	\$ 12,150,206	\$ 166,967,366	\$ (225,289,786)
Supporting services:				
Students	54,880,657	-	35,109,733	(19,770,924)
Instructional staff	52,861,537	-	30,417,128	(22,444,409)
District administration	5,698,902	-	226,150	(5,472,752)
School administration	44,834,961	-	4,466,456	(40,368,505)
Central	22,364,955	-	3,166,095	(19,198,860)
Operation and maintenance of facilities	77,598,148	1,633,032	1,724,391	(74,240,725)
Transportation	14,335,312	1,317,904	12,127,275	(890,133)
School lunch services	28,793,991	3,409,856	24,864,074	(520,061)
Community services	19,863,953	-	3,618,394	(16,245,559)
Interest on long-term liabilities	6,017,468	-	-	(6,017,468)
<b>Total school district</b>	<b>\$ 731,657,242</b>	<b>\$ 18,510,998</b>	<b>\$ 282,687,062</b>	<b>(430,459,182)</b>
<b>General revenues:</b>				
Property taxes levied for:				
Basic state supported program (set by state legislature)				76,288,157
Voted local				37,451,390
Board local				70,746,645
Capital outlay				71,162,259
Debt service				31,678,981
Redevelopment agencies				13,363,744
Charter schools				4,141,402
<b>Total property taxes</b>				<b>304,832,578</b>
Federal and state grants not restricted to specific programs				193,350,390
Earnings on investments				17,167,425
Miscellaneous				7,753,580
<b>Total general revenues</b>				<b>523,103,973</b>
<b>Extraordinary item:</b>				
Insurance recoveries - earthquake				5,000,000
Change in net position				97,644,791
<b>Net position - beginning</b>				<b>553,073,572</b>
<b>Net position - ending</b>				<b>\$ 650,718,363</b>

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



**GRANITE SCHOOL DISTRICT**  
**Balance Sheet – Governmental Funds**  
June 30, 2023

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Capital Projects	Debt Service		
<b>Assets:</b>					
Cash and investments	\$ 182,319,930	\$ 125,172,776	\$ 572,624	\$ 38,283,737	\$ 346,349,067
Receivables:					
Property taxes	180,265,020	69,480,094	33,873,735	23,401,184	307,020,033
Local	191,531	7,200	-	418,393	617,124
State	2,422,877	-	-	41,709	2,464,586
Federal	40,822,452	-	-	218,070	41,040,522
Leases	118,996	-	-	-	118,996
Inventories	4,573,916	-	-	2,570,472	7,144,388
Prepaid items	10,830,430	1,545,723	-	174,189	12,550,342
<b>Total assets</b>	<b>\$ 421,545,152</b>	<b>\$ 196,205,793</b>	<b>\$ 34,446,359</b>	<b>\$ 65,107,754</b>	<b>\$ 717,305,058</b>
<b>Liabilities:</b>					
Accounts and contracts payable	\$ 930,369	\$ 23,803,130	\$ -	\$ 296,462	\$ 25,029,961
Accrued salaries and related benefits	54,900,175	-	-	870,341	55,770,516
Unearned revenue:					
Local	2,610,480	336,248	-	455,638	3,402,366
State	17,779,417	66,535	-	-	17,845,952
<b>Total liabilities</b>	<b>76,220,441</b>	<b>24,205,913</b>	<b>-</b>	<b>1,622,441</b>	<b>102,048,795</b>
<b>Deferred inflows of resources:</b>					
Property taxes levied for future year	180,026,680	69,388,229	33,828,948	23,153,081	306,396,938
Unavailable property tax revenue	1,929,131	743,551	362,504	248,103	3,283,289
Related to leases	121,161	-	-	-	121,161
<b>Total deferred inflows of resources</b>	<b>182,076,972</b>	<b>70,131,780</b>	<b>34,191,452</b>	<b>23,401,184</b>	<b>309,801,388</b>
<b>Fund balances:</b>					
Nonspendable:					
Inventories	4,573,916	-	-	2,570,472	7,144,388
Prepaid items	10,830,430	1,545,723	-	174,189	12,550,342
Restricted for:					
Capital projects	-	100,322,377	-	-	100,322,377
Debt service	-	-	254,907	-	254,907
Schools and scholarships	-	-	-	765,882	765,882
School lunch	-	-	-	22,257,811	22,257,811
Committed to:					
Economic stabilization	35,599,518	-	-	-	35,599,518
Employee benefits	44,291,377	-	-	-	44,291,377
Contractual obligations	658,385	-	-	-	658,385
District activity programs	-	-	-	12,092,310	12,092,310
Foundation	-	-	-	2,223,465	2,223,465
Assigned to:					
Self insurance	19,461,761	-	-	-	19,461,761
Employee benefits	12,126,166	-	-	-	12,126,166
Planned projects	23,203,254	-	-	-	23,203,254
Textbooks	2,944,297	-	-	-	2,944,297
Unassigned	9,558,635	-	-	-	9,558,635
<b>Total fund balances</b>	<b>163,247,739</b>	<b>101,868,100</b>	<b>254,907</b>	<b>40,084,129</b>	<b>305,454,875</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 421,545,152</b>	<b>\$ 196,205,793</b>	<b>\$ 34,446,359</b>	<b>\$ 65,107,754</b>	<b>\$ 717,305,058</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, 2023

**Total fund balances for governmental funds** \$ 305,454,875

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. These assets consist of:

Land	\$ 51,655,396	
Construction in progress	250,659,637	
Water stock	31,221	
Buildings and improvements, net of \$535,822,279 accumulated depreciation	374,011,466	
Land improvements, net of \$41,266,181 accumulated depreciation	8,373,128	
Vehicles, net of \$23,571,300 accumulated depreciation	9,706,852	
Furniture and equipment, net of \$34,891,403 accumulated depreciation	10,490,852	
Lease assets, net of \$633,299 accumulated depreciation	493,008	
Subscription assets, net of \$419,626 accumulated depreciation	1,227,768	706,649,328

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

Unavailable property tax revenue	3,283,289
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Internal service funds are used by the District to charge the costs of printing and risk management (medical, industrial, and unemployment compensation insurance) services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position balances at year-end are:

3,435,900

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 long-term liabilities, both current and long-term portions, are reported in the statement of net position. These and related balances at year-end are:

Bonds payable	(211,740,000)	
Unamortized bond premiums	(39,182,442)	
Leases payable	(469,586)	
Subscriptions payable	(1,189,583)	
Accrued interest	(1,025,933)	
Deferred outflows of resources—bond refunding costs	3,191,584	
Deferred inflows and outflows—state retirement pension plans	(73,135,390)	
Total pension liability and related deferred inflows and outflows—district retirement pension plan	(15,668,032)	
Total OPEB liability and related deferred inflows and outflows—long-term disability OPEB plan	(1,358,262)	
Compensated absences payable	(5,117,245)	
Early retirement liability	(22,410,140)	(368,105,029)

**Total net position of governmental activities** \$ 650,718,363

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, 2023

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Capital Projects	Debt Service		
<b>Revenues:</b>					
Property taxes	\$ 184,321,985	\$ 71,098,918	\$ 31,650,784	\$ 17,505,146	\$ 304,576,833
Earnings on investments	8,787,644	5,718,644	579,397	1,652,637	16,738,322
Other local	10,974,478	648,775	-	17,123,263	28,746,516
State	359,880,609	6,651,442	-	3,597,843	370,129,894
Federal	78,735,094	5,906,233	-	21,266,231	105,907,558
<b>Total revenues</b>	<b>642,699,810</b>	<b>90,024,012</b>	<b>32,230,181</b>	<b>61,145,120</b>	<b>826,099,123</b>
<b>Expenditures:</b>					
Current:					
Instructional services	365,439,062	663,793	-	13,528,779	379,631,634
Supporting services:					
Students	54,953,871	6,697	-	161,462	55,122,030
Instructional staff	52,937,993	35,525	-	629,542	53,603,060
District administration	5,677,035	117,410	-	-	5,794,445
School administration	42,442,597	58,088	-	1,958,603	44,459,288
Central	17,626,018	4,885,147	-	-	22,511,165
Operation and maintenance of facilities	71,449,948	1,592,006	-	547,341	73,589,295
Transportation	13,094,029	611,500	-	1,120,523	14,826,052
School lunch services	-	-	-	29,356,323	29,356,323
Community services	-	-	-	19,602,073	19,602,073
Debt service:					
Principal	282,404	411,005	19,605,000	200,686	20,499,095
Interest	-	237	11,000,181	1,475	11,001,893
Paying agent fees	-	-	4,500	-	4,500
Facility acquisition and construction	190,220	129,602,937	-	-	129,793,157
<b>Total expenditures</b>	<b>624,093,177</b>	<b>137,984,345</b>	<b>30,609,681</b>	<b>67,106,807</b>	<b>859,794,010</b>
Excess (deficiency) of revenues over (under) expenditures	18,606,633	(47,960,333)	1,620,500	(5,961,687)	(33,694,887)
<b>Other financing sources (uses):</b>					
Proceeds from sale of capital assets	-	426,672	-	-	426,672
Proceeds from insurance settlements	595,535	8,500	-	-	604,035
Lease proceeds	-	560,946	-	-	560,946
Subscription financing	1,176,290	264,157	-	174,951	1,615,398
Transfers in	1,500,000	80,455	-	4,440,553	6,021,008
Transfers (out)	(4,496,762)	-	(1,500,000)	(24,246)	(6,021,008)
<b>Total other financing sources (uses)</b>	<b>(1,224,937)</b>	<b>1,340,730</b>	<b>(1,500,000)</b>	<b>4,591,258</b>	<b>3,207,051</b>
<b>Extraordinary item:</b>					
Insurance recoveries - earthquake	297,007	4,702,993	-	-	5,000,000
<b>Net change in fund balances</b>	<b>17,678,703</b>	<b>(41,916,610)</b>	<b>120,500</b>	<b>(1,370,429)</b>	<b>(25,487,836)</b>
<b>Fund balances - beginning</b>	<b>145,569,036</b>	<b>143,784,710</b>	<b>134,407</b>	<b>41,454,558</b>	<b>330,942,711</b>
<b>Fund balances - ending</b>	<b>\$ 163,247,739</b>	<b>\$ 101,868,100</b>	<b>\$ 254,907</b>	<b>\$ 40,084,129</b>	<b>\$ 305,454,875</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, 2023

**Net change in fund balances for total governmental funds** \$ (25,487,836)

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. The changes in capital assets and related accounts are:

Outlays for purchase of capital assets	\$ 125,285,138	
Gain on sale of capital assets	20,237	
Proceeds from sale of capital assets	(426,672)	
Depreciation expense	<u>(35,330,005)</u>	89,548,698

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 are:

Property tax revenue		255,745
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The governmental funds report bond principal payments as expenditures, whereas these amounts are reductions in the bond liability in the statement of activities. The net changes in bond-related long-term liability and related accounts are:

Lease principal payments	468,278	
Proceeds from leases	(560,946)	
Subscriptions principal payments	425,815	
Proceeds from subscription financing	(1,615,398)	
Bond principal payments	19,605,000	
Amortization of bond premiums expense	5,315,860	
Interest expense	<u>(328,410)</u>	23,310,199

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 plans expense	14,105,249	
District retirement pension plan expense	19,538	
Long-term disability OPEB plan expense	408,944	
Compensated absences expense	(471,636)	
Early retirement benefit expense	<u>(3,976,987)</u>	10,085,108

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.

(67,123)

**Change in net position of governmental activities** \$ 97,644,791

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 179,752,707	\$ 186,080,344	\$ 184,321,985	\$ (1,758,359)
Earnings on investments	1,200,000	9,600,000	8,787,644	(812,356)
Other local	11,224,854	10,493,270	10,974,478	481,208
State	379,850,295	361,729,958	359,880,609	(1,849,349)
Federal	127,243,959	84,246,607	78,735,094	(5,511,513)
<b>Total revenues</b>	<b>699,271,815</b>	<b>652,150,179</b>	<b>642,699,810</b>	<b>(9,450,369)</b>
<b>Expenditures:</b>				
Current:				
Salaries	395,038,474	382,155,926	377,440,669	4,715,257
Employee benefits	185,616,250	178,965,295	174,899,454	4,065,841
Purchased services	13,264,194	19,524,132	20,835,911	(1,311,779)
Supplies and materials	98,621,928	52,712,361	49,238,028	3,474,333
Equipment	375,000	1,358,327	1,217,863	140,464
Other	242,419	251,486	461,252	(209,766)
<b>Total expenditures</b>	<b>693,158,265</b>	<b>634,967,527</b>	<b>624,093,177</b>	<b>10,874,350</b>
<b>Excess of revenues over expenditures</b>	<b>6,113,550</b>	<b>17,182,652</b>	<b>18,606,633</b>	<b>1,423,981</b>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	25,000	-	-	-
Proceeds from insurance settlements	-	594,911	595,535	624
Subscription financing	-	-	1,176,290	1,176,290
Transfers in	1,578,179	1,500,000	1,500,000	-
Transfers (out)	(4,906,534)	(4,558,865)	(4,496,762)	62,103
<b>Total other financing sources (uses)</b>	<b>(3,303,355)</b>	<b>(2,463,954)</b>	<b>(1,224,937)</b>	<b>1,239,017</b>
<b>Extraordinary item:</b>				
Insurance recoveries - earthquake	600,000	360,000	297,007	(62,993)
<b>Net change in fund balances</b>	<b>3,410,195</b>	<b>15,078,698</b>	<b>17,678,703</b>	<b>2,600,005</b>
<b>Fund balances - beginning</b>	<b>141,056,644</b>	<b>145,569,036</b>	<b>145,569,036</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 144,466,839</b>	<b>\$ 160,647,734</b>	<b>\$ 163,247,739</b>	<b>\$ 2,600,005</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, 2023

	<b>Governmental Activities - Internal Service Funds</b>
<b>Assets:</b>	
Current assets:	
Cash and investments	\$ 23,884,992
Accounts receivable - local	294
Prepaid items	28,236
Inventories	30,712
<b>Total current assets</b>	<b>23,944,234</b>
Noncurrent assets:	
Capital assets:	
Equipment	754,552
Accumulated depreciation	(514,561)
<b>Total noncurrent assets</b>	<b>239,991</b>
<b>Total assets</b>	<b>24,184,225</b>
<b>Deferred outflows of resources:</b>	
Related to state retirement pension plans	330,442
Related to district retirement pension plan	1,407
Related to long-term disability OPEB plan	695
<b>Total deferred outflows of resources</b>	<b>332,544</b>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	856,874
Health and accident claims payable	16,454,220
Dental claims payable	412,085
Workers compensation claims payable	2,660,606
Unemployment claims payable	30,249
<b>Total current liabilities</b>	<b>20,414,034</b>
Noncurrent liabilities:	
Workers compensation payable	54,298
Net pension liability-state retirement pension plans	520,610
Total pension liability-district retirement pension plan	27,006
Total OPEB liability-long-term disability plan	1,983
Early retirement plan liability	38,752
<b>Total noncurrent liabilities</b>	<b>642,649</b>
<b>Total liabilities</b>	<b>21,056,683</b>
<b>Deferred inflows of resources:</b>	
Related to state retirement pension plans	21,631
Related to district retirement pension plan	1,495
Related to long-term disability OPEB plan	1,060
<b>Total deferred inflows of resources</b>	<b>24,186</b>
<b>Net position:</b>	
Investment in capital assets	239,991
Unrestricted	3,195,909
<b>Total net position</b>	<b>\$ 3,435,900</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, 2023

	<b>Governmental Activities - Internal Service Funds</b>
<b>Operating revenues:</b>	
Charges for services	\$ 78,104,844
<b>Operating expenses:</b>	
Salaries	515,265
Employee benefits	288,990
Medical and prescription claims	66,922,312
Dental claims	2,131,428
Medical administrative fees	2,229,425
Affordable Care Act fees	37,131
Medical reinsurance premiums	1,709,574
Workers compensation claims	1,568,455
Unemployment claims	84,366
Purchased services	2,947,416
Supplies and materials	120,360
Depreciation	46,348
Total operating expenses	78,601,070
<b>Operating (loss)</b>	<b>(496,226)</b>
<b>Nonoperating revenues:</b>	
Earnings on investments	429,103
<b>Change in net position</b>	<b>(67,123)</b>
<b>Net position - beginning</b>	<b>3,503,023</b>
<b>Net position - ending</b>	<b>\$ 3,435,900</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, 2023

	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash flows from operating activities:</b>	
Receipts from interfund services provided	\$ 78,104,578
Payments to employees	(1,173,000)
Payments to suppliers for goods and services	(3,188,594)
Payments for medical fees and insurance claims	(73,709,848)
<b>Net cash provided by operating activities</b>	<b>33,136</b>
<b>Cash flows from capital and related financing activities:</b>	
Purchase of capital assets	(128,910)
<b>Cash flows from investing activities:</b>	
Earnings on investments	429,103
<b>Net change in cash and cash equivalents</b>	<b>333,329</b>
<b>Cash and cash equivalents - beginning</b>	<b>23,551,663</b>
<b>Cash and cash equivalents - ending*</b>	<b>\$ 23,884,992</b>
* Displayed as cash and investments on the statement of fund net position - proprietary funds.	
Reconciliation of operating (loss) to net cash provided by operating activities:	
Operating (loss)	\$ (496,226)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Non cash item - depreciation	46,348
(Increase) decrease in operating assets:	
Accounts receivable - local	(266)
Prepaid items	(21,556)
Inventories	(944)
Net pension asset	214,897
(Increase) decrease in deferred outflows of resources:	
Related to state pension plans	(45,876)
Related to district pension plan	455
Related to district OPEB plan	247
Increase (decrease) in operating liabilities:	
Accounts payable	(98,318)
Accrued salaries and related benefits	(330,120)
Health and accident claims payable	1,064,718
Dental claims payable	19,739
Workers compensation payable	(116,599)
Unemployment claims payable	4,985
Net pension liability-state retirement pension plans	520,610
Total pension liability-district retirement pension plan	(1,098)
Total OPEB liability-long-term disability plan	(896)
Early retirement plan liability	5,942
Increase (decrease) in deferred inflows of resources:	
Related to state pension plans	(732,574)
Related to district pension plan	(184)
Related to district OPEB plan	(148)
<b>Total adjustments</b>	<b>529,362</b>
<b>Net cash provided by operating activities</b>	<b>\$ 33,136</b>

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



# GRANITE SCHOOL DISTRICT

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Granite School District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

#### A) Reporting Entity

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

The Board of Education (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 to 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 the statement of activities) 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 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, 2023 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, claims, 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 curricular, co-curricular and extra-curricular activities in schools and includes all student fee revenues collected at the individual schools. 2) The *Pass-through Taxes Fund* accounts for both the incremental tax revenue 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 on 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 services provided, administrative expenses, and depreciation on capital assets. Nonoperating revenues are 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 1. This budget includes proposed expenditures and the means of financing them, as well as a final budget for the current year ending June 30.
- 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 30 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.
- 5) Minor interim adjustments in estimated revenue, appropriations, and transfers 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. 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.

**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) Leases**

**Lessee.** The District is a lessee for noncancellable leases of warehouse and modular facilities. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes all lease liabilities regardless of amount.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) the lease term, and (3) the lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. The lease payments included in the measurement of the lease liability are composed of fixed payments and a purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

**Lessor.** The District is a lessor for noncancelable leases of cell tower sites. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of the leases, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (a) the discount rate it uses to discount the expected lease receipts to present value, (b) the lease term, and (c) the lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. The lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessees.

The District monitors changes in the circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### **G) Subscription-based Information Technology Arrangements**

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-based Information Technology Arrangements (SBITA)*. The new standard defines a SBITA as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The statement establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability. There was no impact to beginning net position in the government-wide financial statements or beginning fund balances as a result of adopting this standard.

At the commencement of a SBITA, the subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. The subscription asset is measured as the sum of the

initial subscription liability amount, the payments made to the SBITA vendor before commencement of the subscription term, and the capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The District recognizes all subscription liabilities regardless of amount. In the event amounts are prepaid, the District recognizes a prepaid expense in the fund financial statements and a subscription asset in the government-wide financial statements. Subsequently, the subscription asset is amortized on a straight-line basis over the subscription term.

Key estimates and judgments related to SBITAs include how the District determines (a) the discount rate it uses to discount the expected subscription payments to present value, (b) subscription term, and (c) subscription payments.

- The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.
- The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the Subscription payable are composed of fixed payments and other payments the government is reasonably certain will be required to be made to the SBITA vendor.

**H) 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. 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.

**I) 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.

**J) 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, equipment, and right-to-use assets for leases and SBITAs. 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. The District recognizes all right-to-use assets regardless of amount. 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 the life of the asset is not capitalized.

Buildings and improvements, land improvements, vehicles, equipment and right-to-use assets 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
Leases	>1
SBITA	>1

### K) 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 accumulated depreciation and 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. When applicable, net position restricted for pension benefits is reported as equal to the associated net pension asset.

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) Donations held in the *Granite Education Foundation Fund*.
- 3) 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 early retirement, District retirement, and other postemployment benefits (OPEB) obligations and unpaid compensated absences.
- 3) Contractual obligations made by the District before June 30, 2023 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 compensation, employee benefits, planned projects, and textbooks.

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

**L) 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 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.

**M) 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*.

**N) 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.

**O) 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 assets



# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

### P) 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

### Q) 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

A reconciliation of cash and investments at June 30, 2023, as shown on the financial statements, is summarized as follows:

Carrying amount of deposits	\$ 6,408,122
Carrying amount of investments	363,825,937
Total cash and investments	<u>\$ 370,234,059</u>
Governmental funds cash and investments	\$ 346,349,067
Internal service funds cash and investments	23,884,992
Statement of net position cash and investments	<u>\$ 370,234,059</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, first-tier 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 necessary and sufficient for adequate protection of its uninsured bank deposits.

Rules of the Council allow Granite Education Foundation to invest private grants, contributions, and endowments in any deposit or investment authorized by the Act and certain investment funds, equity securities, fixed-income securities, and investment strategies with institutions that meet certain restrictions. The Foundation has deposits separate from the District and invests private funds through a broker. The Foundation's deposits and investments comprise a significant portion of the other governmental funds and those deposits and investments bear risks that differ from those of the District. Accordingly, the Foundation's deposits and investments are reported separately in the following schedules.

### A) Deposits:

At June 30, 2023, the District and the Foundation have the following deposits, carried at fair value, with financial institutions:

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

	Carrying Amount	Bank Balance	Amount Insured
Granite School District	\$ 5,683,002	\$ 13,820,999	\$ 394,330
Granite Education Foundation	725,120	754,982	336,164
Total deposits	<u>\$ 6,408,122</u>	<u>\$ 14,575,981</u>	<u>\$ 730,494</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, 2023, \$13,845,487 of the District's and the Foundation's bank balances were uninsured and uncollateralized. The difference of \$730,494 is covered by federal depository insurance. State law does not require further coverage.

### B) Investments:

At June 30, 2023, the District and the Foundation have the following investments, carried at fair value, 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)	\$ 361,474,561	\$ 361,474,561	\$ -	\$ -	\$ -
Granite Education Foundation:					
Mutual funds investing in:					
Money market deposits	23,152	23,152	-	-	-
Bonds	607,635	-	-	607,635	-
U.S. common stocks	1,279,327	1,279,327	-	-	-
Int'l common stocks	441,262	441,262	-	-	-
Total Foundation	<u>2,351,376</u>	<u>1,743,741</u>	<u>-</u>	<u>607,635</u>	<u>-</u>
Total investments	<u>\$ 363,825,937</u>	<u>\$ 363,218,302</u>	<u>\$ -</u>	<u>\$ 607,635</u>	<u>\$ -</u>

The PTIF is an external local government investment pool managed by the Utah State Treasurer. It 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 debt securities held by state or in the state's name by the state's custodial banks, including investment grade corporate bonds and notes, commercial paper, money market mutual funds, and U.S. treasury bills. The portfolio has a weighted average maturity of 90 days or less. The PTIF is not rated. The majority of the PTIF's corporate bonds and notes are variable-rate securities which reset every three months to the prevailing market interest rates. Additionally, the PTIF has no more than 5% of its total debt security investments in a single issuer. The reported value of the pool is the same as the fair value of the pool shares.

**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. The Act further limits the remaining term to

maturity on all investments in commercial paper, bankers' acceptances, and fixed rate securities from 270 days to 15 months. In addition, variable-rate securities may not have a remaining term to final maturity exceeding three 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 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 measures fair value in the Public Treasurers' Investment Fund at the District's position in the PTIF multiplied by the published fair value factor (Level 2 inputs).

The Foundation measures fair value in mutual funds 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.

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

### 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 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, 2023, taxes levied by the District for the redevelopment agencies totaled \$13,363,744 and for charter schools totaled \$4,141,402. 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, 2023, the District reported the following property tax balances:

	Major Funds			Other	Total
	General	Capital Projects	Debt Service	Governmental Funds	
Property taxes - receivable:					
Levied for current and prior years:					
Collected in July 2023	\$ 1,156,727	\$ 445,841	\$ 217,362	\$ -	\$ 1,819,930
Delinquent	1,929,131	743,551	362,504	248,103	3,283,289
Levied for future year	180,026,680	69,388,229	33,828,948	23,153,081	306,396,938
Prepayments of future year	<u>(2,847,518)</u>	<u>(1,097,527)</u>	<u>(535,079)</u>	-	<u>(4,480,124)</u>
Total property taxes - receivable	<u>\$ 180,265,020</u>	<u>\$ 69,480,094</u>	<u>\$ 33,873,735</u>	<u>\$ 23,401,184</u>	<u>\$ 307,020,033</u>
Property taxes - deferred inflows of resources:					
Levied for current and prior years:					
Unavailable (delinquent)	\$ 1,929,131	\$ 743,551	\$ 362,504	\$ 248,103	\$ 3,283,289
Levied for future year	<u>180,026,680</u>	<u>69,388,229</u>	<u>33,828,948</u>	<u>23,153,081</u>	<u>306,396,938</u>
Total property taxes - deferred inflows of resources	<u>\$ 181,955,811</u>	<u>\$ 70,131,780</u>	<u>\$ 34,191,452</u>	<u>\$ 23,401,184</u>	<u>\$ 309,680,227</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

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

the participating entities with its own capital. The District's annual premium is accounted for in the *General Fund*. During the year ended June 30, 2023, there were no significant reductions in coverage.

On March 18, 2020, a magnitude 5.7 earthquake and subsequent aftershocks in the Magna area damaged over 20 district buildings, with Cyprus High and West Lake STEM Junior High suffering the most extensive damage. The losses from this earthquake, including immediate costs associated with capital needs to temporarily accommodate relocated West Lake STEM students, are insured as explained above, subject to a \$100,000 deductible. The District recorded an extraordinary item of \$5,000,000 during the year ended June 30, 2023 for insurance recoveries received from the Fund.

### NOTE 6 – INTERFUND TRANSFERS

Transfers between funds during the year ended June 30, 2023 are as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 1,500,000	\$ 4,496,762
Capital Projects Fund	80,455	-
Debt Service Fund	-	1,500,000
Other Governmental Funds	4,440,553	24,246
Total	<u>\$ 6,021,008</u>	<u>\$ 6,021,008</u>

During the year ended June 30, 2023, the District made the following transfers:

- The *General Fund* transferred \$3,877,308 to the *District Activity Programs Fund* (other governmental fund) for amounts allocated to the schools by the District.
- The *General Fund* transferred \$56,209 to the *Capital Projects Fund* for amounts allocated to the schools for equipment purchases.
- The *General Fund* transferred \$563,245 to the *Granite Education Foundation Fund* (other governmental fund) to fund a portion of the salaries of the Foundation.
- The *District Activity Programs Fund* (other governmental fund) transferred \$24,246 to the *Capital Projects Fund* to help fund school projects.
- The *Debt Service Fund* transferred \$1,500,000 to the *General Fund* to fund purchases of technology projects (per allowance in *Utah Code 11-14-310*).

### NOTE 7 – LEASES RECEIVABLE

The District has leased sites to third parties for cell tower operations under lease terms ranging from 29 to 71 months. As of June 30, 2023, the value of the leases receivable is \$118,996. The lessees are required to make annual fixed payments from \$19,644 to \$24,000. The leases have interest rates from 0.1850% to 0.7030%. The infrastructure's estimated useful life was zero months as of the contract commencements. The value of the deferred inflow of resources as of June 30, 2023 was \$121,161, and the District recognized lease revenue of \$425,713 during the fiscal year. The lessees have from one to four extension options, each for 60 months.

The future payments on the leases are listed as follows:

Year Ending June 30,	Principal	Interest	Total Payments
2024	\$ 46,751	\$ 589	\$ 47,340
2025	47,656	384	48,040
2026	24,589	172	24,761
Total	<u>\$ 118,996</u>	<u>\$ 1,144</u>	<u>\$ 120,141</u>

# GRANITE SCHOOL DISTRICT

Notes to the Basic Financial Statements...Continued – June 30, 2023

## NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 51,816,536	\$ -	\$ (161,140)	\$ 51,655,396
Construction in progress	134,020,072	118,846,836	(2,207,271)	250,659,637
Water stock	31,221	-	-	31,221
Total capital assets, not being depreciated	185,867,829	118,846,836	(2,368,411)	302,346,254
Capital assets, being depreciated:				
Buildings and improvements	908,123,662	2,207,271	(497,188)	909,833,745
Land improvements	49,639,309	-	-	49,639,309
Vehicles	32,755,009	1,339,339	(816,196)	33,278,152
Furniture and equipment	45,357,332	3,019,533	(2,240,058)	46,136,807
Lease assets - buildings	868,218	560,946	(302,857)	1,126,307
Subscription assets	-	1,647,394	-	1,647,394
Total capital assets, being depreciated	1,036,743,530	8,774,483	(3,856,299)	1,041,661,714
Accumulated depreciation for:				
Buildings and improvements	(508,019,444)	(28,249,998)	447,163	(535,822,279)
Land improvements	(39,563,333)	(1,702,848)	-	(41,266,181)
Vehicles	(22,503,761)	(1,883,735)	816,196	(23,571,300)
Furniture and equipment	(34,799,102)	(2,651,650)	2,044,788	(35,405,964)
Lease assets - buildings	(467,660)	(468,496)	302,857	(633,299)
Subscription assets	-	(419,626)	-	(419,626)
Total accumulated depreciation	(605,353,300)	(35,376,353)	3,611,004	(637,118,649)
Total capital assets, being depreciated, net	431,390,230	(26,601,870)	(245,295)	404,543,065
Governmental activity capital assets, net	<u>\$ 617,258,059</u>	<u>\$ 92,244,966</u>	<u>\$ (2,613,706)</u>	<u>\$ 706,889,319</u>

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

<b>Governmental activities:</b>	
Instructional services	\$ 25,581,952
Supporting services:	
Students	522,988
Instructional staff	22,838
School administration	1,049,795
Business	303,732
Operation and maintenance of facilities	4,466,220
Transportation	1,112,265
School lunch services	2,137,719
Community services	132,496
Capital assets held by the District's internal service funds are charged to the various functions based on their usage of the assets	46,348
Total depreciation expense, governmental activities	<u>\$ 35,376,353</u>

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

At June 30, 2023, the District was obligated under several ongoing construction commitments with remaining obligated amounts totaling \$204,900,481 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	Total Obligation*	Cost to Date	Remaining Obligation
Skyline High: School Rebuild	\$ 190,657,904	\$ 107,150,279	\$ 83,507,624
Cyprus High: School Rebuild	187,153,804	97,552,131	89,601,673
West Lake Junior: School Rebuild	61,850,393	37,299,320	24,551,074
Various School Mechanical System Upgrades	9,578,883	5,784,786	3,794,097
Various School Room Remodels	2,110,778	602,700	1,508,078
Various School Security Upgrades	1,693,256	1,144,873	548,383
Other	2,515,100	1,125,548	1,389,552
Total	<u>\$ 455,560,118</u>	<u>\$ 250,659,637</u>	<u>\$ 204,900,481</u>

\*The total obligation represents the total of all project purchase orders as of June 30, 2023 and does not necessarily reflect the total cost of the project.

### NOTE 9 – 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 which 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.

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.

The plans are established and governed by the respective sections of Title 49 of the *Utah Code*. The plans are amended statutorily by the Utah State Legislature. Title 49 provides for the administration of the plans under the direction of the Utah State Retirement Board, whose members are appointed by the Governor.

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

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/general/publications](http://www.urs.org/general/publications).

**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 1.50% 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 which are vested during the first four years of employment. If an employee terminates prior to the vesting period, employer contributions and associated earnings for that employee are subject to forfeiture. Forfeitures are used to cover a portion of the plan's administrative expenses paid by participants. Benefits depend on amounts contributed to the plans plus investment earnings. Individual accounts are provided for each employee and are available at termination, retirement, death, or unforeseeable emergency.

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

As of June 30, 2023, 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	9.90%	9.94%	-	0.18%	20.02%
Tier 2 Defined Contribution Plan	0.08%	9.94%	-	10.00%	20.02%

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

\*\* Required contributions include an additional amount to finance any unfunded actuarial accrued liability in the Tier 1 plans.

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



# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

For the year ended June 30, 2023, District and employee contributions to the plans were as follows:

	District Contributions	Employee Contributions
Tier 1 Noncontributory System	\$ 45,030,962	\$ -
Tier 1 Contributory System	114,515	38,819
Tier 2 Contributory System	24,721,016	-
Tier 2 Defined Contribution Plan	2,580,574	-
401(k) Plan	3,316,466	7,470,140
457 Plan and other individual plans	-	2,069,501

\* A portion of required contribution in the Tier 2 plans is used to finance the unfunded actuarial accrued liability in the Tier 1 plans.

**Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At June 30, 2023, the District reported a net pension liability of \$180,289,869 and no net pension asset for its proportionate share of the net pension liability (asset) for the following plans:

	Net Pension Asset	Net Pension Liability
Tier 1 Noncontributory System	\$ -	\$ 172,945,805
Tier 1 Contributory System	-	1,671,745
Tier 2 Contributory System	-	5,672,319
Total	<u>\$ -</u>	<u>\$ 180,289,869</u>

The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2022, 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, 2022 and the change in its proportion since the prior measurement date for each plan:

	Proportionate Share	
	2022	Change
Tier 1 Noncontributory System	8.0094382%	-0.6310533%
Tier 1 Contributory System	12.7919029%	-0.9505890%
Tier 2 Contributory System	5.2092495%	-0.4589642%

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

For the year ended June 30, 2023, the District recognized pension expense for the plans as follows:

	Pension Expense
Defined benefit pension plans:	
Tier 1 Noncontributory System	\$ 45,250,068
Tier 1 Contributory System	2,092,378
Tier 2 Contributory System	10,893,557
Total	<u>\$ 58,236,003</u>
Defined contribution plans:	
Tier 2 Defined Contribution Plan	2,580,574
401(k) Plan	3,316,466
	<u>\$ 5,897,040</u>

At June 30, 2023, the District reported deferred outflows of resources related to defined benefit pension plans from the following sources:

	Deferred Outflows of Resources Related to Pensions			
	Tier 1 Noncontributory System	Tier 1 Contributory System	Tier 2 Contributory System	Total
Differences between expected and actual experience	\$ 30,105,259	\$ -	\$ 1,915,900	\$ 32,021,159
Changes of assumptions	9,896,074	-	1,841,505	11,737,579
Net difference between projected and actual earnings on pension plan investments	29,720,780	334,668	2,286,896	32,342,344
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-	1,217,232	1,217,232
District contributions subsequent to measurement date	22,820,698	51,334	14,243,344	37,115,376
Total	<u>\$ 92,542,811</u>	<u>\$ 386,002</u>	<u>\$ 21,504,877</u>	<u>\$ 114,433,690</u>

At June 30, 2023, the District reported deferred inflows of resources related to defined benefit pension plans from the following sources:

	Deferred Inflows of Resources Related to Pensions			
	Tier 1 Noncontributory System	Tier 1 Contributory System	Tier 2 Contributory System	Total
Differences between expected and actual experience	\$ -	\$ -	\$ 225,053	\$ 225,053
Changes of assumptions	-	-	14,430	14,430
Changes in proportion and differences between District contributions and proportionate share of contributions	6,943,076	-	308,450	7,251,526
Total	<u>\$ 6,943,076</u>	<u>\$ -</u>	<u>\$ 547,933</u>	<u>\$ 7,491,009</u>

The \$37,115,376 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of December 31, 2022 will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans will be recognized in pension expense as follows:

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

Year Ending June 30,	Tier 1 Noncontributory System	Tier 1 Contributory System	Tier 2 Contributory System	Total
2024	\$ (1,485,662)	\$ (1,699,180)	\$ 344,644	\$ (2,840,198)
2025	2,693,400	(502,157)	704,963	2,896,206
2026	12,440,239	409,542	1,108,796	13,958,577
2027	49,131,060	2,126,463	2,083,589	53,341,112
2028	-	-	508,310	508,310
Thereafter	-	-	1,963,299	1,963,299

**Actuarial Assumptions.** The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% - 9.25% average, including inflation
Investment rate of return	6.85%, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity securities	35%	2.30%
Debt securities	20%	0.22%
Real assets	18%	1.03%
Private equity	12%	1.18%
Absolute return	15%	0.44%
Cash and cash equivalents	0%	0.00%
Total	100%	

**Discount Rate.** The discount rate used to measure the total pension liability (asset) was 6.85%. 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 plans' 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

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

**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 (asset) calculated using the discount rate of 6.85%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.85%) or one percentage point higher (7.85%) than the current rate:

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
District's proportionate share of the net pension liability (asset):			
Tier 1 Noncontributory System	\$ 432,260,431	\$ 172,945,805	\$ (44,042,314)
Tier 1 Contributory System	8,829,591	1,671,745	(4,488,207)
Tier 2 Contributory System	24,784,925	5,672,319	(9,051,520)
Total	<u>\$ 465,874,947</u>	<u>\$ 180,289,869</u>	<u>\$ (57,582,041)</u>

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

**Payables to the Pension Plans.** At June 30, 2023, the District reported payables of \$9,571,039 for contributions to defined benefit pension plans and \$1,374,080 for contributions to defined contribution plans.

### NOTE 10 – 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 the District under its own authority. No assets are accumulated in a trust that meets the criteria of generally accepted accounting principles.

**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, 2023, 4,559 active employees were covered by the benefit terms.

**Total Pension Liability.** At June 30, 2023, the District recorded a total pension liability of \$15,644,161 (see Note 14 for long-term liabilities), determined by an actuarial valuation as of June 30, 2023. 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, 2023 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	3.25% - 9.75%
Discount rate	3.65%

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

The discount rate was based on a yield or index rate of 20 tax-exempt general obligation municipal bonds with an average rating of AA/Aa2 or higher (the Bond Buyer General Obligation 20-Bond Municipal Index). Mortality rates were based on the 2010 Public General Employee with 100% of MP Ultimate scale. This assumption includes a margin for future improvements in longevity. Salary growth percentages used vary based on years of service, with a 9.75% growth rate used for employees with 0 years of service and a 3.25% growth rate used for employees with 25 years of service.

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, 2023 valuation were based on the results of an actuarial valuation for the current fiscal period ended June 30, 2023.

### Changes in the Total Pension Liability.

Balance at June 30, 2022	\$ 15,817,857
Changes for the year:	
Service cost	938,279
Interest on total pension liability	565,797
Effect of assumption changes or inputs	(117,857)
Employer contributions (benefit payments)	<u>(1,559,915)</u>
Net changes	<u>(173,696)</u>
Balance at June 30, 2023	<u>\$ 15,644,161</u>

No plan changes of benefit terms occurred in 2023. Changes in assumptions and other inputs in 2023 include an increase in the discount rate from 3.54% to 3.65%.

**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 3.65%, as well as what the District's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total pension liability:			
District retirement plan	\$ 16,746,551	\$ 15,644,161	\$ 14,612,126

**Pension Expense and Deferred Outflows and Inflows of Resources Related to the District's Retirement Plan.** For the year ended June 30, 2023, the District recognized pension expense of \$1,539,553 related to the District's retirement plan. At June 30, 2023, the District reported deferred outflows of resources of \$815,201 and deferred inflows of resources of \$866,166 related to the District's retirement plan.

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 645,232	\$ -
Changes of assumptions	169,969	866,166
Total	<u>\$ 815,201</u>	<u>\$ 866,166</u>

The 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
2024	\$ 35,477
2025	4,014
2026	(40,510)
2027	(40,510)
2028	(12,022)
Thereafter	2,586

### NOTE 11 - 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, 2023, the following employees were covered by the benefit terms:

	Pre-1/1/2005 LTD Program	Post-1/1/2005 LTD Program
Inactive employees or beneficiaries currently receiving benefit payments	4	4
Active employees	-	4,559
Total	<u>4</u>	<u>4,563</u>

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

**Total OPEB Liability.** At June 30, 2023, the District recorded a total OPEB liability of \$1,148,820 (see Note 14 for long-term liabilities), determined by an actuarial valuation as of June 30, 2023.

**Actuarial Methods and Assumptions.** The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

	Pre-1/1/2005 and Post-1/1/2005 LTD Programs
Inflation	2.30%
Discount rate	3.65%
Healthcare cost trend rates	5.3% for 2023, 5.1% for 2024, 5.0% for 2025, 4.9% for 2026, decreasing to 3.7% through 2074

The discount rate was based on a yield or index rate of 20 tax-exempt general obligation municipal bonds with an average rating of AA/Aa2 or higher (the Bond Buyer General Obligation 20-Bond Municipal Index).

Mortality rates were based on the 2010 Public General Employee with 100% of MP Ultimate scale. This assumption includes a margin for future improvements in longevity. 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. The medical cost trend rates were derived from the 'Getzen Model' published by the Society of Actuaries for developing long term medical cost trends. Individual severance benefits and any termination liability for COBRA are not included in this valuation.

The assumptions used in the June 30, 2023 valuation were based on the results of an actuarial valuation for the current fiscal period ended June 30, 2023.

### Changes in the Total OPEB Liability.

	Pre-1/1/2005 LTD Program	Post-1/1/2005 LTD Program
Balance at June 30, 2022	\$ 229,194	\$ 1,391,496
Changes for the year:		
Service cost	-	242,989
Interest on total liability	6,107	46,496
Effect of assumption changes or inputs	(377)	(5,045)
Employer contributions (benefit payments)	(114,306)	(647,734)
Net changes	(108,576)	(363,294)
Balance at June 30, 2023	\$ 120,618	\$ 1,028,202

No plan changes of benefit terms occurred in 2023. Changes in assumptions and other inputs in 2023 include an increase in the discount rate from 3.54% to 3.65%.

**OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB.** For the year ended June 30, 2023, the District recognized OPEB expense of \$352,298. At June 30, 2023, the District reported deferred outflows of resources of \$402,356 and deferred inflows of resources of \$614,146 related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 339,594	\$ 484,163
Changes of assumptions	62,762	129,983
Total	\$ 402,356	\$ 614,146

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:

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2024	\$ 20,240
2025	20,240
2026	36,421
2027	28,495
2028	(25,182)
Thereafter	(276,152)

**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 3.65%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Pre-1/1/2005 LTD Program	\$ 124,112	\$ 120,618	\$ 117,243
Post-1/1/2005 LTD Program	1,073,958	1,028,202	982,442
Total OPEB Liability	<u>\$ 1,198,070</u>	<u>\$ 1,148,820</u>	<u>\$ 1,099,685</u>

**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 5.3% decreasing to 3.7%, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (4.3% decreasing to 2.7%) or one percentage point higher (6.3% decreasing to 4.7%) than the current healthcare cost trend rate:

	1% Decrease (4.3% decreasing to 2.7%)	Healthcare Cost Trend Rates (5.3% decreasing to 3.7%)	1% Increase (6.3% decreasing to 4.7%)
Pre-1/1/2005 LTD Program	\$ 116,708	\$ 120,618	\$ 124,609
Post-1/1/2005 LTD Program	857,780	1,028,202	1,215,889
Total OPEB Liability	<u>\$ 974,488</u>	<u>\$ 1,148,820</u>	<u>\$ 1,340,498</u>

### NOTE 12 – 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 program benefits as outlined for up to five consecutive years or until the employee qualifies for full Social Security/Medicare benefits, whichever comes first. Program benefits include an annual stipend, medical insurance, and life insurance. The District's payments under this plan for the years ended June 30, 2023 and 2022 were \$8,037,817 and \$7,931,701, respectively. At June 30, 2023, 478 former employees were included in the program. The District's estimated cost of claim payments for the year ended June 30, 2023 cannot be reasonably estimated because the insurance carrier has not disclosed the information. The District's liabilities for future early retirement benefits related to stipends and medical/life insurance are \$6,135,384 and \$16,313,508, respectively,



# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

for a total liability of \$22,448,892. Resources in the *General Fund* have been committed to meet this obligation. See Note 14 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 13 – 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 \$16,454,220 was recorded at June 30, 2023 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 \$6,936,070 and \$6,567,648 for the years ended June 30, 2023 and 2022, respectively, including administrative costs. Changes in the balances of claims liabilities during the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
Unpaid claims - beginning of year	\$ 15,389,502	\$ 13,909,280
Incurred claims (including IBNRs)	67,987,030	67,458,182
Medical claims payments	(66,922,312)	(65,977,960)
Unpaid claims - end of year	<u>\$ 16,454,220</u>	<u>\$ 15,389,502</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 \$412,085 was recorded at June 30, 2023 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 \$145,843 and \$121,717 for the years ended June 30, 2023 and 2022, respectively, including administrative costs. The change in the balance of claims liabilities during the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
Unpaid claims - beginning of year	\$ 392,346	\$ 377,302
Incurred claims (including IBNRs)	2,151,167	1,818,257
Dental claims payments	(2,131,428)	(1,803,213)
Unpaid claims - end of year	<u>\$ 412,085</u>	<u>\$ 392,346</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 \$30,249 was recorded at June 30, 2023 for claims outstanding at year-end. Included in this liability is an estimate by a separate third-party administrator for future claims, incurred

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

during 2023, but which have not been billed as of year-end. Changes in the balances of claims liabilities during the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
Unpaid claims - beginning of year	\$ 25,264	\$ 38,040
Incurred claims (including IBNRs)	89,351	25,812
Unemployment claims payments	(84,366)	(38,588)
Unpaid claims - end of year	<u>\$ 30,249</u>	<u>\$ 25,264</u>

### D) Self-Insured Worker's Compensation Plan:

Benefit payments plus an administrative charge are made to a third-party administrator who approves and processes all claims. A liability of \$2,714,904 was recorded at June 30, 2023 for claims outstanding at year-end with \$2,660,606 representing the current portion of the liability. The plan has a stop-loss provision of \$600,000 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, 2023 and 2022 are as follows:

	2023	2022
Unpaid claims - beginning of year	\$ 2,831,503	\$ 2,992,251
Incurred claims (including IBNRs)	1,451,856	709,360
Workers Compensation claims payments	(1,568,455)	(870,108)
Unpaid claims - end of year	<u>\$ 2,714,904</u>	<u>\$ 2,831,503</u>

## NOTE 14 – 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. Because an encumbrance is only a commitment, it does not meet the expenditure or liability recognition criteria. Encumbrances are appropriations outstanding at the end of the fiscal year lapse with the exception of contractual obligations. At June 30, 2023, the amount of encumbrances were as follows:

Fund Type	Encumbrance Amount
General Fund	\$ 1,663,665
Capital Projects Fund	217,621,722
Other Governmental Funds	293,592
Total	<u>\$ 219,578,979</u>

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

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

### NOTE 15 - LONG-TERM LIABILITIES

**Long-Term Liabilities.** The following is a summary of long-term liability activity for the year ended June 30, 2023:

	Balance at June 30, 2022	Additions	Payments	Balance at June 30, 2023	Due Within One Year
Bonds payable	\$ 231,345,000	\$ -	\$ (19,605,000)	\$ 211,740,000	\$ 23,850,000
Unamortized bond premiums	44,498,302	-	(5,315,860)	39,182,442	-
Net bond liabilities	275,843,302	-	(24,920,860)	250,922,442	23,850,000
Workers compensation claims	2,831,503	1,451,856	(1,568,455)	2,714,904	2,660,606
Unemployment claims	25,264	89,351	(84,366)	30,249	30,249
Health and accident claims	15,389,502	53,869,014	(52,804,296)	16,454,220	16,454,220
Dental claims	392,346	440,576	(420,837)	412,085	412,085
Leases payable	376,918.00	560,946	(468,278)	469,586	-
Subscriptions payable	-	1,615,398	(425,815)	1,189,583	-
Compensated absences	4,645,610	4,884,965	(4,413,330)	5,117,245	4,861,383
Obligation for early retirement compensation and insurance	18,465,963	12,020,746	(8,037,817)	22,448,892	8,768,317
Total pension liability - district retirement plan	15,817,857	1,386,219	(1,559,915)	15,644,161	-
Total other postemployment benefits liability - long-term disability	1,620,690	290,170	(762,040)	1,148,820	-
Net pension liability - state retirement plans	-	200,541,901	(20,252,032)	180,289,869	-
Total long-term liabilities	<u>\$ 335,408,955</u>	<u>\$ 277,151,142</u>	<u>\$ (115,718,041)</u>	<u>\$ 496,842,056</u>	<u>\$ 57,036,860</u>

**General Obligation Bonds.** All District general obligation bonds are direct obligations and pledge the full faith and credit of the taxpayers within the District under the provisions of the School District Bond Guaranty (*Utah Code 53G-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.

In the event of District default on bond payments, the Local Government Bonding Act (*Utah Code 11-14*) and the School District Bond Guaranty (*Utah Code 53G-4*) entitle bondholders to receive payment of amounts due on the bonds from the State of Utah. The ultimate liability for payment of the bonds remains with the District. To reimburse the State for any payments made to bondholders pursuant to the State's guaranty, the State could compel the District to levy taxes, withhold state funding, draw on resources that are legally available (such as unrestricted fund balances), and/or impose financial penalties on the District.

General obligation bonds payable at June 30, 2023, with their outstanding balances, are comprised of the following individual issuances:

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

Series 2012	Tax exempt bonds, \$36,500,000 originally issued, due in remaining annual installments from \$1,855,000 to \$2,560,000, from June 2024 through June 2032, interest from 3.00% to 3.50%.	\$ 17,510,000
Series 2013	Tax exempt bonds, \$11,575,000 originally issued, due in remaining annual installments from \$300,000 to \$670,000, from June 2024 through June 2033, interest from 4.50% to 5.00%.	4,810,000
Series 2017A	Tax exempt bonds, \$25,000,000 originally issued, due in remaining annual installments from \$1,085,000 to \$1,450,000, from June 2024 through June 2037, interest from 4.00% to 5.00%.	17,690,000
Series 2017B	Tax exempt bonds, \$42,195,000 originally issued, due in remaining annual installments from \$3,705,000 to \$5,515,000, from June 2024 through June 2030, interest from 2.63% to 5.00%.	32,880,000
Series 2018	Tax exempt bonds, \$50,000,000 originally issued, due in remaining annual installments of \$1,185,000, from June 2024 through June 2028, interest from 2.75% to 5.00%.	5,925,000
Series 2019	Tax exempt bonds, \$100,000,000 originally issued, due in remaining annual installments of \$6,260,000, from June 2024 through June 2029, interest of 5.00%.	37,560,000
Series 2020	Tax exempt bonds, \$88,000,000 originally issued, due in remaining annual installments from \$5,135,000 to \$6,885,000, from June 2024 through June 2030, interest of 5.00%.	41,825,000
Series 2021	Tax exempt bonds, \$54,135,000 originally issued, due in remaining annual installments from \$4,145,000 to \$18,430,000, from June 2024 through June 2031, interest of 5.00%.	53,540,000
		\$ 211,740,000

The annual requirements to amortize all general obligation bonds outstanding to maturity as of June 30, 2023, including interest payments, are listed as follows:

Year Ending June 30,	Tax Exempt Bonds		
	Principal	Interest	Total
2024	\$ 23,850,000	\$ 10,055,431	\$ 33,905,431
2025	24,770,000	8,900,031	33,670,031
2026	25,965,000	7,700,331	33,665,331
2027	26,890,000	6,442,682	33,332,682
2028	28,020,000	5,155,581	33,175,581
2029-2033	76,565,000	8,577,238	85,142,238
2034-2037	5,680,000	586,750	6,266,750
Total	\$ 211,740,000	\$ 47,418,044	\$ 259,158,044

**Leases Payable.** The District has entered into lease agreements as lessee for the use of buildings with terms from 13 to 27 months. At June 30, 2023, the value of the lease liabilities was \$469,585. The District is required to make annual principal and interest payments from \$6,615 to \$283,104. The leases have interest rates from 0.1850% to 1.8940%. The buildings have an estimated useful life of zero months. The value of the right-to-use asset as of June 30, 2023, was \$1,126,306 and had accumulated amortization of \$633,298. The District has one extension option for 24 months.

# GRANITE SCHOOL DISTRICT

## Notes to the Basic Financial Statements...Continued – June 30, 2023

The future debt service requirements on the leases are listed as follows:

Year Ending June 30,	Principal	Interest	Total Payments
2024	\$ 456,591	\$ 5,518	\$ 462,109
2025	12,994	2	12,996
Total	<u>\$ 469,585</u>	<u>\$ 5,520</u>	<u>\$ 475,105</u>

**Subscriptions Payable.** The District has recognized multiple subscription liabilities for curriculum-based software. As of June 30, 2023, the value of the subscription liability was \$1,189,583. The District is required to make annual principal and interest payments from \$87,204 to \$724,022. The subscriptions have interest rates from 1.7100% to 2.6820%. The subscription assets have an estimated useful life over the estimated terms of the agreements ranging from 27 to 60 months. The value of the right-to-use subscription assets as of June 30, 2023 was \$1,647,394 and had accumulated amortization of \$419,626. The District has one extension option for 12 months.

The future amortization requirements on the subscription liabilities are listed as follows:

Year Ending June 30,	Principal	Interest	Total Payments
2024	\$ 431,999	\$ 27,264	\$ 459,263
2025	403,790	17,779	421,569
2026	299,584	8,484	308,068
2027	54,210	1,454	55,664
Total	<u>\$ 1,189,583</u>	<u>\$ 54,981</u>	<u>\$ 1,244,564</u>

# GRANITE SCHOOL DISTRICT

Required Supplementary Information – June 30, 2023

## Schedules of the District's Proportionate Share of the Net Pension Liability (Asset) Utah Retirement Systems Last Nine Plan Years - December 31, 2014 through 2022

	2014	2015	2016
<b>Tier 1 Noncontributory System:</b>			
District's proportion of net pension liability (asset)	8.0401108%	7.8860449%	7.6858461%
District's proportionate share of net pension liability (asset)	\$ 202,010,089	\$ 247,723,254	\$ 249,091,885
District's covered payroll	226,516,338	217,208,727	210,881,021
District's proportionate share of net pension liability (asset) as a percentage of covered payroll	89.18%	114.05%	118.12%
Plan fiduciary net position as a percentage of the total pension liability	87.20%	84.50%	84.90%
<b>Tier 1 Contributory System:</b>			
District's proportion of net pension liability (asset)	10.7492708%	9.9537964%	9.4694535%
District's proportionate share of net pension liability (asset)	\$ 1,178,641	\$ 6,237,568	\$ 5,188,859
District's covered payroll	3,948,385	3,153,138	2,538,455
District's proportionate share of net pension liability (asset) as a percentage of covered payroll	29.85%	197.82%	204.41%
Plan fiduciary net position as a percentage of the total pension liability	98.70%	92.40%	84.90%
<b>Tier 2 Public Employees System:</b>			
District's proportion of net pension liability (asset)	4.7196557%	4.8599077%	5.2158530%
District's proportionate share of net pension liability (asset)	\$ (143,027)	\$ (10,609)	\$ 560,155
District's covered payroll	23,102,726	31,383,055	41,181,298
District's proportionate share of net pension liability (asset) as a percentage of covered payroll	-0.62%	-0.03%	1.36%
Plan fiduciary net position as a percentage of the total pension liability	103.50%	100.20%	95.10%

Refer to the accompanying notes.

# GRANITE SCHOOL DISTRICT

Required Supplementary Information...Continued – June 30, 2023

	2017	2018	2019	2020	2021	2022
	7.8578686%	8.1007513%	8.8110781%	8.7830697%	8.6404915%	8.0094382%
\$	192,153,346	\$ 301,389,841	\$ 195,755,885	\$ 117,089,020	\$ (59,035,666)	\$ 172,945,805
	212,137,189	220,162,972	223,569,685	223,467,034	220,394,861	205,534,758
	90.58%	136.89%	87.56%	52.40%	-26.79%	84.14%
	89.20%	84.10%	90.10%	94.30%	102.70%	91.60%
	9.4200388%	9.6768717%	14.2665813%	13.5653655%	13.7424919%	12.7919029%
\$	619,877	\$ 6,870,617	\$ 984,939	\$ (3,226,370)	\$ (12,375,124)	\$ 1,671,745
	2,143,329	1,878,026	1,591,640	1,308,279	1,163,205	839,917
	28.92%	365.84%	61.88%	-246.61%	-1063.88%	199.04%
	99.20%	91.40%	98.90%	103.70%	114.10%	97.90%
	5.2572836%	5.3083528%	5.3495978%	5.5054341%	5.6682137%	5.2092495%
\$	463,521	\$ 2,273,454	\$ 1,203,165	\$ 791,834	\$ (2,398,998)	\$ 5,672,319
	51,639,217	62,477,677	74,485,549	88,179,002	105,696,694	114,499,265
	0.90%	3.64%	1.62%	0.90%	-2.27%	4.95%
	97.40%	90.80%	96.50%	98.30%	103.80%	92.30%

# GRANITE SCHOOL DISTRICT

Required Supplementary Information...Continued – June 30, 2023

## Schedules of District Contributions

### Utah Retirement Systems

Last Nine Fiscal Years - June 30, 2015 through 2023

	2015	2016	2017	2018
<b>Tier 1 Noncontributory System:</b>				
Contractually required contribution	\$ 47,475,713	\$ 46,474,167	\$ 45,191,227	\$ 46,998,901
Contributions in relation to the contractually required contribution	<u>(47,475,713)</u>	<u>(46,474,167)</u>	<u>(45,191,227)</u>	<u>(46,998,901)</u>
Contributions deficiency (excess)	-	-	-	-
District's covered payroll	222,865,036	214,990,027	209,065,071	217,167,276
Contributions as a percentage of covered payroll	21.30%	21.62%	21.62%	21.64%
<b>Tier 1 Contributory System:</b>				
Contractually required contribution	\$ 610,904	\$ 512,761	\$ 407,982	\$ 351,997
Contributions in relation to the contractually required contribution	<u>(610,904)</u>	<u>(512,761)</u>	<u>(407,982)</u>	<u>(351,997)</u>
Contributions deficiency (excess)	-	-	-	-
District's covered payroll	3,514,671	2,896,957	2,304,990	1,988,571
Contributions as a percentage of covered payroll	17.38%	17.70%	17.70%	17.70%
<b>Tier 2 Contributory System:</b>				
Contractually required contribution	\$ 4,928,850	\$ 6,617,200	\$ 8,447,627	\$ 10,604,705
Contributions in relation to the contractually required contribution	<u>(4,928,850)</u>	<u>(6,617,200)</u>	<u>(8,447,627)</u>	<u>(10,604,705)</u>
Contributions deficiency (excess)	-	-	-	-
District's covered payroll	27,246,944	36,273,114	46,313,635	57,594,570
Contributions as a percentage of covered payroll	18.09%	18.24%	18.24%	18.41%
<b>Tier 2 Defined Contribution System:</b>				
Contractually required contribution	\$ 402,983	\$ 584,919	\$ 792,975	\$ 1,050,672
Contributions in relation to the contractually required contribution	<u>(402,983)</u>	<u>(584,919)</u>	<u>(792,975)</u>	<u>(1,050,672)</u>
Contributions deficiency (excess)	-	-	-	-
District's covered payroll	4,091,887	5,835,996	7,913,919	10,485,791
Contributions as a percentage of covered payroll	9.85%	10.02%	10.02%	10.02%

Refer to the accompanying notes.



# GRANITE SCHOOL DISTRICT

Required Supplementary Information...Continued – June 30, 2023

2019	2020	2021	2022	2023
\$ 47,618,239	\$ 46,599,428	\$ 48,930,140	\$ 46,692,949	\$ 45,030,962
<u>(47,618,239)</u>	<u>(46,599,428)</u>	<u>(48,930,140)</u>	<u>(46,692,949)</u>	<u>(45,030,962)</u>
-	-	-	-	-
219,160,447	214,054,422	224,439,152	214,136,337	207,017,480
21.73%	21.77%	21.80%	21.81%	21.75%
\$ 304,831	\$ 242,332	\$ 213,811	\$ 191,780	\$ 114,515
<u>(304,831)</u>	<u>(242,332)</u>	<u>(213,811)</u>	<u>(191,780)</u>	<u>(114,515)</u>
-	-	-	-	-
1,722,214	1,369,106	1,207,975	1,083,501	646,975
17.70%	17.70%	17.70%	17.70%	17.70%
\$ 12,577,576	\$ 14,603,262	\$ 18,922,728	\$ 21,405,880	\$ 24,721,016
<u>(12,577,576)</u>	<u>(14,603,262)</u>	<u>(18,922,728)</u>	<u>(21,405,880)</u>	<u>(24,721,016)</u>
-	-	-	-	-
66,877,507	76,953,745	99,015,749	110,571,073	125,015,320
18.81%	18.98%	19.11%	19.36%	19.77%
\$ 1,200,873	\$ 1,382,338	\$ 1,875,138	\$ 2,267,776	\$ 2,580,574
<u>(1,200,873)</u>	<u>(1,382,338)</u>	<u>(1,875,138)</u>	<u>(2,267,776)</u>	<u>(2,580,574)</u>
-	-	-	-	-
11,971,178	13,780,718	18,706,916	22,618,634	25,754,217
10.03%	10.03%	10.02%	10.03%	10.02%

# GRANITE SCHOOL DISTRICT

Required Supplementary Information...Continued – June 30, 2023

## Schedule of Changes in Total Pension Liability and Related Ratios District Retirement Plan Last Nine Fiscal Years - June 30, 2015 through 2023

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

Refer to the accompanying notes.

# GRANITE SCHOOL DISTRICT

Required Supplementary Information...Continued – June 30, 2023

2019	2020	2021	2022	2023
\$ 815,297	\$ 910,277	\$ 1,026,689	\$ 1,090,777	\$ 938,279
544,624	554,602	373,251	365,543	565,797
-	500,897	-	381,312	-
-	262,727	50,042	(1,120,194)	(117,857)
<u>(1,239,868)</u>	<u>(1,098,517)</u>	<u>(1,503,257)</u>	<u>(1,456,320)</u>	<u>(1,559,915)</u>
120,053	1,129,986	(53,275)	(738,882)	(173,696)
15,359,975	15,480,028	16,610,014	16,556,739	15,817,857
<u>\$ 15,480,028</u>	<u>\$ 16,610,014</u>	<u>\$ 16,556,739</u>	<u>\$ 15,817,857</u>	<u>\$ 15,644,161</u>
\$ 248,703,343	\$ 267,112,339	\$ 275,125,709	\$ 289,095,135	\$ 298,490,726
6.22%	6.22%	6.02%	5.47%	5.24%

# GRANITE SCHOOL DISTRICT

Required Supplementary Information...Continued – June 30, 2023

## Schedule of Changes in Total OPEB Liability and Related Ratios Long-Term Disability Plan Last Nine Fiscal Years - June 30, 2015 through 2023

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

Refer to the accompanying notes.

# GRANITE SCHOOL DISTRICT

Required Supplementary Information...Continued – June 30, 2023

2019	2020	2021	2022	2023
\$ -	\$ -	\$ -	\$ -	\$ -
26,456	23,240	8,053	6,462	6,107
-	(216,949)	-	(34,801)	-
-	(17,523)	293	(5,673)	(377)
<u>(135,694)</u>	<u>(100,698)</u>	<u>(75,580)</u>	<u>(71,530)</u>	<u>(114,306)</u>
(109,238)	(311,930)	(67,234)	(105,542)	(108,576)
823,138	713,900	401,970	334,736	229,194
<u>\$ 713,900</u>	<u>\$ 401,970</u>	<u>\$ 334,736</u>	<u>\$ 229,194</u>	<u>\$ 120,618</u>
\$ -	\$ -	\$ -	\$ -	\$ -
N/A	N/A	N/A	N/A	N/A
\$ 213,767	\$ 227,067	\$ 241,630	\$ 257,677	\$ 242,989
46,286	36,766	36,808	35,802	46,496
-	643,470	-	2,952	-
-	117,326	1,959	(157,246)	(5,045)
<u>(560,186)</u>	<u>(530,226)</u>	<u>(315,250)</u>	<u>(293,479)</u>	<u>(647,734)</u>
(300,133)	494,403	(34,853)	(154,294)	(363,294)
1,386,373	1,086,240	1,580,643	1,545,790	1,391,496
<u>\$ 1,086,240</u>	<u>\$ 1,580,643</u>	<u>\$ 1,545,790</u>	<u>\$ 1,391,496</u>	<u>\$ 1,028,202</u>
\$ 248,703,343	\$ 267,112,339	\$ 275,125,709	\$ 289,095,135	\$ 298,490,726
0.44%	0.59%	0.56%	0.48%	0.34%
\$ 213,767	\$ 227,067	\$ 241,630	\$ 257,677	\$ 242,989
72,742	60,006	44,861	42,264	52,603
-	426,521	-	(31,849)	-
-	99,803	2,252	(162,919)	(5,422)
<u>(695,880)</u>	<u>(630,924)</u>	<u>(390,830)</u>	<u>(365,009)</u>	<u>(762,040)</u>
(409,371)	182,473	(102,087)	(259,836)	(471,870)
2,209,511	1,800,140	1,982,613	1,880,526	1,620,690
<u>\$ 1,800,140</u>	<u>\$ 1,982,613</u>	<u>\$ 1,880,526</u>	<u>\$ 1,620,690</u>	<u>\$ 1,148,820</u>

# GRANITE SCHOOL DISTRICT

## Notes to the Required Supplementary Information – June 30, 2023

### 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 practices. 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.** Actuarial assumptions and methods used to calculate the total pension liability in plan year 2022 were unchanged.

Amounts reported in plan year 2021 reflect the following actuarial assumption changes adopted in the January 1, 2021 valuation:

- The investment return assumption decreased from 6.95% to 6.85%.

Amounts reported in plan year 2020 reflects the following actuarial assumption changes adopted in the January 1, 2020 valuation:

- The payroll growth assumption decreased from 3.00% to 2.90%.
- Reduced the mortality rate improvement assumption from 1.0% to 0.8%.
- Demographic assumptions were reviewed and updated.

Actuarial assumptions and methods used to calculate the total pension liability in plan years 2019 and 2018 were unchanged.

Amounts reported in plan year 2017 reflects 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 life expectancy assumption increased for most groups.
- The wage inflation assumption decreased from 3.35% to 3.25%.
- The payroll growth assumption decreased from 3.10% to 3.00%.

Amounts reported in plan year 2016 reflects 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 reflects the following actuarial 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 payroll growth assumption was decreased from 3.50% to 3.25%.
- Other assumptions that were modified: rate of salary increases, post retirement mortality, and certain demographics.

### NOTE 2 – DISTRICT RETIREMENT PLAN

Schedule is intended to show information for ten years; prior year information is not available. Additional years will be displayed as they become available. No changes have been made to benefit terms.

**Changes in Assumptions.** Amounts reported in fiscal year 2023 reflect the following actuarial assumption changes:

# GRANITE SCHOOL DISTRICT

## Notes to the Required Supplementary Information...Continued – June 30, 2023

- The discount rate increased from 3.54% to 3.65%.

Amounts reported in fiscal year 2022 reflect the following actuarial assumption changes:

- The discount rate increased from 2.16% to 3.54%.
- Retirement rates changed from 16% at age 45-100% at age 70 to 20% at age 50-100% at age 75.

Amounts reported in fiscal year 2021 reflect the following actuarial assumption changes:

- The discount rate decreased from 2.21% to 2.16%.
- The projected salary growth rates changed from 5.25%-9.75% to 3.25%-9.75%.

Amounts reported in fiscal year 2020 reflect the following actuarial assumption changes:

- The discount rate decreased from 3.50% to 2.21%.
- The projected salary growth rates changed from 4.25%-14.50% to 5.25%-9.75%.

Actuarial assumptions and methods used to calculate the total pension liability in fiscal year 2019 were unchanged.

Amounts reported in fiscal year 2018 reflect the following actuarial assumption changes:

- The inflation rate decreased from 2.50% to 2.30%.
- The salary growth rate increased from 1.75% to 1.95%.

Amounts reported in fiscal year 2017 reflect the following actuarial assumption changes:

- The discount rate decreased from 4.00% to 3.50%.

Actuarial assumptions and methods used to calculate the total pension liability in fiscal year 2016 were unchanged.

### NOTE 3 – LONG TERM DISABILITY PLANS

Schedule is intended to show information for ten years; prior year information is not available. Additional years will be displayed as they become available. No changes have been made to benefit terms.

**Changes in Assumptions.** Amounts reported in fiscal year 2023 reflect the following actuarial assumption changes:

- The discount rate increased from 3.54% to 3.65%.

Amounts reported in fiscal year 2022 reflect the following actuarial assumption changes:

- The discount rate increased from 2.16% to 3.54%.
- The projected salary growth rates changed from 4.25%-14.50% to 3.25%-9.75%.
- Retirement rates changed from 16% at age 45-100% at age 70 to 20% at age 50-100% at age 75.

Amounts reported in fiscal year 2021 reflect the following actuarial assumption changes:

- The discount rate decreased from 2.21% to 2.16%.

Amounts reported in fiscal year 2020 reflect the following actuarial assumption changes:

- The discount rate decreased from 3.50% to 2.21%.
- The healthcare cost trend rates changed from 4.1%-6.9% to 3.9%-5.6%.

Actuarial assumptions and methods used to calculate the total LTD liability in fiscal year 2019 were unchanged.

Amounts reported in fiscal year 2018 reflect the following actuarial assumption changes:

- The discount rate decreased from 4.00% to 3.50%.
- The healthcare cost trend rate decreased from 7.7% to 6.1%.

Amounts reported in fiscal year 2017 reflect the following actuarial assumption changes:

- The inflation rate decreased from 2.50% to 2.30%.
- The healthcare cost trend rate increased from 7.3% to 7.7%.

Actuarial assumptions and methods used to calculate the total LTD liability in fiscal year 2019 were unchanged.



# 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, 2023 with Comparative Totals for 2022

	2023			2022
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Property taxes	\$ 186,080,344	\$ 184,321,985	\$ (1,758,359)	\$ 171,326,853
Earnings on investments	9,600,000	8,787,644	(812,356)	913,141
Other local	10,493,270	10,974,478	481,208	8,562,726
State	361,729,958	359,880,609	(1,849,349)	338,112,688
Federal	84,246,607	78,735,094	(5,511,513)	82,620,345
<b>Total revenues</b>	<b>652,150,179</b>	<b>642,699,810</b>	<b>(9,450,369)</b>	<b>601,535,753</b>
<b>Expenditures:</b>				
Current:				
Salaries	382,155,926	377,440,669	4,715,257	367,920,175
Employee benefits	178,965,295	174,899,454	4,065,841	171,763,605
Purchased services	19,524,132	20,835,911	(1,311,779)	15,273,655
Supplies and materials	52,712,361	49,238,028	3,474,333	46,893,646
Equipment	1,358,327	1,217,863	140,464	1,570,302
Other	251,486	461,252	(209,766)	935,112
<b>Total expenditures</b>	<b>634,967,527</b>	<b>624,093,177</b>	<b>10,874,350</b>	<b>604,356,495</b>
Excess (deficiency) of revenues over (under) expenditures	17,182,652	18,606,633	1,423,981	(2,820,742)
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	-	-	-	380
Proceeds from insurance settlements	594,911	595,535	624	34,442
Subscription financing	-	1,176,290	1,176,290	-
Transfers in	1,500,000	1,500,000	-	7,538,494
Transfers (out)	(4,558,865)	(4,496,762)	62,103	(4,659,801)
<b>Total other financing sources (uses)</b>	<b>(2,463,954)</b>	<b>(1,224,937)</b>	<b>1,239,017</b>	<b>2,913,515</b>
<b>Extraordinary item:</b>				
Insurance recoveries - earthquake	360,000	297,007	(62,993)	358,890
Net change in fund balances	15,078,698	17,678,703	2,600,005	451,663
<b>Fund balances - beginning</b>	<b>145,569,036</b>	<b>145,569,036</b>	<b>-</b>	<b>145,117,373</b>
<b>Fund balances - ending</b>	<b>\$ 160,647,734</b>	<b>\$ 163,247,739</b>	<b>\$ 2,600,005</b>	<b>\$ 145,569,036</b>

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

Year Ended June 30, 2023 with Comparative Totals for 2022

	2023			2022
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Property taxes	\$ 71,777,175	\$ 71,098,918	\$ (678,257)	\$ 64,214,145
Earnings on investments	5,743,174	5,718,644	(24,530)	884,445
Other local	580,100	648,775	68,675	568,152
State	6,691,442	6,651,442	(40,000)	24,900
Federal	5,352,120	5,906,233	554,113	170,483
<b>Total revenues</b>	<b>90,144,011</b>	<b>90,024,012</b>	<b>(119,999)</b>	<b>65,862,125</b>
<b>Expenditures:</b>				
Current:				
Salaries	87,762	88,654	(892)	23,841
Employee benefits	28,165	27,302	863	6,858
Purchased services	111,575,582	127,374,501	(15,798,919)	101,239,646
Supplies and materials	7,048,619	6,312,288	736,331	5,169,479
Land and improvements	-	-	-	187,500
Buildings and improvements	112,500	673,446	(560,946)	1,728,876
Equipment	2,178,186	1,724,888	453,298	1,600,372
Vehicles	2,673,502	1,298,919	1,374,583	1,731,145
Other	375,500	484,347	(108,847)	508,955
<b>Total expenditures</b>	<b>124,079,816</b>	<b>137,984,345</b>	<b>(13,904,529)</b>	<b>112,196,672</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(33,935,805)</b>	<b>(47,960,333)</b>	<b>(14,024,528)</b>	<b>(46,334,547)</b>
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	398,806	426,672	27,866	336,946
Proceeds from insurance settlements	8,500	8,500	-	-
Lease proceeds	-	560,946	560,946	539,287
Subscription financing	-	264,157	264,157	-
Transfers in	80,455	80,455	-	27,684
Transfers (out)	-	-	-	(38,494)
<b>Total other financing sources (uses)</b>	<b>487,761</b>	<b>1,340,730</b>	<b>852,969</b>	<b>865,423</b>
<b>Extraordinary item:</b>				
Insurance recoveries - earthquake	5,000,000	4,702,993	(297,007)	30,363,211
<b>Net change in fund balances</b>	<b>(28,448,044)</b>	<b>(41,916,610)</b>	<b>(13,468,566)</b>	<b>(15,105,913)</b>
<b>Fund balances - beginning</b>	<b>143,784,710</b>	<b>143,784,710</b>	<b>-</b>	<b>158,890,623</b>
<b>Fund balances - ending</b>	<b>\$ 115,336,666</b>	<b>\$ 101,868,100</b>	<b>\$ (13,468,566)</b>	<b>\$ 143,784,710</b>

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

Year Ended June 30, 2023 with Comparative Totals for 2022

	2023			2022
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Property taxes	\$ 31,952,720	\$ 31,650,784	\$ (301,936)	\$ 31,744,173
Earnings on investments	431,012	579,397	148,385	66,906
<b>Total revenues</b>	<b>32,383,732</b>	<b>32,230,181</b>	<b>(153,551)</b>	<b>31,811,079</b>
<b>Expenditures:</b>				
Debt service:				
Principal	19,605,000	19,605,000	-	18,350,000
Interest	11,000,182	11,000,181	1	11,917,681
Paying agent fees	10,000	4,500	5,500	4,500
<b>Total expenditures</b>	<b>30,615,182</b>	<b>30,609,681</b>	<b>5,501</b>	<b>30,272,181</b>
Excess of revenues over expenditures	1,768,550	1,620,500	(148,050)	1,538,898
<b>Other financing (uses):</b>				
Transfers (out)	(1,500,000)	(1,500,000)	-	(1,500,000)
<b>Total other financing (uses)</b>	<b>(1,500,000)</b>	<b>(1,500,000)</b>	<b>-</b>	<b>(1,500,000)</b>
Net change in fund balances	268,550	120,500	(148,050)	38,898
<b>Fund balances - beginning</b>	<b>134,407</b>	<b>134,407</b>	<b>-</b>	<b>95,509</b>
<b>Fund balances - ending</b>	<b>\$ 402,957</b>	<b>\$ 254,907</b>	<b>\$ (148,050)</b>	<b>\$ 134,407</b>

# Nonmajor Governmental Funds

## SPECIAL REVENUE FUNDS

***District Activity Programs Fund*** - The purpose of this fund is to account for the funds generated and spent at the school level related to their curricular, co-curricular and extra-curricular activities. This fund includes all monies that flow through the individual school-level programs including courses, performing groups, athletic programs, student clubs, as well as school-wide programs. All such funds are considered District funds managed by the Principal at each school and are subject to all District policies and procedures.

***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 taxable 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 State.

***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, 2023

	Special Revenue				Total Nonmajor Governmental Funds
	District Activity Programs	Pass- through Taxes	Granite Education Foundation	School Lunch	
<b>Assets:</b>					
Cash and investments	\$ 12,297,411	\$ -	\$ 3,076,496	\$ 22,909,830	\$ 38,283,737
Receivables:					
Property taxes	-	23,401,184	-	-	23,401,184
Local	6,708	-	12,438	399,247	418,393
State	-	-	-	41,709	41,709
Federal	-	-	-	218,070	218,070
Inventories	-	-	-	2,570,472	2,570,472
Prepaid items	170,609	-	-	3,580	174,189
<b>Total assets</b>	<b>\$ 12,474,728</b>	<b>\$ 23,401,184</b>	<b>\$ 3,088,934</b>	<b>\$ 26,142,908</b>	<b>\$ 65,107,754</b>
<b>Liabilities:</b>					
Accounts and contracts payable	\$ 158,681	\$ -	\$ 99,587	\$ 38,194	\$ 296,462
Accrued salaries and related payables	53,128	-	-	817,213	870,341
Unearned revenue - local	-	-	-	455,638	455,638
<b>Total liabilities</b>	<b>211,809</b>	<b>-</b>	<b>99,587</b>	<b>1,311,045</b>	<b>1,622,441</b>
<b>Deferred inflows of resources:</b>					
Property taxes levied for future year	-	23,153,081	-	-	23,153,081
Unavailable property tax revenue	-	248,103	-	-	248,103
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>23,401,184</b>	<b>-</b>	<b>-</b>	<b>23,401,184</b>
<b>Fund balances:</b>					
Nonspendable:					
Inventories	-	-	-	2,570,472	2,570,472
Prepaid items	170,609	-	-	3,580	174,189
Restricted for:					
Schools	-	-	341,775	-	341,775
Scholarships	-	-	424,107	-	424,107
School lunch	-	-	-	22,257,811	22,257,811
Committed to:					
District activity programs	12,092,310	-	-	-	12,092,310
Foundation	-	-	2,223,465	-	2,223,465
<b>Total fund balances</b>	<b>12,262,919</b>	<b>-</b>	<b>2,989,347</b>	<b>24,831,863</b>	<b>40,084,129</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 12,474,728</b>	<b>\$ 23,401,184</b>	<b>\$ 3,088,934</b>	<b>\$ 26,142,908</b>	<b>\$ 65,107,754</b>

# GRANITE SCHOOL DISTRICT

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

### Nonmajor Governmental Funds

Year Ended June 30, 2023

	Special Revenue			School Lunch	Total Nonmajor Governmental Funds
	District Activity Programs	Pass-through Taxes	Granite Education Foundation		
<b>Revenues:</b>					
Local:					
Property taxes	\$ -	\$ 17,505,146	\$ -	\$ -	\$ 17,505,146
Earnings on investments	543,469	-	151,626	957,542	1,652,637
Student activities	12,235,942	-	-	-	12,235,942
Foundation activities	-	-	1,477,465	-	1,477,465
School lunch program activities	-	-	-	3,409,856	3,409,856
State	-	-	-	3,597,843	3,597,843
Federal	-	-	-	21,266,231	21,266,231
<b>Total revenues</b>	<b>12,779,411</b>	<b>17,505,146</b>	<b>1,629,091</b>	<b>29,231,472</b>	<b>61,145,120</b>
<b>Expenditures:</b>					
Current:					
Instructional services	13,528,779	-	-	-	13,528,779
Supporting services:					
Students	161,462	-	-	-	161,462
Instructional staff	629,542	-	-	-	629,542
School administration	1,958,603	-	-	-	1,958,603
Operation and maintenance of facilities	547,341	-	-	-	547,341
Transportation	1,120,523	-	-	-	1,120,523
School lunch services	-	-	-	29,356,323	29,356,323
Community services	275,540	17,505,146	1,821,387	-	19,602,073
Debt service:					
Principal	-	-	112,938	87,748	200,686
Interest	-	-	528	947	1,475
<b>Total expenditures</b>	<b>18,221,790</b>	<b>17,505,146</b>	<b>1,934,853</b>	<b>29,445,018</b>	<b>67,106,807</b>
(Deficiency) of revenues (under) expenditures	(5,442,379)	-	(305,762)	(213,546)	(5,961,687)
<b>Other financing sources (uses):</b>					
Subscription financing	-	-	-	174,951	174,951
Transfers in	3,877,308	-	563,245	-	4,440,553
Transfers (out)	(24,246)	-	-	-	(24,246)
<b>Total other financing sources (uses)</b>	<b>3,853,062</b>	<b>-</b>	<b>563,245</b>	<b>174,951</b>	<b>4,591,258</b>
Net change in fund balances	(1,589,317)	-	257,483	(38,595)	(1,370,429)
<b>Fund balances - beginning</b>	<b>13,852,236</b>	<b>-</b>	<b>2,731,864</b>	<b>24,870,458</b>	<b>41,454,558</b>
<b>Fund balances - ending</b>	<b>\$ 12,262,919</b>	<b>\$ -</b>	<b>\$ 2,989,347</b>	<b>\$ 24,831,863</b>	<b>\$ 40,084,129</b>

# GRANITE SCHOOL DISTRICT

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

### District Activity Programs Fund - A Nonmajor Special Revenue Fund

Year Ended June 30, 2023 with Comparative Totals for 2022

	2023			2022
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Earnings on investments	\$ 478,279	\$ 543,469	\$ 65,190	\$ 78,133
Student activities:				
Tuition	92,149	98,441	6,292	93,606
Admissions and gate fees	978,401	1,045,199	66,798	1,002,147
Vending and bookstore sales	116,978	124,964	7,986	118,526
Student fees	7,668,671	8,192,229	523,559	7,776,975
Student fee waivers	(1,051,866)	(1,123,679)	(71,812)	(1,092,182)
Proceeds from general sales activities	960,354	1,025,920	65,566	1,052,877
Student fines and charges	665,292	710,713	45,421	711,735
Proceeds from fundraising activities	608,599	650,149	41,550	407,567
Facility and field rental fees	655	700	45	8,300
Donations	1,327,243	1,417,857	90,614	1,174,003
Other student activities	87,477	93,449	5,972	37,587
<b>Total revenues</b>	<b>11,932,233</b>	<b>12,779,411</b>	<b>847,178</b>	<b>11,369,274</b>
<b>Expenditures:</b>				
Current:				
Salaries	894,994	1,047,291	(152,297)	969,299
Benefits	172,522	201,532	(29,010)	184,829
Purchased services	7,837,737	9,353,717	(1,515,980)	7,853,031
Supplies and textbooks	7,358,279	6,994,161	364,118	6,320,477
Equipment	140,142	140,241	(99)	176,387
Other	437,413	484,848	(47,435)	430,289
<b>Total expenditures</b>	<b>16,841,087</b>	<b>18,221,790</b>	<b>(1,380,703)</b>	<b>15,934,312</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(4,908,854)</b>	<b>(5,442,379)</b>	<b>(533,525)</b>	<b>(4,565,038)</b>
<b>Other financing sources (uses):</b>				
Transfers in	3,895,856	3,877,308	(18,548)	3,767,119
Transfers (out)	-	(24,246)	(24,246)	-
<b>Total other financing sources (uses)</b>	<b>3,895,856</b>	<b>3,853,062</b>	<b>(42,794)</b>	<b>3,767,119</b>
<b>Net change in fund balances</b>	<b>(1,012,998)</b>	<b>(1,589,317)</b>	<b>(576,319)</b>	<b>(797,919)</b>
<b>Fund balances - beginning</b>	<b>13,852,236</b>	<b>13,852,236</b>	<b>-</b>	<b>14,650,155</b>
<b>Fund balances - ending</b>	<b>\$ 12,839,238</b>	<b>\$ 12,262,919</b>	<b>\$ (576,319)</b>	<b>\$ 13,852,236</b>



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

Year Ended June 30, 2023 with Comparative Totals for 2022

	2023			2022
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Property taxes	\$ 17,505,146	\$ 17,505,146	\$ -	\$ 14,446,664
Total revenues	17,505,146	17,505,146	-	14,446,664
<b>Expenditures:</b>				
Community services:				
Contributions to redevelopment agencies	13,363,744	13,363,744	-	10,344,803
Contributions to state for charter schools	4,141,402	4,141,402	-	4,101,861
Total expenditures	17,505,146	17,505,146	-	14,446,664
Net change in fund balances	-	-	-	-
<b>Fund balances - beginning</b>	-	-	-	-
<b>Fund balances - ending</b>	\$ -	\$ -	\$ -	\$ -

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

Year Ended June 30, 2023 with Comparative Totals for 2022

	2023			2022
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Earnings (loss) on investments	\$ 20,000	\$ 151,626	\$ 131,626	\$ (394,374)
Foundation activities:				
Donations and fundraising proceeds	1,500,000	1,477,465	(22,535)	1,154,008
<b>Total revenues</b>	<b>1,520,000</b>	<b>1,629,091</b>	<b>109,091</b>	<b>759,634</b>
<b>Expenditures:</b>				
Current:				
Salaries	549,377	548,347	1,030	538,807
Employee benefits	255,268	255,022	246	263,082
Purchased services	666,966	303,581	363,385	442,439
Supplies	484,684	540,002	(55,318)	568,920
Buildings and improvements	-	-	-	328,931
Equipment	100,000	-	100,000	9,089
Other	286,100	174,435	111,665	157,267
Debt service:				
Principal	-	112,938	(112,938)	109,396
Interest	-	528	(528)	791
<b>Total expenditures</b>	<b>2,342,395</b>	<b>1,934,853</b>	<b>407,542</b>	<b>2,418,722</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(822,395)</b>	<b>(305,762)</b>	<b>516,633</b>	<b>(1,659,088)</b>
<b>Other financing sources:</b>				
Lease proceeds	-	-	-	328,931
Transfers in	558,308	563,245	4,937	564,998
<b>Total other financing sources</b>	<b>558,308</b>	<b>563,245</b>	<b>4,937</b>	<b>893,929</b>
<b>Net change in fund balances</b>	<b>(264,087)</b>	<b>257,483</b>	<b>521,570</b>	<b>(765,159)</b>
<b>Fund balances - beginning</b>	<b>2,731,864</b>	<b>2,731,864</b>	<b>-</b>	<b>3,497,023</b>
<b>Fund balances - ending</b>	<b>\$ 2,467,777</b>	<b>\$ 2,989,347</b>	<b>\$ 521,570</b>	<b>\$ 2,731,864</b>

# GRANITE SCHOOL DISTRICT

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

### School Lunch Fund - A Nonmajor Special Revenue Fund

Year Ended June 30, 2023 with Comparative Totals for 2022

	2023			2022
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Earnings on investments	\$ 928,000	\$ 957,542	\$ 29,542	\$ 79,842
School lunch program activities:				
Lunch sales - children	2,000,000	2,626,765	626,765	-
Lunch sales - adult	205,000	202,580	(2,420)	196,184
Other	500,000	580,511	80,511	237,464
State lunch program	4,030,430	3,597,843	(432,587)	4,706,217
Federal lunch program	18,618,716	21,266,231	2,647,515	33,043,960
<b>Total revenues</b>	<b>26,282,146</b>	<b>29,231,472</b>	<b>2,949,326</b>	<b>38,263,667</b>
<b>Expenditures:</b>				
Current:				
Salaries	9,429,777	8,822,983	606,794	9,000,436
Employee benefits	3,570,536	3,354,710	215,826	3,333,113
Purchased services	935,124	732,577	202,547	562,986
Supplies	1,298,905	1,165,652	133,253	1,220,873
Food	10,676,668	12,655,072	(1,978,404)	9,101,641
Equipment	115,967	115,967	-	54,818
Indirect cost allocation	2,742,182	2,502,175	240,007	2,326,549
Other	10,000	7,187	2,813	5,113
Debt service:				
Principal	-	87,748	(87,748)	-
Interest	-	947	(947)	-
<b>Total expenditures</b>	<b>28,779,159</b>	<b>29,445,018</b>	<b>(665,859)</b>	<b>25,605,529</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(2,497,013)</b>	<b>(213,546)</b>	<b>2,283,467</b>	<b>12,658,138</b>
<b>Other financing sources:</b>				
Proceeds from insurance settlements	-	-	-	1,000
Subscription financing	-	174,951	174,951	-
Transfers in	-	-	-	300,000
<b>Total other financing sources</b>	<b>-</b>	<b>174,951</b>	<b>174,951</b>	<b>301,000</b>
<b>Net change in fund balances</b>	<b>(2,497,013)</b>	<b>(38,595)</b>	<b>2,458,418</b>	<b>12,959,138</b>
<b>Fund balances - beginning</b>	<b>24,870,458</b>	<b>24,870,458</b>	<b>-</b>	<b>11,911,320</b>
<b>Fund balances - ending</b>	<b>\$ 22,373,445</b>	<b>\$ 24,831,863</b>	<b>\$ 2,458,418</b>	<b>\$ 24,870,458</b>

# 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 on 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, 2023 with Comparative Totals for 2022

	2023			2022
	Printing Services Fund	Self Insurance Fund	Total	Total
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 78,800	\$ 23,806,192	\$ 23,884,992	\$ 23,551,663
Receivables - local	294	-	294	28
Inventories	30,712	-	30,712	29,768
Prepaid items	28,236	-	28,236	6,680
<b>Total current assets</b>	<b>138,042</b>	<b>23,806,192</b>	<b>23,944,234</b>	<b>23,588,139</b>
Noncurrent assets:				
Net pension asset	-	-	-	214,897
Capital assets:				
Equipment	754,552	-	754,552	702,578
Accumulated depreciation	(514,561)	-	(514,561)	(545,149)
<b>Total noncurrent assets</b>	<b>239,991</b>	<b>-</b>	<b>239,991</b>	<b>372,326</b>
<b>Total assets</b>	<b>378,033</b>	<b>23,806,192</b>	<b>24,184,225</b>	<b>23,960,465</b>
<b>Deferred outflows of resources:</b>				
Related to state retirement pension plans	89,706	240,736	330,442	284,566
Related to district retirement pension plan	749	658	1,407	1,862
Related to long-term disability OPEB plan	370	325	695	942
<b>Total deferred outflows of resources</b>	<b>90,825</b>	<b>241,719</b>	<b>332,544</b>	<b>287,370</b>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	89,683	767,191	856,874	955,192
Accrued salaries and related benefits	-	-	-	330,120
Health and accident claims payable	-	16,454,220	16,454,220	15,389,502
Dental claims payable	-	412,085	412,085	392,346
Workers compensation claims payable	-	2,660,606	2,660,606	2,774,873
Unemployment claims payable	-	30,249	30,249	25,264
<b>Total current liabilities</b>	<b>89,683</b>	<b>20,324,351</b>	<b>20,414,034</b>	<b>19,867,297</b>
Noncurrent liabilities:				
Workers compensation claims payable	-	54,298	54,298	56,630
Net pension liability-state retirement pension plans	141,331	379,279	520,610	-
Total pension liability-district retirement pension plan	14,381	12,625	27,006	28,104
Total OPEB liability-long-term disability plan	1,056	927	1,983	2,879
Early retirement plan liability	20,636	18,116	38,752	32,810
<b>Total noncurrent liabilities</b>	<b>177,404</b>	<b>465,245</b>	<b>642,649</b>	<b>120,423</b>
<b>Total liabilities</b>	<b>267,087</b>	<b>20,789,596</b>	<b>21,056,683</b>	<b>19,987,720</b>
<b>Deferred inflows of resources:</b>				
Related to state retirement pension plans	5,872	15,759	21,631	754,205
Related to district retirement pension plan	796	699	1,495	1,679
Related to long-term disability OPEB plan	564	496	1,060	1,208
<b>Total deferred inflows of resources</b>	<b>7,232</b>	<b>16,954</b>	<b>24,186</b>	<b>757,092</b>
<b>Net position:</b>				
Investment in capital assets	239,991	-	239,991	157,429
Restricted for pensions	-	-	-	214,897
Unrestricted	(45,452)	3,241,361	3,195,909	3,130,697
<b>Total net position</b>	<b>\$ 194,539</b>	<b>\$ 3,241,361</b>	<b>\$ 3,435,900</b>	<b>\$ 3,503,023</b>

# GRANITE SCHOOL DISTRICT

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

### Internal Service Funds

Year Ended June 30, 2023 with Comparative Totals for 2022

	2023			2022
	Printing Services Fund	Self Insurance Fund	Total	Total
<b>Operating revenues:</b>				
Charges for services:				
Medical insurance premiums	\$ -	\$ 75,279,303	\$ 75,279,303	\$ 73,983,549
Unemployment insurance premiums	-	85,000	85,000	40,000
Industrial insurance premiums	-	1,944,737	1,944,737	1,897,790
Printing and other services	788,403	7,401	795,804	789,949
<b>Total operating revenues</b>	<b>788,403</b>	<b>77,316,441</b>	<b>78,104,844</b>	<b>76,711,288</b>
<b>Operating expenses:</b>				
Salaries	274,387	240,878	515,265	513,651
Employee benefits	107,947	181,043	288,990	17,837
Medical and prescription claims	-	66,922,312	66,922,312	65,977,960
Dental claims	-	2,131,428	2,131,428	1,803,213
Medical administrative fees	-	2,229,425	2,229,425	3,776,757
Affordable Care Act fees	-	37,131	37,131	32,342
Medical reinsurance premiums	-	1,709,574	1,709,574	1,437,042
Workers compensation claims	-	1,568,455	1,568,455	870,108
Unemployment claims	-	84,366	84,366	38,588
Purchased services	209,713	2,737,703	2,947,416	2,591,491
Supplies and materials	115,632	4,728	120,360	100,271
Depreciation	46,348	-	46,348	53,961
<b>Total operating expenses</b>	<b>754,027</b>	<b>77,847,043</b>	<b>78,601,070</b>	<b>77,213,221</b>
<b>Operating income (loss)</b>	<b>34,376</b>	<b>(530,602)</b>	<b>(496,226)</b>	<b>(501,933)</b>
<b>Nonoperating revenues:</b>				
Earnings on investments	10,757	418,346	429,103	94,805
<b>Income (loss) before transfers</b>	<b>45,133</b>	<b>(112,256)</b>	<b>(67,123)</b>	<b>(407,128)</b>
<b>Transfers:</b>				
Transfers (out)	-	-	-	(6,000,000)
<b>Change in net position</b>	<b>45,133</b>	<b>(112,256)</b>	<b>(67,123)</b>	<b>(6,407,128)</b>
<b>Total net position - beginning</b>	<b>149,406</b>	<b>3,353,617</b>	<b>3,503,023</b>	<b>9,910,151</b>
<b>Total net position - ending</b>	<b>\$ 194,539</b>	<b>\$ 3,241,361</b>	<b>\$ 3,435,900</b>	<b>\$ 3,503,023</b>

# GRANITE SCHOOL DISTRICT

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

Year Ended June 30, 2023 with Comparative Totals for 2022

	2023			2022
	Printing Services Fund	Self Insurance Fund	Total	Total
<b>Cash flows from operating activities:</b>				
Receipts from interfund services provided	\$ 788,137	\$ 77,316,441	\$ 78,104,578	\$ 76,748,128
Payments to employees	(536,138)	(636,862)	(1,173,000)	(512,923)
Payments to suppliers for goods and services	(276,652)	(2,911,942)	(3,188,594)	(1,904,116)
Payments for medical fees and insurance claims	-	(73,709,848)	(73,709,848)	(72,614,268)
Net cash provided (used) by operating activities	(24,653)	57,789	33,136	1,716,821
<b>Cash flows from noncapital financing activities:</b>				
Transfers (out) to other funds	-	-	-	(6,000,000)
<b>Cash flows from capital and related financing activities:</b>				
Purchase of capital assets	(128,910)	-	(128,910)	(26,896)
<b>Cash flows from investing activities:</b>				
Earnings on investments	10,757	418,346	429,103	94,805
Net change in cash and cash equivalents	(142,806)	476,135	333,329	(4,215,270)
<b>Cash and cash equivalents - beginning</b>	<b>221,606</b>	<b>23,330,057</b>	<b>23,551,663</b>	<b>27,766,933</b>
<b>Cash and cash equivalents - ending*</b>	<b>\$ 78,800</b>	<b>\$ 23,806,192</b>	<b>\$ 23,884,992</b>	<b>\$ 23,551,663</b>
* 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)	\$ 34,376	\$ (530,602)	\$ (496,226)	\$ (501,933)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Noncash item - depreciation	46,348	-	46,348	53,961
(Increase) decrease in operating assets:				
Accounts receivable - local	(266)	-	(266)	36,840
Prepaid items	(21,556)	-	(21,556)	(5,956)
Inventories	(944)	-	(944)	(3,822)
Net pension asset	64,966	149,931	214,897	(205,037)
(Increase) decrease in deferred outflows of resources:				
Related to state retirement pension plans	(3,679)	(42,197)	(45,876)	(92,730)
Related to district retirement pension plan	313	142	455	(18)
Related to long-term disability OPEB plan	167	80	247	448
Increase (decrease) in operating liabilities:				
Accounts payable	71,193	(169,511)	(98,318)	797,424
Accrued salaries and related benefits	(134,166)	(195,954)	(330,120)	330,120
Health and accident claims payable	-	1,064,718	1,064,718	1,480,222
Dental claims payable	-	19,739	19,739	15,044
Workers compensation claims payable	-	(116,599)	(116,599)	(160,748)
Unemployment claims payable	-	4,985	4,985	(12,776)
Net pension liability-state retirement pension plans	141,331	379,279	520,610	(360,255)
Total pension liability-district retirement pension plan	(1,651)	553	(1,098)	(5,880)
Total OPEB liability-long-term disability plan	(586)	(310)	(896)	(981)
Early retirement plan liability	1,920	4,022	5,942	(12,778)
Increase (decrease) in deferred inflows of resources:				
Related to state retirement pension plans	(222,132)	(510,442)	(732,574)	364,082
Related to district retirement pension plan	(162)	(22)	(184)	1,679
Related to long-term disability OPEB plan	(125)	(23)	(148)	(85)
Total adjustments	(59,029)	588,391	529,362	2,218,754
Net cash provided (used) by operating activities	\$ (24,653)	\$ 57,789	\$ 33,136	\$ 1,716,821





# **Section III**

## **Statistical**

# **Section III**

## **Statistical**

**GRANITE SCHOOL DISTRICT**  
**Statistical Section - Financial Trends**  
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This part of the District's annual comprehensive 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.

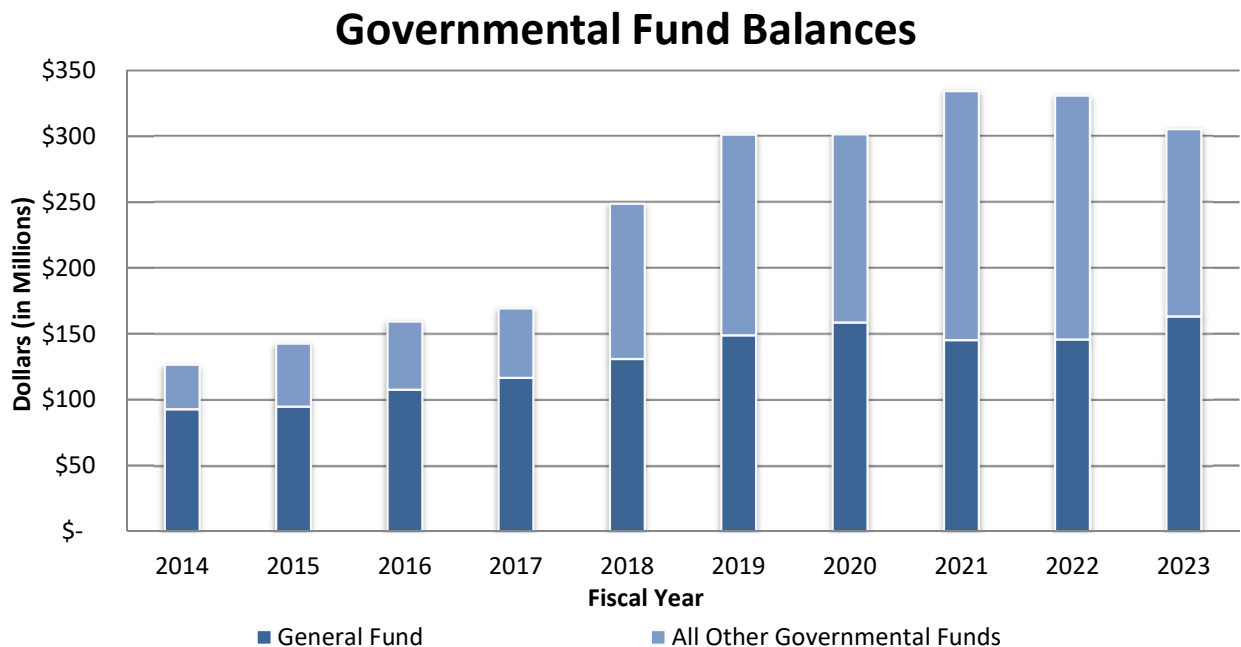
**Financial Trends**

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 annual comprehensive financial reports for the relevant year.



**Granite School District**  
**Comparative Statements of Net Position**  
Last Ten Fiscal Years - June 30, 2014 through 2023

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Assets:</b>					
Cash and investments	\$ 187,938,498	\$ 196,776,285	\$ 208,478,139	\$ 221,871,595	\$ 264,716,854
Receivables:					
Property taxes	140,117,948	165,998,099	165,108,265	183,920,943	224,983,835
Local, net of allowance for uncollectibles	1,389,313	1,060,149	914,707	5,076,817	5,687,681
State	2,608,600	1,766,000	2,745,718	5,614,501	2,281,342
Federal	18,522,446	16,236,671	16,678,670	14,291,061	16,050,151
Leases	-	-	-	-	-
Prepaid items	440,926	1,640,388	3,383,515	4,021,861	4,090,379
Inventories	4,416,320	5,400,254	5,736,549	4,845,490	5,454,629
Restricted cash and investments with fiscal agent	-	-	-	-	48,923,785
Net other post employment benefit asset	1,583,821	1,703,583	-	-	-
Net pension asset	40,788	143,027	10,609	-	-
Capital assets:					
Land, construction in progress, and water stock	247,798,755	135,275,981	43,319,428	44,108,323	56,090,781
Other capital assets, net of accumulated depreciation	298,583,285	393,539,779	468,462,449	447,581,023	423,581,219
Total assets	<u>903,440,700</u>	<u>919,540,216</u>	<u>914,838,049</u>	<u>931,331,614</u>	<u>1,051,860,656</u>
<b>Deferred outflows of resources:</b>					
Related to state retirement pension plans	24,640,562	30,455,766	95,571,899	104,967,705	115,745,552
Related to district retirement pension plan	-	-	-	-	819,316
Related to long-term disability OPEB plan	-	-	-	617,293	712,684
Bond refunding costs, net of accumulated amortization	-	-	6,000,379	5,585,275	5,186,324
Total deferred outflows of resources	<u>24,640,562</u>	<u>30,455,766</u>	<u>101,572,278</u>	<u>111,170,273</u>	<u>122,463,876</u>
<b>Liabilities:</b>					
Accounts and contracts payable	4,338,899	3,604,607	4,850,034	4,536,379	3,977,976
Accrued interest	769,092	735,085	706,743	405,744	819,093
Accrued salaries and related benefits	40,909,960	40,060,600	41,265,125	41,790,472	47,655,515
Unearned revenue:					
Local	1,507,466	1,021,448	1,856,477	2,100,607	1,992,631
State	7,436,856	6,353,051	6,971,190	7,391,913	9,580,265
Federal	2,960,022	3,991,067	3,362,473	4,778,832	1,734,499
Long-term liabilities:					
Portion due or payable within one year	21,371,610	23,012,807	24,991,267	24,991,267	36,939,664
Portion due or payable after one year	447,924,466	410,861,894	476,103,393	473,292,788	462,577,988
Total liabilities	<u>527,218,371</u>	<u>489,640,559</u>	<u>560,106,702</u>	<u>559,288,002</u>	<u>565,277,631</u>
<b>Deferred inflows of resources:</b>					
Related to state retirement pension plans	-	19,014,287	28,046,482	39,107,652	101,905,125
Related to district retirement pension plan	-	-	-	-	717,294
Related to long-term disability OPEB plan	-	-	-	156,479	796,656
Related to leases	-	-	-	-	-
Property taxes levied for future year	136,981,084	162,895,935	161,945,555	181,903,176	223,805,741
Total deferred inflows of resources	<u>136,981,084</u>	<u>181,910,222</u>	<u>189,992,037</u>	<u>221,167,307</u>	<u>327,224,816</u>
<b>Net position:</b>					
Net investment in capital assets	344,867,541	336,548,726	321,010,498	315,291,774	301,175,565
Restricted for:					
Capital projects	10,772,697	18,500,839	18,532,879	20,276,450	20,799,971
Debt service	-	542,300	-	862,780	1,408,103
Pass-through taxes	-	123,165	127,880	113,380	78,730
Schools and scholarships	408,728	435,761	469,379	749,698	783,739
School lunch	10,199,072	12,552,044	17,424,569	12,659,512	10,156,653
Pensions	1,624,609	1,846,610	10,609	-	-
Unrestricted	<u>(103,990,840)</u>	<u>(108,303,619)</u>	<u>(91,264,226)</u>	<u>(87,907,016)</u>	<u>(52,580,676)</u>
Total net position	<u>\$ 263,881,807</u>	<u>\$ 262,245,826</u>	<u>\$ 266,311,588</u>	<u>\$ 262,046,578</u>	<u>\$ 281,822,085</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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 313,960,995	\$ 363,384,214	\$ 392,999,368	\$ 400,380,762	\$ 370,234,059
244,357,249	254,331,100	270,741,787	295,787,360	307,020,033
3,183,367	2,322,700	1,604,926	1,809,454	617,418
3,907,066	6,062,313	8,364,311	1,635,500	2,464,586
27,986,867	34,613,024	32,904,809	34,440,728	41,040,522
-	-	-	183,853	118,996
5,627,042	6,181,743	6,051,375	5,211,095	12,578,578
5,422,868	6,066,565	6,656,324	8,893,030	7,175,100
47,823,124	-	-	-	-
-	-	-	-	-
-	-	9,860	73,809,788	-
77,692,005	143,278,157	181,683,444	185,867,829	302,346,254
<u>402,417,994</u>	<u>389,217,619</u>	<u>377,843,546</u>	<u>431,390,230</u>	<u>404,543,065</u>
<u>1,132,378,577</u>	<u>1,205,457,435</u>	<u>1,278,859,750</u>	<u>1,439,409,629</u>	<u>1,448,138,611</u>
123,651,909	52,177,191	62,771,613	97,738,896	114,433,689
616,544	1,086,563	898,553	1,047,533	815,201
478,411	914,437	676,751	529,884	402,356
<u>4,787,376</u>	<u>4,388,428</u>	<u>3,989,480</u>	<u>3,590,532</u>	<u>3,191,584</u>
<u>129,534,240</u>	<u>58,566,619</u>	<u>68,336,397</u>	<u>102,906,845</u>	<u>118,842,830</u>
10,800,641	15,208,460	13,683,717	20,659,217	25,886,835
822,080	857,520	1,190,238	1,096,471	1,025,933
48,080,559	52,107,769	53,616,423	54,695,234	55,770,516
2,093,564	1,844,964	2,050,259	2,924,469	3,402,366
9,386,154	13,766,593	15,676,072	17,781,705	17,845,952
977,356	80,011	15,298	842,062	-
36,939,664	36,939,664	48,041,300	50,169,323	57,036,860
<u>583,076,403</u>	<u>483,429,027</u>	<u>432,518,842</u>	<u>285,239,632</u>	<u>439,805,196</u>
<u>692,176,421</u>	<u>604,234,008</u>	<u>566,792,149</u>	<u>433,408,113</u>	<u>600,773,658</u>
6,853,642	67,367,410	127,654,022	259,044,066	7,491,009
432,094	146,894	-	945,164	866,166
707,879	775,418	630,072	679,546	614,146
-	-	-	184,606	121,161
<u>242,850,049</u>	<u>251,957,167</u>	<u>269,032,923</u>	<u>294,981,407</u>	<u>306,396,938</u>
<u>250,843,664</u>	<u>320,246,889</u>	<u>397,317,017</u>	<u>555,834,789</u>	<u>315,489,420</u>
321,838,814	352,992,080	382,287,349	386,337,692	434,894,248
25,968,427	33,693,886	41,380,567	102,821,370	125,227,008
4,759,623	3,865,070	-	134,407	-
-	-	-	-	-
794,367	990,957	1,122,272	905,656	936,491
7,680,925	7,395,863	7,695,839	23,908,909	19,742,878
-	-	9,860	73,809,788	-
<u>(42,149,424)</u>	<u>(59,394,699)</u>	<u>(49,408,906)</u>	<u>(34,844,250)</u>	<u>69,917,738</u>
<u>\$ 318,892,732</u>	<u>\$ 339,543,157</u>	<u>\$ 383,086,981</u>	<u>\$ 553,073,572</u>	<u>\$ 650,718,363</u>

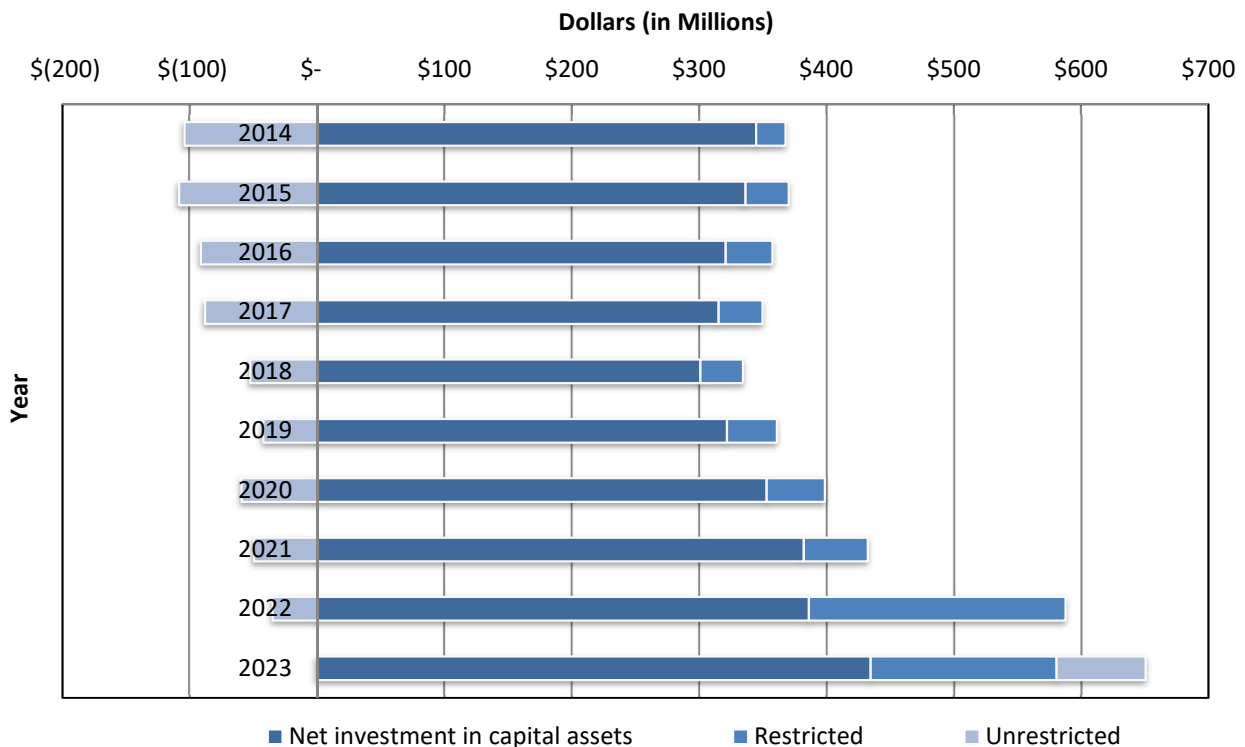


# Granite School District

## Net Position by Component

Last Ten Fiscal Years - June 30, 2014 through June 30, 2023  
 (Accrual basis of accounting)

June 30,	Net investment in			Total governmental activities net position
	capital assets	Restricted	Unrestricted	
2014	\$ 344,867,541	\$ 23,005,106	\$ (103,990,840)	\$ 263,881,807
2015	336,548,726	34,000,719	(108,303,619)	262,245,826
2016	321,010,498	36,565,316	(91,264,226)	266,311,588
2017	315,291,774	34,661,820	(87,907,016)	262,046,578
2018	301,175,565	33,227,196	(52,580,676)	281,822,085
2019	321,838,814	39,203,342	(42,149,424)	318,892,732
2020	352,992,080	45,945,776	(59,394,699)	339,543,157
2021	382,287,349	50,208,538	(49,408,906)	383,086,981
2022	386,337,692	201,580,130	(34,844,250)	553,073,572
2023	434,894,248	145,906,377	69,917,738	650,718,363



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

# Granite School District

## Changes in Net Position

Last Ten Fiscal Years - June 30, 2014 through 2023

(Accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Expenses:</b>			
Instructional services	\$ 320,423,548	\$ 335,493,515	\$ 355,541,828
Supporting services:			
Students	19,904,590	19,970,557	21,053,440
Instructional staff	16,713,385	14,946,518	15,973,484
District administration	3,459,222	3,231,125	3,717,258
School administration	28,301,884	29,413,760	31,905,955
Central	10,299,162	9,931,181	12,809,149
Operation and maintenance of facilities	55,594,893	57,466,624	58,918,567
Transportation	10,340,619	9,588,698	11,384,960
School lunch services	28,341,452	27,396,939	29,697,433
Community services	393,701	6,159,773	7,165,894
Interest on long-term liabilities	7,917,255	7,655,679	7,381,897
Total expenses	<u>501,689,711</u>	<u>521,254,369</u>	<u>555,549,865</u>
<b>Program revenues:</b>			
Charges for services:			
Instructional services	12,881,018	12,165,512	12,404,365
Supporting services	2,719,894	2,745,088	2,606,077
School lunch services	5,076,727	5,140,395	4,816,244
Operating grants and contributions	157,027,337	165,044,006	166,002,615
Total program revenues	<u>177,704,976</u>	<u>185,095,001</u>	<u>185,829,301</u>
<b>Net (expense) and changes in net position</b>	<u>(323,984,735)</u>	<u>(336,159,368)</u>	<u>(369,720,564)</u>
<b>General revenue and other changes in net position:</b>			
Property taxes	146,177,626	159,858,801	171,616,112
Federal and state aid not restricted to specific programs	175,929,961	179,140,986	191,728,029
Earnings on investments	1,400,514	1,121,807	1,495,447
Miscellaneous	5,593,161	10,601,168	8,946,738
Total general revenue and other changes in net position	<u>329,101,262</u>	<u>350,722,762</u>	<u>373,786,326</u>
<b>Extraordinary item:</b>			
Insurance recoveries - earthquake	-	-	-
<b>Change in net position</b>	5,116,527	14,563,394	4,065,762
<b>Net position - beginning</b>	466,379,839	* 263,881,807	** 262,245,826
<b>Net position - ending</b>	<u>\$ 471,496,366</u>	<u>\$ 278,445,201</u>	<u>\$ 266,311,588</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



	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	369,346,099	\$ 348,324,558	\$ 372,732,101	\$ 388,977,821	\$ 379,077,882	\$ 352,329,595	\$ 404,407,358
	22,186,753	35,524,217	41,447,698	46,816,092	47,774,638	43,729,987	54,880,657
	16,686,210	28,706,882	34,598,339	36,628,138	37,131,590	36,249,670	52,861,537
	3,970,098	4,201,137	5,133,263	6,601,202	6,933,849	5,178,246	5,698,902
	33,272,812	35,176,036	40,263,205	43,266,788	41,715,340	36,965,962	44,834,961
	13,243,357	15,267,081	16,156,481	18,837,470	17,786,973	18,350,223	22,364,955
	62,909,891	61,625,697	65,454,894	66,498,153	73,140,142	64,912,714	77,598,148
	10,571,801	11,924,768	13,077,960	13,548,580	14,945,774	13,973,444	14,335,312
	33,023,155	31,814,472	31,567,801	30,249,702	26,927,988	23,565,643	28,793,991
	5,949,531	9,689,304	10,404,789	14,883,810	17,222,315	17,255,168	19,863,953
	6,157,330	7,551,547	9,242,260	9,364,995	8,502,780	6,911,503	6,017,468
	<u>577,317,037</u>	<u>589,805,699</u>	<u>640,078,791</u>	<u>675,672,751</u>	<u>671,159,271</u>	<u>619,422,155</u>	<u>731,657,242</u>
	12,208,260	12,417,029	12,152,375	9,161,786	8,285,297	10,181,752	12,150,206
	2,480,280	2,359,653	2,348,392	1,875,680	2,162,603	2,817,262	2,950,936
	4,676,126	3,854,718	4,078,642	2,961,721	332,024	433,648	3,409,856
	<u>174,477,938</u>	<u>178,449,534</u>	<u>189,317,924</u>	<u>207,452,231</u>	<u>222,877,541</u>	<u>262,055,875</u>	<u>282,687,062</u>
	<u>193,842,604</u>	<u>197,080,934</u>	<u>207,897,333</u>	<u>221,451,418</u>	<u>233,657,465</u>	<u>275,488,537</u>	<u>301,198,060</u>
	<u>(383,474,433)</u>	<u>(392,724,765)</u>	<u>(432,181,458)</u>	<u>(454,221,333)</u>	<u>(437,501,806)</u>	<u>(343,933,618)</u>	<u>(430,459,182)</u>
	166,255,226	192,202,970	245,051,979	255,082,102	265,008,724	281,345,877	304,832,578
	197,613,921	206,775,969	208,580,302	200,175,356	199,805,806	196,622,718	193,350,390
	2,791,032	5,203,179	10,108,312	8,412,121	2,779,448	1,722,898	17,167,425
	<u>12,549,244</u>	<u>8,134,095</u>	<u>5,695,571</u>	<u>9,302,179</u>	<u>5,451,652</u>	<u>3,506,615</u>	<u>7,753,580</u>
	<u>379,209,423</u>	<u>412,316,213</u>	<u>469,436,164</u>	<u>472,971,758</u>	<u>473,045,630</u>	<u>483,198,108</u>	<u>523,103,973</u>
	-	-	-	1,900,000	8,000,000	30,722,101	5,000,000
	(4,265,010)	19,591,448	37,254,706	20,650,425	43,543,824	169,986,591	97,644,791
	<u>266,311,588</u>	<u>262,046,578</u>	<u>281,638,026</u>	<u>318,892,732</u>	<u>339,543,157</u>	<u>383,086,981</u>	<u>553,073,572</u>
\$	<u>262,046,578</u>	<u>\$ 281,638,026</u>	<u>\$ 318,892,732</u>	<u>\$ 339,543,157</u>	<u>\$ 383,086,981</u>	<u>\$ 553,073,572</u>	<u>\$ 650,718,363</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, 2014 through 2023

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>General fund :</b>					
Nonspendable	\$ 3,545,886	\$ 5,536,720	\$ 7,432,522	\$ 6,869,403	\$ 7,211,110
Restricted	-	-	25,000	25,000	25,878
Committed	66,829,024	64,786,545	66,464,759	69,929,848	69,975,904
Assigned	14,854,416	16,212,382	25,004,349	30,626,417	44,185,648
Unassigned	7,317,576	7,949,448	8,607,147	9,020,904	9,346,427
<b>Total general fund</b>	<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>
<b>All other governmental funds:</b>					
Nonspendable	\$ 1,267,998	\$ 1,463,030	\$ 1,652,064	\$ 1,965,178	\$ 2,304,663
Restricted for:					
Capital projects	10,861,991	18,777,282	18,721,959	16,787,473	33,113,421
Debt service	213,402	551,976	178,502	940,161	49,954,935
Schools and scholarships	408,728	435,761	469,379	724,698	751,568
School lunch	9,060,870	12,552,044	15,901,378	16,867,362	15,637,262
Committed	12,099,958	14,135,476	14,741,173	15,390,114	16,265,813
<b>Total all other governmental funds</b>	<u>\$ 33,912,947</u>	<u>\$ 47,915,569</u>	<u>\$ 51,664,455</u>	<u>\$ 52,674,986</u>	<u>\$ 118,027,662</u>

Note:

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

Source: District records

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	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	9,091,812	\$ 9,505,718	\$ 9,945,342	\$ 7,422,261	\$ 15,404,346
	-	-	-	-	-
	72,428,061	79,909,552	78,705,647	80,054,112	80,549,280
	58,024,205	59,369,200	48,432,366	49,552,258	57,735,478
	9,265,110	9,646,526	8,034,018	8,540,405	9,558,635
\$	<u>148,809,188</u>	<u>158,430,996</u>	<u>145,117,373</u>	<u>145,569,036</u>	<u>163,247,739</u>
\$	1,937,413	\$ 2,719,168	\$ 2,735,687	\$ 6,645,416	\$ 4,290,384
	63,995,911	104,989,162	158,658,223	141,939,501	100,322,377
	52,528,163	3,677,120	95,509	134,407	254,907
	793,692	898,341	881,186	779,301	765,882
	16,801,416	15,509,684	9,649,119	20,196,606	22,257,811
	16,387,064	15,185,386	17,024,906	15,678,444	14,315,775
\$	<u>152,443,659</u>	<u>142,978,861</u>	<u>189,044,630</u>	<u>185,373,675</u>	<u>142,207,136</u>

**Granite School District**  
**Changes in Fund Balances - Governmental Funds**  
 Last Ten Fiscal Years - June 30, 2014 through 2023

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenues:</b>				
Property taxes	\$ 146,112,746	\$ 160,266,514	\$ 171,539,430	\$ 166,770,059
Earnings on investments	1,400,514	1,121,807	1,495,447	2,791,032
Tuitions	1,991,572	1,766,485	1,678,513	1,469,626
School lunch sales	5,076,727	5,140,395	4,816,244	4,676,126
Student fees, net of fee waivers	6,302,516	6,690,355	6,679,779	6,674,173
Proceeds from fundraising activities	2,688,214	2,540,109	2,533,430	2,534,385
Other local	12,524,333	14,436,700	15,048,987	14,131,546
State	274,793,224	279,594,670	294,402,906	306,268,907
Federal	58,164,074	64,143,004	63,327,738	66,275,190
Total revenues	<u>509,053,920</u>	<u>535,700,039</u>	<u>561,522,474</u>	<u>571,591,044</u>
<b>Expenditures:</b>				
Current:				
Instructional services	310,881,752	319,970,969	326,806,196	334,010,293
Supporting services:				
Students	19,850,939	20,538,158	20,864,748	21,608,738
Instructional staff	16,649,551	15,431,611	15,949,567	16,468,530
District administration	3,152,450	3,394,556	3,460,587	3,911,719
School administration	28,194,855	29,877,428	31,232,278	31,920,504
Central	9,150,691	9,780,646	11,999,317	12,267,509
Operation and maintenance of facilities	54,122,795	54,752,894	55,270,956	58,788,349
Transportation	9,504,264	9,112,787	11,119,249	9,652,879
School lunch services	27,940,153	29,528,913	29,569,025	33,393,262
Community services	1,107,853	1,114,842	1,200,585	1,307,343
Debt service:				
Principal	8,100,000	8,330,000	6,830,000	7,980,000
Interest	8,806,546	8,604,651	8,348,550	6,849,257
Bond issuance costs and fiscal charges	500	2,500	270,000	2,500
Paying agent fees	-	-	-	-
Contributions to other governments	-	5,193,756	5,766,586	4,636,541
Facility acquisition and construction	31,212,298	18,097,591	21,460,748	20,755,574
Total expenditures	<u>528,674,647</u>	<u>533,731,302</u>	<u>550,148,392</u>	<u>563,552,998</u>
Excess (deficiency) of revenues over (under) expenditures	(19,620,727)	1,968,737	11,374,082	8,038,046
<b>Other financing sources (uses):</b>				
Proceeds from sale of capital assets	890,208	4,501,810	711,226	2,172,777
Proceeds from insurance settlements	-	-	-	-
Lease proceeds	-	-	-	-
Bonds issued	-	-	-	-
Refunding bonds issued	-	-	75,400,000	-
Premiums on bonds issued	-	-	-	-
Refunded bonds escrow	-	-	(75,125,223)	-
Subscription financing	-	-	-	-
Transfers in	5,353,431	10,408,021	5,690,167	818,625
Transfers (out)	(1,112,782)	(937,753)	(1,252,684)	(1,081,122)
Total other financing sources (uses)	<u>5,130,857</u>	<u>13,972,078</u>	<u>5,423,486</u>	<u>1,910,280</u>
<b>Extraordinary item:</b>				
Insurance recoveries - earthquake	-	-	-	-
<b>Net change in fund balances</b>	(14,489,870)	15,940,815	16,797,568	9,948,326
<b>Fund balances - beginning</b>	<u>140,949,719</u>	<u>126,459,849</u>	<u>142,400,664</u>	<u>159,198,232</u>
<b>Fund balances - ending</b>	<u>\$ 126,459,849</u>	<u>\$ 142,400,664</u>	<u>\$ 159,198,232</u>	<u>\$ 169,146,558</u>
Debt service as a percentage of noncapital expenditures	3.43%	3.25%	2.84%	2.70%

Source: District records

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 192,451,227	\$ 244,503,005	\$ 254,290,730	\$ 265,491,842	\$ 281,731,835	\$ 304,576,833
4,982,283	9,662,149	7,999,247	2,659,215	1,628,093	16,738,322
1,390,836	1,405,494	897,384	573,982	231,804	551,739
3,854,718	4,097,792	2,961,721	335,024	433,648	3,409,856
6,317,233	6,295,157	4,712,245	5,500,873	7,093,856	7,559,355
2,576,611	2,036,257	1,699,183	245,484	407,567	650,149
14,160,438	12,849,467	12,822,080	12,073,261	13,842,800	16,575,417
318,977,331	330,513,735	331,706,435	343,724,201	342,843,805	370,129,894
66,247,874	67,387,534	75,988,040	78,959,146	115,834,788	105,907,558
<u>610,958,551</u>	<u>678,750,590</u>	<u>693,077,065</u>	<u>709,563,028</u>	<u>764,048,196</u>	<u>826,099,123</u>
327,572,456	334,679,325	349,764,273	369,212,768	379,169,600	379,631,634
36,571,171	40,192,407	45,287,632	50,635,852	52,070,827	55,122,030
29,730,567	33,889,209	35,659,666	39,513,044	44,127,919	53,603,060
4,384,082	4,804,492	5,999,290	6,227,758	5,782,020	5,794,445
35,614,417	38,400,619	41,042,216	43,947,410	43,838,341	44,459,288
14,949,809	15,357,847	17,775,561	18,097,341	20,037,081	22,511,165
59,466,626	61,109,483	61,914,361	71,331,290	67,839,208	73,589,295
11,468,365	12,032,030	12,423,215	14,563,857	14,752,588	14,826,052
33,052,083	31,279,998	30,675,274	27,995,306	25,605,529	29,445,018
1,589,536	2,137,183	2,248,273	2,386,153	2,671,890	19,715,539
10,720,000	49,615,000	55,625,000	54,690,000	18,350,000	19,887,404
7,910,252	10,325,804	11,568,768	11,880,259	11,917,681	11,000,181
375,256	222,652	459,675	1,060,095	382,285	411,242
-	-	5,000	5,500	4,500	4,500
8,232,386	8,359,646	13,651,109	14,867,072	14,446,664	-
28,910,833	40,462,710	92,787,662	67,854,113	104,234,442	129,793,157
<u>610,547,839</u>	<u>682,868,405</u>	<u>776,886,975</u>	<u>794,267,818</u>	<u>805,230,575</u>	<u>859,794,010</u>
410,712	(4,117,815)	(83,809,910)	(84,704,790)	(41,182,379)	(33,694,887)
863,699	4,163,902	5,509,425	534,898	337,326	426,672
-	-	-	-	35,442	604,035
-	-	-	-	868,218	560,946
25,000,000	50,000,000	100,000,000	88,000,000	-	-
42,195,000	-	-	54,135,000	-	-
11,300,368	1,684,505	11,536,831	30,388,690	-	-
-	-	(46,700,000)	(70,288,441)	-	-
-	-	-	-	-	1,615,398
792,424	3,535,653	13,945,765	17,537,194	12,198,295	6,021,008
<u>(936,132)</u>	<u>(2,786,027)</u>	<u>(2,225,101)</u>	<u>(10,850,405)</u>	<u>(6,198,295)</u>	<u>(6,021,008)</u>
<u>79,215,359</u>	<u>56,598,033</u>	<u>82,066,920</u>	<u>109,456,936</u>	<u>7,240,986</u>	<u>3,207,051</u>
-	-	1,900,000	8,000,000	30,722,101	5,000,000
79,626,071	52,480,218	157,010	32,752,146	(3,219,292)	(25,487,836)
169,146,558	248,772,629	301,252,847	301,409,857	334,162,003	330,942,711
<u>\$ 248,772,629</u>	<u>\$ 301,252,847</u>	<u>\$ 301,409,857</u>	<u>\$ 334,162,003</u>	<u>\$ 330,942,711</u>	<u>\$ 305,454,875</u>
3.17%	9.26%	9.77%	9.10%	4.28%	4.21%

**Granite School District**  
**Comparative Balance Sheets - General Fund**  
 Last Ten Fiscal Years - June 30, 2014 through 2023

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Assets:</b>					
Cash and investments	\$ 120,865,657	\$ 123,816,801	\$ 138,023,093	\$ 151,820,222	\$ 169,066,736
Receivables:					
Property taxes	106,659,003	122,667,773	123,821,980	139,432,561	142,377,256
Local	1,259,112	965,401	633,474	1,087,085	1,264,557
State	658,359	407,702	758,439	3,485,354	1,025,488
Federal	17,859,225	15,007,012	15,836,619	13,940,913	15,713,478
Leases	-	-	-	-	-
Inventories	3,243,980	4,078,607	4,185,935	3,105,577	3,436,400
Prepaid items	301,906	1,458,113	3,246,587	3,763,826	3,774,710
Due from other funds	135,752	266,561	-	-	-
Total assets	<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>
<b>Liabilities:</b>					
Accounts and contracts payable	1,228,108	851,972	860,180	3,007,004	432,676
Accrued salaries and related benefits	40,171,266	39,340,629	40,535,833	40,986,798	46,841,886
Unearned revenue:					
Local	1,214,181	873,955	1,094,820	1,772,063	1,737,069
State	7,436,856	6,353,051	6,971,190	7,391,913	9,580,265
Federal	1,433,119	3,991,067	3,362,473	4,778,832	1,734,499
Due to other funds	-	-	2,203,496	2,173,301	2,300,141
Total liabilities	<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>
<b>Deferred inflows of resources:</b>					
Property taxes levied for future year	104,271,195	120,376,958	121,451,152	137,928,210	141,669,001
Unavailable property tax revenue	2,681,367	2,395,243	2,493,206	2,125,845	1,618,121
Related to leases	-	-	-	-	-
Total deferred inflows of resources	<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>
<b>Fund balances:</b>					
Nonspendable:					
Inventories	3,243,980	4,078,607	4,185,935	3,105,577	3,436,400
Prepaid items	301,906	1,458,113	3,246,587	3,763,826	3,774,710
Restricted for:					
Schools and scholarships	-	-	25,000	25,000	25,878
Committed to:					
Economic stabilization	22,229,221	22,824,786	23,373,393	24,335,589	27,401,246
Employee benefits	43,001,662	41,640,633	42,726,720	45,032,069	42,189,085
Contractual obligations	1,598,141	321,126	364,646	562,190	385,573
Assigned to:					
Self insurance	8,561,277	8,561,277	11,122,790	11,413,984	15,958,841
Employee compensation	-	-	-	-	-
Employee benefits	1,394,806	3,143,576	6,340,453	8,433,741	11,559,244
Planned projects	4,898,333	4,507,529	6,973,137	7,889,506	11,442,089
Textbooks	-	-	567,969	2,889,186	5,225,474
Unassigned	7,317,576	7,949,448	8,607,147	9,020,904	9,346,427
Total fund balances	<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>
Total liabilities, deferred inflows of resources, and fund balances	<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>

Source: District records

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 171,906,263	\$ 180,516,419	\$ 173,763,873	\$ 175,164,252	\$ 182,319,930
150,018,180	154,671,431	162,918,147	178,830,089	180,265,020
2,693,951	1,593,142	1,151,178	1,574,879	191,531
2,426,730	1,822,568	1,816,580	1,169,605	2,422,877
27,653,587	32,559,975	32,031,767	34,133,219	40,822,452
-	-	-	183,853	118,996
3,840,906	4,031,278	4,400,004	4,190,597	4,573,916
5,250,906	5,474,440	5,545,338	3,231,664	10,830,430
-	-	-	-	-
<u>\$ 363,790,523</u>	<u>\$ 380,669,253</u>	<u>\$ 381,626,887</u>	<u>\$ 398,478,158</u>	<u>\$ 421,545,152</u>
1,979,421	495,806	2,933,553	1,424,360	930,369
47,371,414	51,255,346	52,736,490	50,365,721	54,900,175
1,891,713	1,105,137	1,228,735	2,120,683	2,610,480
9,386,154	13,643,831	15,584,636	17,715,170	17,779,417
977,356	80,011	15,298	842,062	-
2,312,195	-	-	-	-
<u>63,918,253</u>	<u>66,580,131</u>	<u>72,498,712</u>	<u>72,467,996</u>	<u>76,220,441</u>
149,155,872	153,287,474	161,955,897	178,425,252	180,026,680
1,907,210	2,370,652	2,054,905	1,831,268	1,929,131
-	-	-	184,606	121,161
<u>151,063,082</u>	<u>155,658,126</u>	<u>164,010,802</u>	<u>180,441,126</u>	<u>182,076,972</u>
3,840,906	4,031,278	4,400,004	4,190,597	4,573,916
5,250,906	5,474,440	5,545,338	3,231,664	10,830,430
-	-	-	-	-
28,661,854	29,747,025	31,961,908	34,657,913	35,599,518
43,490,209	49,600,332	45,769,822	40,486,327	44,291,377
275,998	562,195	973,917	4,909,872	658,385
17,078,817	16,602,940	18,711,298	19,143,079	19,461,761
6,712,000	6,712,000	7,674,206	-	-
11,736,593	14,041,868	4,056,388	10,880,404	12,126,166
17,005,597	18,019,651	12,630,413	14,659,841	23,203,254
5,491,198	3,992,741	5,360,061	4,868,934	2,944,297
9,265,110	9,646,526	8,034,018	8,540,405	9,558,635
<u>148,809,188</u>	<u>158,430,996</u>	<u>145,117,373</u>	<u>145,569,036</u>	<u>163,247,739</u>
<u>\$ 363,790,523</u>	<u>\$ 380,669,253</u>	<u>\$ 381,626,887</u>	<u>\$ 398,478,158</u>	<u>\$ 421,545,152</u>

# Granite School District

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

Last Ten Fiscal Years - June 30, 2014 through 2023 and Proposed Budget for 2024

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues:</b>					
Property taxes	\$ 109,537,454	\$ 117,411,168	\$ 127,477,366	\$ 126,659,775	\$ 144,794,791
Earnings on investments	889,683	823,177	1,229,443	2,045,330	2,829,790
Other local	10,928,379	11,339,127	10,459,987	11,296,442	10,311,195
State	270,160,476	274,774,354	289,347,546	300,483,592	313,717,784
Federal	<u>38,766,157</u>	<u>40,163,860</u>	<u>39,311,978</u>	<u>40,833,618</u>	<u>42,303,423</u>
Total revenues	<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>
<b>Expenditures:</b>					
Current:					
Instruction	299,040,857	308,217,928	313,720,152	319,976,784	314,430,030
Supporting services:					
Students	19,850,939	20,538,158	20,864,748	21,608,738	36,374,578
Instructional staff	16,649,551	15,431,611	15,941,286	16,462,417	29,410,870
District administration	3,152,450	3,394,556	3,439,511	3,879,652	4,364,980
School administration	28,194,855	29,877,428	31,232,278	31,915,921	34,632,807
Central	9,150,691	9,780,646	10,201,607	10,451,478	11,823,625
Operation and maintenance of facilities	54,122,795	54,752,894	53,990,705	57,355,321	58,104,674
Transportation	9,504,264	9,112,787	8,925,593	9,652,879	10,139,277
Debt service:					
Principal	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	-
Total expenditures	<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>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,384,253)</u>	<u>(6,594,322)</u>	<u>9,510,440</u>	<u>10,015,567</u>	<u>14,676,142</u>
<b>Other financing sources (uses):</b>					
Proceeds from sale of capital assets	-	-	-	3,350	533,385
Proceeds from insurance settlements	-	-	-	-	-
Subscription financing	-	-	-	-	-
Transfers in (out)	<u>3,239,451</u>	<u>8,532,515</u>	<u>3,538,242</u>	<u>(1,081,122)</u>	<u>(936,132)</u>
Total other financing sources (uses)	<u>3,239,451</u>	<u>8,532,515</u>	<u>3,538,242</u>	<u>(1,077,772)</u>	<u>(402,747)</u>
<b>Extraordinary item:</b>					
Insurance recovery	-	-	-	-	-
<b>Net change in fund balances</b>	<u>(6,144,802)</u>	<u>1,938,193</u>	<u>13,048,682</u>	<u>8,937,795</u>	<u>14,273,395</u>
<b>Fund balances - beginning</b>	<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>
<b>Fund balances - ending</b>	<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>

Source: District records



<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Proposed Budget 2024</u>
\$ 155,900,540	\$ 157,344,994	\$ 162,403,749	\$ 171,326,853	\$ 184,321,985	\$ 190,505,403
4,624,178	3,427,878	922,733	913,141	8,787,644	9,500,000
8,323,425	8,925,256	8,653,493	8,562,726	10,974,478	17,765,232
325,255,870	326,583,692	339,809,724	338,112,688	359,880,609	418,338,625
<u>45,196,348</u>	<u>53,683,842</u>	<u>60,602,976</u>	<u>82,620,345</u>	<u>78,735,094</u>	<u>79,332,857</u>
<u>539,300,361</u>	<u>549,965,662</u>	<u>572,392,675</u>	<u>601,535,753</u>	<u>642,699,810</u>	<u>715,442,117</u>
322,311,986	339,760,809	357,747,460	366,280,283	365,439,062	426,390,060
40,056,602	45,088,198	50,505,206	51,914,203	54,953,871	63,570,054
33,386,361	35,266,193	38,958,666	43,526,980	52,937,993	50,857,762
4,790,448	5,979,524	6,206,243	5,756,319	5,677,035	6,291,700
37,085,152	39,730,343	42,196,636	41,910,931	42,442,597	45,296,679
11,659,378	13,639,516	15,013,386	15,992,204	17,626,018	19,090,246
59,500,004	60,284,988	69,329,047	66,228,657	71,449,948	85,586,181
10,676,487	11,101,283	11,480,464	12,557,342	13,094,029	14,907,677
-	-	-	-	282,404	-
-	-	-	189,576	190,220	-
<u>519,466,418</u>	<u>550,850,854</u>	<u>591,437,108</u>	<u>604,356,495</u>	<u>624,093,177</u>	<u>711,990,359</u>
<u>19,833,943</u>	<u>(885,192)</u>	<u>(19,044,433)</u>	<u>(2,820,742)</u>	<u>18,606,633</u>	<u>3,451,758</u>
-	2,729	379,879	380	-	30,000
-	-	-	34,442	595,535	-
-	-	-	-	1,176,290	-
<u>(1,769,722)</u>	<u>10,504,271</u>	<u>5,111,801</u>	<u>2,878,693</u>	<u>(2,996,762)</u>	<u>(3,223,621)</u>
<u>(1,769,722)</u>	<u>10,507,000</u>	<u>5,491,680</u>	<u>2,913,515</u>	<u>(1,224,937)</u>	<u>(3,193,621)</u>
-	-	239,130	358,890	297,007	-
18,064,221	9,621,808	(13,313,623)	451,663	17,678,703	258,137
<u>130,744,967</u>	<u>148,809,188</u>	<u>158,430,996</u>	<u>145,117,373</u>	<u>145,569,036</u>	<u>163,247,739</u>
<u>\$ 148,809,188</u>	<u>\$ 158,430,996</u>	<u>\$ 145,117,373</u>	<u>\$ 145,569,036</u>	<u>\$ 163,247,739</u>	<u>\$ 163,505,876</u>



**GRANITE SCHOOL DISTRICT**  
**Statistical Section - Revenue Capacity**  
 Table of Contents

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

**Revenue Capacity**

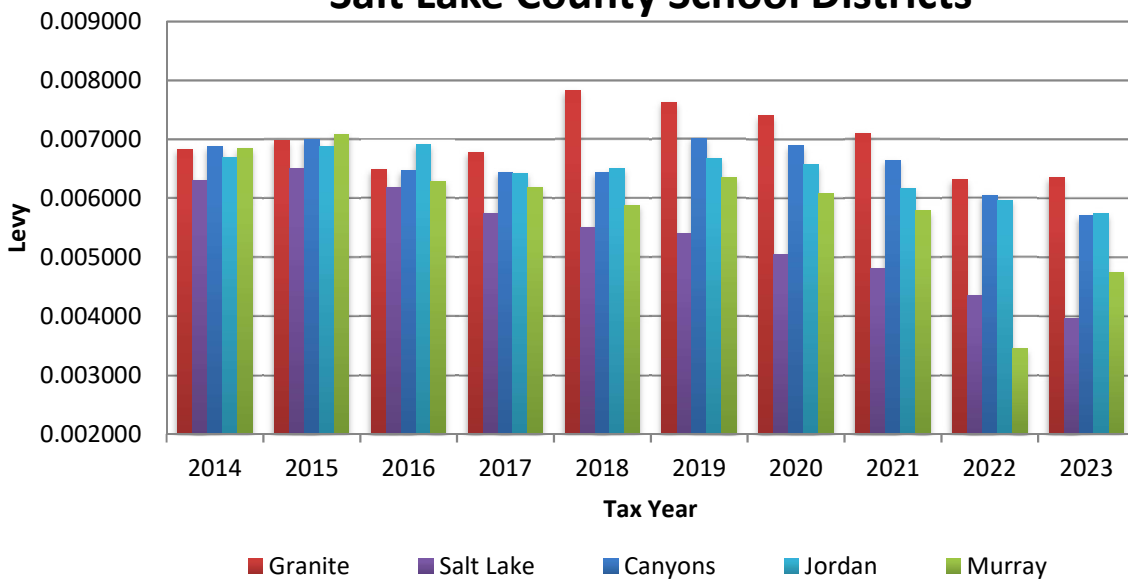
These schedules contain information to help the reader assess one of the District's most significant local revenue source, the property tax.

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Sources:

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

**A Comparison of Property Tax Rates  
 Salt Lake County School Districts**



**Granite School District**  
**Principal Property Tax Payers**  
December 31, 2022 and 2013

Taxpayer	Industry	2022			2013		
		Taxable Value*	Rank	Percent of Total Taxable Value	Taxable Value*	Rank	Percent of Total Taxable Value
Kennecott Utah Copper	Mining	\$ 3,521,353,628	1	7.54 %	\$ 1,777,973,449	1	8.48 %
PacificCorp	Utility	1,323,436,399	2	2.83 %	239,665,888	2	1.14 %
Questar Gas	Utility	871,802,277	3	1.87 %	125,228,597	5	0.60 %
Delta Airlines	Transportation	437,953,290	4	0.94 %	-	-	-
Hexcel Corporation	Product Design	368,129,404	5	0.79 %	156,228,130	3	0.75 %
Union Pacific	Transportation	232,784,812	6	0.50 %	-	-	-
Skywest	Transportation	208,505,761	7	0.45 %	-	-	-
Northrup Grumman Innovation Systems, Inc.	Aerospace	206,138,627	8	0.44 %	-	-	-
Staker Paving	Construction	171,582,174	9	0.37 %	-	-	-
Northern Utah Healthcare Corp.	Health Care	130,923,800	10	0.28 %	93,551,694	8	0.45 %
Alliant Techsystems Inc.	Aerospace	-	-	-	142,281,286	4	0.68 %
Coventry	Health Care	-	-	-	115,893,400	6	0.55 %
Verizon Communications Inc.	Communications	-	-	-	99,463,140	7	0.47 %
CER Generation II	Utility	-	-	-	71,415,526	9	0.34 %
Wal-Mart Real Estate Business Trust	Real Estate	-	-	-	64,330,800	10	0.31 %
		<u>\$ 7,472,610,172</u>		<u>16.01 %</u>	<u>\$ 2,886,031,910</u>		<u>13.77 %</u>
Total taxable value		\$ 46,696,368,959			\$ 20,969,542,129		

\* 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, 2013 through 2022

Tax Year	Taxes Levied *	Collections			Total Collections to Date	
		In the Year of Levy	Percentage of Levy	In Subsequent Years	Amount	Percentage of Levy
2013	\$ 155,031,549	\$ 145,068,290	93.57%	\$ 3,067,559	\$ 148,135,849	95.55%
2014	160,534,210	151,171,475	94.17%	2,642,896	153,814,371	95.81%
2015	172,088,527	161,444,485	93.81%	2,815,024	164,259,509	95.45%
2016	173,178,567	164,359,508	94.91%	2,728,120	167,087,628	96.48%
2017	189,471,794	175,818,128	92.79%	2,945,705	178,763,833	94.35%
2018	240,425,140	229,098,239	95.29%	3,740,578	232,838,817	96.84%
2019	252,715,360	237,957,204	94.16%	4,004,244	241,961,448	95.74%
2020	261,443,599	245,152,059	93.77%	3,710,042	248,862,101	95.19%
2021	279,127,162	262,963,249	94.21%	3,287,733	266,250,982	95.39%
2022	304,126,503	284,050,675	93.40%	2,851,564	286,902,239	94.34%

\* Includes uniform fees on tax equivalent 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, 2013 through 2022

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Set by State Tax Commission:				
Centrally assessed	\$ 1,909,724,105	\$ 2,020,058,045	\$ 1,987,554,888	\$ 1,953,016,576
Set by County Assessor:				
Locally assessed				
Real property:				
Residential real estate-primary use	12,107,463,442	12,979,459,323	13,746,599,126	15,038,672,403
Residential real estate-not primary use	449,861,180	433,165,380	447,699,630	475,841,220
Commercial and industrial real estate	5,121,010,250	5,325,372,810	5,659,892,170	6,123,211,850
Agriculture-FAA	2,488,520	2,275,710	2,335,310	1,931,070
Unimproved non-FAA	7,679,100	6,538,360	6,681,790	6,290,130
Total real property	<u>17,688,502,492</u>	<u>18,746,811,583</u>	<u>19,863,208,026</u>	<u>21,645,946,673</u>
Personal property:				
Tax equivalent property (motor vehicle fees)	567,068,999	572,977,971	623,717,876	638,454,053
Mobile home-primary residential use	39,128,490	38,194,141	37,301,968	36,061,274
Mobile home-other use	2,008,240	1,335,284	1,041,177	929,416
Commercial and industrial property	1,330,178,802	1,387,651,899	1,406,863,684	1,469,530,445
Total personal property	<u>1,938,384,531</u>	<u>2,000,159,295</u>	<u>2,068,924,705</u>	<u>2,144,975,188</u>
Total locally assessed	<u>19,626,887,023</u>	<u>20,746,970,878</u>	<u>21,932,132,731</u>	<u>23,790,921,861</u>
Total taxable property	<u>\$ 21,536,611,128</u>	<u>\$ 22,767,028,923</u>	<u>\$ 23,919,687,619</u>	<u>\$ 25,743,938,437</u>

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>\$ 1,818,510,466</u>	<u>\$ 2,230,321,708</u>	<u>\$ 2,095,451,540</u>	<u>\$ 1,955,265,731</u>	<u>\$ 2,226,589,243</u>	<u>\$ 2,640,793,090</u>
16,407,657,935	17,932,589,623	19,654,604,907	21,202,676,115	23,820,947,903	30,184,750,600
480,986,500	483,698,920	521,610,330	561,706,930	640,652,530	763,535,540
6,659,643,650	7,321,506,300	7,925,673,530	8,548,117,540	9,280,932,690	11,045,876,170
7,757,580	7,731,450	7,898,210	10,132,800	11,135,180	9,210,850
69,600	69,600	69,600	75,100	78,800	1,100
<u>23,556,115,265</u>	<u>25,745,595,893</u>	<u>28,109,856,577</u>	<u>30,322,708,485</u>	<u>33,753,747,103</u>	<u>42,003,374,260</u>
686,470,293	783,672,463	806,495,635	779,648,880	843,606,564	811,866,499
34,869,829	33,876,878	32,910,515	32,487,788	31,701,733	30,961,611
1,006,222	917,825	483,769	1,053,878	2,159,676	1,802,481
<u>1,518,533,062</u>	<u>1,575,930,319</u>	<u>1,796,298,892</u>	<u>1,893,403,976</u>	<u>1,935,542,905</u>	<u>2,019,437,517</u>
<u>2,240,879,406</u>	<u>2,394,397,485</u>	<u>2,636,188,811</u>	<u>2,706,594,522</u>	<u>2,813,010,878</u>	<u>2,864,068,108</u>
<u>25,796,994,671</u>	<u>28,139,993,378</u>	<u>30,746,045,388</u>	<u>33,029,303,007</u>	<u>36,566,757,981</u>	<u>44,867,442,368</u>
<u>\$ 27,615,505,137</u>	<u>\$ 30,370,315,086</u>	<u>\$ 32,841,496,928</u>	<u>\$ 34,984,568,738</u>	<u>\$ 38,793,347,224</u>	<u>\$ 47,508,235,458</u>

**Granite School District**  
**Taxable Value and Fair Market Value of Taxable Property**  
 Last Ten Years - December 31, 2013 through 2022

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Tax Year	Taxable Value *				
	Residential	Industrial & Commercial	Agriculture	Personal	Total
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
2018	18,416,288,543	11,127,758,327	7,801,050	818,467,166	30,370,315,086
2019	20,176,215,237	11,817,423,962	7,967,810	839,889,919	32,841,496,928
2020	21,764,383,045	12,396,787,247	10,207,900	813,190,546	34,984,568,738
2021	24,461,600,433	13,443,064,838	11,213,980	877,467,973	38,793,347,224
2022	30,948,286,140	15,706,106,777	9,211,950	844,630,591	47,508,235,458

\* Taxable value includes the estimated taxable value used to determine uniform fees on tax equivalent property (motor vehicle fees).

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>Fair Market Value</b>	<b>Taxable Value as a Percentage of Fair Market Value</b>
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%
0.006779	41,068,482,398	67.24%
0.007822	45,070,151,314	67.38%
0.007626	48,949,464,091	67.09%
0.007397	52,358,793,750	66.82%
0.007105	58,309,151,472	66.53%
0.006311	72,230,181,812	65.77%

# Granite School District

## Direct and Overlapping Property Tax Rates

Last Ten Years - December 31, 2013 through 2022

(Rate per \$1 of assessed value)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Granite School District Rates:</b>				
<b>General fund:</b>				
Basic state supported program for regular K-12 instruction (set by state legislature)	0.001535	0.001419	0.001736	0.001675
Voted leeway program for regular K-12 instruction	0.001600	0.001526	0.001461	0.001365
Board local levy (1)	<u>0.002106</u>	<u>0.002227</u>	<u>0.002169</u>	<u>0.002023</u>
Total general fund	<u>0.005241</u>	<u>0.005172</u>	<u>0.005366</u>	<u>0.005063</u>
<b>Capital projects fund:</b>				
Capital outlay equalization (2)	0.000600	0.000600	0.000600	0.000600
Capital outlay for buildings and other capital needs	<u>0.000392</u>	<u>0.000298</u>	<u>0.000389</u>	<u>0.000195</u>
Total capital projects fund	<u>0.000992</u>	<u>0.000898</u>	<u>0.000989</u>	<u>0.000795</u>
<b>Other:</b>				
Debt service	0.000761	0.000761	0.000623	0.000623
Charter school levy (1)	-	-	-	-
Total other	<u>0.000761</u>	<u>0.000761</u>	<u>0.000623</u>	<u>0.000623</u>
Total direct rate	<u>0.006994</u>	<u>0.006831</u>	<u>0.006978</u>	<u>0.006481</u>
<b>Overlapping Rates: (3)</b>				
Salt Lake County, Municipal, and Library	0.004101	0.003931	0.003668	0.003434
Salt Lake Valley Law Enforcement Service Area (1)	0.002230	0.002145	0.002042	0.001925
Salt Lake Valley Fire Service Area	0.002192	0.002097	0.002000	0.001888
Holladay City	0.001707	0.001596	0.001528	0.001420
Millcreek City (1)	-	-	-	-
South Salt Lake City	0.002725	0.002572	0.002454	0.002303
Taylorsville City	0.002104	0.001294	0.001250	0.001165
West Valley City	0.004633	0.004831	0.004199	0.004233
Central Utah Water Conservancy District	0.000446	0.000422	0.000405	0.000400
Other local taxing entities:				
Minimum	0.000021	0.000020	0.000019	0.000018
Maximum	0.005349	0.005675	0.004862	0.004557

**Notes:**

- (1) Tax rates begin the first year the entity levied a rate.
- (2) Tax rate discontinued for 2017.
- (3) 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-Certified Property Tax Rates by Year

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.001568	0.001666	0.001661	0.001628	0.001661	0.001652
0.001287	0.001178	0.001124	0.001069	0.000978	0.000811
<u>0.002375</u>	<u>0.002256</u>	<u>0.002117</u>	<u>0.002023</u>	<u>0.001846</u>	<u>0.001532</u>
<u>0.005230</u>	<u>0.005100</u>	<u>0.004902</u>	<u>0.004720</u>	<u>0.004485</u>	<u>0.003995</u>
-	-	-	-	-	-
<u>0.000801</u>	<u>0.000668</u>	<u>0.000638</u>	<u>0.000607</u>	<u>0.001681</u>	<u>0.001541</u>
<u>0.000801</u>	<u>0.000668</u>	<u>0.000638</u>	<u>0.000607</u>	<u>0.001681</u>	<u>0.001541</u>
0.000623	0.001957	0.001957	0.001957	0.000831	0.000686
<u>0.000125</u>	<u>0.000097</u>	<u>0.000129</u>	<u>0.000113</u>	<u>0.000108</u>	<u>0.000089</u>
<u>0.000748</u>	<u>0.002054</u>	<u>0.002086</u>	<u>0.002070</u>	<u>0.000939</u>	<u>0.000775</u>
<u>0.006779</u>	<u>0.007822</u>	<u>0.007626</u>	<u>0.007397</u>	<u>0.007105</u>	<u>0.006311</u>
0.002908	0.002648	0.002530	0.002524	0.001777	0.001459
0.002033	0.002139	0.002079	0.002254	0.001973	0.001984
0.001812	0.001858	0.001746	0.001717	0.001594	0.001320
0.001380	0.001311	0.001235	0.001169	0.001605	0.001330
0.000068	0.002012	0.001897	0.001841	0.001699	0.001453
0.002032	0.001878	0.001715	0.001597	0.001536	0.002565
0.001090	0.001003	0.000943	0.000904	0.000825	0.000741
0.004151	0.003706	0.003508	0.003263	0.002995	0.002800
0.000400	0.000400	0.000400	0.000400	0.000400	0.000400
0.000017	0.000015	0.000014	0.000013	0.000012	0.000009
0.004286	0.003977	0.003878	0.003540	0.003424	0.003158



**GRANITE SCHOOL DISTRICT**  
**Statistical Section - Debt Capacity**  
 Table of Contents

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This part of the District's annual comprehensive 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**

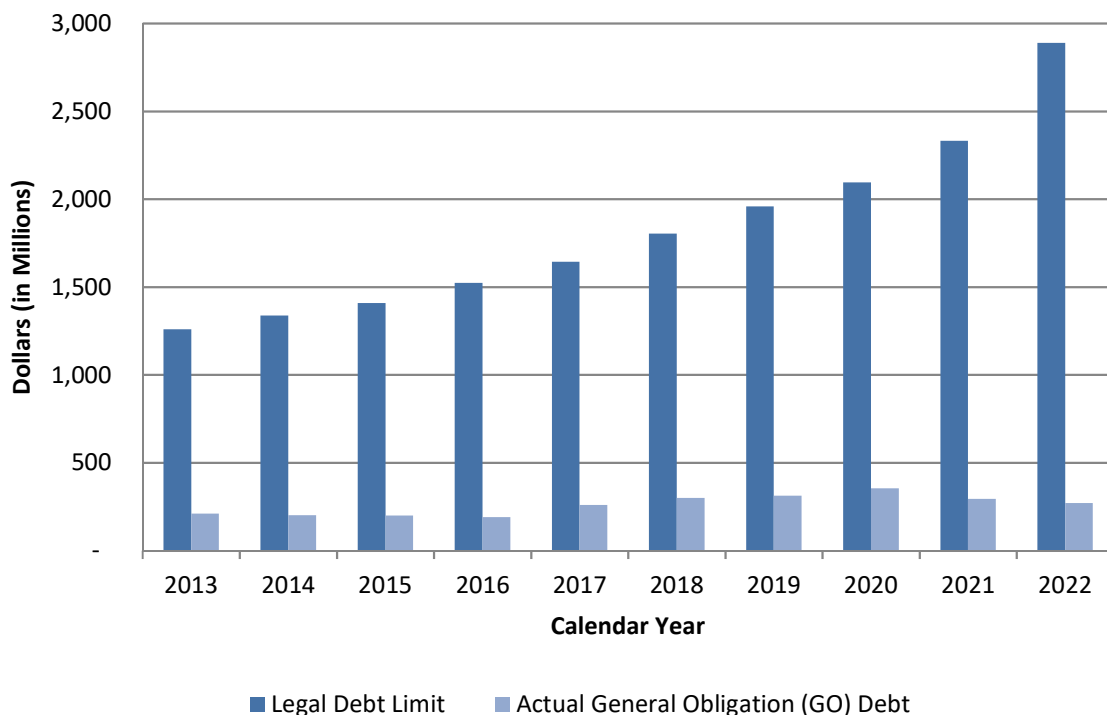
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Contents	Page
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CUSIP Numbers Associated with Outstanding General Obligation Bonded Indebtedness.....	124
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Sources:

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

**Legal Debt Limit and Actual GO Debt**



**Granite School District**  
**Ratios of Outstanding Debt**

Last Ten Fiscal Years - June 30, 2014 through 2023

Fiscal Year	Outstanding Debt					
	Direct					
	General Obligation Bonds	Less: Amounts Available in Debt Service Fund (1)	Net General Obligation Bonds	Unamortized Bond Premiums	Leases	Subscriptions
2014	\$ 189,685,000	\$ 213,402	\$ 189,471,598	\$ 12,547,406	\$ -	\$ -
2015	181,355,000	551,976	180,803,024	11,629,941	-	-
2016	185,800,000	178,502	185,621,498	5,689,286	-	-
2017	177,820,000	940,161	176,879,839	4,880,754	-	-
2018	234,295,000	49,954,935	184,340,065	14,634,861	-	-
2019	234,680,000	52,528,163	182,151,837	14,829,887	-	-
2020	232,355,000	3,677,120	228,677,880	23,723,557	-	-
2021	249,695,000	95,509	249,599,491	49,814,161	-	-
2022	231,345,000	134,407	231,210,593	44,498,302	376,918	-
2023	211,740,000	-	211,740,000	39,182,442	469,586	1,189,583

Fiscal Year	Debt as a Percentage of Taxable Value		Debt as a Percentage of Fair Market Value		Debt per Personal Income (2)	
	Direct	Direct and Overlapping	Direct	Direct and Overlapping	Direct	Direct and Overlapping
	2014	0.94%	1.49%	0.64%	1.02%	\$ 4,350
2015	0.85%	1.29%	0.58%	0.88%	3,888	5,928
2016	0.80%	1.19%	0.54%	0.81%	3,648	5,411
2017	0.71%	1.07%	0.48%	0.72%	3,237	4,902
2018	0.72%	1.09%	0.48%	0.73%	3,279	4,947
2019	0.65%	0.97%	0.44%	0.66%	3,061	4,601
2020	0.77%	1.03%	0.52%	0.69%	3,666	4,907
2021	0.86%	1.13%	0.57%	0.76%	4,035	5,351
2022	0.71%	0.92%	0.47%	0.61%	N/A	N/A
2023	0.53%	1.06%	0.35%	0.70%	N/A	N/A

(1) This is the amount restricted for debt service principal payments.

(2) 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.

(3) Based on average daily membership

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

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<b>Subtotal</b>	<b>Overlapping General Obligation Debt</b>	<b>Total Direct and Overlapping</b>
\$ 202,019,004	\$ 118,505,740	\$ 320,524,744
192,432,965	100,938,960	293,371,925
191,310,784	92,424,890	283,735,674
181,760,593	93,483,513	275,244,106
198,974,926	101,167,738	300,142,664
196,981,724	99,044,845	296,026,569
252,401,437	85,443,677	337,845,114
299,413,652	97,651,477	397,065,129
276,085,813	79,122,352	355,208,165
252,581,611	250,922,442	503,504,053

<b>Debt per Estimated Capita</b>		<b>Debt per Student (3)</b>	
<b>Direct</b>	<b>Direct and Overlapping</b>	<b>Direct</b>	<b>Direct and Overlapping</b>
\$ 4,749	\$ 7,536	\$ 3,020	\$ 4,792
4,306	6,564	2,888	4,404
4,091	6,068	2,865	4,250
3,676	5,567	2,754	4,170
3,780	5,702	3,079	4,645
3,553	5,339	3,123	4,694
4,272	5,719	4,036	5,403
4,787	6,348	4,974	6,596
N/A	N/A	4,695	6,041
N/A	N/A	4,392	8,754

**Granite School District**  
**Debt Service Schedule of Outstanding General Obligation Bonds (Fiscal Year)**  
As of June 30, 2023

Year Ending June 30,	Series 2012		Series 2013		Series 2017A		Series 2017B		Series 2018	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,855,000	\$ 573,075	\$ 480,000	\$ 223,900	\$ 1,085,000	\$ 841,450	\$ 3,705,000	\$ 1,513,019	\$ 1,185,000	\$ 257,737
2025	1,940,000	517,425	480,000	199,900	1,100,000	787,200	4,055,000	1,327,769	1,185,000	198,488
2026	2,030,000	459,225	530,000	175,900	1,125,000	732,200	4,655,000	1,125,019	1,185,000	139,237
2027	2,130,000	398,325	590,000	149,400	1,155,000	675,950	4,820,000	892,269	1,185,000	79,988
2028	2,225,000	334,425	630,000	122,850	1,180,000	618,200	4,980,000	651,269	1,185,000	32,588
2029	2,330,000	256,550	650,000	94,500	1,210,000	559,200	5,150,000	402,268	-	-
2030	2,440,000	175,000	670,000	65,250	1,240,000	498,700	5,515,000	144,769	-	-
2031	-	89,600	-	35,100	1,270,000	436,700	-	-	-	-
2032	2,560,000	89,600	480,000	35,100	1,305,000	373,200	-	-	-	-
2033	-	-	300,000	13,500	1,340,000	307,950	-	-	-	-
2034	-	-	-	-	1,375,000	240,950	-	-	-	-
2035	-	-	-	-	1,410,000	172,200	-	-	-	-
2036	-	-	-	-	1,450,000	115,800	-	-	-	-
2037	-	-	-	-	1,445,000	57,800	-	-	-	-
	<u>\$ 17,510,000</u>	<u>\$ 2,893,225</u>	<u>\$ 4,810,000</u>	<u>\$ 1,115,400</u>	<u>\$ 17,690,000</u>	<u>\$ 6,417,500</u>	<u>\$ 32,880,000</u>	<u>\$ 6,056,381</u>	<u>\$ 5,925,000</u>	<u>\$ 708,038</u>

Source: District records



Series 2019		Series 2020		Series 2021		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 6,260,000	\$ 1,878,000	\$ 5,135,000	\$ 2,091,250	\$ 4,145,000	\$ 2,677,000	\$ 23,850,000	\$ 10,055,431
6,260,000	1,565,000	5,395,000	1,834,500	4,355,000	2,469,750	24,770,000	8,900,032
6,260,000	1,252,000	5,665,000	1,564,750	4,515,000	2,252,000	25,965,000	7,700,331
6,260,000	939,000	5,945,000	1,281,500	4,805,000	2,026,250	26,890,000	6,442,682
6,260,000	626,000	6,245,000	984,250	5,315,000	1,786,000	28,020,000	5,155,581
6,260,000	313,000	6,555,000	672,000	5,820,000	1,520,250	27,975,000	3,817,768
-	-	6,885,000	344,250	6,155,000	1,229,250	22,905,000	2,457,219
-	-	-	-	18,430,000	921,500	19,700,000	1,482,900
-	-	-	-	-	-	4,345,000	497,900
-	-	-	-	-	-	1,640,000	321,450
-	-	-	-	-	-	1,375,000	240,950
-	-	-	-	-	-	1,410,000	172,200
-	-	-	-	-	-	1,450,000	115,800
-	-	-	-	-	-	1,445,000	57,800
<u>\$ 37,560,000</u>	<u>\$ 6,573,000</u>	<u>\$ 41,825,000</u>	<u>\$ 8,772,500</u>	<u>\$ 53,540,000</u>	<u>\$ 14,882,000</u>	<u>\$ 211,740,000</u>	<u>\$ 47,418,044</u>

**Granite School District**

**CUSIP Numbers Associated with Outstanding General Obligation Bonded Indebtedness**

As of June 30, 2023

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

Payment Due June 1,	Series 2012			Series 2013			Series 2017A			Series 2017B		
	\$36,500,000 Original Par Value			\$11,575,000 Original Par Value			\$25,000,000 Original Par Value			\$42,195,000 Original Par Value		
	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*
2024	\$ 1,855,000	3.000%	LH9	\$ 480,000	5.000%	MB1	\$ 1,085,000	5.000%	NH7	\$ 3,705,000	5.000%	PA0
2025	1,940,000	3.000%	LJ5	480,000	5.000%	MC9	1,100,000	5.000%	NJ3	4,055,000	5.000%	PB8
2026	2,030,000	3.000%	LK2	530,000	5.000%	MD7	1,125,000	5.000%	NK0	4,655,000	5.000%	PC6
2027	2,130,000	3.000%	LL0	590,000	4.500%	ME5	1,155,000	5.000%	NL8	4,820,000	5.000%	PD4
2028	2,225,000	3.500%	LM8	630,000	4.500%	MF2	1,180,000	5.000%	NM6	4,980,000	5.000%	PE2
2029	2,330,000	3.500%	LN6	650,000	4.500%	MG0	1,210,000	5.000%	NN4	5,150,000	5.000%	PF9
2030	2,440,000	3.500%	LP1	670,000	4.500%	MH8	1,240,000	5.000%	NP9	5,515,000	2.625%	PG7
2031	-	-	-	-	-	-	1,270,000	5.000%	NQ7	-	-	-
2032	2,560,000	3.500%	LQ9	480,000	4.500%	MJ4	1,305,000	5.000%	NR5	-	-	-
2033	-	-	-	300,000	-	MK1	1,340,000	5.000%	NS3	-	-	-
2034	-	-	-	-	-	-	1,375,000	5.000%	NT1	-	-	-
2035	-	-	-	-	-	-	1,410,000	4.000%	NU8	-	-	-
2036	-	-	-	-	-	-	1,450,000	4.000%	NV6	-	-	-
2037	-	-	-	-	-	-	1,445,000	4.000%	NW4	-	-	-
	<u>\$ 17,510,000</u>			<u>\$ 4,810,000</u>			<u>\$ 17,690,000</u>			<u>\$ 32,880,000</u>		

Source: District records

Series 2018			Series 2019			Series 2020			Series 2021		
<u>\$50,000,000 Original Par Value</u>			<u>\$100,000,000 Original Par Value</u>			<u>\$88,000,000 Original Par Value</u>			<u>\$53,595,000 Original Par Value</u>		
Principal	Rate	CUSIP*	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*	Principal	Rate	CUSIP*
\$ 1,185,000	5.000%	PN2	\$ 6,260,000	5.000%	PX0	\$ 5,135,000	5.000%	QG6	\$ 4,145,000	5.000%	QQ4
1,185,000	5.000%	PP7	6,260,000	5.000%	PY8	5,395,000	5.000%	GH4	4,355,000	5.000%	QR2
1,185,000	5.000%	PQ5	6,260,000	5.000%	PZ5	5,665,000	5.000%	QJ0	4,515,000	5.000%	QS0
1,185,000	4.000%	PR3	6,260,000	5.000%	QA9	5,945,000	5.000%	QK7	4,805,000	5.000%	QT8
1,185,000	2.750%	PS1	6,260,000	5.000%	QB7	6,245,000	5.000%	QL5	5,315,000	5.000%	QU5
-	-	-	6,260,000	5.000%	QC5	6,555,000	5.000%	QM3	5,820,000	5.000%	QV3
-	-	-	-	-	-	6,885,000	5.000%	QN1	6,155,000	5.000%	QW1
-	-	-	-	-	-	-	-	-	18,430,000	5.000%	QX9
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<u>\$ 5,925,000</u>			<u>\$ 37,560,000</u>			<u>\$ 41,825,000</u>			<u>\$ 53,540,000</u>		

**Granite School District**  
**Direct and Overlapping General Obligation Debt**  
As of June 30, 2023

<u>Taxing Entity</u>	<u>2022 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	\$ 178,137,389,816	\$ 46,696,368,959	26.2%	\$ 117,565,000	\$ 30,818,115
CUWCD (2)	283,702,801,346	46,696,368,959	16.5%	123,254,854	20,287,266
Magna Water District	3,069,772,482	3,069,772,482	100.0%	22,030,000	22,030,000
West Jordan City	13,469,645,779	441,904,175	3.3%	2,135,000	70,044
				Total overlapping general obligation debt	<u>73,205,425</u>
				Total direct general obligation indebtedness of Granite School District (3)	<u>250,922,442</u>
				Total direct and overlapping general obligation debt	<u>\$ 324,127,867</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 tax equivalent 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.
- (3) General obligation indebtedness includes unamortized bond premiums of \$39,182,442. Net of leases and amounts available in debt service fund.

Source: Utah State Tax Commission, Salt Lake County, CUWCD, Magna Water District, and West Jordan City records for overlapping debt. Otherwise, District records.

**Granite School District**  
**Legal Debt Margin Information**

Last Ten Tax Years - December 31, 2013 through 2022

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<u>Tax Year</u>	<u>Fair Market Value</u>	<u>Debt Limit*</u>	<u>Less General Obligation Debt</u>	<u>Legal Debt Margin</u>	<u>Percentage of Debt to Debt Limit</u>
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%
2018	45,070,151,314	1,802,806,053	299,535,927	1,503,270,126	19.93%
2019	48,949,464,091	1,957,978,564	312,132,317	1,645,846,247	18.96%
2020	52,358,793,750	2,094,351,750	353,694,280	1,740,657,470	20.32%
2021	58,309,151,472	2,332,366,059	294,741,498	2,037,624,561	14.46%
2022	72,230,181,812	2,889,207,272	271,026,211**	2,618,181,061	10.35%

\* 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 District made a payment on June 1, 2023 which reduced the principal balance of the general obligation debt to \$211,740,000 as of June 30, 2023. The general obligation debt includes unamortized bond premiums.

Source: District records



**GRANITE SCHOOL DISTRICT**  
**Statistical Section - Demographic and Economic Information**  
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This part of the District's annual comprehensive 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.

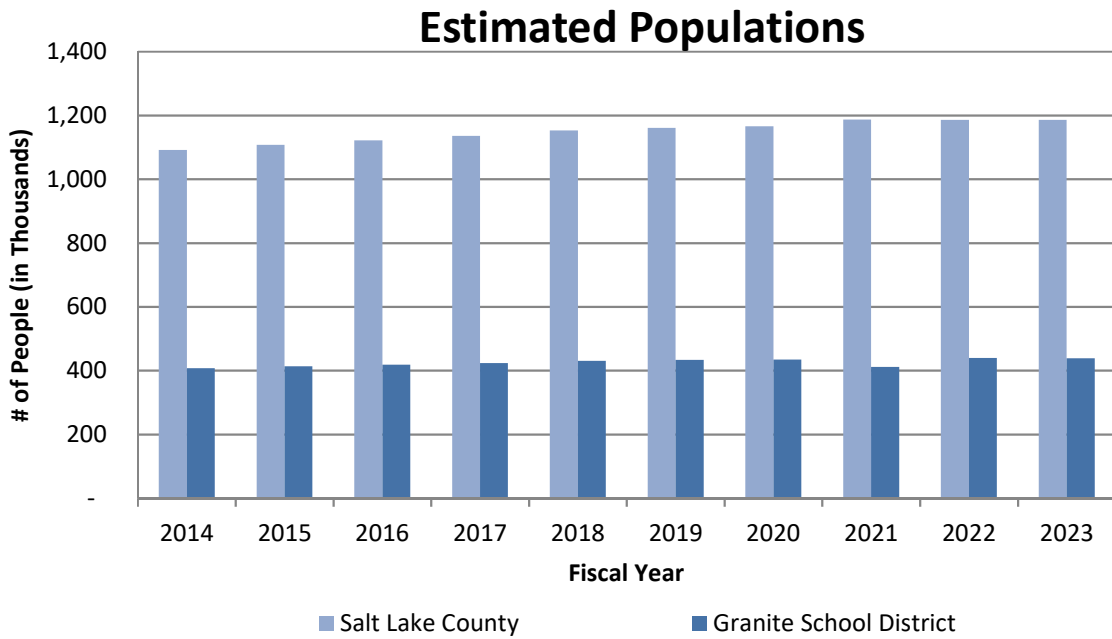
**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the

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Principal Employers.....	131

Sources:

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



**Granite School District**  
**Demographic and Economic Statistics**

Last Ten Fiscal Years - June 30, 2014 through 2023

<b>Fiscal Year</b>	<b>Granite School District Estimated Population*</b>	<b>Salt Lake County Estimated Population**</b>	<b>Salt Lake County Total Personal Income (in thousands)**</b>	<b>Salt Lake County Per Capita Income**</b>	<b>Salt Lake County Unemployment Rate**</b>	<b>Salt Lake County Estimated New Construction**</b>	<b>Number of Students of Minority Ancestry</b>
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	423,689	1,135,649	56,152,594	49,445	2.9%	2,187,229,400	32,512
2018	430,030	1,152,633	60,673,924	52,639	2.9%	2,899,665,166	32,537
2019	432,944	1,160,437	64,341,937	55,446	2.3%	3,015,289,691	32,253
2020	434,840	1,165,517	68,854,783	59,077	4.8%	3,838,632,482	32,586
2021	410,994	1,186,421	74,207,465	62,547	1.7%	4,122,671,555	35,614
2022	439,235	1,186,257	N/A	N/A	2.5%	4,343,554,272	33,375
2023	438,862	1,186,093	N/A	N/A	2.8%	3,992,958,011	32,265

\* 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 applicable to the District impractical 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 ACFR by year, Utah Construction Information Database, District records



**Granite School District**  
**Principal Employers in Salt Lake County**  
December 31, 2022 and 2013

Employer	2022				2013			
	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%	8.0%	20,000 +	1	4.9%	9.4%
Intermountain Healthcare	15,000 - 19,999	2	3.4%	7.0%	15,000 - 19,999	2	4.3%	8.2%
State of Utah**	15,000 - 19,999	3	3.4%	7.0%	10,000 - 14,999	3	3.1%	5.9%
Wal-Mart	10,000 - 14,999	4	2.3%	5.0%	4,000 - 4,999	7	1.1%	2.1%
Granite School District	10,000 - 14,999	5	2.3%	5.0%	7,000 - 9,999	4	2.1%	4.0%
Zions Bank	7,000 - 9,999	6	1.6%	3.4%	- -	-	-	-
Smith's Marketplace	7,000 - 9,999	7	1.6%	3.4%	- -	-	-	-
Jordan School District	7,000 - 9,999	8	1.6%	3.4%	5,000 - 6,999	5	1.5%	2.8%
United Parcel Service	5,000 - 6,999	9	1.1%	2.4%	- -	-	-	-
Salt Lake County**	5,000 - 6,999	10	1.1%	2.4%	5,000 - 6,999	6	1.5%	2.8%
US Government (excl. Post Office and VA)	- -	-	-	-	4,000 - 4,999	8	1.1%	2.1%
Canyons School District	- -	-	-	-	4,000 - 4,999	9	1.1%	2.1%
Salt Lake City School District	- -	-	-	-	3,000 - 3,999	10	0.9%	1.6%
Totals	<u>101,000 - 133,991</u>		<u>26.8%</u>	<u>46.8%</u>	<u>77,000 - 97,991</u>		<u>24.1%</u>	<u>41.2%</u>

\* The number of employees reported are those for the whole of Salt Lake County and are only available as a range of the average annual employment. The numbers reported do not include employers exempt from reporting payroll employment into the unemployment insurance system administered by the Utah Department of Workforce Services. The number of employees within the District's boundaries for these employers is unavailable.

\*\* The District did not include governmental entities in the list of principal employers in Salt Lake County until 2013.

Source: Utah Department of Workforce Services



**GRANITE SCHOOL DISTRICT**  
**Statistical Section - Operating Information**  
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This part of the District's annual comprehensive 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**

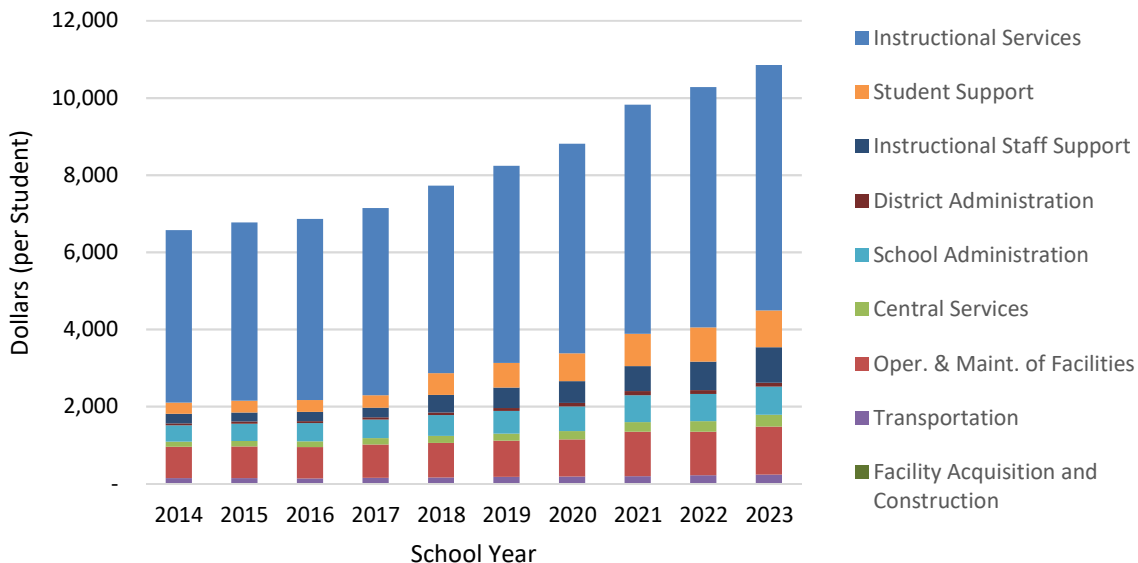
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

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Sources:

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

**General Fund Expenditures by Function per Pupil**



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

Last Ten Fiscal Years - June 30, 2014 through 2023

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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>
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	53,187	49,655
2019	41,920	81,070	58,735	51,858
2020	43,483	84,255	61,652	54,678
2021	50,380	88,258	64,086	57,226
2022	50,842	89,099	65,119	59,671
2023	52,824	92,707	A	A

Sources: District records

\* Superintendent's Annual Report published by the Utah State Board of Education

A) The 2023 numbers were not available when this schedule was prepared.

**Granite School District**  
**Students per Instructional Staff**

Last Ten Fiscal Years - June 30, 2014 through 2023

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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>
2014	66,888	3,325	20.12
2015	66,622	3,379	19.72
2016	66,766	3,384	19.73
2017	66,007	3,306	19.97
2018	64,616	3,157	20.47
2019	63,071	3,138	20.10
2020	62,531	3,081	20.29
2021	60,198	3,021	19.93
2022	58,802	3,005	19.57
2023	57,515	3,056	18.82

Source: District records

## Granite School District

### Fall Enrollment, Average Daily Membership, and Average Daily Attendance

Last Ten Fiscal Years - June 30, 2014 through 2023

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<u>Fiscal Year</u>	<u>Fall Enrollment (Oct. 1)</u>	<u>Average Daily Membership (ADM)</u>	<u>Average Daily Attendance (ADA)</u>	<u>Ratio of ADM to Fall Enrollment</u>	<u>Ratio of ADA to ADM</u>
2014	68,106	66,888	64,149	98.21%	95.91%
2015	67,660	66,622	65,294	98.47%	98.01%
2016	67,822	66,766	63,877	98.44%	95.67%
2017	67,177	66,007	63,064	98.26%	95.54%
2018	66,024	64,616	61,605	97.87%	95.34%
2019	64,281	63,071	60,085	98.12%	95.27%
2020	63,989	62,531	60,247	97.72%	96.35%
2021	61,851	60,198	57,813	97.33%	96.04%
2022	60,371	58,802	54,130	97.40%	92.05%
2023	59,121	57,515*	52,598	97.28%	91.45%

Source: Superintendent's Annual Report published by the Utah State Board of Education

\*The 2023 ADM data comes from District records as USBE numbers were not available when this schedule was prepared.

**Granite School District**  
**History of High School Graduates**

Last Ten School Years - School Years 2014 through 2023

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Totals</u>
Cottonwood	403	374	365	343	336	337	314	322	352	421	3,567
Cyprus	392	471	458	502	514	496	529	549	522	508	4,941
Granger	486	501	613	630	605	646	606	637	585	647	5,956
Hunter	600	575	592	565	590	546	566	546	562	546	5,688
Kearns	402	403	415	434	481	460	404	491	466	488	4,444
Olympus	487	448	482	461	493	504	459	476	498	523	4,831
Skyline	440	490	442	508	477	445	446	492	518	508	4,766
Taylorville	480	456	526	490	496	528	508	582	547	583	5,196
Special Programs	<u>255</u>	<u>163</u>	<u>225</u>	<u>287</u>	<u>114</u>	<u>172</u>	<u>167</u>	<u>169</u>	<u>132</u>	<u>239</u>	<u>1,923</u>
Total	<u>3,945</u>	<u>3,881</u>	<u>4,118</u>	<u>4,220</u>	<u>4,106</u>	<u>4,134</u>	<u>3,999</u>	<u>4,264</u>	<u>4,182</u>	<u>4,463</u>	<u>41,312</u>

Source: District records

**Granite School District**  
**Full-Time Equivalents by Functional Category**  
 Last Ten Fiscal Years - June 30, 2014 through 2023

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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instructional services	3,324.66	3,378.68	3,384.19	3,305.90	3,156.75	3,138.12
Supporting services:						
Students	241.61	247.52	248.19	256.10	371.01	393.33
Instructional staff	118.79	113.96	118.37	123.27	193.87	217.31
District administration	14.25	14.30	14.30	16.30	16.30	16.30
School administration	269.00	277.50	282.50	279.50	281.50	287.50
Central	88.10	88.10	90.50	92.50	92.50	94.50
Operation and maintenance of facilities	469.10	469.50	473.50	473.50	464.00	481.50
Transportation	120.86	121.84	123.38	127.61	127.36	130.19
School lunch services	116.86	120.11	118.71	126.00	132.00	128.00
Community services	14.00	12.00	13.00	12.00	18.00	18.00
Facility acquisition and construction	<u>2.00</u>	<u>-</u>	<u>-</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
Total full-time equivalents	<u>4,779.23</u>	<u>4,843.51</u>	<u>4,866.64</u>	<u>4,814.68</u>	<u>4,855.29</u>	<u>4,906.75</u>

Source: District records



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<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
3,081.48	3,020.75	3,005.38	3,056.13
426.18	439.86	474.65	491.47
234.59	260.34	268.38	280.50
18.58	25.83	28.12	28.83
298.50	300.00	303.00	300.00
100.50	102.50	103.50	101.00
483.00	495.83	494.88	493.33
138.94	152.21	147.52	153.96
132.00	136.50	140.10	139.50
18.00	10.00	21.00	18.50
-	-	-	-
<u>4,931.77</u>	<u>4,943.82</u>	<u>4,986.53</u>	<u>5,063.22</u>

**Granite School District**  
**Expenses by Function-Statement of Activities**  
 Last Ten Fiscal Years - June 30, 2014 through 2023

<u>Function</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Instructional services	\$ 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%
Support services:					
Students	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%
Instructional staff	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%
District administration	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%
School administration	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%
Central	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%
Operation and maintenance of facilities	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%
Transportation	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%
School lunch services	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%
Community services	393,701 0.08%	6,159,773 1.18%	7,165,894 1.29%	5,949,531 1.03%	9,689,304 1.64%
Interest on long-term liabilities	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%
Total expenses	<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>
Average daily membership	66,888	66,622	66,766	66,007	64,616
Average expenses per pupil	\$7,500	\$7,824	\$8,321	\$8,746	\$9,128

Source: District records

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 372,732,101 58.23%	\$ 388,977,821 57.57%	\$ 379,077,882 56.48%	\$ 352,329,595 56.88%	\$ 404,407,358 55.27%
41,447,698 6.48%	46,816,092 6.93%	47,774,638 7.12%	43,729,987 7.06%	54,880,657 7.50%
34,598,339 5.41%	36,628,138 5.42%	37,131,590 5.53%	36,249,670 5.85%	52,861,537 7.22%
5,133,263 0.80%	6,601,202 0.98%	6,933,849 1.03%	5,178,246 0.84%	5,698,902 0.78%
40,263,205 6.29%	43,266,788 6.40%	41,715,340 6.22%	36,965,962 5.97%	44,834,961 6.13%
16,156,481 2.52%	18,837,470 2.79%	17,786,973 2.65%	18,350,223 2.96%	22,364,955 3.06%
65,454,894 10.23%	66,498,153 9.84%	73,140,142 10.90%	64,912,714 10.48%	77,598,148 10.61%
13,077,960 2.04%	13,548,580 2.01%	14,945,774 2.23%	13,973,444 2.26%	14,335,312 1.96%
31,567,801 4.93%	30,249,702 4.48%	26,927,988 4.01%	23,565,643 3.80%	28,793,991 3.94%
10,404,789 1.63%	14,883,810 2.20%	17,222,315 2.57%	17,255,168 2.79%	19,863,953 2.71%
9,242,260 1.44%	9,364,995 1.39%	8,502,780 1.27%	6,911,503 1.12%	6,017,468 0.82%
<u>\$ 640,078,791</u>	<u>\$ 675,672,751</u>	<u>\$ 671,159,271</u>	<u>\$ 619,422,155</u>	<u>\$ 731,657,242</u>
63,071	62,531	60,198	58,802	57,515
\$10,149	\$10,805	\$11,149	\$10,534	\$12,721

**Granite School District**  
**Expenses by Function Per Pupil-Statement of Activities**  
 Last Ten Fiscal Years - June 30, 2014 through 2023

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<u>Function</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Instructional services	\$ 4,790 63.87%	\$ 5,036 64.36%	\$ 5,325 64.00%	\$ 5,596 63.98%	\$ 5,391 59.06%
Support services:					
Students	298 3.97%	300 3.83%	315 3.79%	336 3.84%	550 6.02%
Instructional staff	250 3.33%	224 2.87%	239 2.88%	253 2.89%	444 4.87%
District administration	52 0.69%	48 0.62%	56 0.67%	60 0.69%	65 0.71%
School administration	423 5.64%	442 5.64%	478 5.74%	504 5.76%	544 5.96%
Central	154 2.05%	149 1.91%	192 2.31%	201 2.29%	236 2.59%
Operation and maintenance of facilities	831 11.08%	863 11.02%	882 10.61%	953 10.90%	954 10.45%
Transportation	155 2.06%	144 1.84%	171 2.05%	160 1.83%	185 2.02%
School lunch services	424 5.65%	411 5.26%	445 5.35%	500 5.72%	492 5.39%
Community services	6 0.08%	92 1.18%	107 1.29%	90 1.03%	150 1.64%
Interest on long-tem liabilities	118 1.58%	115 1.47%	111 1.33%	93 1.07%	117 1.28%
Total expenses	<u>\$ 7,500</u>	<u>\$ 7,824</u>	<u>\$ 8,321</u>	<u>\$ 8,746</u>	<u>\$ 9,128</u>
Average daily membership	66,888	66,622	66,766	66,007	64,616

Source: District records

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$	5,910	\$ 6,221	\$ 6,297	\$ 5,992	\$ 7,031
	58.23%	57.57%	56.48%	56.88%	55.27%
	657	749	794	744	954
	6.48%	6.93%	7.12%	7.06%	7.50%
	549	586	617	616	919
	5.41%	5.42%	5.53%	5.85%	7.22%
	81	106	115	88	99
	0.80%	0.98%	1.03%	0.84%	0.78%
	638	692	693	629	780
	6.29%	6.40%	6.22%	5.97%	6.13%
	256	301	295	312	389
	2.52%	2.79%	2.65%	2.96%	3.06%
	1,038	1,063	1,215	1,104	1,349
	10.23%	9.84%	10.90%	10.48%	10.61%
	207	217	248	238	249
	2.04%	2.01%	2.23%	2.26%	1.96%
	501	484	447	401	501
	4.93%	4.48%	4.01%	3.80%	3.94%
	165	238	286	293	345
	1.63%	2.20%	2.57%	2.79%	2.71%
	147	150	141	118	105
	1.44%	1.39%	1.27%	1.12%	0.82%
\$	<u>10,149</u>	<u>\$ 10,805</u>	<u>\$ 11,149</u>	<u>\$ 10,534</u>	<u>\$ 12,721</u>
	63,071	62,531	60,198	58,802	57,515

**Granite School District**  
**Expenditures by Function-General Fund**  
 Last Ten Fiscal Years - June 30, 2014 through 2023

<u>Function</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Instructional services	\$ 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%
Support services:					
Students	19,850,939 4.52%	20,538,158 4.55%	20,864,748 4.55%	21,608,738 4.58%	36,374,578 7.29%
Instructional staff	16,649,551 3.79%	15,431,611 3.42%	15,941,286 3.48%	16,462,417 3.49%	29,410,870 5.89%
District administration	3,152,450 0.72%	3,394,556 0.75%	3,439,511 0.75%	3,879,652 0.82%	4,364,980 0.87%
School administration	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%
Central	9,150,691 2.08%	9,780,646 2.17%	10,201,607 2.23%	10,451,478 2.22%	11,823,625 2.37%
Operation and maintenance of facilities	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%
Transportation	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%
Debt service:					
Principal	-	-	-	-	-
Facility acquisition and construction	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Total expenditures	<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>
Average daily membership	66,888	66,622	66,766	66,007	64,616
Average expenditures per pupil	\$6,573	\$6,771	\$6,865	\$7,140	\$7,727

Source: District records

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 322,311,986 62.05%	\$ 339,760,809 61.68%	\$ 357,747,460 60.49%	\$ 366,280,283 60.61%	\$ 365,439,062 58.56%
40,056,602 7.71%	45,088,198 8.19%	50,505,206 8.54%	51,914,203 8.59%	54,953,871 8.81%
33,386,361 6.43%	35,266,193 6.40%	38,958,666 6.59%	43,526,980 7.20%	52,937,993 8.48%
4,790,448 0.92%	5,979,524 1.09%	6,206,243 1.05%	5,756,319 0.95%	5,677,035 0.91%
37,085,152 7.14%	39,730,343 7.21%	42,196,636 7.13%	41,910,931 6.93%	42,442,597 6.80%
11,659,378 2.24%	13,639,516 2.48%	15,013,386 2.54%	15,992,204 2.65%	17,626,018 2.82%
59,500,004 11.45%	60,284,988 10.94%	69,329,047 11.72%	66,228,657 10.96%	71,449,948 11.45%
10,676,487 2.06%	11,101,283 2.02%	11,480,464 1.94%	12,557,342 2.08%	13,094,029 2.10%
-	-	-	-	282,404 0.05%
- 0.00%	- 0.00%	- 0.00%	189,576 0.03%	190,220 0.03%
<u>\$ 519,466,418</u>	<u>\$ 550,850,854</u>	<u>\$ 591,437,108</u>	<u>\$ 604,356,495</u>	<u>\$ 624,093,177</u>
63,071	62,531	60,198	58,802	57,515
\$8,236	\$8,809	\$9,825	\$10,278	\$10,851

**Granite School District**  
**Expenditures by Function Per Pupil-General Fund**  
 Last Ten Fiscal Years - June 30, 2014 through 2023

<u>Function</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instructional services	\$ 4,471 68.02%	\$ 4,626 68.32%	\$ 4,699 68.45%	\$ 4,848 67.89%	\$ 4,867 62.98%	\$ 5,110 62.05%
Support services:						
Students	297 4.52%	308 4.55%	312 4.55%	327 4.58%	563 7.29%	635 7.71%
Instructional staff	249 3.79%	232 3.42%	239 3.48%	249 3.49%	455 5.89%	530 6.43%
District administration	47 0.72%	51 0.75%	51 0.75%	59 0.82%	67 0.87%	76 0.92%
School administration	421 6.41%	448 6.62%	468 6.81%	483 6.77%	536 6.94%	588 7.14%
Central	137 2.08%	147 2.17%	153 2.23%	159 2.22%	183 2.37%	184 2.24%
Operation and maintenance of facilities	809 12.31%	822 12.14%	809 11.78%	869 12.17%	899 11.64%	943 11.45%
Transportation	142 2.16%	137 2.02%	134 1.95%	146 2.05%	157 2.03%	170 2.06%
Facility acquisition and construction	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Total expenditures	<u>\$ 6,573</u>	<u>\$ 6,771</u>	<u>\$ 6,865</u>	<u>\$ 7,140</u>	<u>\$ 7,727</u>	<u>\$ 8,236</u>
Average daily membership	66,888	66,622	66,766	66,007	64,616	63,071

Source: District records



	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	5,433	\$ 5,943	\$ 6,231	\$ 6,359
	61.68%	60.49%	60.61%	58.56%
	721	839	883	956
	8.19%	8.54%	8.59%	8.81%
	564	647	740	920
	6.40%	6.59%	7.20%	8.48%
	96	103	98	99
	1.09%	1.05%	0.95%	0.91%
	635	701	712	738
	7.21%	7.13%	6.93%	6.80%
	218	250	272	306
	2.48%	2.54%	2.65%	2.82%
	964	1,151	1,126	1,242
	10.94%	11.72%	10.96%	11.45%
	178	191	214	228
	2.02%	1.94%	2.08%	2.10%
	-	-	2	3
	0.00%	0.00%	0.03%	0.03%
\$	<u>8,809</u>	<u>\$ 9,825</u>	<u>\$ 10,278</u>	<u>\$ 10,851</u>
	62,531	60,198	58,802	57,515

**Granite School District**  
**Nutrition Services - Facts and Figures**

Last Ten Fiscal Years - June 30, 2014 through 2023

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Participating schools:						
Lunch	104***	103***	102***	102***	98***	89
Breakfast	77	82	82	82	81	75
Dinner****	-	-	-	19	25	21
Student lunches served:						
Free	4,188,624	4,113,400	4,132,230	3,935,269	3,674,170	3,065,705
Reduced	664,534	690,340	663,791	654,815	650,610	567,960
Fully paid	<u>2,234,041</u>	<u>2,232,415</u>	<u>2,284,802</u>	<u>2,234,920</u>	<u>2,087,704</u>	<u>2,073,425</u>
Total	<u>7,087,199</u>	<u>7,036,155</u>	<u>7,080,823</u>	<u>6,825,004</u>	<u>6,412,484</u>	<u>5,707,090</u>
Student breakfasts served:						
Free	1,314,999	1,531,911	2,128,873	2,403,597	2,232,995	2,037,781
Reduced	142,838	169,619	289,266	354,902	378,593	311,273
Fully paid	<u>233,110</u>	<u>301,930</u>	<u>779,495</u>	<u>982,841</u>	<u>986,181</u>	<u>936,995</u>
Total	<u>1,690,947</u>	<u>2,003,460</u>	<u>3,197,634</u>	<u>3,741,340</u>	<u>3,597,769</u>	<u>3,286,049</u>
Student dinners served:						
Free ****	-	16,142	83,340	117,195	154,825	112,709
Percentage of free/reduced/fully paid lunches served:						
Free	59.10%	58.46%	58.36%	57.66%	57.29%	53.72%
Reduced	9.38%	9.81%	9.37%	9.59%	10.15%	9.95%
Fully paid	31.52%	31.73%	32.27%	32.75%	32.56%	36.33%
Percentage of free/reduced/fully paid breakfasts served:						
Free	77.76%	76.46%	66.57%	64.24%	62.07%	62.01%
Reduced	8.45%	8.47%	9.05%	9.49%	10.52%	9.47%
Fully paid	13.79%	15.07%	24.38%	26.27%	27.41%	28.51%
Average daily participation:						
Lunch	40,041	39,752	40,005	38,559	32,551	32,427
Breakfast	9,553	11,319	18,066	21,138	18,263	18,671
Dinner	-	91	471	662	933	640
Average daily membership:	66,888	66,622	66,766	66,007	64,616	63,071
Percentage of students participating in school lunch/breakfast:						
Lunch	59.86%	59.67%	59.92%	58.42%	50.38%	51.41%
Breakfast	14.28%	16.99%	27.06%	32.02%	28.26%	29.60%
Dinner	0.00%	0.14%	0.71%	1.00%	1.44%	1.01%

Source: District records

\* Due to the COVID-19 pandemic, distance learning was in effect for all students from March 13, 2020 to the end of the school year. Emergency feeding protocols were in place from that date through June 30, 2020.

\*\* Due to the COVID-19 pandemic, all students were not charged for meals beginning September 11, 2020. Reduced and fully paid data represents charges from August 24, 2020 to September 10, 2020.

\*\*\* Exceeds the total number of District schools as shown on the schedule titled Capital Asset Information due to services provided to non-District schools.

\*\*\*\* Number of schools not participating prior to 2017 is unavailable. Dinner service ended after 2022.

<u>2020*</u>	<u>2021**</u>	<u>2022**</u>	<u>2023**</u>
88	86	85	85
75	71	71	82
18	13	5	-
3,120,760	3,490,203	5,172,238	2,339,477
419,629	20,948	-	449,951
<u>1,530,270</u>	<u>59,139</u>	<u>-</u>	<u>1,669,629</u>
<u>5,070,659</u>	<u>3,570,290</u>	<u>5,172,238</u>	<u>4,459,057</u>
2,139,289	2,054,414	2,363,359	1,121,499
228,578	10,383	-	191,926
<u>686,406</u>	<u>23,929</u>	<u>-</u>	<u>507,592</u>
<u>3,054,273</u>	<u>2,088,726</u>	<u>2,363,359</u>	<u>1,821,017</u>
59,640	17,335	1,006	-
61.55%	97.76%	100.00%	52.47%
8.28%	0.59%	0.00%	10.09%
30.18%	1.66%	0.00%	37.44%
70.04%	98.36%	100.00%	61.59%
7.48%	0.50%	0.00%	10.54%
22.47%	1.15%	0.00%	27.87%
23,689	16,762	24,283	20,935
14,339	9,806	11,096	8,549
497	144	8	-
62,531	60,198	58,802	57,515
37.88%	27.84%	41.30%	36.40%
22.93%	16.29%	18.87%	14.86%
0.79%	0.24%	0.01%	0.00%

# Granite School District

## Capital Asset Information

Last Ten Fiscal Years - June 30, 2014 through 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Schools:										
Elementary schools:										
Number	63	63	63	63	63	63	62	60	60	60
Square feet	3,873,402	3,873,402	3,873,402	3,873,402	3,873,402	3,890,708	3,842,650	3,843,325	3,848,060	3,854,250
Capacity	46,872	46,872	46,872	46,872	46,872	46,872	46,332	45,468	45,468	45,468
Enrollment	38,336	38,045	37,432	36,765	35,159	34,123	32,507	29,614	27,081	26,463
Middle schools:										
Number	16	16	15	15	15	15	15	15	15	15
Square feet	2,373,826	2,373,826	2,248,693	2,248,693	2,248,693	2,249,968	2,283,473	2,155,389	2,155,389	2,155,389
Capacity	20,871	20,871	19,602	19,602	19,602	19,602	19,602	18,900	18,900	18,900
Enrollment	14,363	13,528	12,848	11,696	11,561	11,720	12,055	12,210	12,916	12,138
High schools:										
Number	8	8	8	8	8	8	8	8	8	8
Square feet	2,704,094	2,704,094	2,829,227	2,829,227	2,829,227	2,832,270	2,872,926	2,872,926	2,872,926	2,872,926
Capacity	19,236	19,236	20,505	20,505	20,505	20,505	19,224	19,224	19,224	19,224
Enrollment	14,483	15,255	15,757	17,071	17,634	17,717	17,630	18,430	19,741	19,804
Special schools:										
Number	6	6	6	6	6	6	6	7	7	7
Square feet	477,885	477,885	477,885	477,885	477,885	389,661	388,658	433,952	381,288	381,288
Capacity *										
Enrollment	924	832	1,785	1,645	1,670	721	1,797	1,597	633	716
Total schools:										
Number	93	93	92	92	92	92	91	90	90	90
Square feet	9,429,207	9,429,207	9,429,207	9,429,207	9,429,207	9,362,607	9,387,707	9,305,592	9,257,663	9,263,853
Capacity	86,979	86,979	86,979	86,979	86,979	86,979	85,158	83,592	83,592	83,592
Enrollment	68,106	67,660	67,822	67,177	66,024	64,281	63,989	61,851	60,371	59,121
Other buildings:										
Number	15	14	13	13	13	23	24	30	32	30
Square feet	634,479	585,150	537,052	537,052	537,052	588,527	596,197	881,185	592,120	749,431
Acres of land	1,485.8	1,470.5	1,443.3	1,451.8	1,452.6	1,497.3	1,491.1	1,504.8	1,490.0	1,478.0
Number of portables	255	256	258	260	262	236	230	219	216	215
Number of vehicles	705	707	713	729	733	751	781	775	779	792

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

Source: District records

# **Section IV**

## **Compliance and Internal Controls**

# **Section IV**

## **Compliance and Internal Controls**

**GRANITE SCHOOL DISTRICT**  
**Reports on Compliance and Internal Controls**  
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**GRANITE SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2023

Grantor / Pass-through Grantor / Program Title	Assistance Listing Number	Pass-Through Grantor Identifying Number	District's Program Number	Beginning Receivable (Unearned)	Received	Expended	Ending Receivable (Unearned)
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>							
Passed through Utah State Board of Education:							
<i>Child Nutrition Cluster:</i>							
School Breakfast Program	10.553	SBP	8001	\$ -	\$ 3,702,541	\$ 3,702,541	\$ -
National School Lunch Program	10.555	NSLF/NSLP/ASSP/SCA/EOCC/EOCS	8001	307,509	15,106,559	15,017,120	218,070
National School Lunch Program (Commodities)	10.555	none	8001	-	2,256,945	2,256,945	-
Fresh Fruit and Vegetable Program	10.582	FFVP	8002	-	278,553	278,553	-
Total Child Nutrition Cluster				307,509	21,344,598	21,255,159	218,070
Child and Adult Care Food Program	10.558	CIL/ASSP	8006	-	11,072	11,072	-
Passed through Salt Lake County, Utah:							
<i>Forest Service Schools and Roads Cluster:</i>							
Schools and Roads - Grants to States	10.665	none	9999	-	9,675	9,675	-
Total U.S. Department of Agriculture				307,509	21,365,345	21,275,906	218,070
<b>U.S. DEPARTMENT OF THE TREASURY:</b>							
Passed through the Utah State Board of Education:							
COVID-19 Coronavirus Relief Fund	21.019	PUZ	7290	(798,309)	(781,826)	16,483	-
<b>FEDERAL COMMUNICATIONS COMMISSION:</b>							
Passed through the Universal Service Fund:							
Emergency Connectivity Fund Program	32.009	142827	7293	2,749,152	2,760,971	203,280	191,461
<b>INSTITUTE OF MUSEUM AND LIBRARY SERVICES:</b>							
Passed through the Utah State Library Division:							
Grants to States	45.310	Various	var	(44)	36,502	36,546	-
<b>U.S. DEPARTMENT OF EDUCATION:</b>							
Passed through Utah State Board of Education:							
<i>Special Education Cluster (IDEA):</i>							
COVID-19 Special Education Grants to States	84.027	ARPI	7555	85,347	2,653,313	2,567,966	-
Special Education Grants to States	84.027	FTFL/STAC	7551	5,559,605	9,641,047	9,679,990	5,598,548
COVID-19 Special Education Preschool Grants	84.173	ARPP	7553	-	9,170	203,919	194,749
Special Education Preschool Grants	84.173	PRE	7550	-	255,211	570,930	315,719
Total Special Education Cluster (IDEA)				5,644,952	12,558,741	13,022,805	6,109,016

(Continued)

The accompanying notes are an integral part of these financial statements.



**GRANITE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2023

Grantor / Pass-through Grantor / Program Title	Assistance Listing Number	Pass-Through Grantor Identifying Number	District's Program Number	Beginning Receivable (Unearned)	Received	Expended	Ending Receivable (Unearned)
<b>U.S. DEPARTMENT OF EDUCATION (Continued):</b>							
Education Stabilization Fund (ESF):							
COVID-19 Governor's Emergency Education Relief Fund	84.425C	GEER	7220	\$ 404,256	\$ 968,945	\$ 735,933	\$ 171,244
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	ESSR	7215	11,464,695	18,114,000	9,345,175	2,695,870
COVID-19 American Rescue Plan - Emergency and Secondary School Emergency Relief	84.425U	ARPF/ARPL	7225/7227	4,229,009	21,330,329	30,876,096	13,774,776
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	84.425W	ARPH	7236	-	78,035	165,583	87,548
Total Education Stabilization Fund				16,097,960	40,491,309	41,122,787	16,729,438
Direct Programs:							
Indian Education Grants to Local Educational Agencies	84.060	Various	7322	30,261	97,234	108,770	41,797
Passed through Utah State Board of Education:							
Adult Education - Basic Grants to States	84.002	ADPI/ADEL	var	40,636	262,764	222,128	-
Title I Grants to Local Educational Agencies	84.010	TIFT/TISF	var	6,758,424	8,591,916	15,315,666	13,482,174
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	NDT	7844/7845	17,677	29,880	56,716	44,513
Career and Technical Education - Basic Grants to States	84.048	FLEA	7401	475,581	1,008,605	1,054,849	521,825
Education for Homeless Children and Youth	84.196	MVFT	7951	7,155	26,025	35,833	16,963
Special Education - State Personnel Development	84.323	SIGF	7557	17,309	19,913	2,604	-
English Language Acquisition State Grants	84.365	ELFT/JMM	7880/7881	450,536	1,057,493	1,127,400	520,443
Supporting Effective Instruction State Grants	84.367	2FT	3861	680,053	1,908,006	1,721,811	493,858
Student Support and Academic Enrichment Program	84.424	4AFT	7905	379,397	1,193,459	1,035,666	221,604
Passed through Utah State University:							
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	Various	var	662,503	1,709,054	1,734,863	688,312
Total U.S. Department of Education				31,262,444	68,954,399	76,561,898	38,869,943
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>							
Passed through Utah Department of Health and Human Services:							
<i>Medicaid Cluster:</i>							
Medical Assistance Program	93.778	Medicaid	1224/1296	-	5,392,435	6,855,148	1,462,713
Direct Programs:							
Demonstration Grants for Domestic Victims of Human Trafficking	93.327	Various	7391	77,966	373,855	382,677	86,788
Passed through Utah Department of Workforce Services:							
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	19DWS0090	7634	24,450	223,975	346,311	146,786
Passed through Utah Department of Health and Human Services:							
Cooperative Agreement for Emergency Response: Public Health Crisis Response Administered Programs	93.354	NU90TP922163	7294	12,615	123,555	175,701	64,761
Passed through Salt Lake County, Utah:							
Block Grants for Prevention and Treatment of Substance Abuse	93.959	none	7703	(37,117)	5,556	42,673	-
Total U.S. Department of Health and Human Services				77,914	6,119,376	7,802,510	1,761,048
<b>TOTAL FEDERAL AWARDS</b>				<b>\$ 33,598,666</b>	<b>\$ 98,454,767</b>	<b>\$ 105,896,623</b>	<b>\$ 41,040,522</b>

The accompanying notes are an integral part of these financial statements.

**GRANITE SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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**NOTE A – BASIS FOR PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Granite School District (the District) under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting as described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Donated food commodities are recorded at acquisition value in the District’s *school lunch fund* as an inventory asset and federal revenue when received totaling \$2,256,945 for the year ended June 30, 2023. Donated food commodity inventories are recorded as expenditures in the *school lunch fund* when they are consumed by the schools; for purposes of the Schedule, donated food commodities are also recorded as expenditures when received.

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE C – RELATIONSHIP TO DISTRICT’S FINANCIAL STATEMENTS**

Federal awards expended on the Schedule for the year ended June 30, 2023 are reconciled to the amounts reported in the District’s financial statements as federal government revenues as follows:

General fund	\$ 78,735,094
Other governmental funds:	
Capital projects fund	5,906,233
School lunch fund	<u>21,266,231</u>
Total federal revenue reported on financial statements	105,907,558
Less federal revenue not reported on the schedule of expenditures of federal awards	<u>(10,935)</u>
Total federal revenue reported on the schedule of expenditures of federal awards	<u><u>\$ 105,896,623</u></u>

**NOTE C – SUBRECIPIENTS OF FEDERAL AWARDS**

The District did not pay any federal funds to subrecipients during the year ended June 30, 2023.



Independent Auditor's Report on Internal Control over Financial  
Reporting and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Auditing Standards*

Board of Education  
Granite School District

We have audited, in accordance with the 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, the 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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 29, 2023.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not

an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Squire & Company, PC*

Orem, Utah  
November 29, 2023



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Education  
Granite School District

**Report on Compliance for Each Major Federal Program**

***Qualified and Unmodified Opinions***

We have audited Granite School District (the District)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Qualified Opinion on Education Stabilization Fund***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Education Stabilization Fund for the year ended June 30, 2023.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

***Basis for Qualified and Unmodified Opinions***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

*Matter Giving Rise to Qualified Opinion on Education Stabilization Fund*

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding the Education Stabilization Fund as described in finding number 2023-001 for Special Tests and Provisions – Wage Rate Requirements.

Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether the noncompliance with compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Other Matters***

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.<sup>4</sup>

*Squire & Company, PC*

Orem, Utah  
November 29, 2023

**GRANITE SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
Year Ended June 30, 2023

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No matters were noted in the prior year audit.



**GRANITE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 Year Ended June 30, 2023

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:  
 Material weakness identified No  
 Significant deficiency identified None reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major federal programs:  
 Material weakness identified Yes  
 Significant deficiency identified None reported

Type of auditor’s report issued on compliance for major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Type of Opinion
	<i>Child Nutrition Cluster:</i>	
10.553	School Breakfast Program	Unmodified
10.555	National School Lunch Program	
10.559	Summer Food Service Program	
10.582	Fresh Fruits and Vegetable Program	
	<i>Education Stabilization Fund:</i>	
84.425C	Governor's Emergency Education Relief Fund	Qualified
84.425D	Elementary and Secondary School Emergency Relief Fund	
84.425U	American Rescue Plan – Emergency and Secondary School Emergency Relief	
84.425W	American Rescue Plan – Emergency and Secondary School Emergency Relief – Homeless Children and Youth	
	<i>Medicaid Cluster:</i>	
93.778	Medical Assistance Program	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a): Yes

**GRANITE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2023**

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**Identification of Major Federal Programs**

Name of Federal Program (Assistance Listing Number)

*Child Nutrition Cluster:*

- School Breakfast Program (10.553)
- National Lunch Program (10.555)
- Summer Food Service Program for Children (10.559)
- Fresh Fruits and Vegetable Program (10.582)

*Education Stabilization Fund:*

- Governor’s Emergency Education Relief Fund (84.425C)
- Elementary and Secondary School Emergency Relief Fund (84.425D)
- American Rescue Plan – Emergency and Secondary School Emergency Relief (84.425U)
- American Rescue Plan – Emergency and Secondary School Emergency Relief – Homeless Children and Youth (84.425W)

*Medicaid Cluster:*

- Medical Assistance Program (93.778)

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee? Yes

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

U.S. Department of Education passed through State of Utah Board of Education

2023-001 Special Tests and Provisions – Wage Rate Requirements

*Program* Name of Federal Program (Assistance Listing Number)

*Education Stabilization Fund:*

- Governor’s Emergency Education Relief Fund (84.425C)
- Elementary and Secondary School Emergency Relief Fund (84.425D)
- American Rescue Plan – Emergency and Secondary School Emergency Relief (84.425U)
- American Rescue Plan – Emergency and Secondary School Emergency Relief – Homeless Children and Youth (84.425W)

*Criteria* All laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor (DOL) (40 USC 3141-3144, 3146, and 3147).

**GRANITE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 Year Ended June 30, 2023

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Nonfederal entities shall include in their construction contracts subject to the Wage Rate Requirements a provision that the contractor or subcontractor comply with those requirements and the DOL regulations (29 CFR Part 5, Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction). This includes a requirement for the contractor or subcontractor to submit to the nonfederal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls) (29 CFR sections 5.5 and 5.6; the A-102 Common Rule (section 36(i)(5)); OMB Circular A-110 (2 CFR Part 215 Appendix A, Contract Provisions; 2 CFR Part 176 Subpart C; and 2 CFR section 200.326).

<i>Context and Condition</i>	We reviewed a sample of the District’s construction contracts that were financed by the Education Stabilization Fund during the year ended June 30, 2023 and performed testing over internal controls and compliance as related to the Wage Rate Requirements as outlined in the criteria above.
<i>Cause</i>	The District did not have processes or controls established to ensure certified payrolls for each week in which contract work was performed were obtained from the contractor or subcontractor for construction contracts financed by the Education Stabilization Fund.
<i>Effect</i>	A potential failure to pay laborers and mechanics employed by contractors or subcontractors prevailing wage rates as required by the Wage Rate Requirements exists. A failure to collect the certified payrolls for each week in which contract work was performed.
<i>Questioned Costs</i>	No costs were questioned.
<i>Repeat finding</i>	No
<i>Statistically valid</i>	Yes
<i>Recommendation</i>	We recommend management of the District review processes related to construction projects subject to the Wage Rate Requirements and establish appropriate internal controls to ensure all wage rate requirements are met.
<i>Views of responsible</i>	The District has reviewed, updated and trained staff on the processes and internal controls related to construction contracts to ensure compliance with the Wage Rate Requirements as published in 29 CFR Part 5, Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction when applicable.



Independent Auditor's Report on Compliance  
and Report on Internal Control over Compliance  
Required by the *State Compliance Audit Guide*

Board of Education  
Granite School District

**Report on Compliance**

***Opinion on Compliance***

We have audited Granite School District's (the District) compliance with the following applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2023:

Budgetary Compliance  
Fund Balance  
Fraud Risk Assessment  
Open and Public Meetings Act  
Utah Retirement Systems  
Internal Control Systems  
Public Education Programs

In our opinion, Granite School District complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2023.

***Basis for Opinion on Compliance***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor. Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the state compliance requirements referred to above.

### ***Auditor’s Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *State Compliance Audit Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District’s compliance with the requirements of the *State Compliance Audit Guide* as a whole

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *State Compliance Audit Guide*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described below. Our opinion on compliance is not modified with respect to these matters.

*Budgetary compliance* – Title 53G-7-307 requires that expenditures not exceed budgeted amounts at the fund level for school districts. For the year ended June 30, 2023, expenditures exceeded budgeted amounts in the *Capital Projects Fund*, *District Activity Programs Fund*, and the *School Lunch Fund*. We recommend the District review and amend its budgets when the District incurs expenditures in excess of budgeted amounts.

*Views of responsible officials* – Large year-end accruals and other expenditures not fully anticipated in the final approved budget for fiscal year 2023 caused final expenditures to exceed budgeted amounts in the three funds identified. The District will review its processes and internal controls to ensure these kinds of expenditures are fully considered when adjusting budgets throughout the fiscal year and before the final budget is approved.

The District's response to the noncompliance findings identified in our audit is described above. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Compliance Audit Guide. Accordingly, this report is not suitable for any other purpose.

*Squire & Company, PC*

Orem, Utah  
November 29, 2023



GRANITE SCHOOL DISTRICT  
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