

GRANITE EDUCATION FOUNDATION
COMPILED FINANCIAL STATEMENTS

Year Ended June 30, 2024

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors
Granite Education Foundation

Management is responsible for the accompanying financial statements of Granite Education Foundation, which comprise the statement of financial position as of June 30, 2024, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Squire & Company, PC

Orem, Utah
April 11, 2025

GRANITE EDUCATION FOUNDATION
STATEMENT OF FINANCIAL POSITION

June 30, 2024

ASSETS

Current Assets:

Cash	\$ 1,076,894
Investments	2,651,114
Accounts receivable	12,376
Assets classified as held for sale	<u>15,800</u>
Total current assets	3,756,184

Net Fixed Assets

	<u>289,490</u>
Total assets	<u><u>\$ 4,045,674</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 192,083
Agency funds payable	<u>243,704</u>
Total current liabilities	<u><u>435,787</u></u>

Net Assets:

Without donor restrictions	2,385,638
With donor restrictions:	
Scholarships	233,450
Student assistance	549,927
Schools	<u>440,872</u>
Total net assets	<u>3,609,887</u>
Total liabilities and net assets	<u><u>\$ 4,045,674</u></u>

See independent accountant's compilation report.

GRANITE EDUCATION FOUNDATION
STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

Net Assets without Donor Restrictions:

Revenue and support:	
Grants	\$ 1,119,766
Contributions	1,133,286
In-kind contributions	2,158,323
Fundraising events	246,873
Net investment gain	322,851
Net assets released from restrictions	<u>148,088</u>
Total revenue and support	5,129,187
Expenses:	
Program services	4,251,505
Management and general	231,055
Fundraising	<u>146,943</u>
Total expenses	<u>4,629,503</u>
Change in net assets without donor restrictions	499,684

Net Assets with Donor Restrictions:

Contributions	84,730
Net assets released from restrictions	<u>(148,088)</u>
Change in net assets with donor restrictions	<u>(63,358)</u>

Change in Net Assets 436,326

Net Assets at Beginning of Year 3,173,561

Net Assets at End of Year \$ 3,609,887

See independent accountant's compilation report.

GRANITE EDUCATION FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024

	Program Services	Management and General	Fundraising	Total
Scholarships	\$ 26,000	\$ -	\$ -	\$ 26,000
Grants to schools	763,072	-	-	763,072
Awards	27,950	-	-	27,950
Salaries and wages	257,476	131,562	96,615	485,653
Employee benefits	106,545	59,662	43,201	209,408
Insurance	1,810	1,546	-	3,356
Occupancy	134,141	-	-	134,141
Office	6,917	1,510	190	8,617
Equipment rent and maintenance	9,994	242	-	10,236
Purchased services	43,776	16,769	3,256	63,801
Supplies	1,834,962	6,533	681	1,842,176
Food and pantry	698,943	-	-	698,943
Travel	72,744	11,143	-	83,887
Depreciation	59,904	-	-	59,904
Other	207,271	2,088	3,000	212,359
Total expenses	<u>\$ 4,251,505</u>	<u>\$ 231,055</u>	<u>\$ 146,943</u>	<u>\$ 4,629,503</u>

See independent accountant's compilation report.

GRANITE EDUCATION FOUNDATION
STATEMENT OF CASH FLOWS

Year Ended June 30, 2024

Cash Flows from Operating Activities:

Change in net assets	\$ 436,326
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	59,904
Unrealized gain on investments	(268,184)
Changes in operating assets and liabilities:	
Accounts receivable	62
Right-of-use assets	103,379
Accounts payable	115,947
Agency funds payable	44,217
Operating lease liability	<u>(106,597)</u>
Total adjustments	<u>(51,272)</u>
Net cash provided by operating activities	385,054

Cash Flows from Investing Activities:

Net purchases of investments	(31,553)
Purchases of fixed assets	<u>(1,726)</u>
Net cash used by investing activities	<u>(33,279)</u>

Net Change in Cash 351,775

Cash at Beginning of Year 725,119

Cash at End of Year \$ 1,076,894

Supplemental Data:

The Foundation paid no interest and no income taxes during the year ended June 30, 2024.

See independent accountant's compilation report.

GRANITE EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Granite Education Foundation (the Foundation) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization

Granite Education Foundation was formed to provide an organization, outside the public school system, to generate additional financial resources for the benefit of Granite School District (District) schools, teachers, and students. The Foundation's mission is to improve educational outcomes by strengthening the Granite School District community.

Financial Statement Presentation

The Foundation reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. The donor restrictions are temporary in nature and are described on the statement of financial position.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions.

Tax Status

The Foundation is exempt from federal income tax under Internal Revenue Code Section 501(a) and is classified as a Section 501(c)(3) public charity. Also, the Foundation is exempt from state income taxes.

In-Kind Contributions and Contributed Services

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used.

The Foundation recognizes the fair value of contributed services received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Foundation receives services from a large number of volunteers who give significant amounts of their time to the Foundation's programs and fundraising campaigns but which do not meet the criteria for financial statement recognition.

GRANITE EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

Investments

Investments are presented in the financial statements at fair value. Gains and losses on investments and changes in fair values are considered elements of revenue.

Assets Classified as Held for Sale

Assets classified as held for sale at year end includes donated items being held for auction and are recorded at estimated fair value.

Fixed Assets

Fixed assets are recorded at cost or estimated fair value if donated. Fixed assets valued at more than \$1,000 are capitalized and depreciated using the straight-line depreciation method over the estimated useful lives of the assets.

Agency Funds Payable

The Foundation acts as an intermediary and accepts funds from individuals and other organizations that are ultimately intended for another beneficiary. The Foundation records these funds as agency funds payable until they are paid out to the intended beneficiary.

Allocation of Expenses

Directly identifiable expenses are charged to programs and support services and indirect costs are allocated based on personnel costs. Management and general expenses include those expenses that are not directly identifiable with any specific function, but provide overall support and direction of the Foundation. Fundraising expenses include those activities involved in soliciting contributions, conducting fundraising events, and other similar activities.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and support and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Foundation has evaluated subsequent events through April 11, 2025, the date which the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

GRANITE EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets at June 30, 2024:

Financial assets at year end:	
Cash	\$ 1,076,894
Investments	2,651,114
Accounts receivable	<u>12,376</u>
Total financial assets	3,740,384
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>(1,224,249)</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 2,516,135</u></u>

The Foundation's goal is generally to maintain financial assets to meet four months of operating expenses (approximately \$1,500,000). As part of its liquidity plan, excess cash is invested by the Foundation.

NOTE 3 – FIXED ASSETS

Fixed assets consisted of the following at June 30, 2024:

		<u>Depreciable Lives (Years)</u>
Equipment	\$ 291,911	5 to 15
Vehicles	<u>299,150</u>	10
	591,061	
Accumulated depreciation	<u>(301,571)</u>	
Net fixed assets	<u><u>\$ 289,490</u></u>	

NOTE 4 – FAIR VALUE MEASUREMENTS

As described in Note 1, the Foundation uses various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

GRANITE EDUCATION FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

A description of the valuation techniques applied to the Foundation's major categories of assets and liabilities measured at fair value on a recurring basis follows:

Common and preferred stocks – Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds – Valued at the daily closing prices as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value at June 30, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common and preferred stocks	\$ 837,322	\$ 837,322	\$ -	\$ -
Mutual funds	<u>1,813,792</u>	<u>1,813,792</u>	<u>-</u>	<u>-</u>
Total investments	<u><u>\$ 2,651,114</u></u>	<u><u>\$ 2,651,114</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

NOTE 5 – NET ASSETS

Net assets released from donor restrictions during the year ended June 30, 2024 were as follows:

Satisfaction of purpose restrictions:	
Student assistance	\$ 73,285
Schools	<u>74,802</u>
	<u><u>\$ 148,088</u></u>

NOTE 6 – IN-KIND CONTRIBUTIONS

The District provides personnel and office space to the Foundation. Contributions and expenses related to the donated personnel and office space amounting to \$591,267 for the year ended June 30, 2024 have been reflected in the accompanying statement of activities.

GRANITE EDUCATION FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

The Foundation recognized the following in-kind contributions during the year ended June 30, 2024:

Clothing, toys, household items	\$ 676,087
School supplies	143,034
Personal health supplies	50,716
Books	3,260
Gift cards	23,240
Food	317,299
Teacher appreciation items	353,420
District-paid salaries and benefits	560,243
District-provided office space and supplies	<u>31,024</u>
Total	<u><u>\$ 2,158,323</u></u>

NOTE 7 – CONCENTRATIONS

At June 30, 2024, the Foundation's carrying amount of cash was \$1,076,894 and the bank balance was \$1,074,793, of which \$250,000 was covered by federal depository insurance.