



Summit Academy Board of Trustees

1225 E 13200 South

Draper, UT 84020

October 21, 2021

7:00 PM

PENDING

Welcome

The meeting was called to order at 7:02 pm with Chelsea Welch, Ramona Baik, Chris Lynn, and Nikki Stucki. Jon Eborn will not be attending tonight

Public Comment

Christine Howell- Parents are a child's first teacher. In Title 53 E, Parents should help in the decision making process. Trust has been misplaced. Parents won't give up their responsibilities. Teacher's can say that stuff has been removed or crossed out, but how will parents know what they have seen?

Jessica Howell- We should suspend SEL immediately. The 2nd step program is copyrighted. You can't remove any content by law. If a teacher doesn't properly go through the lesson, then they are presenting stuff that students shouldn't see. At her school, there have been inconsistencies in information that is being told to parents from teachers and administration.

Val Woodard: Has spent a lot of time and money helping at Summit. Summit has strayed from what it used to be. We feel that you don't care. We will leave the school. We don't want to. Please listen to us.

Arianna Snape: She is referring to the White Ribbon Week flyer. Everything on the flyer is opposite of what Second Step teaches. Second step teaches songs about being angry. Second Step teaches students to go to their parents last. There are links that take you to sexual websites. Second step is not healthy.

Kelly Reid Hansen: In 2020, Second step changed. They moved to a transformative plan. It is no longer evidence based. It teaches kids to be activists and racists. It is very difficult to come into the school to review the curriculum. Software that is subscription based can update at any time. Canyons thought that they had vetted it and discovered that it had changed. She has lost trust in Summit.

Marilyn Larson: Eniss was her great great grandparents. She thinks they are rolling in their graves. Adopting the Second Step was done without proper representation from stakeholders, the parents. There are funds available to replace this program with a new program.

Jamyn Miller: Comes from Cottonwood with her kids. Activists are disguised as educators. Clear patterns of grooming, confusion, and creating bias. She believes that the board has been deceived. Why would Summit choose this? She went to the Castle Website. She looked for evidence. There were studies included and excluded. Evidence used was selective and anecdotal. We are asking the Board to be our advocates.

Erin Longacre: SEL is not evidence based. Transformative SEL came online in 2020. It has changed since prior versions. Our children are lab rats right now. It encourages students to turn to Social Media. Second Step opens up conversations that are not appropriate. Parents are being overlooked. Enough is enough.

Megan Reeves: Please pause the Second Step program. Certain things have been deemed inappropriate and have been pulled. She has reviewed the 7th grade curriculum. She found material still in the program that they were told had been pulled. This hasn't been combed through as promised.

Chantel Pendleton: The Castle framework is transformational. Social and Racial justice. Promotes Activism, Social Equity. Turns students away from parent's and standards. They show families and parents have the least amount of influence. They want teachers to have the most influence and parents have the least.

Ryanne Brinton: 2020 has brought uncertainty. Castle has a vision for our children in every subject to every student. Methods are flawed. What about love and kindness and service? They are left out of the second step program. It eliminates the family influence. Second Step has no place in our school system.

Ashley Bailey: Has been a part of Summit for 9 years. This program has caused her to lose sleep at night. Let us have a program that we don't have to sensor. This is a great school and let's not use this program.

Jessica Anderson: She went into the Canyons District to review the 5th grade curriculum. She would like the board to reconsider. What was the motive of choosing this curriculum?

Shandra Brown: Second step looks benign until you look at the patterns. Families can't help and then a counselor can. In middle school it doesn't even mention parents. The overall picture is more divisive. The family is omitted. Identity over character. Goes away from Martin Luther King's vision.

Consent Agenda

A Motion to approve September 16, 2021 board meeting minutes once the spelling of names are verified was given by Nikki Stucki

A second was given by Ramona Baik

Vote unanimous Yes- Chelsea Welch, Ramona Baik, Chris Lynn, and Nikki Stucki

Motion carries

Director's Report - Michael Clark

Joint LEA's

Haunted Treasure Hunt for Bluffdale City has invited Summit to participate. It should bring about 2000 students to each campus and will involve the community. Fall Festivals- all of those are complete and they were a lot of fun!

Summit Academy

Draper: We had a SEL Parent Forum Night- It was very successful. A lot of parents came. Ms. Hatch will continue those. White Ribbon Week- we are in the middle of the week and is a reminder for students to make good choices online.

Independence: DLI German program and German trip media coverage. They are very excited about this program. They are getting some media coverage for this program coming up this next summer. Chelsea Welch would like information regarding the media coverage of that. Nikki Stucki asked about the date of the Haunted Treasure Hunt.

Bluffdale: Halloween parade is coming up.

Summit Academy High School

_____9th-11th grade PSAT- the scores typically take about 6 weeks to come in. Ms. Baik wants to know what kind of analysis happens after the scores come in. Mr. Clark says that they will look at collective data trends. The results come in by subject. Ms. Baik would like to see the data after it comes in and what they intend to do with the information. Mr. Clark says that those results should arrive mid November.

We are excited for our students to participate in the State programs. Boy's Football is heading to the State Playoffs. The HOSA Club did a fundraiser for cancer awareness. They raised \$100.00 and had a lot of people sign up to be potential donors for those that have cancer. The girl's Volleyball team is also going to state. Girl's Cross Country is also going to State. We had a student recognized by the state in his role as a Linebacker on the football team. Cross Country is also going to state.

Finance Report

Joint LEAs

The audit report should be wrapping up and will present it next month. They will be shifting to the Gasby reporting system rather than the current financial system. Gasby is a governmental system. There are two reports that you will see. There is a financial view and a government view. You have the financials through September. Everything else is fine. As a reader, you might be concerned because the view will be a little different.

Summit Academy- The bank made an error on 9/30 and corrected that on 10/1. This mistake was made by the bank for both campuses and the correction will show next month as being corrected. Someone at the bank typed it up wrong. Budgeted for students at 2062 and it is 2027, so there will need to be adjustments made there. As we add students, the number will get better.

Summit Academy High School- We budgeted the high school at 490 students and they are currently at 530 students. The High School is up to 45 students which is a nice boost.

LEA Merger- Timeline: we were hoping to get everything together to go to market in January, but it looks like we will have to plan on going to market in June. Waiting could cost us a higher interest rate. They are hoping to get feedback from the board as far as moving forward. They are gathering data. Chris Lynn informed the board that it is possible to Merge the Lea and not merge the bonds. It would be ideal to do it all at the same time. There are a lot of benefits to it. The only thing on the pro and con list is if the market for bonds changes. The board will email questions.

Discussion and Action item to review

Joint LEAs

Fundraising Policy

A Motion to approve the Fundraising Policy for Summit Academy and Summit Academy High School was given by Ramona Baik

A second was given by Nicki Stucki

Vote unanimous Yes- Chelsea Welch, Ramona Baik, Chris Lynn, and Nikki Stucki.

Motion carries

Preschool/Campus Playground Additions

All of the playgrounds combined is \$261,000.00 . The curbing and gating and fencing has to be done by a different contractor. We are projecting the total to be around \$300,000.00. The company is already 6 weeks out to get the order started. They hope to have the equipment installed during June, July, and August. Ms. Baik wants to make sure the construction will be done during the summer so as to not disrupt the students in school. This is a state contract.

A Motion to approve the Preschool/Campus Playground Additions up to \$300,000.00 including the curbing for Summit Academy was given by Chris Lynn

A second was given by Nikki Stucki

Vote unanimous Yes- Chelsea Welch, Ramona Baik, Chris Lynn, and Nikki Stucki

Motion carries

ESSER III Grant

Brad Wilkinson states that there are 4 projects that we are planning to do with this money. A lot ties to accelerated learning. We are going to continue to fund the summer programs. There is also a chunk going to technology.

A Motion to approve the ESSER III Grant for Summit Academy was given by Chris Lynn

A second was given by Ramona Baik

Vote unanimous Yes- Chelsea Welch, Ramona Baik, Chris Lynn, and Nikki Stucki

Motion carries

Summit Academy

The RISE data release was supposed to be October 15th, but has been moved to November 15th. It is best to wait for the public release to discuss the information. Mr. Clark will be sharing information on the EOY Acadiance data review for SY 2021. Ms. Lindy Hatch will be sharing the information. They achieved both state goals. They submitted the data to the board. Chelsea Welch asked how they interpreted the data. Ms. Hatch stated that the 1st graders were severely hit by COVID. The teachers made a huge effort, and had huge success. The summer program was successful as well. There was definite evidence that there was a Covid slide. Overall they are making progress in closing the gap. They are using the ESSER funds for individualized interventions. MOY also shows a lot of the gaps have been closed. One group of students is still lower than usual, but making progress. This is true across the state and nation. Additional help is offered to those students below benchmark.

Bylaws for land trust committees

Ms. Ramona Baik stated that the bylaws are insufficient. This doesn't promise compliance. Many examples were given. These bylaws don't assure that the committees are compliant. She is disappointed. It went to Mr. Clark last month and it has come back to us and is still not sufficient. Ms. Baik would like some assurances that adequate information be included and dates for the committee to be compliant. There should be data given to the board about results of how the money was spent so they can be accountable in whether or not the money is being spent wisely. The expectations should be stated very clearly in the bylaws. She can't approve them as written tonight. Mr. Chris Lynn explains that things are explained but maybe could say more. When is a reasonable timeline for these bylaws to be written. Mr. Clark states that the reason those specifics are not in the bylaws is because they are held to a higher standard by the law already. A reasonable timeline to vote on new bylaws would be November and if Ms. Baik could email change requests that would be helpful. Ramona Baik recommends that they speak to the state representative on this issue. Mr. Clark thinks that one set of bylaws for all three campuses would be easier, but they are doing different ones already. All of the parents that sit on the committees are required to be fully trained.

SEL Curriculum for SY 2022-2023

Mr. Clark really listened to the parents regarding the SEL program. They realize that they didn't follow best practice by adopting the SEL program. They are having parents be involved in a curriculum committee throughout the SPO program where they would make a recommendation. The administration would like to invite these parents to review a SEL program that they would approve of for Summit. We would like parents and stakeholders to participate in this program for all curriculum, not just a SEL program. For this year, we stand by the second step curriculum filtered like we have done, and we have provided an opt out option for parents by each campus. Ms. Brantley at Bluffdale provides a form to opt out of the SEL program. They find an alternate classroom to go to and work on alternate assignments. This happens on Monday's for 30 minutes. There is one family that has chosen to opt out of the SEL program so far this year. Ms. Hatch- very similar format. The form is available on the website. They can turn in the form at the office. In elementary school, they go to the office- the falcon den. They will be on the ipads going through falcon pride focus lessons. The junior high students go into an advisory class. They all go into that class. There are about 12 students opting out at this time. Lisa Cutler- Their program is every day for about 15 minutes. K-6 Every grade is different. The junior high is an elective course, so they can take a different one. There are 5 so far.

To increase transparency, they are developing an area that will list every curriculum that they use with links that parents can explore all they want with which program they use and the process used to choose each curriculum.

Ramona Baik takes a few minutes to clarify for parents attending the board meeting that the board is not allowed to discuss topics that parents brought up during public comment because the item was not on the agenda. The board follows Robert's Rules for public Board Meetings and they are not allowed to interact with the public. She invited all parents that would like to please email the board members or meet with the Director or their local administrators. She invited them to take their discussion outside of the board meeting.

Summit Academy High School

Esser III Grant-

A Motion to approve the ESSER III Grant for Summit Academy High School was given by Ramona Baik

A second was given by Nicki Stucki

Vote unanimous Yes- Chelsea Welch, Ramona Baik, Chris Lynn, and Nikki Stucki

Motion carries

Committee Reports

Academic Committee Ramona Baik attended the SAIP meeting and is excited for the next meeting.

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Finance Committee None

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Audit Committee None

Governance Committee None

-

Development Committee Ramon Baik says that they have begun their staff meeting visits and they will be wrapping that up next month. The Board is discussing recruiting. The board is looking for new board members.

Board Business

Action Item review

Board Calendar review

Proposing a work session for the board for November 3rd.

Follow Up:

Board Meeting Assessment

Next meeting November 18, 2021

Individual Meeting Assessment

Closed Session

A Motion to go into closed session for the purpose of a discussion related to Summit Academy and Summit Academy High School for the purpose of discussion of the character, professional competence,

or physical or mental health of an individual and for the purpose of discussing pending or reasonably imminent litigation was given by **Chris Lynn**

A second was given by Ramona Baik

Vote unanimous Yes- Chelsea Welch, Ramona Baik, Chris Lynn, and Nicki Stucki

Motion carries

Open Session ended at 8:55 p.m.

Open session resumed at 9:31 p.m.

Summit Board Work Session will be on November 3, 2021.

Topic of discussion would be Mission, Vision, What board involvement for curriculum looks like, Merger, and Board recruitment. Ms. Welch would like to construct a new calendar for regular items to review each month, ie: safety, testing, and other topics.

A Motion to adjourn was given by Nikki Stucki

A second was given by Ramona Baik

Vote unanimous Yes - by Chelsea Welch, Ramona Baik, Chris Lynn, Nikki Stucki

Motion carries

Adjourned at 9:37 p.m.



Summit Academy and Summit Academy High School

Board of Trustees Meeting

8/19/2021

Director Report:

Academics:

August 2021

Include information on academic such as: Testing results, Program Updates, Program Development, Early Literacy Program, data presented at MTSS meetings, etc

LEA: USBE has not yet release the RISE data for SY2021. It is anticipated that this data will be officially released in October. I have shared with you very preliminary RISE data through Google. Our Assessment Director Jumana Beseiso transferred this data to google in June. It is anticipated that this data will change once USBE completes their audit. I have also shared with the board EOY Acadience data.

SA: SA Draper will be the new host of our self-contained special education class. This class will be housed above the gym at the Draper elementary. This location is ideal for this class because of its more private location.

SAHS: The Early College Learning Center has been completed at SAHS. This center will give students a space to work on college courses, complete assignments, or study for exams.

Online: The online program will be different this year due to the low numbers of students participating. SA has purchased Engenuity for the 50 online students. Engenuity is self-directed online curriculum. Our students will log in and follow along with the program step by step until completing. Our online program will be housed at the Draper campus and will consist of one teacher and one paraprofessional. It is anticipated that SA will phase out the online program at the completion of this school year.

September 2021

New data drive: I have shared a new Google drive with you called Data. This drive will be used to communicate to you all data that we use as an LEA to inform our decisions. This drive will also house all the data for our LEA. Over time, I will move previous years data over to this drive so that it is all in one place. For now, the EOY Acadience data for SY21 is in the drive.

Acadience Data: We have cleaned up the SY21 EOY Acadience data and have shared that with you through the new Google data drive.

October 2021

No new updates

November 2021

Our early literacy specialist Melanie Kunz presented the BOY literacy data to our MTSS team. This power point may be found in your shared drive called “data”. We are currently working on aggregating and preparing our BOY acadience math scores. This data will be shared with you when it is ready. SY21 EOY RISE data has still not been made available and we are waiting on updates from USBE.

Enrollment:

Include information on enrollment such as: current numbers, October 1st count, exit data, etc

LEA: Current school year (SY21) enrollment numbers can be found [here](#).

SA:

SAHS:

Online:

Compliance Reports:

Include information regarding report submission such as: Assurances, School Fees, Health Curriculum, LAND Trust, etc

August 2021

LEA: All Land Trust committees are working on completing their bylaws. It is anticipated that these bylaws will be completed and ready for the September meeting.

SA:

SAHS:

September 2021

Per the board’s defined Sex Ed Committee, we have organized a Sex Ed committee consisting of the following members:

Board Academic Chair

Kim Arminen- Draper 8th Grade Health Teacher

Gerel Altankhuyag- Draper Parent

Jaime Hockin- Independence 8th Grade Health Teacher

Annie Magnusson- Independence Parent

Kim Deem- SAHS Health Teacher

Cheryl McKay-SAHS Parent

Summit Academy Parent:

October 2021

The student fees assurances are due on Oct 31, 2021 they have all been completed. Last year there were several areas in which we were not in compliance. This year we are 100% in compliance with student fees.

November 2021

No new updates

Policy Development and Implementation:

August 2021

LEA: Two policies will be brought to this August board meeting and are attached to the accompanying email. I have been working on a new process for reviewing and updating old policies.

SA:

SAHS:

September 2021

No new updates

October 2021

Due to recent trainings, we have clarified some parts of the fundraising policy. These changes include group fundraising, fundraising fees and the addition of state law references.

November 2021

We have several policies for review and board approval this month. These policies and cover sheets are available in the board packet.

- Extra-duty policy
- Whistleblower policy
- Enrollment policies

Grants (supplemental to Finance Report):

(Include information regarding grants such as: any current grants, grant applications, grant reports, financial implications of failed grant applications, etc)

August 2021

LEA:

SA:

SAHS:

September 2021

No updates

October 2021

No updates

November 2021

No updates

Procurements and Contracts (supplemental to Finance Report):

(Include information regarding Procurement and Contracts such as: proposed RFPs, current RFPs, proposed contracts, contracts up for review, current contract concerns, etc.)

August 2021

LEA: No new updates

SA:

SAHS:

September 2021

No updates

October 2021

No updates

November 2021

No updates

Safety

(Include information regarding Safety such as: COVID updates, safety inspections, drills, emergency response plan development, safety incidents, etc.)

August 2021

LEA: Due to the Salt Lake County Council overturning the facemask ban we will not require facemasks at SA and SAHS. We will allow everyone to choose and decide for themselves if they want to wear a mask. We will continue to contact trace and notify parents when students have been exposed. We will also remind parents to keep their students' home when they experience any symptoms of any illness.

SA:

SAHS:

September 2021

Staff is working on various updates to safety plans including reviewing our Summit Academy Schools safety plan and protocol.

October 2021

No updates

November 2021

No updates

Staffing:

(Include information regarding staffing such as: hiring for administration positions, hiring for critical positions, staff contracts, staffing levels, staff changes (increasing, decreasing, eliminating positions), principal evaluations, data of teacher retention, etc)

August 2021

LEA: HR Director Kathy Bracken is developing an exit interview protocol for all campuses to follow when teachers leave our LEA.

SA Draper: Draper had a retention rate of 93%. All key positions have been filled. Kelsey Harris was hired as the new vice principal to replace Paul Lundberg. The Draper campus does conduct exit interviews with staff who leave. Over the past two weeks, Draper has been completing improvements to the facilities, hosting registration for the jr. high students, and had a very successful back to school night.

SA Independence: Independence had a retention rate of 90% when calculated by FTE. All key positions are filled, and Independence is ready for school to begin on Tuesday. Exit interviews are not formally conducted but administration knows why each employee left SA. Moving forward, Independence will follow future LEA exit interview protocol. Over the past two weeks, Independence has hosted a successful jr. high registration and had a very successful back to school night.

SA Bluffdale: Bluffdale has had 100% teacher retention for the past two years. All key positions are filled and Bluffdale is ready for school to start. Bluffdale is looking for a part time front office staff and is hoping to fill this position soon. Due to 100% retention rate exit interviews have not been necessary, however, Bluffdale will use the LEA exit interview protocol when a staff member does leave the LEA.

SAHS: SAHS had a retention rate of 77%. SAHS has been able to replace these teachers that have left, and the high school is ready for Tuesday. SAHS did not conduct exit interviews but will follow district protocol once it is ready. Over the past two weeks, SAHS has hosted

freshman orientation and registration for all grades. SAHS is finalizing a decision on an assistant principal.

September 2021

SAHS: SAHS is pleased to announce that Ben Jacobs has been hired as Vice Principal at SAHS.

October 2021

We have hired Kim Welch to work as an executive assistant to the executive director.

November 2021

No updates

Facilities:

(Include information regarding facilities such as: Facility Improvement, Facility Development, etc)

August 2021

LEA:

SA Draper:

- Draper elementary school was painted
- Both the elementary school and jr. high school received durable wainscoting in the classrooms to protect the walls
- The jr. high roof was repaired
- The wood chips in the front of the jr. high was replaced with nice rock
- Several HVAC units were replaced
- The parking lot was repaired, sealed and resurfaced
- A map of the US, hopscotch and other games were painted in the elementary courtyard
- SPO made over the teacher lunchroom.

SA Independence:

- Both the elementary school and jr. high school received durable wainscoting in the classrooms to protect the walls

SA Bluffdale:

- The school received durable wainscoting in the classrooms to protect the walls

SAHS:

- New grass seed was placed in the front of SAHS. It looks a lot better. All the grass at SAHS looks better than it did last year. We hope to continue to improve the grass areas at SAHS.
- Early College Learning Center was completed upstairs
- The school received durable wainscoting in the classrooms to protect the walls

September 2021

No new updates

October 2021

No new updates

November 2021

SAHS is working on purchasing a monument style sign (similar to SA Bluffdale) for the SAHS.

Marketing:

Include information regarding marketing such as: plan, timeline, cost, effect etc

August 2021

LEA: Please see the marketing attachment in the email

“What’s your Summit?” Spirit Shirt

As a part of this year’s Summit Academy theme, each student and teacher at SA and SAHS will receive a “What’s your Summit?” spirit shirt as well as a head lamp to light their journey as they summit their goals this year. The spirit shirts are a marketing tool and will be paid for with marketing funds. These shirts will help to develop a sense of Summit pride helping to build a strong school culture.

“What’s your Summit?” Banner

A “What’s your Summit?” banner will be hung at each school to remind students of their summit. It will also spark the interest of individuals who drive by the school.

Now entering Falcon Territory Banners

As drivers enter the Bluffdale and Draper neighborhoods that surround our campuses they will see banners announcing that they are entering Summit Academy Bear (or Bison, or Cub, or Falcon) territory. The intention of these banners is to continue to market the Bluffdale, Draper, Independence and SAHS as the neighborhood schools for the Bluffdale/Draper area. This creates an expectation of enrollment as well as a sense of pride in the school for the families in these areas.

School Merchandise

Each campus will be given \$1000 to stock shirts, sweatshirts, hats, decals and other Summit Academy pride merchandise to have on display and for purchase by our students. This helps to create a sense of pride in our school and our district.

Social Media Ads:

Over the course of the school year the school principal may have the discretion to “boost” any social media post for additional viewers. The cost of these social media ads varies as many factors are considered. Principals need a budget to be able to promote certain ads or social media posts. This money is intended for this purpose.

SA:

SAHS:

September 2021

No new updates

October 2021

We have been working with Oxygen Marketing. Oxygen Marketing has been working behind the scenes to improve and push web traffic to our sites. Our site has already moved places in web searches.

November 2021

We have made many changes to our website to improve the user experience when they are navigating and exploring our site. This will improve the experience for future students and families. Oxygen Marketing is continuing to drive traffic to our site and promoting Summit Academy. Oxygen Marketing has also secured a TV spot for us in December to promote Summit Academy German DLI program. They have promised to secure additional TV spots to be able to promote our other programs.

We have been engaged in our “What’s your summit?” assemblies recently. Students have enjoyed setting goals in their classrooms and in embracing the theme of this school year.

Campus Updates, Celebrations, and Events:

Include information regarding celebrations such as: campus specific issues, milestones, staff achievements, sports, activities, events, etc

LEA: Campus activities, events and celebrations can be found [here](#).

SA:

SAHS:

Miscellaneous:

Include information regarding additional items not covered in other categories.

LEA: No new updates

SA:

SAHS:

Director’s Presentation at Board Meeting:

August 2021

LEA: COVID response for SY22

SA Draper:

1. We were able to make a lot of updates at our campus this summer. New paint at the
2. elementary, new parking lot, rocks in flower beds, etc.
3. We painted a map of the United States in our elementary courtyard.
4. Our SPO redecorated our JH staff lounge and created a staff lounge for our elementary.

SA Independence:

1. We had one of our highest years of teacher retention this year at 90% when calculated by FTE.
2. Our staff and new student council banded together to take a bus to new neighborhoods in Lehi in the summer and distributed door hangers to advertise our school.
3. Our trip to German is becoming a reality!

SA Bluffdale:

1. Back to School Night was a success. We had almost all our new parents and many of our returning parents. Happy teachers, parents, and students! 😊
2. Immersion students met their Spanish teacher last night and several children left her room smiling and giggling, announcing that they can speak Spanish now! She taught them to say, “si.”
3. We have a wait list for our immersion program!

SAHS:

1. Early College learning Center
2. Introduction of Angela Grimmer

September 2021

Director's Report:

Joint LEAs

- Fall Festivals
- Benchmarking is underway
- Parent teacher conferences are coming up
- We have begun meeting and working on a New Summit Academy Improvement Plan

Summit Academy

- Draper
 - Our first parent forum night was a success. Parents learned tips and tricks to using and understanding Aspire
 - We are getting more and more parents to subscribe to our social media accounts. We are getting 1-2 new subscribers each day. Our goal is to have just as many subscribers as we have families.
- Independence
 - Fall Fest (energy and excitement)
 - Teachers won our teachers/students soccer game and had so much fun!

- Bluffdale
 - Fall fest was wildly successful and the school community was so excited to be together again
 - City Journal-Highlighted our Spanish Immersion Program

Summit Academy High School

- Introduction of Ben Jacobs
- Football games have been very well attended
- Homecoming game 9/24
- Homecoming dance 9/25
- Fall Fest for High School

October 2021

Director's Report:

Joint LEAs

- Fall Festivals
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- Parent teacher conferences are coming up
- We have begun meeting and working on a New Summit Academy Improvement Plan

Summit Academy

- Draper
- Independence
- Bluffdale

Summit Academy High School

- Linebacker was featured in a Deseret News article

November 2021

Director's Report:

Joint LEAs

- "What's your summit?" assemblies have been very successful
- Our staff holiday party at the theatre is back on! You should have RSVP already for the event. We are excited to be able to get back together as staff.
-

Summit Academy

- Draper
 - Student council hosted a haunted halls activity that the students and families really enjoyed.
 - Our reach out/lift up assembly was both exciting and fun for our Draper families.
- Independence
- Bluffdale

- Very successful STEM night. Soda may have sprayed all over the ceiling tiles. Students walked on liquid and made gallons of elephant toothpaste. Probably a few hundred people attended
- Veterans day assembly included an air force color guard and a 20-year army veteran. The students sang the national anthem for the speaker.
- Bluffdale is holding a fundraiser, if students reach their goal both Mrs. Howland and Mrs. Brantley will get a pie in the face.

Summit Academy High School

- Teachers, parents and students are all talking about the positive culture change at the high school
- We now offer after school tutoring in Math and a study hall that teachers oversee. The football team had a rise in overall GPA by attending the afterschool tutoring and study hall.
- Football made it to the semifinals in football
- We are still enrolling students.
- College week was a success and most of our seniors filled out at least one college application. We had a field trip to USU as a part of college week.
- Banners will soon be going up along the street in Bluffdale advertising SAHS.

Summit Academy Mission Statement

Current Version for Board Review:

Summit Academy excites a student's desire to learn and succeed now and in the future. Our dynamic student-teacher-family community sees each student as a whole person and together creates a challenging, individualized educational journey toward intellectual success and personal well being.

Values:

- Every student, teacher, family member, and administrator deserves a safe and respectful place to learn
- Every individual is both a student and a teacher
- Every individual deserves quality professional instruction
- Success in school involves more than just academics
- Motivated and committed teachers and administrators engaging with invested students and involved family members leads to individual student success



Enrollment Policy

Policy Number: 3101

I. **Board Policy**

The Summit Academy Board of Trustees has an open enrollment policy. Student population at Summit Academy is capped at 3,000 students. Student population at Summit Academy High School is capped at 1,200 students. The Summit Academy LEA and Summit Academy High School LEA use a variety of methods to inform prospective students and their families about the school and how to apply for enrollment.

II. **Overview**

The methods include:

- School website (www.summitacademyschools.org).
- Information packets available at Front Office
- Newsletter/email updates

Summit Academy is committed to an equal opportunity application process. The process neither solicits nor captures any data related to gender, race, religion, national origin, color, disability, or age. Parents may submit their student(s) for consideration by completing either an electronic application (available on the school website) or a printed application available from either the website of the Front Office.

If Summit Academy is oversubscribed, an enrollment lottery will be held that includes all eligible applicants. The lottery will be conducted under the direction of Summit Academy Administration and in accordance with Utah State Law and Administrative rules. Accordingly, the following timeline is followed:

January 1 to the third Friday in February

Summit Academy collects applications for the following school year.

Fourth Week in February

Summit Academy collects Continuing Enrollment forms for current students.

Open Enrollment

Each new student applicant is assigned a priority number in the lottery.

By March 31

Summit Academy sends a written notice of acceptance to the parents or guardian of new applicants.

After March 31

Applications accepted only if openings are available.



April 30

Deadline for parents to provide written acceptance to Summit Academy. Summit Academy grants priority in the lottery process to children of Summit Academy faculty and siblings of currently enrolled students. Summit Academy makes every effort to restrict priority application counts to a small percentage of its total student population.

III. Administrative Guidelines for Enrollment Policy and Procedures

a. Summit Academy's open enrollment application period is from January 1 thru the third Friday in February each year. Should the available openings exceed the applicants in specific grades, Summit Academy shall accept applications until the applicants meet or exceed the openings in each grade or until December 31 of the year.

b. Summit Academy uses a software application to randomly assign each new student applicant a priority number for the selection process. This helps ensure that the selection process is open and fair to all applicants.

c. If a student is selected, the household of that student will be notified with a written notice of acceptance no later than March 31, in accordance with state law. If Summit Academy does not receive written acceptance by April 30, or should the enrollment be declined in writing, the selection will be cancelled, and an additional selection session will take place to fill any remaining vacancies.

d. The selection process is partitioned into sub sessions. The process will be applied consistently for each selection session. Selection sessions will take place in March of each year and as needed to fill vacancies as they arise.

e. At any time during the year, employee and sibling preferences are open for enrollment, dependent upon availability by grade level. This determination is made under the direction of the Principal (or designee).

f. If there are any available openings in the grade required in the current school year, an applicant may be enrolled immediately for the current school year if they meet either of the following additional conditions:

- Enrollment occurs prior to January 1st of the current school year.
- Enrollment occurs after the lottery acceptance notifications have gone out for the upcoming school year (as early as the day after the third Friday in February), AND the new applicant has been accepted and enrolled for the upcoming school year through the normal lottery process.



Sub Session 1 - Existing Student Selection

Existing Summit Academy students are asked to confirm enrollment in their respective grades for the upcoming year by filling out a Continuing enrollment form and returning it to the Front Office. In the effort to collect Continuing education forms for all existing students, parents will be contacted a minimum of three (3) times via a form sent home, direct e-mail, and telephone.

Sub Session 2 - Employees' Priority Selection

The children or grandchildren of Summit Academy employees, who are not themselves registered students at the school, will be given preference in the selection process. If the number of applicants exceeds the number of available openings in a specific grade, the students will be assigned based on their respective randomly-assigned priority number. Any applicants who are not selected will retain their priority number and preference should any openings become available.

Sub Session 3 - Sibling Priority Selection

All siblings of students currently attending Summit Academy, who are not themselves registered students at the school, will be given the next preference in the selection process. If the number of sibling applicants exceeds the number of available openings in a specific grade, the siblings will be assigned based on their respective randomly-assigned priority number. Any sibling applicants who are not selected will retain their priority number and sibling preference should any openings become available.

Sub Session 4 - Standard Applicant Selection

Standard applicants consist of at-large applications received during an open enrollment period. If the number of applicants exceeds the number of available openings in a specific grade, students will be assigned based on their respective priority number. Each standard applicant is selected at random, based on their assigned priority number.

Admissions procedures – Transfers

Utah state law establishes procedures that govern with withdrawal of students from a charter school for enrollment in a district school or another charter school. See Utah Code 53G-6-503 and Utah Admin. Rule R277-472

- Utah Code 53G-6-503 prevents a student who is enrolled in a charter school or who has accepted an offer of admission to a charter school from duplicating enrollment for the student in another charter school or a school district without following the withdrawal procedures expressly described in the law.



- The parent of a student enrolled in a charter school may withdraw the student from the charter school for enrollment in another charter school or a school district by submitting to the charter school:
 - on or before June 30, a notice of intent to enroll the student in the student’s school of residence for the following school year;
 - after June 30, a letter of acceptance for enrollment in the student’s school district of residence for the following year;
 - a letter of acceptance for enrollment in the students school district of residence in the current school year;
 - a letter of acceptance for enrollment in the nonresident school district; or
 - a letter of acceptance for enrollment in a charter school.

- As used in this section
 - “Nonresident school district” means a school district other than a student’s district of residence.
 - “School district of residence” means a student’s school district of residence as determined under Section 53G-6-302.
 - “School of residence” means the school to which a student is assigned to attend based on the student’s place of residence.

- Student records are sent upon request from the subsequent school.

IV. References N/A

V. Attachments N/A

VI. Revision History and Approval Date

Version 1: May 2007: Effective Version

2: November 2015: Updated Version

3: November 2018: Updated Version

4: February 20, 2020: Updated – Added employee students and siblings of current students may enroll at any time if space available at the discretion of Principal. Version

5: October 22, 2020: Updated – Section 3 (a), open enrollment until applicants meet or exceed openings. Version

6: March 3, 2021: Added (f) to Section 3.



Summit Academy Schools

2022-2023 (DRAFT)

AUGUST							SEPTEMBER							OCTOBER						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
1	NTO	2	3	4	5	6					1	2	3	2	3	4	5	6	7	8
7	NTO	9	10	11	12	13	4	Labor Day	6	7	8	9	10	9	10	11	12	13	14	15
14	PDD	16	17	18	19	20	11	12	13	14	15	16	17	16	17	18	19	20	21	22
21	23 K. First Day	23	24	25	26	27	18	19	20	21	22	23	24	23	24	25	26	27	28	29
28	29	30	31				25	26	27	28	29	30	31	30	31					
NOVEMBER							DECEMBER							JANUARY						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
		1	2	3	4	5					1	2	3	1	2	3	4	5	6	7
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28
27	28	29	30				25	26	27	28	29	30	31	29	30	31				
FEBRUARY							MARCH							APRIL						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
			1	2	3	4				1	2	3	4							1
5	6	7	8	9	10	11	5	6	7	8	9	10	11	2	3	4	5	6	7	8
12	13	14	15	16	17	18	12	13	14	15	16	17	18	9	10	11	12	13	14	15
19	20	21	22	23	24	25	19	20	21	22	23	24	25	16	17	18	19	20	21	22
26	27	28					26	27	28	29	30	31		23	24	25	26	27	28	29
MAY																				
S	M	T	W	Th	F	S	First Day Of School & Last Day of School													
1	2	3	4	5	6	EO	Early Out Day (Two Hour Early Release) - Teacher PLC Comp Time													
7	8	9	10	11	12	EO	Early Out Day (Two Hour Early Release) - No PLCs, Teacher Work Time (Full Day)													
14	15	16	17	18	19		No School													
21	22	23	24	25	26	PTC	Parent Teacher Conferences													
28	29	30	31			EoQ	End of Quarter													
						*	Make-up "Snow Days" for Students <i>or</i> Additional PDD for Teachers													
						NTO	New Teacher Orientation (New to Summit Academy)													
						Teacher Training	All Teacher Training (New and Returning Teachers)													
						PDD	Teacher Professional Development Day (No School - Full Teacher Work Day)													
						COMP	Teacher Conference Compensation (No School)													
						KAW	Kindergarten Assessment Week													
EoQ1 = 47 Days																				
EoQ2 = 37 Days																				
EoQ3 = 46 Days																				
EoQ4 = 50 Days																				

Questions for Parents/Family (no more than 10)	Purpose	thoughts/questions/concerns	new changes in 2022
On a scale of 0-10 (10 being best), how likely are you to recommend Summit Academy to a friend or colleague?	overall satisfaction		
Quality: On a scale of 0-10, 10 being best			
Do you feel Summit Academy is living up to its' vision and mission? [always, frequently, sometimes, rarely, never, unsure, haven't read them]	perceptions		Proposed added new question.
Rate the overall academic quality of Summit Academy.			
Rate the extra-curricular/club programs of the school.	high school only		
How well does the school administration communicate with you?			
Directional			
Do you feel the school academics are [improving, staying the same, declining] overall for your student(s)?			
Do you feel the school extra-curricular/club programs are [improving, staying the same, declining] overall for your student(s)?	high school only		
Do you feel the school culture is [improving, staying the same, declining] overall for your student(s)?		good culture is where students, family, and teachers feel involved, engaged and heard.	
Open Ended			
What is the one best thing you see happening at our school?			
What is the one thing you would most like to see improved at our school?			
What additional things would you like the administration/the board to know about that weren't covered in this survey?			
closing page after submission to email boardfeedback.summit			
Don't include below here:			
Rate how safe you and your student feel in the school. (include words about not safe at all, safe, very safe)			we cut it last year, should we leave it out again this year. Our training said we are responsible for safety at the school, but covid might be the wrong year to add this?
Rate the use of technology in the classroom.		only include this one if we have invested in tech this year.	
Rate the quality of the cafeteria food offerings (if school has a cafeteria).		(CW) I would not include this	

Check out Qualtrics as an option	-happiness/morale, -perceptions of the school as a workplace/community, -effectiveness of investments in people, programs, or facilities			
ADD an introductory note that questions referring to "school" or "Summit Academy" refer to your primary campus, not the LEA as a whole			Significant changes in 2022	
Questions for Employees (goal of no more than 15 tops)	Purpose	thoughts/questions/concerns		
On a scale of 0-10 (10 being best). How likely is it that you would recommend Summit Academy to a friend or colleague?	overall satisfaction	NPS		
Quality: On a scale of 0-10, 0= very bad, 5= average, 10= very good				
Do you feel Summit Academy is living up to its' vision and mission? [always, frequently, sometimes, rarely, never, unsure, haven't read them]	perceptions		Proposed added new question.	
Rate the overall academic/teaching quality of Summit Academy.	effectiveness			
Rate the extra-curricular/club programs of the school.	perceptions	high school only		
How well does your campus administration communicate with employees?	effectiveness			
How well do you feel your campus administration listens to your feedback and seriously considers your ideas and concerns?				
How effective are the instructional coaching activities? (add N/A option)	perceptions		add N/A option for those who don't get instructional coaching	
Directional				
Do you feel the school's academics/teaching are [improving, staying the same, declining] overall for your students?	perceptions			
How would you characterize the school culture? [inspiring, positive, average, problematic, hostile]	perceptions			
Do you feel the school culture is [improving, staying the same, declining] overall for your students?	perceptions	Good culture is where students, family, and teachers feel involved, engaged, and heard		
Do you feel the school's extra-curricular/club programs are [improving, staying the same, declining] overall for your students?	perceptions	high school only		
Rate how well you feel your efforts and opinions are valued and considered by the Summit Academy Executive Director, Michael Clark? (add N/A option if don't work directly with the director)	morale	Angela Grimmer – High School Principal	add N/A option for those who don't work directly with director???	
Rate how well you feel your efforts and opinions are valued by your school's Principal, [Name]?		Lindy Hatch – Draper		
Rate how well you feel the rest of the campus administrative team supports your individual and team efforts in the classroom?	morale	Lisa Cutler – Independence		
Do you feel that your campus administration provides enough professional development opportunities? [too few, just right, too many]	effectiveness	Diana Brantley – Bluffdale		
Are there topics or concerns you don't feel safe sharing in this survey because you are concerned it might not be truly anonymous, or could cause negative repercussions? (Yes/No)	perceptions			
Open Ended				
What is the one best thing you see happening at our school?				
What is the one thing you would most like to see improved at our school?				
What additional things would you like the administration/the board to know that weren't covered in this survey?				
closing page after submission to email boardfeedback.summit				
Don't include below here				
Rate how safe you feel in the school.	perceptions		we cut it last year, should we leave it out again this year. Our training said we are responsible for safety at the school, but covid might be the wrong year to add this?	
Rate the availability and use of technology in the classroom.	effectiveness	actually 2 questions		

Questions for "Senior Staff" Director/Principals/Vice Principals/BA/HR/other? (no more than 10 questions)	Purpose	thoughts/questions/concerns
Quality: On a scale of 0-10, 10 being best		
Rate the overall quality of the relationship between the Summit Academy Board and the Executive Director.	effectiveness	
Rate the overall quality of the relationship between the Summit Academy Board and the other school administration (not the director).	effectiveness	
Rate the overall quality of the communication from the school administration to the board.	effectiveness	
How well do you feel the board listens to administrator feedback/reports/recommendations and seriously considers their ideas and concerns?	effectiveness	***
Remembering the Open Meeting Law restrictions, how well does the Board communicate to school administration?	effectiveness	
Do you feel supported by the board in your efforts to fulfill the vision/mission of Summit Academy? [always, frequently, sometimes, rarely, never]	perceptions	***
Do you feel the Board is fulfilling its' governance role effectively? [always, frequently, sometimes, rarely, never]	effectiveness	Do the respondents have a clear picture of what "board governance" should be?
Directional		
Do you feel the quality of the board governance is [improving, staying the same, declining] overall?	perceptions	
Do you feel the board involvement with the schools is [improving, staying the same, declining] overall for your campus?	perceptions	with the schools or "with school leadership"
Do you feel that the Board spends the correct amount of time/effort to support the administration? [too little, just right, too much]	perceptions	
Do you feel the board communication with school administration is [improving, staying the same, declining] overall?	perceptions	
Open Ended		
What is the one best thing you see the board doing?		
What is the one thing you would most like to see the board improve?		
What additional things would you like the the board to know about that weren't covered in this survey?		

closing page after submission to email boardfeedback.summit		
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This one is technically not in scope of what we talked about, but it kept coming up in my research so here are a few ideas.			
1. consider sending this survey to some or all of the families of students who just chose to come to summit			
2. Probably in late Sep, early Oct close to beginning of year when they made the choice.			
Questions			
What was the most important reason you chose to come to Summit?			
Rate the following criteria (1-5, 5 being most important) for how important each item was in your decision to come to Summit.			
School reputation			
State published academic results			
Social Network Ratings or comments			
Curriculum			
School mission/focus			
Location/Convenience			
Specific program offering(s), list which one(s)			
Recommendations of friends or family			
Teacher Quality			
School Safety			
Childs friends attend here.			
			top 4 reasons parents choose a specific charter? 1. Reputation/Results 2. Curriculum 3. Convenience 4. Quality of Teachers (The 4th one is only 4th in this list, but one of the biggest reasons why students leave)

SUMMIT ACADEMY, INCORPORATED
Basic Financial Statements
with Independent Auditor's Report
Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Summit Academy, Inc.

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Summit Academy, Incorporated (the School) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 the Summit Academy, Incorporated, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Summit Academy, Incorporated's, basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards are 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 16, 2021 on our consideration of Summit Academy, Incorporated'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 School'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 School's internal control over financial reporting and compliance.

Larson & Company, PC

Larson & Company, PC
November 16, 2021

SUMMIT ACADEMY, INCORPORATED
Management's Discussion and Analysis
For the Year Ending June 30, 2021

INTRODUCTION

The following is a discussion and analysis of Summit Academy, Incorporated's (the School's) financial performance and activities for the year ended June 30, 2021. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, we encourage readers to consider the information presented in conjunction with the School's financial Statements.

FINANCIAL HIGHLIGHTS

Government-Wide

- The assets of the school exceeded its liabilities at June 30, 2021 by \$5,136,635 (net position). Of this amount \$3,398,442 (unrestricted net position), may be used to meet the School's ongoing obligations.

Fund Level

- The School's general fund reported ending fund balances of \$11,597,616 at June 30, 2021, an increase of \$410,632 from the previous year. Of the ending fund balances, \$11,597,616 is available for spending at the School's discretion (unassigned fund balance). The key factors for the increase in fund balances were as follows:
 - Revenue from Federal and state operating grants and unrestricted revenues increased approximately \$314,424;
 - Revenue from interest income and all other sources decreased approximately \$250,255;
 - Expenditures for all categories increased approximately \$251,043, which includes the following:
 - Support services increased approximately \$171,194;
 - Food Services increased approximately \$272,478;
 - Debt service expenditures decreased approximately \$338,466;
 - At June 30, 2021, unassigned fund balance of the general fund was roughly 56% of total general fund expenditures for the year.

SUMMIT ACADEMY, INCORPORATED
Management's Discussion and Analysis
For the Year Ending June 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to Summit Academy, Inc.'s basic financial statements. The School's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information.

Government-Wide Financial Statements - Reporting the School as a Whole

The Statement of Net Position and the Statement of Activities comprise the government-wide financial statements. These statements distinguish functions of the School that are principally supported by charges for services, grants, or contributions. These statements provide a broad overview with a long-term focus of the School's finances as a whole and are prepared using the full-accrual basis of accounting, similar to private-sector companies. This means all revenues and expenses are recognized regardless of when cash is received or spent; and all assets and liabilities, including capital assets and long-term debt, are reported at the entity level.

The *statement of net position* presents information on all of the School's assets plus deferred outflows and liabilities plus deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in financial position of the School. In evaluating the government's overall condition, additional non-financial factors should be considered such as the School's economic outlook, changes in its demographics, and the condition of its capital assets.

The *statement of activities* presents information showing how the net position of the School 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 only result in cash flows in future fiscal periods.

Fund Financial Statements - Reporting the School's Most Significant Funds

The fund financial statements provide detailed information about individual funds, and not the School as a whole. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related laws and regulations. The School reports under one governmental fund.

SUMMIT ACADEMY, INCORPORATED
Management's Discussion and Analysis
For the Year Ending June 30, 2021

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds use the modified accrual basis of accounting, which measures the flow of current financial resources that can be converted to cash and the balances left at year-end that are available for future spending. This short-term view of the School's financial position helps determine whether the School has sufficient resources to cover expenditures for its basic services in the near future.

The School maintains one governmental fund. 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 the general fund, which is considered a major fund.

Reconciliation between Government-Wide and Fund Statements

The financial statements include schedules that reconcile the amounts reported for governmental activities on the government-wide statements (full-accrual accounting, long-term focus) with amounts reported on the governmental fund statements (modified accrual accounting, short-term focus). Following are some of the major differences between the two statements:

- Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements.
- Capital outlays result in capital assets on the government-wide statements but are expenditures on the governmental fund statements.
- Proceeds/expenditures from capital leases result in liabilities on the government-wide statements but are other financing sources/uses on the governmental fund statements.

Notes to the Financial Statements

The notes provide additional schedules and information that is essential to a complete understanding of the financial statements. The notes apply to both the government-wide financial statements and the fund financial statements.

Required Supplementary Information

The School adopts an annual budget for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with its budget. The School participates in the Utah Retirement System (URS) and are required to include the Schedule of the Proportionate Share of the Net Pension Liability, Schedule of Contributions – Pension, along with the required notes to the required supplementary information.

SUMMIT ACADEMY, INCORPORATED
Management’s Discussion and Analysis
For the Year Ending June 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted previously, net positions are an indicator of a government's financial position. In the case of the School, assets exceeded liabilities by \$5,136,635 at June 30, 2021.

A major contributor of the School’s net position is its investment in capital assets including land, buildings and improvements, vehicles and furniture and equipment (net of accumulated depreciation), less any related debt used to acquire those assets that is still outstanding. The School recently refinanced its bonds and were able to acquire more debt than the cost of its capital assets less accumulated depreciation resulting in a negative balance for the net investment in capital assets. The School uses these capital assets to provide services to the students; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources; since capital assets themselves cannot be used to liquidate these liabilities.

Net Position as of June 30, 2021 and 2020

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 15,605,783	\$ 14,079,486
Capital assets	42,470,535	43,480,698
Total assets	<u>58,076,318</u>	<u>57,560,184</u>
Other liabilities	2,164,557	2,390,690
Long-term liabilities outstanding	50,775,126	47,006,945
Total liabilities	<u>52,939,683</u>	<u>49,397,635</u>
Net assets:		
Invested in capital assets, net of related debt	(3,411,394)	(3,024,593)
Restricted	5,149,587	4,803,195
Unrestricted	3,398,442	6,383,947
Total net assets	<u>\$ 5,136,635</u>	<u>\$ 8,162,549</u>

At June 30, 2021 the School’s net investment in capital assets, amounts to \$-3,411,394 of total net position. The net investment in capital assets includes land, buildings and improvements, vehicles, and furniture and equipment. Of the remaining portion of the School’s net position, \$5,149,587 represents resources that are subject to external restrictions on how they may be utilized. The remaining balance of \$3,398,442 may be used to meet the ongoing obligations to students and creditors.

At June 30, 2021, the School was able to report positive balances in two of the three categories of net position for the government-wide activities as a whole.

SUMMIT ACADEMY, INCORPORATED
Management's Discussion and Analysis
For the Year Ending June 30, 2021

As noted in the subsequent table, governmental activities decreased net position by \$3,025,914.

Changes in Net Position
Years Ended June 30, 2021 and 2020

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Operating grants and contribs	11,735,111	10,868,179
General revenues:		
Federal and state unrestricted revenues	7,877,936	8,430,444
Earnings or investments	60,794	181,937
Contributions	21,021	20,031
Miscellaneous	1,349,362	1,479,464
Total Revenues:	21,044,224	20,980,055
Expenses:		
Instruction	11,461,322	11,417,272
Support services	3,316,294	3,145,100
Operation and maintenance of plant	1,036,972	967,089
Student transportation	116,293	120,059
Food Services	1,009,322	736,844
Community services	254,771	219,101
Debt service	3,325,844	3,664,310
Total Expenses:	20,520,818	20,269,775
Increase in net assets	523,406	710,280
Net assets - beginning	8,162,549	7,452,269
Prior period adjustment	(3,549,320)	-
Net assets - ending	5,136,635	8,162,549

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

SUMMIT ACADEMY, INCORPORATED
Management's Discussion and Analysis
For the Year Ending June 30, 2021

Fund Balances

At June 30, 2021 the School's general fund reported an ending fund balance of \$11,597,616, representing an increase of approximately 3.5% or \$410,632. All of which is recorded as unreserved fund balance, which is available for spending at the School's discretion. The key factor for the increase in unassigned fund balance was an increase in operating grants and contributions.

General Fund Budgetary Highlights

During the year, the general fund budget for expenditures was \$18,733,443 for the original budget and \$20,554,605 for the final budget. Budgeted revenues was \$20,062,578 for the original budget and \$21,911,663 for the final budget.

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

The School's capital assets for governmental activities at June 30, 2021 was \$42,470,535 net of depreciation. Capital assets includes land, buildings, equipment, furniture and fixtures, and transportation equipment. The School's total capital assets decreased \$1,010,163 or 2.3%.

Capital Assets, Net of Depreciation
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Land	8,922,372	8,922,372
Buildings	33,413,959	34,389,721
Equipment	105,038	120,116
Furniture & fixtures	20,163	28,560
Transportation equipment	9,003	19,929
	<u>42,470,535</u>	<u>43,480,698</u>

Additional information on the School's capital assets is available in the notes to the financial statements.

Long-Term Debt

On June 30, 2021, long-term debt of the School was \$48,267,181. Of the total, \$45,881,929 has been classified as bonds \$2,385,252 as net pension liability.

More information about long-term debt is included in the notes to the financial statements.

SUMMIT ACADEMY, INCORPORATED
Management's Discussion and Analysis
For the Year Ending June 30, 2021

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Summit Academy Incorporated's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Summit Academy, Inc., 1225 East 13200 South, Draper, Utah 84020

BASIC FINANCIAL STATEMENTS

SUMMIT ACADEMY, INCORPORATED
GOVERNMENT-WIDE STATEMENT OF NET POSITION
As of June 30, 2021

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
Assets:	
Current assets:	
Cash and cash equivalents	\$ 7,408,034
Receivables:	
Other governments	<u>1,357,303</u>
Total current assets	<u>8,765,337</u>
Non-current assets:	
Restricted cash and cash equivalents	5,149,587
Capital Assets:	
Not being depreciated	8,922,372
Net of accumulated depreciation	<u>33,548,163</u>
Total non-current assets	<u>47,620,122</u>
Total assets	<u>56,385,459</u>
Deferred outflows of resources - pensions	<u>1,690,859</u>
Total assets and deferred outflows of resources	<u>\$ 58,076,318</u>
 LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	
Liabilities:	
Current liabilities:	
Accrued liabilities	\$ 1,257,769
Unearned revenue	<u>906,788</u>
Total current liabilities	<u>2,164,557</u>
Noncurrent liabilities:	
Portion due or payable within one year	
Bonds payable	895,000
Portion due or payable after one year	
Bonds payable	38,055,000
Bond premium, net of amortization	6,931,929
Net pension liability	<u>2,385,252</u>
Total non-current liabilities	<u>48,267,181</u>
Total liabilities	<u>50,431,738</u>
Deferred inflows of resources - pensions	<u>2,507,945</u>
Total liabilities and deferred inflow of resources	<u>52,939,683</u>
 Net position:	
Net investment in capital assets	(3,411,394)
Restricted for:	
Debt service and capital improvements	4,220,645
Other purposes	928,942
Unrestricted	<u>3,398,442</u>
Total net position	<u>\$ 5,136,635</u>

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

SUMMIT ACADEMY, INCORPORATED
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Functions	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction	\$ 11,461,322	\$ -	\$ 11,735,111	\$ 273,789
Support services				
Students	1,167,042	-	-	(1,167,042)
Staff assistance	526,735	-	-	(526,735)
General district administration	271,902	-	-	(271,902)
School administration	1,002,006	-	-	(1,002,006)
Central services	348,609	-	-	(348,609)
Operation and maintenance of plant	1,036,972	-	-	(1,036,972)
Student transportation	116,293	-	-	(116,293)
Food Services	1,009,322	-	-	(1,009,322)
Community services	254,771	-	-	(254,771)
Debt service	3,325,844	-	-	(3,325,844)
Total governmental activities	<u>\$ 20,520,818</u>	<u>\$ -</u>	<u>\$ 11,735,111</u>	<u>\$ (8,785,707)</u>
General revenues:				
Federal and state unrestricted revenues				\$ 7,877,936
Earnings or investments				60,794
Contributions				21,021
Miscellaneous				1,349,362
Total general revenues and special items				<u>9,309,113</u>
Change in net position				523,406
Net position - beginning				<u>8,162,549</u>
Prior period adjustment				<u>(3,549,320)</u>
Net position - ending				<u>\$ 5,136,635</u>

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

SUMMIT ACADEMY, INCORPORATED
BALANCE SHEET – GOVERNMENTAL FUND
As of June 30, 2021

	<u>General</u>
ASSETS	
Cash and cash equivalents	\$ 12,800,654
Receivables:	
Local	490,567
State	54,297
Federal	157,889
Advance from affiliate	411,516
Total Assets	<u><u>\$ 13,914,923</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Payroll and related benefits payable	1,410,519
Unearned revenue	
Local	35,324
State	641,075
Federal	230,389
Total liabilities	<u>2,317,307</u>
Fund balance:	
Unassigned	<u>11,597,616</u>
Total fund balance	<u>11,597,616</u>
Total liabilities and fund balance	<u><u>\$ 13,914,923</u></u>

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

SUMMIT ACADEMY, INCORPORATED
RECONCILIATION OF GOVERNMENTAL FUND BALANCE TO
GOVERNMENT-WIDE NET POSITION
As of June 30, 2021

Total fund balances - governmental fund:	<u>\$ 11,597,616</u>
Amounts reported for the governmental activities in the Government-wide statement of Net Position are different due to the following:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	42,470,535
Deferred outflows and inflows of resources, a consumption of net position that applies to future periods, is not shown in the fund statements.	(817,086)
Long-term liabilities are recorded in the government-wide statements but not in the fund statements.	
General long-term debt/long-term accrued liabilities	(45,729,178)
Interest accrued but not yet paid on long-term debt	
Pension related liabilities	(2,385,252)
Net assets of government activities	<u>\$ 5,136,635</u>

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

SUMMIT ACADEMY, INCORPORATED
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE GOVERNMENTAL FUND
For the Year Ended June 30, 2021

	<u>General</u>
REVENUES	
Local aid	
Tuitions and fees	\$ 779,534
Food sales	73,895
Interest	60,794
Contributions	21,021
Other	443,997
State aid	18,195,194
Federal aid	1,417,960
	<u>20,992,395</u>
EXPENDITURES	
Instruction	11,151,937
Support services	
Students	1,109,116
Staff assistance	500,590
General district administration	258,406
School administration	952,271
Central services	331,306
Operation and maintenance of plant	985,502
Student transportation	110,521
Food Services	959,224
Community services	242,125
Debt service	3,980,765
Total expenditures	<u>20,581,763</u>
Net change in fund balances	410,632
Fund balances - beginning of year	11,186,984
Fund balances - end of year	<u><u>\$ 11,597,616</u></u>

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

SUMMIT ACADEMY, INCORPORATED
RECONCILIATION OF THE STATEMETN OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Net changes in fund balances - total governmental funds \$ 410,632

Amounts reported for the governmental activities in the Government-wide Statement of Activities are different due to the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (1,018,556)

The Statement of Activities show pension benefits and pension expenses related to long-term pension costs that are not shown in the fund statements. 311,330

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Likewise, the issuance of debt is a revenue in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.

Long-term debt principal issuance and repayments (net) 820,000

Summit Academy High School previously reported under the Financial Accounting Standards Board (FASB). State legelsature has required the school to report under Governmental Accounting Standards Board (GASB).

Changes in accounting standards

Change in net assets of governmental activities \$ 523,406

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

SUMMIT ACADEMY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Note 1. Summary of Significant Accounting Policies

Organization and Activities - Summit Academy, Incorporated (the School) was incorporated in the state of Utah on October 24, 2003 as a nonprofit organization involved in public education.

The School operates a public charter school with campuses in Draper and Bluffdale, Utah, and serves students from kindergarten through grade eight. The School provides the following program services: *school* (instruction and related services), *non-school programs* (preschool and student activities), and *food services*. Supporting services include *general* (Board-related costs and central services) and *fundraising*.

Basis of Presentation - The government-wide financial statements report information on the financial position and all of the activities of the School.

The Statement of activities demonstrates the degree to which the direct expenses of the given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include operating or capital grants and contributions that are restricted to meeting the operation or capital requirements of a particular program. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements re provided for governmental fund.

Measurement Focus, Basis of Accounting, and Financial Statements Presentation - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The School applies expenses for restricted resources first when both restricted and unrestricted net position are available.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recognized only when payment is due.

Net Position - As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Net position for governmental funds can consist of the following:

Nonspendable – Any nonspendable fund balance includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted – Any restricted fund balance includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

SUMMIT ACADEMY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Committed – Any committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the School’s highest level of decision-making authority, Summit Academy Board of Directors. Commitments may be changed or lifted only by the School taking the same formal action that imposed the constraint originally.

Assigned – Any assigned fund balance includes amounts intended to be used by the School for specific purposes that are neither restricted nor committed. Intent is expressed by (a) Summit Academy Board of Directors or (b) a body to which the governing body has delegated the authority to assign amounts. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund that are not classified as non-spendable, restricted, or committed.

Unassigned – The unassigned fund balance is the residual classification for the General Fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple net position classifications, net position is depleted in the order of restricted, committed, assigned, and unassigned, as needed unless Summit Academy Board of Directors have provided otherwise in its commitment or assignment actions.

Income Taxes - The School is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (except on net income derived from unrelated business activities) and is classified as a Section 501(c)(3) public charity. Also, the School is not subject to state income taxes. At June 30, 2021 the School has not recorded a tax liability as it has no unrelated business activities. The School believes that it has appropriate support for any tax positions taken and as such does not have any uncertain tax positions that are significant to the financial statements.

Cash and Cash Equivalents - The School considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. Unrestricted amounts invested in the Utah Public Treasurers' Investment Fund are also classified as cash equivalents (see Note 3).

Investments Restricted for Debt Service and Capital Improvements - Included in the proceeds of the bonds issued by the School (see Note 7) are amounts set aside in bond funds for the cost of certain capital improvements to facilities and debt service reserves. Deposits to and withdrawals from these bond funds are governed by the bond agreement. These bond funds are presented as restricted investments and are measured at fair value (see Notes 3 and 4).

Accounts Receivable - The School's accounts receivable consists of unsecured amounts due from federal, state, and local sources. No allowance for doubtful accounts has been established, as the School deems all amounts to be fully collectible.

Prepaid Expenses - The School was required to put money into account to apply for new bonds. This money will be refunded once bonds are acquired.

Bond Issuance Costs and Bond Discount - The School had previously capitalized certain costs associated with the issuance of its bonds payable. Under the change in accounting principles the remaining cost were expensed in the current year. Also, the bonds were issued at a premium, the premium is being amortized on a straight-line basis over the 30-year life of the bonds.

SUMMIT ACADEMY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Capital Assets - Capital assets are recorded at cost (or, if donated, at the estimated fair value at the date of donation). Capital assets valued at \$5,000 or more are capitalized and depreciated, using the straight-line depreciation method, over the following estimated useful lives of the assets:

<u>Asset Class</u>	<u>Depreciable Lives (Years)</u>
Buildings	40
Equipment	5 to 10
Furniture and fixtures	7
Transportation equipment	5

Maintenance, repairs, and renewals, which neither materially add value to the property nor prolong its useful economic life, are charged to expense as incurred.

Contributions and Donated Services - Unrestricted contributions are recognized as revenue when received. Contributions of goods are recorded at fair value. Contributions of services are recorded at fair value as revenue at the time the service is rendered when specialized skills are required and when the School would otherwise purchase the services. No amounts have been reflected in the financial statements for contributed goods or donated services during the year being reported because items did not meet the definition above. However, many individuals volunteer their time and perform a variety of tasks that assist the School with specific programs, administration, fundraising, and Board assignments. The School typically receives more than 2,300 volunteer hours per year.

Revenue Recognition - Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Unconditional grant revenue is recognized when received. Grants received with conditions are recognized in the period in which the conditions are met.

Operating funds for the School are derived principally from federal and state sources. The School receives state funding based on the number of students enrolled in the School. The School also receives federal and state grants on a reimbursement basis. Accordingly, grant revenues are recognized when qualifying expenses have been incurred and all other grant requirements have been met. Amounts of restricted grants received in excess of qualifying expenditures are recorded as unearned revenue.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted funds first, then unrestricted resources as they are needed.

Federal and state grants are subject to review by grantor agencies. Disallowed expenditures or reduction of future grant funds may result from this review. It is the School's belief from experience in prior years that costs ultimately disallowed, if any, would not be significant to its financial position.

Revenue and Support- The majority of the School's operating revenue and support comes from the U.S. Department of Education (passed through the Utah State Office of Education) and the state of Utah. Federal and state revenues were 93 percent of operating revenue and support for the year ended June 30, 2021.

SUMMIT ACADEMY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Pensions - For purposes of measuring the net pension liability, deferred outflow of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (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. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources - In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The School has one of these items that qualify for reporting in this category. Deferred outflows of resources related to pensions – includes a) net difference between projected and actual earnings on pension plan investments and b) School contributions subsequent to the measurement date.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The School reports one of these items. Deferred inflows of resources related to pensions – includes a) differences between expected and actual experience and b) changes of assumptions in the measurement of the net pension liability/asset. These amounts are also reported on the government-wide statement of net position.

Estimates - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and support and expenses. Actual results could differ from those estimates.

Budgetary Information - The School submits a Board-approved annual budget to the Office of the Utah State Auditor in accordance with state requirements. The Board may amend the annual budget prior to year-end. The budget is prepared on a modified accrual basis of accounting. Revenues are budgeted by source and program. Expenditures are budgeted by function, object, and program.

Note 2. Liquidity and Availability

Financial assets available for general expenditure, that is, without restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash	\$ 7,408,034
Accounts Receivable	<u>1,357,303</u>
	<u>\$ 8,765,337</u>

As part of the organization's liquidity management plan, cash in excess of daily requirements are invested in Utah Public Treasurers' Investment Fund (PTIF)

SUMMIT ACADEMY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Note 3. Concentrations

Cash Deposits - At June 30, 2021, the School's carrying amount of cash accounts totaled \$7,408,034 and the bank balance was \$7,503,942 of which \$250,000 was covered by federal depository insurance.

The School has invested in the Utah Public Treasurers' Investment Fund (PTIF).

The PTIF is authorized and makes investments in accordance with the Utah State Money Management Act. Participant accounts with the PTIF are not insured or otherwise guaranteed by the state of Utah. Participants in the PTIF share proportionately in the income, costs, gains, and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio, which primarily consists of money market securities including certificates of deposit and top-rated domestic commercial paper held by the Utah State Treasurer; the portfolio has a weighted average life of 90 days or less. The PTIF is not rated. The School has invested \$5,149,587, in the PTIF at June 30, 2021, which are included in restricted cash and cash equivalents in the statement of net assets.

Note 4. Fair Value Measurements

As described in Notes 1 and 2, the School 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 School 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.

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 School's major categories of assets and liabilities measured at fair value on a recurring basis follows:

Investments in the Utah PTIF are categorized in Level 2 of the fair value hierarchy. All investments held by the School at June 30, 2021 are with the Utah PTIF. Amounts are \$5,149,587. There have been no changes in valuation techniques and related inputs.

SUMMIT ACADEMY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2021 is as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 8,922,372	\$ -	\$ -	\$ 8,922,372
Total capital assets not being depreciated	8,922,372	-	-	8,922,372
Capital assets being depreciated:				
Buildings	38,899,121	-	-	38,899,121
Equipment	522,997	8,394	42,146	489,245
Furniture and fixtures	278,172	-	-	278,172
Transportation equipment	68,718	-	18,175	50,543
Total capital assets being depreciated	39,769,008	8,394	60,321	39,717,081
Accumulated depreciation for:				
Buildings	4,509,400	975,762	-	5,485,162
Equipment	402,881	23,471	42,146	384,206
Furniture and fixtures	249,612	8,397	-	258,009
Transportation equipment	48,789	10,926	18,175	41,540
Total accumulated depreciation	5,210,682	1,018,556	60,321	6,168,917
Total capital assets being depreciated, net	34,558,326	(1,010,162)	-	33,548,164
Total capital assets, net	\$ 43,480,698	\$ (1,010,162)	\$ -	\$ 42,470,536

Depreciation expense was \$1,018,556 for the year ended June 30, 2021.

Note 6. Retirement Plans

General information about the Pension Plan

Plan Description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

The Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public retirement systems.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have not previous credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

SUMMIT ACADEMY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems’ defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code Grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained in writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Summary of Benefits by System

Retirement benefits are as follows:

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* Actuarial reductions are applied.

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by state 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. Contribution rates as of June 30, 2021 are as follows:

SUMMIT ACADEMY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k) Plan</u>
Contributory System			
112 State School Div - Tier 2	N/A	19.13%	0.89%
Noncontributory System			
16 State School Div - Tier 1	N/A	22.19%	1.50%
Tier 2 DC Only			
212 State and School	N/A	10.02%	10.00%

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

For fiscal year ended June 30, 2021, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 563,790	N/A
Tier 2 Public Employees System	999,373	-
Tier 2 DC Only System	122,128	N/A
Total Contributions	\$ 1,685,291	\$ -

Contributions reported are the URS Board-approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pensions

At June 30, 2021, we reported a net pension asset of \$0 and net pension liability of \$2,385,252.

	(Measurement Date): December 31, 2020				
	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Proportionate Share</u>	<u>Proportionate Share December 31, 2019</u>	<u>Change (Decrease)</u>
Noncontributory System	\$ -	\$ 2,340,859	0.1755923%	0.1723254%	0.0032669%
Tier 2 Public Employees System	-	44,393	0.3086537%	0.3167155%	-0.0080618%
Total Net Pension Asset / Liability	<u>\$ -</u>	<u>\$ 2,385,252</u>			

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2021, we recognized pension expense of \$1,337,327.

SUMMIT ACADEMY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

At June 30, 2021 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 297,590	\$ 20,328
Changes in assumptions	276,958	1,615
Net difference between projected and actual earnings on pension plan investments	-	2,486,002
Changes in proportion and differences between contributions and proportionate share of contributions	238,868	-
Contributions subsequent to the measurement date	877,442	-
Total	\$ 1,690,858	\$ 2,507,945

\$877,442 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end. But subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows</u>
	<u>(inflows) of Resources</u>
2021	\$ (421,039)
2022	\$ (141,205)
2023	\$ (816,329)
2024	\$ (400,067)
2025	\$ 14,710
Thereafter	\$ 69,402

Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary Increases	3.25-9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

SUMMIT ACADEMY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

The long-term expected rate of return on 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 investments expense and inflation) are to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table.

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	37%	6.30%	2.33%
Debt securities	20%	0.00%	0.00%
Real assets	15%	6.19%	0.93%
Private equity	12%	9.50%	1.14%
Absolute return	16%	2.75%	0.44%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.84%
		Inflation	2.50%
		Expected arithmetic nominal return	7.34%

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

Discount rate: The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flow 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 that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments, to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

SUMMIT ACADEMY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 7,504,265	\$ 2,340,859	\$ (1,976,453)
Tier 2 Public Employees System	747,001	44,393	(493,084)
Total	\$ 8,251,266	\$ 2,385,252	\$ (2,469,537)

*** Pension plan fiduciary net position: Detailed information about the pension plans fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Summit Academy participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- *401 (k) Plan
- *457 (b) Plan
- *Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contributions Savings Plan for fiscal year ended June 30, were as follows

	2021	2020	2019
401(k) Plan			
Employer Contributions	\$ 207,750	\$ 176,353	\$ 171,082
Employee Contributions	\$ 122,728	\$ 129,056	\$ 134,392
457 Plan			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	\$ 28,467	\$ 29,169	\$ 26,776
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 15,845	\$ 11,520	\$ 5,910

SUMMIT ACADEMY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Note 7. Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2021:

	Beginning Balance	Additions	Reduction	Ending Balance	Due Within One Year
Bonds payable	\$ 39,830,000	\$ -	\$ 880,000	\$ 38,950,000	\$ 895,000
Unamortized Premium	7,176,946	-	245,017	6,931,929	245,017
Total long-term liabilities	<u>\$ 47,006,946</u>	<u>\$ -</u>	<u>\$ 1,125,017</u>	<u>\$ 45,881,929</u>	<u>\$ 1,140,017</u>

Bonds Payable - In July of 2019, the school refinanced the 2007 bonds and received additional funds to purchase their Bluffdale and Independence campuses. The total value of the bonds was \$40,650,000. The bonds were issued through Utah State Charter School Finance Authority (a local government) in order to receive tax-exempt status through the industrial bond statutes. Utah State Charter School Finance Authority acted as a flow-through conduit in the transaction and is not contingently liable should the School default on the payment of the bonds. The average interest rate on the bonds is 5.00 percent.

The future debt service of the Series 2019 bonds is summarized as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 920,000	\$ 1,916,750	\$ 2,836,750
2023	975,000	1,870,750	2,845,750
2024	1,020,000	1,822,000	2,842,000
2025	1,070,000	1,771,000	2,841,000
2026	1,125,000	1,717,500	2,842,500
2027-2031	6,525,000	7,685,000	14,210,000
2032-2036	8,220,000	5,996,600	14,216,600
2037-2041	7,255,000	3,934,250	11,189,250
2042-2046	6,845,000	2,309,750	9,154,750
2047-2051	4,995,000	507,500	5,502,500
	<u>\$ 38,950,000</u>	<u>\$ 29,531,100</u>	<u>\$ 68,481,100</u>

The Series 2019 bonds were issued at a premium of \$7,350,499. Amortization expense is \$245,017 for the year ended June 30, 2021. Accumulated amortization is \$418,570 at June 30, 2021.

The Series 2019 bond agreement requires the School to maintain a reserve of cash equal to or greater than \$2,850,800 from the date of issuance to April 14, 2038 and after April 15, 2038 \$1,836,500. As of and for the year ended June 30, 2021, the School is in compliance with this requirement. This covenant remains in effect until the bonds are retired.

Note 8. Risk Management

The School is exposed to various risks of loss related to torts, errors and omissions, property, employee health, workers' compensation, and unemployment for which the School carries commercial insurance. For these programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for each of the past three years.

SUMMIT ACADEMY, INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Note 9. Related Party Transactions

A majority of the members of the School's Board of Trustees are also members of the Board of Trustees for Summit Academy High School.

The School has advanced funds over the years, to Summit Academy High School. These advances bears interest at 0.5% and is not collateralized. The total balance of these advances total \$1,136,661, at June 30, 2021 and are reported on the statement of financial position as receivables from other governments.

Note 10. Subsequent Events

Management has evaluated events and transactions which occurred through the date of the audit report, which is the date the financial statements were available to be issued. No reportable events or transactions were noted.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

SUMMIT ACADEMY, INCORPORATED
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL GENERAL FUND
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
REVENUES				
Local aid				
Tuitons and fees	806,300	311,300	779,534	468,234
Food sales	106,774	295,724	73,895	(221,829)
Interest	184,060	184,060	60,794	(123,266)
Contributions	104,400	23,000	21,021	(1,979)
Other	449,550	449,550	443,997	(5,553)
State aid	17,817,331	19,760,754	18,195,194	(1,565,560)
Federal aid	594,163	887,275	1,417,960	530,685
	<u>20,062,578</u>	<u>21,911,663</u>	<u>20,992,395</u>	<u>(919,268)</u>
EXPENDITURES				
Instruction	11,364,524	12,756,192	11,151,937	(1,604,255)
Support services				
Students	393,400	461,425	1,109,116	647,691
Staff assistance	336,309	313,374	500,590	187,216
General district administration	327,783	325,368	258,406	(66,962)
School administration	1,109,797	1,178,539	952,271	(226,268)
Central services	547,164	723,897	331,306	(392,591)
Operation and maintenance of plant	1,015,129	1,227,693	985,502	(242,191)
Student transportation	100,591	101,815	110,521	8,706
Food Services	764,811	639,484	959,224	319,740
Community services	-	-	242,125	242,125
Debt service	2,773,935	2,826,818	3,980,765	1,153,947
Total expenditures	<u>18,733,443</u>	<u>20,554,605</u>	<u>20,581,763</u>	<u>27,158</u>
Net change in fund balances	<u>1,329,135</u>	<u>1,357,058</u>	<u>410,632</u>	<u>(946,426)</u>
Fund balances - beginning of year			<u>11,186,984</u>	
Fund balances - end of year			<u>11,597,616</u>	

SUMMIT ACADEMY, INCORPORATED
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2021
Last 10 Fiscal Years*

	As of fiscal year ended June 30,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of its covered employee payroll
Noncontributory System	2021	0.1755923%	\$ 2,340,859	\$ 2,672,532	87.59%	94.30%
	2020	0.1723254%	3,828,557	2,713,645	141.09%	90.10%
	2019	0.1532643%	5,702,225	2,603,083	219.06%	84.10%
Tier 2 Public Employees	2021	0.3086537%	44,393	4,947,903	0.90%	98.30%
	2020	0.3167155%	71,232	4,410,723	1.61%	96.50%
	2019	0.3355521%	143,710	3,953,522	3.63%	90.80%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10 year schedule will need to be built prospectively. The schedule above is only for the past 3 years.

SUMMIT ACADEMY, INCORPORATED
SCHEDULE OF CONTRIBUTIONS - PENSIONS
June 30, 2021
Last 10 Fiscal Years*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in Relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2021	\$ 563,790	\$ 563,790	\$ -	\$ 2,540,741	22.19%
	2020	617,419	617,419	-	2,784,252	22.18%
	2019	579,899	579,899	-	2,627,952	22.07%
Tier 2 Public Employees	2021	999,373	999,373	-	5,229,886	19.11%
	2020	907,069	907,069	-	4,780,888	18.97%
	2019	769,026	769,026	-	4,089,718	18.80%
Tier 2 Public Employees System*	2021	122,128	122,128	-	1,218,842	10.02%
	2020	84,743	84,743	-	845,747	10.02%
	2019	82,488	82,488	-	823,231	10.02%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.
Tier 2 systems were created effective July 1, 2011

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. The schedule above is only for the past 3 years.
Contributions as a percentage of covered payroll may be different than the board certified rate due to rounding and other administrative practices.

SUMMIT ACADEMY, INCORPORATED
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

Changes in Assumptions Related to Pensions

There were a number of demographic assumption (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the Total Pension Liability, which is about 0.50% of the Total Pension Liability as of December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at newsroom.urs.org under the "Retirement Office" column using the "Reports and Stats" tab.

Budgetary Comparison Schedules

The budgetary comparison schedule presented in this section of the report is for the School's General Fund.

Budgeting and Budgetary Control

Budgets for the General Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by Summit Academy's Board of Directors prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by Summit Academy's Board of Directors through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Current Year Excess of Expenditures over Appropriations

For the year ended June 30, 2021 general fund was within budgeted appropriations.



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 Directors
Summit Academy Incorporated

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 Summit Academy, Incorporated (the School), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated November 16, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing 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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 School'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Larson & Company, PC

Larson & Company
November 16, 2021



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE**

Board of Directors
Summit Academy, Incorporated

Report On Compliance

We have audited Summit Academy, Incorporated’s, compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended June 30, 2021.

State compliance requirements were tested for the year ended June 30, 2021 in the following areas:

- | | |
|--|----------------------------|
| Budgetary Compliance | Fund Balance |
| Fraud Risk Assessment | Government Fees |
| Minimum School Program – Unrestricted Programs | School District Tax Levies |
| Minimum School Program – Restricted Programs: Special Education, Teacher and Student | |
| School Fees | |

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on Summit Academy, Incorporated, compliance based on our audit of the state compliance requirements referred to above. 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*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the School’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the School’s compliance with those requirements.

Opinion on Compliance

In our opinion, Summit Academy, Incorporated, complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2021.

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*.

Report On Internal Control over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's 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 to 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and 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.

Larson & Company, PC

Larson & Company, PC
Spanish Fork, Utah
November 16, 2021



REPORT ON BOND COMPLIANCE

Board of Directors
Summit Academy, Inc.

We have audited the financial statements of the Summit Academy, Inc. for the year ended June 30, 2021, and have issued our report thereon dated November 16, 2021.

As part of our audit, we reviewed your compliance with the requirements of your bond issues.

Based on our review, we are not aware of any areas of non-compliance that are required to be reported.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
November 16, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Summit Academy Incorporated
Dapper, Utah

Report on Compliance for Each Major Federal Program

We have audited Summit Academy Incorporated. Utah's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Summit Academy Incorporated's major federal programs for the year ended June 30, 2021. Summit Academy Incorporated's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Summit Academy Incorporated's major federal programs based on our audit of the types of compliance requirements referred to above. 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 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Summit Academy Incorporated's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Summit Academy Incorporated's compliance.

Opinion on Each Major Federal Program

In our opinion, Summit Academy Incorporated, 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 major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Summit Academy Incorporated, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Summit Academy Incorporated's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Summit Academy Incorporated's 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 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.

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

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.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
November 16, 2021

SUMMIT ACADEMY, INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2021

SUMMARY OF AUDIT RESULTS

1. The independent auditor's report expresses an unqualified opinion on the basic financial statements of Summit Academy, Incorporated.
2. No reportable conditions related to the audit of the financial statements are reported in the Auditor's Report on Internal Controls and Compliance with Laws and Regulations.
3. No instances of noncompliance material to the financial statements of Summit Academy, Incorporated were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award program is reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with Uniform Guidance.
5. The independent auditor's report on compliance for the major federal award programs for the Summit Academy, Incorporated, expresses an unqualified opinion.
6. The audit disclosed no audit findings that are required to be reported under 2 CFR section 200.516(a).
7. The program tested as a major program include:

National School Lunch Program	10.555
-------------------------------	--------
8. The threshold for distinguishing Types A and B programs is \$750,000 of federal awards expended.
9. Summit Academy, Incorporated was determined not to be a low-risk auditee.

SUMMIT ACADEMY, INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COST (continued)
For the Year Ended June 30, 2021

SUMMARY OF CURRENT YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT FINDINGS

No findings noted during current audit

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted during current audit

SUMMARY OF PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT FINDINGS

No findings noted during prior audit.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted during prior audit

SUMMIT ACADEMY, INCORPORATED
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

	<u>Federal CFDA Number</u>	<u>USOE Revenue Code</u>	<u>Amount of Expenditures</u>
Indirect Assistance:			
U.S. Department of Agriculture			
Passed Through Utah State Office of Education			
* National School Lunch Program (NSLP)	10.555	8075/4560	<u>773,739</u>
Total U.S Department of Agriculture			<u>773,739</u>
U.S. Department of Education			
Passed Through Utah State Office of Education			
IDEA Special Education - Grants to States	84.027	7524/4524	<u>309,746</u>
Total U.S Department of Education			<u>309,746</u>
U.S. Department of Commerce			
Passed Through Utah State Office of Education			
Broadband Technology Opportunities Program	11.557	7280/4500	<u>26,528</u>
			<u>26,528</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			1,110,013.00

* Major Program

SUMMIT ACADEMY, INCORPORATED
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

1. **GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Summit Academy Incorporated (School). The School reporting entity is defined in Note 1 to the basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed-through other government agencies are included on the schedule of expenditures of federal awards.

2. **BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting for expenditures in governmental fund types and on the accrual basis for expenses in proprietary fund types, which is described in Note 1 to the basic financial statements.

3. **NON-CASH ASSISTANCE**

The School did not receive any non-cash assistance.

4. **LOANS OUTSTANDING**

The School does not have federally insured loans outstanding at year end.

4. **DE MINIMIS INDIRECT COST RATE**

The School has elected not to use the 10% de minimis indirect cost rate.

Revised Plan for Social Emotional Learning Curriculum 2021-22

Demonstrating Summit's valued partnership with families, a revised plan is put forth for the remainder of the 2021-2022 school year.

While some details are in the process of being fully worked out, a fundamental structure has been established and a two-month plan can be identified with some detail.

The following is the overall structure for the revised plan of Summit Academy Draper K-5, Bluffdale and Independence K-6:

Week 1: Focus on a strength from [VIA Character Strengths](#). Strengths omitted from being used in schools are Love and Spirituality/Sense of Meaning. Most content will be used from Mr. S's [previous](#) and newly developed content. Discussion topics relating to the video and relevant activities will be provided to teachers.

Week 2: Address a competency needed as identified from the Teacher Curriculum Delivery Survey and aligned, if possible, to the Student Needs Assessment. Content will be selected by

- A. Summit's counselors/social workers screen and select pre-made resources that are free, low cost or within already allocated budgeted funds that teach the competency.
- B. Materials will be originally created or adapted by Summit's counselors/social workers.

Week 3: Address a competency needed as identified from the Teacher Curriculum Delivery Survey and aligned, if possible, to Student Needs Assessment.

- A. Summit's counselors/social workers screen and select pre-made resources that are free, low cost or within already allocated budgeted funds that teach the competency.
- B. Materials will be originally created or adapted by Summit's counselors/social workers.

Week 4: Opportunity for returning to prior content from earlier in the month for benefit to classroom community and/or alternative use of time per teacher discretion.

Summit Academy Draper 6-8 and Independence 7-8

Draper:: Advisory classes will continue without the use of Second Step. We will have seven basic lessons that students will rotate through.

Unit 1: Healthy Relationships (1 Statements)
--

Unit 2: Self Esteem (Positive affirmations and self talk)
Unit 3: Conflict Resolution (What can I control?)
Unit 4: Coping skills (mindfulness)
Unit 5: Self Esteem (building your self-esteem)
Unit 6: Conflict Resolution (understanding perspective)
Unit 7: Coping skills (coping strategies)

Seven teachers will be selected to be the experts of that topic. Those seven teachers will have specific training and guidance from our JH counselor on their assigned topic.

Independence: The elective class will continue without the use of Second Step. Materials will be screened and selected by the SEL teacher with input and feedback from school counselor/social worker.

For Summit Academy Draper K-5, Bluffdale and Independence K-6 the following is planned for December 2021, January 2022, and February 2022

December

Considering the abbreviated schedule between holiday breaks, schools can use materials already used in the past before the purchase and use of Second Step. A minimum of one competency will be addressed during this transition period.

January

Week 1: Introduction to VIA Character Strengths. Select grades take the free strengths survey and an invitation is sent out for parents to also take.

Week 2: Competenc(y/ies)addressed as identified from data within each school.

Week 3: Competenc(y/ies) addressed as identified from data within each school.

Week 4: Opportunity for returning to prior content from earlier in the month as relevant or for benefit to classroom community and/or alternative use of time per teacher discretion.

February

Week 1: Strength determined by social work and counseling team.

Week 2: Competenc(y/ies) addressed as identified from data within each school.

Week 3: Competenc(y/ies) addressed as identified from data within each school.

Week 4: Opportunity for returning to prior content as relevant or for benefit to classroom community and/or alternative use of time per teacher discretion.

Summit Academy Draper 6-8 and Independence 7-8 December 2021, January 2022, and February 2022

Draper: Advisory classes will continue without the use of Second Step.

Independence: The elective class will continue without the use of Second Step. Materials will be screened and selected by the SEL teacher with input and feedback from school counselor/social worker.

Considerations:

Compliance

It is expected that Summit will stay in compliance regarding reaching the competencies necessary.

Neighboring districts are in a similar situation- how have they resolved their situation- how is our solution the best for Summit? I am not sure what each neighboring district is doing since they have their range of schools, school needs and decision making processes, however for Summit Academy, this solution can be the best option going forward because we still seek to meet the needs of the students within our learning communities by addressing competencies with material that is not Second Step, using every material either screened and selected by Summit school counselor(s)/social worker(s) or original/adapted materials created by Summit school counselor(s)/social worker(s)

Legal

How will parents access this curriculum? This material will be loaded to Canvas. Parents may access their student's account to see materials loaded.

Copyright restrictions? Since the materials sourced and screened will be free, purchased for distribution or created original/adapted content, we do not anticipate copyright restrictions.

Academic

Does the curriculum meet the academic needs of Summit Academy? The materials will have elements that support academics such as opportunities for noticing strengths among story characters within LA, opportunities for reading or being read to, etc.

How is the curriculum deficient--what are the cons? There are currently multiple deficiencies of this approach compared to polished product offerings from companies designed and focused to use their resources within this domain. Some deficiencies are professional grade content for students, content organization, progress tracking, teacher ease of use, content sequencing, teacher scripting, content adjusted to grade levels and research basis.

How are the "cons" going to be addressed? It can be anticipated that over time with newly formed processes, budget and iterations, and increased collaboration within the LEA may offer improvements that could benefit both students and teachers.

What does the implementation/ teacher training entail? Teacher materials will be continually improved in design for ease of use by teacher input and feedback. Teacher training on content will be addressed during staff meetings.

Does the curriculum support the culture/mission of Summit? The revised plan supports the culture of Summit to value our community and to work with stakeholders who have voiced their sustained concerns.

Who sponsors this curriculum? There is no sponsor per se, as most materials are either originally created or adapted; however, there will be some materials screened, selected and used for free and some small purchases of materials such as story books, single lessons, etc. [not curriculum].

As our experts, do you believe this replacement program is "better" than Second Steps? This is a difficult question to answer as there are multiple stakeholders that may have different opinions on the matter. In terms of professional grade content, content organization, progress tracking, teacher ease of use, content sequencing, teacher scripting, content adjusted to grade levels and research basis, the answer would be no.

In terms of trust maintained between Summit Academy and families, the answer would be yes.

Finance

What is the cost of the curriculum? This revised plan as a short term solution largely has a very low cost. There are some anticipated purchases of materials but either the cost is small enough to not warrant board approval or purchases are within already allocated budget funds.

How does this compare to other curricula? This revised plan does not compare in production value, content organization, progress tracking, teacher ease of use, content sequencing, teacher scripting, cohesiveness of materials, content adjusted to each grade level and research basis.

Why do you feel the cost is justified? For this revised plan, there is little cost to justify. For example, Draper elementary anticipates an additional cost of approximately \$300.

Where is the money being pulled from? With the revised plan, costs would be minimal and funds would either be already budgeted

What are the financial implications? From the vantage point of purchasing, there are little negative financial implications. This plan may solve the potential burden of making immediate additional purchases to replace the possible decision of discontinuing use of Second Step.

At least one campus has used their Land Trust money towards Second Steps[1]what does this mean for that money when we replace it? If subsequent efforts to request a refund of some sort are given by Second Step, then Summit can look at fair distribution of such refunds.

How much of a refund were we able to receive from Second Steps? A refund request to Second Step has not occurred yet. Such an attempt follows approval of a revised plan to vacate the use of Second Step.

Data Tracking

What metrics will be used to determine the effectiveness of the curriculum? The revised plan can still be measured by pre and post competency surveys, responsive service requests, student climate related surveys, student needs assessment changes and ODR related data.

How will the data be collected? Data will be collected via the pre and post competency survey, student climate related surveys, student needs assessment changes and ODR related data.

When would be a reasonable time to expect this data? Some parts of the above data collection will vary according to the collecting and reporting infrastructure within each campus. Due to increased workload, it can be anticipated that data can be reported within 60 days after a request was acknowledged as received.

SUMMIT ACADEMY HIGH SCHOOL
Basic Financial Statements
with Independent Auditor's Report
Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Summit Academy High School

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Summit Academy High School (the School) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 the Summit Academy High School as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2021 on our consideration of Summit Academy High School'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 School'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 School's internal control over financial reporting and compliance.

Larson & Company, PC
November 16, 2021

SUMMIT ACADEMY HIGH SCHOOL
Management's Discussion and Analysis
For the Year Ending June 30, 2021

INTRODUCTION

The following is a discussion and analysis of Summit Academy High School's (School's) financial performance and activities for the year ended June 30, 2021. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, we encourage readers to consider the information presented in conjunction with the School's financial Statements.

FINANCIAL HIGHLIGHTS

Government-Wide

- The assets of the school do not exceeded its liabilities at June 30, 2021 by \$4,586,852 (net position). The school has no unrestricted net position, available to meet the School's ongoing obligations.

Fund Level

- The School's general fund reported ending fund balances of \$1,193,193 at June 30, 2021, an increase of \$16,157 from the previous year. Of the ending fund balances, \$1,193,193 is available for spending at the School's discretion (unassigned fund balance). The key factors for the increase in fund balances were as follows:
 - Revenue from Federal and state operating grants and unrestricted revenues increased approximately \$52,619;
 - Revenue from interest income and all other sources decreased approximately \$55,924;
 - Expenditures for all categories increased approximately \$254,620, which includes the following:
 - Instruction services increased approximately \$439,918;
 - Support services decreased approximately \$57,066;
 - Food Services decreased approximately \$99,040;
 - Debt service expenditures decreased approximately \$33,537;
 - At June 30, 2021, unassigned fund balance of the general fund was roughly 21% of total general fund expenditures for the year.

SUMMIT ACADEMY HIGH SCHOOL

Management's Discussion and Analysis

For the Year Ending June 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to Summit Academy High School's basic financial statements. The School's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information.

Government-Wide Financial Statements - Reporting the School as a Whole

The Statement of Net Position and the Statement of Activities comprise the government-wide financial statements. These statements distinguish functions of the School that are principally supported by charges for services, grants, or contributions. These statements provide a broad overview with a long-term focus of the School's finances as a whole and are prepared using the full-accrual basis of accounting, similar to private-sector companies. This means all revenues and expenses are recognized regardless of when cash is received or spent; and all assets and liabilities, including capital assets and long-term debt, are reported at the entity level.

The *statement of net position* presents information on all of the School's assets plus deferred outflows and liabilities plus deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in financial position of the School. In evaluating the government's overall condition, additional non-financial factors should be considered such as the School's economic outlook, changes in its demographics, and the condition of its capital assets.

The *statement of activities* presents information showing how the net position of the School 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 only result in cash flows in future fiscal periods.

Fund Financial Statements - Reporting the School's Most Significant Funds

The fund financial statements provide detailed information about individual funds, and not the School as a whole. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related laws and regulations. The School reports under one governmental fund.

SUMMIT ACADEMY HIGH SCHOOL
Management's Discussion and Analysis
For the Year Ending June 30, 2021

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds use the modified accrual basis of accounting, which measures the flow of current financial resources that can be converted to cash and the balances left at year-end that are available for future spending. This short-term view of the School's financial position helps determine whether the School has sufficient resources to cover expenditures for its basic services in the near future.

The School maintains one governmental fund. 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 the general fund, which is considered a major fund.

Reconciliation between Government-Wide and Fund Statements

The financial statements include schedules that reconcile the amounts reported for governmental activities on the government-wide statements (full-accrual accounting, long-term focus) with amounts reported on the governmental fund statements (modified accrual accounting, short-term focus). Following are some of the major differences between the two statements:

- Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements.
- Capital outlays result in capital assets on the government-wide statements but are expenditures on the governmental fund statements.
- Proceeds/expenditures from capital leases result in liabilities on the government-wide statements but are other financing sources/uses on the governmental fund statements.

Notes to the Financial Statements

The notes provide additional schedules and information that is essential to a complete understanding of the financial statements. The notes apply to both the government-wide financial statements and the fund financial statements.

Required Supplementary Information

The School adopts an annual budget for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with its budget. The School participates in the Utah Retirement System (URS) and are required to include the Schedule of the Proportionate Share of the Net Pension Liability, Schedule of Contributions – Pension, along with the required notes to the required supplementary information.

**SUMMIT ACADEMY HIGH SCHOOL
Management's Discussion and Analysis
For the Year Ending June 30, 2021**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted previously, net positions are an indicator of a government's financial position. In the case of the School, liabilities exceeded assets by \$4,586,852 at June 30, 2021.

A major contributor of the School's net position is its investment in capital assets including land, buildings and improvements, vehicles and furniture and equipment (net of accumulated depreciation), less any related debt used to acquire those assets that is still outstanding. The School recently refinanced its bonds and were able to acquire more debt than the cost of its capital assets less accumulated depreciation resulting in a negative balance for the net investment in capital assets. The School uses these capital assets to provide services to the students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources; since capital assets themselves cannot be used to liquidate these liabilities.

Net Position as of June 30, 2021 and 2020

	Governmental Activities	
	2021	2020
Current and other assets	\$ 2,695,427	\$ 2,921,132
Capital assets	11,822,708	12,024,312
Total assets	<u>14,518,135</u>	<u>14,945,444</u>
Other liabilities	2,484,085	1,815,437
Long-term liabilities outstanding	16,620,902	16,498,735
Total liabilities	<u>19,104,987</u>	<u>18,314,172</u>
Net assets:		
Invested in capital assets, net		
of related debt	(1,092,199)	(3,842,169)
Restricted	124,447	105,261
Unrestricted	(3,619,100)	368,180
Total net assets	<u>\$ (4,586,852)</u>	<u>\$ (3,368,728)</u>

At June 30, 2021 the School's net investment in capital assets, amounts to \$(1,092,199) of total net position. The net investment in capital assets includes land, buildings and improvements, vehicles, and furniture and equipment. Of the remaining portion of the School's net position, \$124,447 represents resources that are subject to external restrictions on how they may be utilized. There is no remaining balance to be used to meet the ongoing obligations to students and creditors.

At June 30, 2021, the School was able to report a positive balance in one of the three categories of net position for the government-wide activities as a whole.

SUMMIT ACADEMY HIGH SCHOOL
Management's Discussion and Analysis
For the Year Ending June 30, 2021

As noted in the subsequent table, governmental activities decreased net position by \$3,025,914.

Changes in Net Position
Years Ended June 30, 2021 and 2020

	<u>Governmental Activities</u>	
	2021	2020
Revenues:		
Program revenues:		
Operating grants and contribs	\$ 2,734,226	\$ 2,548,594
General revenues:		
Federal and state unrestricted rev	2,383,002	2,515,588
Earnings or investments	4,026	56,392
Contributions	51,050	38,815
Miscellaneous	423,148	439,567
Total Revenues:	<u>5,595,452</u>	<u>5,598,956</u>
Expenses:		
Instruction	2,907,931	2,630,427
Support services	841,379	890,791
Operation and maintenance of plant	700,426	315,747
Student transportation	25,148	49,728
Food Services	55,613	154,654
Community services	726	-
Debt service	1,460,158	1,301,441
Total Expenses:	<u>5,991,381</u>	<u>5,342,788</u>
Increase in net assets	<u>(395,929)</u>	256,168
Net assets - beginning	<u>(3,368,728)</u>	<u>(3,624,896)</u>
Prior period adjustment	<u>(822,195)</u>	-
Net assets - ending	<u>(4,586,852)</u>	<u>(3,368,728)</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

SUMMIT ACADEMY HIGH SCHOOL
Management's Discussion and Analysis
For the Year Ending June 30, 2021

Fund Balances

At June 30, 2021 the School's general fund reported an ending fund balance of \$1,193,193, representing an increase of approximately 1.4% or \$16,157. All of which is recorded as unreserved fund balance, which is available for spending at the School's discretion. The key factor for the increase in unassigned fund balance was an increase in operating grants and contributions.

General Fund Budgetary Highlights

During the year, the general fund budget for expenditures was \$5,382,915 for the original budget and \$5,703,332 for the final budget. Budgeted revenues was \$5,605,266 for the original budget and \$5,800,213 for the final budget.

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

The School's capital assets for governmental activities at June 30, 2021 was \$11,698,261 net of depreciation. Capital assets includes land, buildings, equipment, furniture and fixtures, and transportation equipment. The School's total capital assets decreased \$326,050 or 2.7%.

Capital Assets, Net of Depreciation
June 30, 2021 and 2020

	2021	2020
Land	\$ 2,400,934	\$ 2,420,155
Buildings	9,173,614	9,478,897
Equipment	123,713	125,259
	<u>\$ 11,698,261</u>	<u>\$ 12,024,311</u>

Additional information on the School's capital assets is available in the notes to the financial statements.

Long-Term Debt

On June 30, 2021, long-term debt of the School was \$16,620,902. Of the total, \$16,000,000 has been classified as bonds \$48,630 as capital lease obligations and \$572,272 as net pension liability.

More information about long-term debt is included in the notes to the financial statements.

**SUMMIT ACADEMY HIGH SCHOOL
Management's Discussion and Analysis
For the Year Ending June 30, 2021**

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Summit Academy High School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Summit Academy High School, 1225 East 13200 South, Draper, Utah 84020

BASIC FINANCIAL STATEMENTS

**SUMMIT ACADEMY HIGH SCHOOL
GOVERNMENT-WIDE STATEMENT OF NET POSITION
As of June 30, 2021**

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
Assets:	
Current assets:	
Cash and cash equivalents	\$ 2,127,673
Receivables:	
Other governments	103,544
Total current assets	<u>2,231,217</u>
Non-current assets:	
Restricted cash and cash equivalents	124,447
Capital Assets:	
Not being depreciated	2,456,997
Net of accumulated depreciation	9,241,264
Total non-current assets	<u>11,822,708</u>
Total assets	<u>14,053,925</u>
Deferred outflows of resources - pensions	464,210
Total assets and deferred outflows of resources	<u><u>\$ 14,518,135</u></u>
 LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	
Liabilities:	
Current liabilities:	
Accounts payable	\$ 41,234
Advance from affiliate	1,193,324
Accrued interest	28,390
Accrued liabilities	432,198
Unearned revenue	186,961
Total current liabilities	<u>1,882,107</u>
Noncurrent liabilities:	
Portion due or payable within one year	
Bonds payable	440,000
Capital lease	11,154
Portion due or payable after one year	
Bonds payable	15,560,000
Capital lease	37,476
Net pension liability	572,272
Total non-current liabilities	<u>16,620,902</u>
Total liabilities	<u>18,503,009</u>
Deferred inflows of resources - pensions	601,978
Total liabilities and deferred inflow of resources	<u><u>19,104,987</u></u>
 Net position:	
Net investment in capital assets	(1,092,199)
Restricted for:	
Debt service and capital improvements	98,053
Other purposes	26,394
Unrestricted	<u>(3,619,100)</u>
Total net position	<u><u>\$ (4,586,852)</u></u>

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

**SUMMIT ACADEMY HIGH SCHOOL
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021**

Functions	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction	\$ 2,907,931	\$ -	\$2,734,226	\$ (173,705)
Support services				
Students	233,732	-	-	(233,732)
Staff assistance	143,731	-	-	(143,731)
General district administration	127,876	-	-	(127,876)
School administration	327,788	-	-	(327,788)
Central services	8,252	-	-	(8,252)
Operation and maintenance of plant	700,426	-	-	(700,426)
Student transportation	25,148	-	-	(25,148)
Food Services	55,613	-	-	(55,613)
Community services	726	-	-	(726)
Debt service	1,460,158	-	-	(1,460,158)
Total governmental activities	<u>\$ 5,991,381</u>	<u>\$ -</u>	<u>\$2,734,226</u>	<u>\$ (3,257,155)</u>
General revenues:				
				\$ 2,383,002
Federal and state unrestricted revenues				4,026
Earnings or investments				51,050
Contributions				423,148
Miscellaneous				<u>2,861,226</u>
Total general revenues and special items				
				(395,929)
Change in net position				<u>(3,368,728)</u>
Net position - beginning				(822,195)
Prior period adjustment				<u>\$ (4,586,852)</u>
Net position - ending				

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

**SUMMIT ACADEMY HIGH SCHOOL
BALANCE SHEET – GOVERNMENTAL FUND
As of June 30, 2021**

	<u>General</u>
ASSETS	
Cash and cash equivalents	\$ 2,154,066
Receivables:	
Local	7,180
State	24,191
Federal	72,173
Total Assets	<u><u>\$ 2,257,610</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 41,234
Advance from affiliate	411,516
Payroll and related benefits payable	432,499
Unearned revenue	
Local	4,736
State	174,432
Total liabilities	<u>1,064,417</u>
Fund balance:	
Unassigned	<u>1,193,193</u>
Total fund balance	<u>1,193,193</u>
Total liabilities and fund balance	<u><u>\$ 2,257,610</u></u>

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

**SUMMIT ACADEMY HIGH SCHOOL
RECONCILIATION OF GOVERNMENTAL FUND BALANCE TO
GOVERNMENT-WIDE NET POSITION
As of June 30, 2021**

Total fund balances - governmental fund:	<u>\$ 1,193,193</u>
Amounts reported for the governmental activities in the Government-wide statement of Net Position are different due to the following:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,698,261
Bond reserve account is money held in a trust account required by bond covenants	98,053
Deferred outflows and inflows of resources, a consumption of net position that applies to future periods, is not shown in the fund statements.	(137,768)
Long-term liabilities are recorded in the government-wide statements but not in the fund statements.	
General long-term debt	(16,048,630)
Interest accrued but not yet paid on long-term debt	(28,390)
Long term portion of advance from affiliate	(789,299)
Pension related liabilities	(572,272)
Net assets of government activities	<u>\$ (4,586,852)</u>

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

**SUMMIT ACADEMY HIGH SCHOOL
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE GOVERNMENTAL FUND
For the Year Ended June 30, 2021**

	<u>General</u>
REVENUES	
Local aid	
Tuitions and fees	\$ 329,064
Food sales	8,610
Interest	4,926
Contributions	51,050
Other	84,773
State aid	4,844,793
Federal aid	272,435
	<u>5,595,651</u>
 EXPENDITURES	
Current:	
Instruction	2,874,268
Support services	
Students	220,108
Staff assistance	135,353
General district administration	120,422
School administration	308,681
Central services	7,771
Operation and maintenance of plant	659,598
Student transportation	23,682
Food Services	52,371
Community services	684
Debt service	1,176,556
Total expenditures	<u>5,579,494</u>
 Net change in fund balances	 16,157
 Fund balances - beginning of year	 <u>1,177,036</u>
Fund balances - end of year	<u><u>\$ 1,193,193</u></u>

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

**SUMMIT ACADEMY HIGH SCHOOL
RECONCILIATION OF THE STATEMETN OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021**

Net changes in fund balances - total governmental funds	<u>\$ 16,157</u>
<p>Amounts reported for the governmental activities in the Government-wide Statement of Activities are different due to the following:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>	(326,052)
<p>The Statement of Activities show pension benefits and pension expenses related to long-term pension costs that are not shown in the fund statements.</p>	112,155
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Likewise, the issuance of debt is a revenue in the governmental funds, but the issuance increases long-term liabilities in the statement of net position.</p>	
<p>Long-term debt principal issuance and repayments (net)</p>	436,655
<p>Accrued interest for long-term debt is not reported as an expenditure for the current period, while it is recorded in the statement of activities.</p>	
<p>Change in accrued interest</p>	(2,891)
<p>Summit Academy High School previously reported under the Financial Accounting Standards Board (FASB). State legelsature has required the school to report under Governmental Accounting Standards Board (GASB).</p>	
<p>Changes in accounting standards</p>	<u>(631,953)</u>
Change in net assets of governmental activities	<u>\$ (395,929)</u>

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

SUMMIT ACADEMY HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Note 1. Summary of Significant Accounting Policies

Organization and Activities - Summit Academy High School (the School) was incorporated in the state of Utah on July 2, 2009, as a nonprofit organization involved in public education. The School operates a public charter school in Bluffdale, Utah, and serves students from ninth through twelfth grade. The School provides the following program services: *school* (instruction and related services), *non-school programs* (student activities), and *food services*. Supporting services include *general* (Board-related costs and central services) and *fundraising*.

Basis of Presentation - The government-wide financial statements report information on the financial position and all of the activities of the School.

The Statement of activities demonstrates the degree to which the direct expenses of the given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include operating or capital grants and contributions that are restricted to meeting the operation or capital requirements of a particular program. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements re provided for governmental fund.

Measurement Focus, Basis of Accounting, and Financial Statements Presentation - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The School applies expenses for restricted resources first when both restricted and unrestricted net position are available.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recognized only when payment is due.

Net Position - As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Net position for governmental funds can consist of the following:

Nonspendable – Any nonspendable fund balance includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted – Any restricted fund balance includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

SUMMIT ACADEMY HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Committed – Any committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the School’s highest level of decision-making authority, Summit Academy High School’s Board of Directors. Commitments may be changed or lifted only by the School taking the same formal action that imposed the constraint originally.

Assigned – Any assigned fund balance includes amounts intended to be used by the School for specific purposes that are neither restricted nor committed. Intent is expressed by (a) Summit Academy Board of Directors or (b) a body to which the governing body has delegated the authority to assign amounts. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund that are not classified as non-spendable, restricted, or committed.

Unassigned – The unassigned fund balance is the residual classification for the General Fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple net position classifications, net position is depleted in the order of restricted, committed, assigned, and unassigned, as needed unless Summit Academy Board of Directors have provided otherwise in its commitment or assignment actions.

Income Taxes - The School is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (except on net income derived from unrelated business activities) and is classified as a Section 501(c)(3) public charity. Also, the School is not subject to state income taxes. At June 30, 2021 the School has not recorded a tax liability as it has no unrelated business activities. The School believes that it has appropriate support for any tax positions taken and as such does not have any uncertain tax positions that are significant to the financial statements.

Cash and Cash Equivalents - The School considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. Unrestricted amounts invested in the Utah Public Treasurers' Investment Fund are also classified as cash equivalents (see Note 3).

Investments Restricted for Debt Service and Capital Improvements - Included in the proceeds of the bonds issued by the School (see Note 7) are amounts set aside in bond funds for the cost of certain capital improvements to facilities and debt service reserves. Deposits to and withdrawals from these bond funds are governed by the bond agreement. These bond funds are presented as restricted investments and are measured at fair value (see Notes 3 and 4).

Accounts Receivable - The School's accounts receivable consists of unsecured amounts due from federal, state, and local sources. No allowance for doubtful accounts has been established, as the School deems all amounts to be fully collectible.

Prepaid Expenses - The School was required to put money into account to apply for new bonds. This money will be refunded once bonds are acquired.

Bond Issuance Costs and Bond Discount - The School had previously capitalized certain costs associated with the issuance of its bonds payable. Under the change in accounting principles the remaining cost were expensed in the current year.

SUMMIT ACADEMY HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Capital Assets - Capital assets are recorded at cost (or, if donated, at the estimated fair value at the date of donation). Capital assets valued at \$5,000 or more are capitalized and depreciated, using the straight-line depreciation method, over the following estimated useful lives of the assets:

<u>Asset Class</u>	<u>Depreciable Lives (Years)</u>
Buildings	40
Equipment	5 to 10
Furniture and fixtures	7
Transportation equipment	5

Maintenance, repairs, and renewals, which neither materially add value to the property nor prolong its useful economic life, are charged to expense as incurred.

Contributions and Donated Services - Unrestricted contributions are recognized as revenue when received. Contributions of goods are recorded at fair value. Contributions of services are recorded at fair value as revenue at the time the service is rendered when specialized skills are required and when the School would otherwise purchase the services. No amounts have been reflected in the financial statements for contributed goods or donated services during the year being reported because items did not meet the definition above. However, many individuals volunteer their time and perform a variety of tasks that assist the School with specific programs, administration, fundraising, and Board assignments. The School typically receives more than 2,300 volunteer hours per year.

Revenue Recognition - Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Unconditional grant revenue is recognized when received. Grants received with conditions are recognized in the period in which the conditions are met.

Operating funds for the School are derived principally from federal and state sources. The School receives state funding based on the number of students enrolled in the School. The School also receives federal and state grants on a reimbursement basis. Accordingly, grant revenues are recognized when qualifying expenses have been incurred and all other grant requirements have been met. Amounts of restricted grants received in excess of qualifying expenditures are recorded as unearned revenue.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted funds first, then unrestricted resources as they are needed.

Federal and state grants are subject to review by grantor agencies. Disallowed expenditures or reduction of future grant funds may result from this review. It is the School's belief from experience in prior years that costs ultimately disallowed, if any, would not be significant to its financial position.

Revenue and Support- The majority of the School's operating revenue and support comes from the U.S. Department of Education (passed through the Utah State Office of Education) and the state of Utah. Federal and state revenues were 91 percent of operating revenue and support for the year ended June 30, 2021.

SUMMIT ACADEMY HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Pensions - For purposes of measuring the net pension liability, deferred outflow of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (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. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources - In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The School has one of these items that qualify for reporting in this category. Deferred outflows of resources related to pensions – includes a) net difference between projected and actual earnings on pension plan investments and b) School contributions subsequent to the measurement date.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The School reports one of these items. Deferred inflows of resources related to pensions – includes a) differences between expected and actual experience and b) changes of assumptions in the measurement of the net pension liability/asset. These amounts are also reported on the government-wide statement of net position.

Estimates - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and support and expenses. Actual results could differ from those estimates.

Budgetary Information - The School submits a Board-approved annual budget to the Office of the Utah State Auditor in accordance with state requirements. The Board may amend the annual budget prior to year-end. The budget is prepared on a modified accrual basis of accounting. Revenues are budgeted by source and program. Expenditures are budgeted by function, object, and program.

Note 2. Liquidity and Availability

Financial assets available for general expenditure, that is, without restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash	\$2,127,673
Accounts Receivable	103,544
	<u>\$2,231,217</u>

As part of the organization's liquidity management plan, cash in excess of daily requirements are invested in Utah Public Treasurers' Investment Fund (PTIF)

SUMMIT ACADEMY HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Note 3. Concentrations

Cash Deposits - At June 30, 2021, the School's carrying amount of cash accounts totaled \$2,127,673 and the bank balance was \$2,221,912 of which \$250,000 was covered by federal depository insurance.

The School has invested in the Utah Public Treasurers' Investment Fund (PTIF).

The PTIF is authorized and makes investments in accordance with the Utah State Money Management Act. Participant accounts with the PTIF are not insured or otherwise guaranteed by the state of Utah. Participants in the PTIF share proportionately in the income, costs, gains, and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio, which primarily consists of money market securities including certificates of deposit and top-rated domestic commercial paper held by the Utah State Treasurer; the portfolio has a weighted average life of 90 days or less. The PTIF is not rated. The School has invested \$517,949, in the PTIF at June 30, 2021, which are included in cash and cash equivalents in the statement of net assets.

Note 4. Fair Value Measurements

As described in Notes 1 and 2, the School 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 School 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.

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 School's major categories of assets and liabilities measured at fair value on a recurring basis follows:

Investments in the Utah PTIF are categorized in Level 2 of the fair value hierarchy. All investments held by the School at June 30, 2021 are with the Utah PTIF. Amounts are \$517,949. There have been no changes in valuation techniques and related inputs.

SUMMIT ACADEMY HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2021 is as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,456,997	\$ -	\$ -	\$ 2,456,997
Total capital assets not being depreciated	<u>2,456,997</u>	<u>-</u>	<u>-</u>	<u>2,456,997</u>
Capital assets being depreciated:				
Buildings	12,082,090	-	-	12,082,090
Equipment	329,923	30,287	7,103	353,107
Furniture and fixtures	15,607	-	-	15,607
Total capital assets being depreciated	<u>12,427,620</u>	<u>30,287</u>	<u>7,103</u>	<u>12,450,804</u>
Accumulated depreciation for:				
Buildings	2,640,034	324,505	-	2,964,539
Equipment	204,664	31,833	7,103	229,394
Furniture and fixtures	15,607	-	-	15,607
Total accumulated depreciation	<u>2,860,305</u>	<u>356,338</u>	<u>7,103</u>	<u>3,209,540</u>
Total capital assets being depreciated, net	<u>9,567,315</u>	<u>(326,051)</u>	<u>-</u>	<u>9,241,264</u>
Total capital assets, net	<u>\$ 12,024,312</u>	<u>\$ (326,051)</u>	<u>\$ -</u>	<u>\$ 11,698,261</u>

Depreciation expense was \$356,338 for the year ended June 30, 2021.

Note 6. Retirement Plans

General information about the Pension Plan

Plan Description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

The Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public retirement systems.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have not previous credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

**SUMMIT ACADEMY HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021**

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems’ defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code Grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained in writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Summary of Benefits by System

Retirement benefits are as follows:

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* Actuarial reductions are applied.

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by state 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. Contribution rates as of June 30, 2021 are as follows:

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k) Plan</u>
Contributory System			
112 State School Div - Tier 2	N/A	19.13%	0.89%
Noncontributory System			
16 State School Div - Tier 1	N/A	22.19%	1.50%
Tier 2 DC Only			
212 State and School	N/A	10.02%	10.00%

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

SUMMIT ACADEMY HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

For fiscal year ended June 30, 2021, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 135,163	N/A
Tier 2 Public Employees System	254,446	-
Total Contributions	\$ 389,609	\$ -

Contributions reported are the URS Board-approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pensions

At June 30, 2021, we reported a net pension asset of \$0 and net pension liability of \$572,272.

	(Measurement Date): December 31, 2020				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2019	Change (Decrease)
Noncontributory System	\$ -	\$ 561,510	0.0421199%	0.0389122%	0.0032077%
Tier 2 Public Employees System	-	10,762	0.0748284%	0.0859889%	-0.0111605%
Total Net Pension Asset / Liability	\$ -	\$ 572,272			

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2021, we recognized pension expense of \$307,003.

At June 30, 2021 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 71,489	\$ 4,928
Changes in assumptions	66,578	392
Net difference between projected and actual earnings on pension plan investments	-	596,658
Changes in proportion and differences between contributions and proportionate share of contributions	116,223	-
Contributions subsequent to the measurement date	209,920	-
Total	\$ 464,210	\$ 601,978

\$209,920 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end. But subsequent to the measurement date of December 31, 2020.

SUMMIT ACADEMY HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (inflows) of Resources
2021	\$ (74,391)
2022	\$ (7,180)
2023	\$ (189,744)
2024	\$ (96,049)
2025	\$ 3,506
Thereafter	\$ 16,169

Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary Increases	3.25-9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

The long-term expected rate of return on 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 investments expense and inflation) are to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table.

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	37%	6.30%	2.33%
Debt securities	20%	0.00%	0.00%
Real assets	15%	6.19%	0.93%
Private equity	12%	9.50%	1.14%
Absolute return	16%	2.75%	0.44%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.84%
		Inflation	2.50%
		Expected arithmetic nominal return	7.34%

**SUMMIT ACADEMY HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021**

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

Discount rate: The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flow 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 that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments, to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 1,800,073	\$ 561,510	\$ (474,098)
Tier 2 Public Employees System	181,099	10,762	(119,541)
Total	\$ 1,981,172	\$ 572,272	\$ (593,639)

*** Pension plan fiduciary net position: Detailed information about the pension plans fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Summit Academy participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- *401 (k) Plan
- *457 (b) Plan
- *Roth IRA Plan

**SUMMIT ACADEMY HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021**

Employee and employer contributions to the Utah Retirement Defined Contributions Savings Plan for fiscal year ended June 30, were as follows

	<u>2021</u>	<u>2020</u>	<u>2019</u>
401(k) Plan			
Employer Contributions	\$ 50,884	\$ 42,534	\$ 43,862
Employee Contributions	\$ 29,236	\$ 13,821	\$ 12,704
457 Plan			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	\$ 16,072	\$ 1,098	\$ -
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 7,350	\$ 4,500	\$ 2,400

Note 7. Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2021:

	Beginning Balance	Additions	Dispositions	Ending Balance	Due Within One Year
Bonds payable	\$ 16,440,000	\$ -	\$ 440,000	\$ 16,000,000	\$ 515,000
Obligations under capital lease	58,735	-	10,104	48,631	11,154
Total long-term liabilities	<u>\$ 16,498,735</u>	<u>\$ -</u>	<u>\$ 450,104</u>	<u>\$ 16,048,631</u>	<u>\$ 526,154</u>

Bonds Payable - In July of 2019, the school refinanced the 2011 bonds. The Series 2019 bonds were issued during 2019 to achieve a lower interest rate and purchase the football field from affiliated school. The bonds were issued for \$17,015,000 and mature May 15, 2041. The bonds were issued through Utah State Charter School Finance Authority (a local government) in order to receive tax-exempt status through the industrial bond statutes. Utah State Charter School Finance Authority acted as a flow-through conduit in the transaction and is not contingently liable should the School default on the payment of the bonds. The average interest rate on the bonds is 5.00 percent.

SUMMIT ACADEMY HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

The future debt service of the Series 2019 bonds is summarized as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 515,000	\$ 690,343	\$ 1,205,343
2023	535,000	667,129	1,202,129
2024	560,000	643,422	1,203,422
2025	590,000	618,347	1,208,347
2026	610,000	591,902	1,201,902
2027-2031	3,505,000	2,523,738	6,028,738
2032-2036	4,365,000	1,666,572	6,031,572
2037-2041	5,320,000	600,170	5,920,170
	<u><u>\$ 16,000,000</u></u>	<u><u>\$ 8,001,623</u></u>	<u><u>\$ 24,001,623</u></u>

Capital Lease - The School uses Outdoor Field Lighting which is leased under a ten-year non-cancelable operating lease expiring in 2025. Annual lease payments for the period ending June 30, 2021 were \$13,590. Future minimum payments due under the lease are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 11,154	\$ 2,436	\$ 13,590
2023	11,718	1,872	13,590
2024	12,312	1,278	13,590
2025	13,447	143	13,590
	<u><u>\$ 48,631</u></u>	<u><u>\$ 5,729</u></u>	<u><u>\$ 54,360</u></u>

Accumulated depreciation on assets under capital lease is 103,370 as of June 30, 2021

Note 8. Risk Management

The School is exposed to various risks of loss related to torts, errors and omissions, property, employee health, workers' compensation, and unemployment for which the School carries commercial insurance. For these programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for each of the past three years.

Note 9. Related Party Transactions

A majority of the members of the School's Board of Trustees are also members of the Board of Trustees for Summit Academy Incorporated.

The Academy has advanced the High School funds over the years. These advances bears interest at 0.5% and is not collateralized. The funds will be paid back on annually assessed payments. The balance of these advances total \$1,193,324 at June 30, 2021, and are reported on the statement of financial net assets as "advance from affiliate."

SUMMIT ACADEMY HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

Note 10. Subsequent Events

Management has evaluated events and transactions which occurred through the date of the audit report, which is the date the financial statements were available to be issued. No reportable events or transactions were noted.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

**SUMMIT ACADEMY HIGH SCHOOL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL GENERAL FUND
For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
REVENUES				
Local aid				
Tuitions and fees	360,000	362,000	329,064	(32,936)
Food sales	95,000	25,000	8,610	(16,390)
Interest	15,000	15,000	4,926	(10,074)
Contributions	30,000	30,000	51,050	21,050
Other	98,800	98,800	84,773	(14,027)
State aid	4,817,454	5,016,466	4,844,793	(171,673)
Federal aid	189,012	252,947	272,435	19,488
	<u>5,605,266</u>	<u>5,800,213</u>	<u>5,595,651</u>	<u>(204,562)</u>
EXPENDITURES				
Instruction	2,602,259	2,807,024	2,874,268	67,244
Support services				
Students	257,942	185,116	220,108	34,992
Staff assistance	74,955	64,750	135,353	70,603
General district administration	41,400	90,900	120,422	29,522
School administration	401,353	426,246	308,681	(117,565)
Central services	244,837	281,790	7,771	(274,019)
Operation and maintenance of plant	257,165	331,365	659,598	328,233
Student transportation	61,300	89,500	23,682	(65,818)
Food Services	172,408	118,000	52,371	(65,629)
Community services	-	-	684	684
Debt service	1,269,296	1,308,641	1,176,556	(132,085)
Total expenditures	<u>5,382,915</u>	<u>5,703,332</u>	<u>5,579,494</u>	<u>(123,838)</u>
Net change in fund balances	<u>222,351</u>	<u>96,881</u>	<u>16,157</u>	<u>(80,724)</u>
Fund balances - beginning of year			<u>1,177,036</u>	
Fund balances - end of year			<u>1,193,193</u>	

**SUMMIT ACADEMY HIGH SCHOOL
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2021
Last 10 Fiscal Years***

	As of fiscal year ended June 30,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of its covered employee payroll
Noncontributory System	2021	0.0421199%	\$ 561,510	\$ 655,289	85.69%	94.30%
	2020	0.0389122%	864,513	559,827	154.43%	90.10%
	2019	0.0328992%	1,224,020	479,855	255.08%	84.10%
Tier 2 Public Employees System*	2021	0.0748284%	10,762	1,198,854	0.90%	98.30%
	2020	0.0859889%	19,340	1,198,131	1.61%	96.50%
	2019	0.0878673%	37,632	1,034,075	3.64%	90.80%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10 year schedule will need to be built prospectively. The schedule above is only for the past 3 years.

**SUMMIT ACADEMY HIGH SCHOOL
SCHEDULE OF CONTRIBUTIONS - PENSIONS
June 30, 2021
Last 10 Fiscal Years***

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in Relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2021	\$ 135,163	\$ 135,163	\$ -	\$ 639,620	21.13%
	2020	127,846	127,846	-	609,356	20.98%
	2019	103,512	103,512	-	518,925	19.95%
Tier 2 Public Employees System*	2021	254,446	254,446	-	1,331,492	19.11%
	2020	216,596	216,596	-	1,141,790	18.97%
	2019	215,471	215,471	-	1,145,430	18.81%
Tier 2 Public Employees DC Only System*	2021	30,059	30,059	-	299,989	10.02%
	2020	22,350	22,350	-	223,051	10.02%
	2019	23,707	23,707	-	236,592	10.02%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.
Tier 2 systems were created effective July 1, 2011

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. The schedule above is only for the past 3 years.
Contributions as a percentage of covered payroll may be different than the board certified rate due to rounding and other administrative practices.

SUMMIT ACADEMY HIGH SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

Changes in Assumptions Related to Pensions

There were a number of demographic assumption (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the Total Pension Liability, which is about 0.50% of the Total Pension Liability as of December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at newsroom.urs.org under the "Retirement Office" column using the "Reports and Stats" tab.

Budgetary Comparison Schedules

The budgetary comparison schedule presented in this section of the report is for the School's General Fund.

Budgeting and Budgetary Control

Budgets for the General Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by Summit Academy's Board of Directors prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by Summit Academy's Board of Directors through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Current Year Excess of Expenditures over Appropriations

For the year ended June 30, 2021 general fund was within budgeted appropriations.



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 Directors
Summit Academy High School

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 Summit Academy High School (the School), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated November 16, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing 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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 School'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Larson & Company
November 16, 2021

Larson & Company
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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE**

Board of Directors
Summit Academy High School

Report On Compliance

We have audited Summit Academy High School’s compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended June 30, 2021.

State compliance requirements were tested for the year ended June 30, 2021 in the following areas:

- | | |
|--|----------------------------|
| Budgetary Compliance | Fund Balance |
| Fraud Risk Assessment | Government Fees |
| Minimum School Program – Unrestricted Programs | School District Tax Levies |
| Minimum School Program – Restricted Programs: Special Education, Teacher and Student | |
| School Fees | |

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on Summit Academy High School’s compliance based on our audit of the state compliance requirements referred to above. 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*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the School’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the School’s compliance with those requirements.

Opinion on Compliance

In our opinion, Summit Academy High School, complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2021.

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*.

Report On Internal Control over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's 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 to 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and 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.

Larson & Company, PC
Spanish Fork, Utah
November 16, 2021



REPORT ON BOND COMPLIANCE

Board of Directors
Summit Academy High School

We have audited the financial statements of the Summit Academy High School for the year ended June 30, 2021, and have issued our report thereon dated November 16, 2021.

As part of our audit, we reviewed your compliance with the requirements of your bond issues.

Based on our review, we are not aware of any areas of non-compliance that are required to be reported.

Larson & Company, PC

Spanish Fork, Utah
November 16, 2021

Canyons School District - Standard Diploma	Credits	Jordan School District - Standard Diploma	Credits
English		4 English	4
Math - Minimum of secondary math III		3 Math	3
Science - Minimum 2 credits from 2 separate SFC		3 Science	3
Social Studies		3 Social Studies	3.5
~Geography for Life .5		~World Geography 1	
~World Civilizations .5		~World History 1	
~U.S History 1.0		~U.S History 1	
~ Government & Citizenship .5		~U.S Government and Citizenship .5	
~ General Elective .5			
Financial Literacy	0.5	Financial Literacy	0.5
P.E/Health	2	P.E/Health	2
Fine Arts	1.5	Fine Arts	1.5
CTE	1	CTE	1
Digital Studies	0.5	Digital Studies	0.5
Electives	9.5	Electives	8
Required	28	Required	27

[*Corner Canyon Class Offerings](#)

[*Herriman HS Class Offerings](#)

Alpine School District - Standard Diploma	Credits	Summit Academy - Standard Diploma	Credits
English		4 English	4
Math		3 Math	4
Science		3 Science	4
Social Studies		3 Social Studies	3.5
~World Geography .5 (9)		~Geography for Life .5	
~World Civilizations .5 (9)		~World Civilization	
~U.S History 1 (10)		~U.S History	
~Government & Citizenship .5 (12)		~U.S Government .5	
~Student's Choice .5 (9-12)		~Social Studies Elective .5	
Financial Literacy	0.5	Financial Literacy	0.5
P.E/Health		2 P.E/Health	2
Fine Arts	1.5	Fine Arts	1.5
CTE		1 CTE	1
Computer Technology	0.5	Digital Studies	0.5
Electives	9.5	World Language	2
Required	28	Electives	3
		Required	26

[*Lehi High Class Offerings](#)

[*Summit Academy Class Offerings](#)

Utah State - Diploma	Credits
English	4
Math	3
Science	3
Social Studies	3
~Geography .5	
~Civilization .5	
~U.S. History 1	
~U.S Government .5	
~LEA discretion .5	
Financial Literacy General	0.5
P.E/Health	2
Fine Arts	1.5
CTE	1
Digital Studies	0.5
Electives	5.5
Required	24

Summit Academy - Standard Diploma - Proposed	Credits	<----proposed change
English	4	
Math	3	-1
Science	3	-1
Social Studies	3.5	
~Geography for Life .5		
~World Civilization		
~U.S History		
~U.S Government .5		
~Social Studies Elective .5		
Financial Literacy	0.5	
P.E/Health	2	
Fine Arts	1.5	
CTE	1	
Digital Studies	0.5	
		-2
Electives	9	+6
Required	28	

Summit Academy - Standard Credits		current requirement
English	4	
Math	4	
Science	4	
Social Studies	3.5	
~Geography for Life .5		
~World Civilization		
~U.S History		
~U.S Government .5		
~Social Studies Elective .5		
Financial Literacy	0.5	
P.E/Health	2	
Fine Arts	1.5	
CTE	1	
Digital Studies	0.5	
World Language	2	
Electives	3	
Required	26	