Board of Trustees

01/19/2023 03:00 PM

Anchor Location: 1353 W 760 N
Orem, Utah 84057
This meeting will be held via teleconference.

AGENDA

CLICK HERE TO WATCH THE LIVE BROADCAST.
(https://simbli.eboardsolutions.com/SU/UbK4bzVubPi0fU0RldpoZQ==)

1. **Board Meeting Welcome and Roll Call** 4

2. **Pledge of Allegiance** 5

3. **Public Comment** 6

The Board of Trustees encourages public engagement and places public comment on the agenda at the Board's discretion.

- Members of the public wishing to speak to the Board must state their name for the official meeting record.
- Speakers will be given up to three (3) minutes to address the Board. Speakers representing large groups may request up to six (6) minutes to address the Board.
- The public may address any issue not already included on the agenda.
- The Board will not take public comment on personnel issues or statements regarding the character, professional competence, and the physical or mental health of an individual during a Board meeting.
- The Board is unable to deliberate or take action on items raised during the public comment period that are not on the meeting agenda.
- The Board does not respond to comments or questions posed by an individual during the public comment period.
- Persons who disrupt Board meetings will be removed from the meeting.
- The presiding Board officer, at his/her discretion, reserves the right to end public comment at any time.

The public may also reach the Board by emailing feedback@lumenscholar.org(https://simbli.eboardsolutions.com/SU/KbutjKplusohc1qUv0plusslshplusiy5A==)
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4. **Consent Calendar** 7

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5. **Audit Presentation** 16

6. **Reports** 55

   a. Administrative Report 56

   b. Finance Report 61

7. **Voting Items** 64

a. Policy 0425: School Fees and Waivers 65
Lumen Scholar Institute does not charge fees.
It is recommended the board review policy 0425: School Fees and Waivers Policy for any proposed changes and reapprove.

b. Policy 0900: Banking and Financial Management 68
Amendment increases capitalization of property from one year to three years and from a unit acquisition cost of $2,500 to $5,000.

c. 2023-2024 Academic Calendar 74

d. LEA-Specific Licenses 76
LEA-Specific License request for Stacey Koller for three years.

8. **Board Business** 78

a. Calendaring 79
Next Board Meeting: February 16, 2023 at 3 PM

Schedule School LAND Trust Work Session

9. **Closed Session in Accordance with the Utah Open and Public Meetings Act** 80
A motion to enter a closed session in accordance with Utah Code 52-4-205 for one of the allowed purposes:

- *To discuss the character, professional competence, or physical or mental health of an individual pursuant to Utah Code 52-4-205(I)(a).*
- *To discuss collective bargaining pursuant to Utah Code 52-4-205(I)(b).*
- *To discuss pending or reasonably imminent litigation pursuant to Utah Code 52-4-205(I)(c).*
- *To discuss the purchase, exchange, or lease of real property pursuant to Utah Code 52-4-205(I)(d).*
- *To discuss the deployment of security personnel, devices, or systems pursuant to Utah Code 52-4-205(I)(f).*

10. **School LAND Trust Council** 81

11. **Adjourn** 82

In compliance with the Americans with Disabilities Act, individuals needing special accommodations for this meeting should call (801) 987-9497 to make appropriate arrangements. One or more board members may participate electronically or telephonically pursuant to UCA 52-4-207.

1. Board Meeting Welcome and Roll Call

2. Pledge of Allegiance

Supporting Links

USA Flag - https://simbli.eboardsolutions.com/SU/OD2KpwSZB2MDl4VqxRZNiA==

3. Public Comment

Quick Summary / Abstract

The Board of Trustees encourages public engagement and places public comment on the agenda at the Board's discretion.

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4. Consent Calendar

4. a. December 15, 2022 Board Meeting Minutes

Supporting Documents

2022.12.15 Board Meeting Minutes DRAFT - LSI

Meeting Minutes

12/15/2022 - Board of Trustees

Board of Trustees
12/15/2022 03:00 PM
Anchor Location: 1353 W 760 N
Orem, Utah 84057
This meeting was held via teleconference.

MEETING MINUTES

Attendees

Voting Members
Ms. Andrea Urban, President
Ms. Amber Wright, Treasurer
Ms. Nicole de la Vega, Board Member
Ms. Nancy Willison, Board Member

Excused
Ms. Rachel Skinner, Vice President
Ms. Karen Aston, Secretary

Others in Attendance
Kristy Gordon, Chief Administrative Officer
Jonathan Seal, Director Grades 9-12
Dawn Benke
Kara Finley

DRAFT

1. **Board Meeting Welcome and Roll Call**

   Andrea Urban called the Board of Trustees meeting to order at 3:02 PM.

2. **Pledge of Allegiance**

3. **Public Comment**

   No public comment.

4. **Consent Calendar**

   Motion: I move to approve the consent calendar.
   Motion made by: Ms. Andrea Urban
   Motion seconded by: Ms. Nancy Willison
   Voting:
   Ms. Andrea Urban - Yes
   Ms. Amber Wright - Yes
   Ms. Nicole de la Vega - Yes
   Ms. Nancy Willison - Yes

   Motion passed.

   a. **November 17, 2022 Board Meeting Minutes**

5. Reports

a. Administrative Report

The administrative team reported on the close out of the term and preparing for the holiday break. Enrollment is consistent with last month, but a new cohort of students will start next semester.

b. Finance Report

Dawn Benke reviewed the current financial statements and the status of the budget at this point in the year. The LETRS program expense is now included in the budget. The lease impact on the budget was also explained.

6. Voting Items

a. 2023-2024 Academic Calendar

Tabled.

7. Board Business

a. Calendaring

The next board meeting is scheduled for January 19, 2023 at 3 PM.

8. Closed Session in Accordance with the Utah Open and Public Meetings Act

Motion: I move to enter a closed session to discuss the character, professional competence, or physical or mental health of an individual pursuant to Utah Code 52-4-205(I)(a) with an anchor location at Lumen Scholar Institute.
Motion made by: Ms. Andrea Urban
Motion seconded by: Ms. Amber Wright
Voting:
Ms. Andrea Urban - Yes
Ms. Amber Wright - Yes
Ms. Nicole de la Vega - Yes
Ms. Nancy Willison - Yes

Entered closed session at 3:13 PM.
Individuals present for the closed session included Andrea Urban, Amber Wright, Nicole de la Vega, Nancy Willison, Dawn Benke, and Kara Finley.

Motion: I move to adjourn the closed session.
Motion made by: Ms. Andrea Urban
Motion seconded by: Ms. Amber Wright
Voting:
Ms. Andrea Urban - Yes
Ms. Amber Wright - Yes
Ms. Nicole de la Vega - Yes
Ms. Nancy Willison - Yes

Adjourned closed session and returned to open board meeting at 3:30 PM.

DRAFT

9. School LAND Trust Council

No School LAND Trust Council business conducted.

10. Adjourn

Motion: I move to adjourn the board meeting.
Motion made by: Ms. Nicole de la Vega
Motion seconded by: Ms. Amber Wright
Voting:
Ms. Andrea Urban - Yes
Ms. Amber Wright - Yes
Ms. Nicole de la Vega - Yes
Ms. Nancy Willison - Yes

Board meeting adjourned at 3:31 PM.

DRAFT

Lumen Scholar Institute
Board of Directors
Closed Session Statement

Date: Thursday, December 15, 2022
Anchor Location: 1353 W. 760 N.; Orem, UT 84057

CLOSED SESSION SWORN STATEMENT:

At a duly noticed public meeting held on the date listed above, the board of directors for Lumen Scholar Institute entered into a closed session for the sole purpose of discussing the character, professional competence, or physical or mental health of an individual in accordance with Utah Code Ann. 52-4-205(1)(a).

I declare under criminal penalty under the law of Utah that the foregoing is true and correct.

Signed on the _____day of _____, 2022.

_____
Andrea Urban, Board President

DRAFT

Board of Trustees
12/15/2022 - 03:00 PM
Anchor Location: 1353 W 760 N
Orem, Utah 84057
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MEETING MINUTES

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Attendees

Voting Members
Ms. Andrea Urban, President
Ms. Amber Wright, Treasurer
Ms. Nicole de la Vega, Board Member
Ms. Nancy Willison, Board Member

Excused
Ms. Rachel Skinner, Vice President
Ms. Karen Aston, Secretary

Others in Attendance
Kristy Gordon, Chief Administrative Officer
Jonathan Seal, Director Grades 9-12
Dawn Benke
Kara Finley

1. Board Meeting Welcome and Roll Call

Andrea Urban called the Board of Trustees meeting to order at 3:02 PM.

2. Pledge of Allegiance

3. Public Comment

No public comment.

4. Consent Calendar

Motion: I move to approve the consent calendar.

Motion made by: Ms. Andrea Urban
Motion seconded by: Ms. Nancy Willison
Voting:
Ms. Andrea Urban - Yes
Ms. Amber Wright - Yes
Ms. Nicole de la Vega - Yes
Ms. Nancy Willison - Yes

Motion passed.

a. November 17, 2022 Board Meeting Minutes

5. Reports

a. Administrative Report

The administrative team reported on the close out of the term and preparing for the holiday break. Enrollment is consistent with last month, but a new cohort of students will start next semester.

b. Finance Report

Dawn Benke reviewed the current financial statements and the status of the budget at this point in the year. The LETRS program expense is now included in the budget. The lease impact on the budget was also explained.

6. Voting Items

a. 2023-2024 Academic Calendar

Tabled.

7. Board Business

a. Calendaring

The next board meeting is scheduled for January 19, 2023 at 3 PM.

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Motion: I move to enter a closed session to discuss the character, professional competence, or physical or mental health of an individual pursuant to Utah Code 52-4-205(I)(a) with an anchor location at Lumen Scholar Institute.

Motion made by: Ms. Andrea Urban
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Ms. Andrea Urban - Yes
Ms. Amber Wright - Yes
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Ms. Nancy Willison - Yes

Entered closed session at 3:13 PM.
Individuals present for the closed session included Andrea Urban, Amber Wright, Nicole de la Vega, Nancy Willison, Dawn Benke, and Kara Finley.

Motion: I move to adjourn the closed session.
Motion made by: Ms. Andrea Urban
Motion seconded by: Ms. Amber Wright

Voting:
Ms. Andrea Urban - Yes
Ms. Amber Wright - Yes
Ms. Nicole de la Vega - Yes
Ms. Nancy Willison - Yes

Adjourned closed session and returned to open board meeting at 3:30 PM.

9. School LAND Trust Council

No School LAND Trust Council business conducted.

10. Adjourn

Motion: I move to adjourn the board meeting.

Motion made by: Ms. Nicole de la Vega
Motion seconded by: Ms. Amber Wright
Voting:
Ms. Andrea Urban - Yes
Ms. Amber Wright - Yes
Ms. Nicole de la Vega - Yes
Ms. Nancy Willison - Yes

Board meeting adjourned at 3:31 PM.

5. Audit Presentation

Contact Person

Ken Jeppesen, Eide Bailly

Supporting Documents

Lumen Scholar Institute 2022-06 AA Financial Statements

Lumen Scholar Institute 2022-06 AA 260 Letter

Financial Statements
June 30, 2022

Lumen Scholar Institute

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EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Board of Directors
Lumen Scholar Institute
Orem, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of 2022 Lumen Scholar Institute (the School) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the School, as of June 30, 2022, 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.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 7 to the financial statements, the School has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2021, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenue, expenditures, and changes in fund balance – budget and actual – general fund and notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and 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 29, 2022, on our consideration of the 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.

Eide Bailly LLP

Ogden, Utah
November 29, 2022

The discussion and analysis of the Lumen Scholar Institute's (the School) financial performance provides an overall review of financial activities for the fiscal year.

FINANCIAL HIGHLIGHTS

During fiscal year 2021, enrollment increased as parents sought after established online schools. In fiscal year 2022, the School's enrollment returned to pre-pandemic numbers. The School has an involved Board of Directors (Board) and Director, both of which are fiscally responsible and active in monitoring school resources and spending. The 6% increase in the Weighted Pupil Unit helped offset inflation. Each of these things lead to a fiscally sound year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serve as an introduction to the School's basic financial statements. These financial statements include three primary components:

Government-wide financial statements
Fund financial statements
Notes to the financial statements

The basic financial statements consist of two kinds of statements that present different views of the School's financial activities.

Government-Wide Financial Statements (GWFS)

The GWFS (i.e., Statement of Net Position and Statement of Activities) provide readers with a broad overview of the School's finances. The government-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies.

The Statement of Net Position provides information on all of the assets and liabilities of the School, with the difference between the two providing the net position. Increases or decreases in the net position may indicate whether the financial position of the School is improving or deteriorating, respectively.

The Statement of Activities reflects changes in net position during the fiscal year. Changes in net position are reported using the accrual basis of accounting, similar to that used by private-sector companies. Accrual basis accounting takes into account all current year related revenue and expenditures, regardless of when cash is received or paid.

The GWFS presents an aggregate view of the School's finances and contains useful long-term information as well as information for the just-completed fiscal year.

To assess the overall financial condition of the School, additional non-financial factors, such as changes in the condition of school buildings and other facilities, should be considered.

In the GWFS, the School's activities are all classified as governmental activities. Governmental activities include all regular and special education, all educational support activities, administration, custodial, maintenance, transportation, and food services. Most of these activities are supported by the State of Utah Minimum School Program. The GWFS can be found on pages 9-10 of this report.

Fund Financial Statements (FFS)

Funds are accounting devices the School uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements. Fund financial statements focus on individual parts of the School. Fund statements generally report operations in more detail than the government-wide statements. This statement focuses on its most significant or "major" funds and not on the School as a whole.

The School establishes other funds, as necessary, to control and manage money for particular purposes or to show that it is properly using certain revenue.

Governmental Funds

Governmental funds account for nearly the same functions as the governmental activities. However, unlike the GWFS, governmental funds focus on near-term inflows and outflows as well as the balances left at year-end that are available for funding future basic services.

It is useful to compare information found in the governmental funds with that of the governmental activities. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions.

The basic governmental funds financial statements can be found on pages 11-14 of this report.

Notes

The notes to the financial statements starting on page 15 provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the School's financial activities and position.

Required supplementary information further explains and supports the financial statements by including a comparison of the School's budget data for the year.

Government-Wide Financial Analysis

Net position may serve as a useful indicator of an organization's financial position. For the School, it is a positive indicator since it continues to increase year after year.

	2022	2021
Assets		
Current and other assets	$ 2,145,199	$ 1,938,412
Capital assets	443,153	50,886
Total assets	$ 2,588,352	$ 1,989,298
Liabilities		
Current and other liabilities	$ 307,160	$ 311,934
Long-term liabilities	385,202	-
Total liabilities	692,362	311,934
Net Position		
Net investment in capital assets	57,951	50,886
Restricted	107,331	151,296
Unrestricted	1,730,708	1,475,182
Total net position	$ 1,895,990	$ 1,677,364

A portion of the School's net position is the investment in capital assets (i.e., furniture and equipment, computers, capital improvements and right to use leased office space) and the related debt used to acquire those assets still outstanding. These capital assets provide services to students; consequently, these assets are not available for future spending. Restricted net position is restricted for debt service and program restrictions. The remaining portion of the School's net position is unrestricted.

Governmental Activities

Changes in Net Position – The table below shows the changes in net position for the fiscal years 2022 and 2021. The School relies on state and federal support for 99% of its governmental activities for the year ended June 30, 2022. The School had total revenue of $4,354,924 and total expenses of $4,136,298, during the year ended June 30, 2022. The School had an increase in net position of $218,626 during the year ended June 30, 2022. The School's increase in net position was due to careful budget management by administration and the Board despite enrollment returning to pre-pandemic numbers.

	2022	2021	Change
Revenue			
Program revenue			
State and federal aid	$ 4,352,936	$ 4,399,254	$ (46,318)
Operating grants and contributions	138	94	44
Other local revenue	1,850	19,217	(17,367)
Total revenue	4,354,924	4,418,565	(63,641)
Expenses			
Instructional	2,149,995	2,646,396	(496,401)
Support services			
Students	946,985	287,026	659,959
Staff assistance	64,763	51,049	13,714
General	-	91,879	(91,879)
School administration	529,172	580,411	(51,239)
Central services	210,612	340,356	(129,744)
Operation and maintenance of facilities	212,260	381,510	(169,250)
Transportation	2,586	698	1,888
Interest and other costs	19,925	-	19,925
Total expenses	4,136,298	4,379,325	(243,027)
Change in Net Position	$ 218,626	$ 39,240	$ 179,386

Governmental Funds

The focus of the School's governmental funds is to provide balances of spendable resources and to provide data on near-term inflows and outflows.

General Fund – The general fund is the general operating fund for the School. At the end of the current fiscal year, the general fund balance is $1,838,039, which is an increase of $211,561 from the prior year. The School's increase in the general fund was due to careful budget management by administration and the Board.

Expenditures for general School purposes totaled $4,143,366, which is a decrease of $243,325 from the prior year. In fiscal year 2022, The School's enrollment returned to pre-pandemic numbers and expenses followed the downward trend.

General fund salaries totaled $2,332,664, while the associated fringe benefits of retirement, social security, unemployment, workers compensation, health, dental and vision added $426,630 to arrive at 67% of the School's general fund expenditures.

Budgetary Highlights

The School adopts an original budget in June for the subsequent year.

Actual expenditures in the general fund were $194,220 less than the amended budget. The budget was prepared with a conservative approach for revenues and budgeted for additional year-end expenditures, which were not made, resulting in the School coming in under budget.

Capital Assets

The School has invested $608,390 in a wide range of capital assets, but primarily in furniture and equipment and office space. The total accumulated depreciation and amortization on these assets amounts to $165,237. There were capital asset additions of $54,376 for fiscal year 2022. Additional information regarding the School's capital assets can be found in Note 3 to the basic financial statements.

Leases

The School has a lease for office space. See Note 4 to the financial statements for more information about leases.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board Chair, Andrea Urban, at Lumen Scholar Institute, 1353 West 760 North, Orem, Utah 84057, or by email at aurban@lumenscholar.org.

	Governmental Activities
Assets	
Cash	$ 1,756,018
State receivables	22,588
Federal receivables	345,078
Other receivables	7,558
Prepaid expenses	13,957
Capital assets (net of accumulated depreciation and amortization)	443,153
Total assets	2,588,352
Liabilities	
Accounts payable	46,231
Accrued liabilities	260,929
Long-term liabilities	
Due within one year - lease payable	110,429
Due in more than one year - lease payable	274,773
Total liabilities	692,362
Net Position	
Net investment in capital assets	57,951
Restricted for	
Special education	27,180
Teacher salary supplement program	32,205
Educator salary adjustment	18,108
Early literacy program	3,917
Student at-risk add-on	25,921
Unrestricted	1,730,708
Total net position	$ 1,895,990

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Net Revenue (Expense) and Changes in Net Position
Governmental activities				
Instructional	$ 2,149,995	$ -	$ 2,071,146	$ (78,849)
Support services				
Students	946,985	-	-	(946,985)
Staff assistance	64,763	-	-	(64,763)
School administration	529,172	-	-	(529,172)
Central services	210,612	-	-	(210,612)
Operation and maintenance of facilities	212,260	-	-	(212,260)
Transportation	2,586	-	-	(2,586)
Interest and other costs	19,925	-	-	(19,925)
Total Governmental Activities	$ 4,136,298	$ -	$ 2,071,146	(2,065,152)
General Revenue				
Grants and contributions not restricted to specific programs				
State aid				2,281,928
Interest earnings				1,850
Total general revenue				2,283,778
Change in Net Position				218,626
Net Position, Beginning of Year				1,677,364
Net Position, End of Year				$ 1,895,990

	General
Assets	
Cash	$ 1,756,018
State receivables	22,588
Federal receivables	345,078
Other receivables	7,558
Prepaid expenses	13,957
Total assets	$ 2,145,199
Liabilities and Fund Balance	
Liabilities	
Accounts payable	$ 46,231
Accrued liabilities	260,929
Total liabilities	307,160
Fund Balance	
Nonspendable	
Prepaid expenses	13,957
Restricted for	
Special education	27,180
Teacher Salary Supplement Program	32,205
Educator salary adjustment	18,108
Early literacy program	3,917
Student at-risk add-on	25,921
Unassigned	1,716,751
Total fund balance	1,838,039
	$ 2,145,199

Total Fund Balance - Governmental Funds		$ 1,838,039
The cost of capital assets (furniture and equipment, computers, capital improvements and right-to-use leased office space) purchased or constructed is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the School as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation and amortization expense) to the various programs reported as governmental activities in the statement of activities. Because depreciation and amortization expense does not affect financial resources, it is not reported in government funds.		
Costs of capital assets	608,390	
Depreciation and amortization expense to date	(165,237)	
		443,153
Long-term liabilities applicable to governmental activities are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Balances at year end are:		
Long-term liabilities		
Lease payable	(385,202)	
		(385,202)
Net Position		$ 1,895,990

	General
Revenue	
State aid	$ 3,929,325
Federal aid	423,614
Earnings on investments	1,850
Other local sources	138
Total revenue	4,354,927
Expenditures	
Instructional	2,149,995
Support services	
Students	946,985
Staff assistance	64,763
School administration	529,172
Central services	210,612
Operation and maintenance of facilities	64,082
Transportation	2,586
Total support services	1,818,200
Non instructional	
Capital outlay	54,376
Debt service	
Principal	100,868
Interest and other costs	19,927
Total debt service	120,795
Total expenditures	4,143,366
Net Change in Fund Balance	211,561
Fund Balance, Beginning of Year	1,626,478
Fund Balance, End of Year	$ 1,838,039

Total Net Change in Fund Balance - Governmental Funds		$ 211,561
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which depreciation and amortization expense exceeded capital outlays during the fiscal year:		
Capital outlay	54,376	
Depreciation and amortization expense	(148,179)	
		(93,803)
The governmental funds report repayment of long-term liability payments as expenditures. Interest is recognized as an expenditure in the governmental activities when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of debt and related items is as follows:		
Repayment of lease payable principal	100,868	
		100,868
Change in Net Position of Governmental Activities		$ 218,626

Note 1 - Summary of Significant Accounting Policies

Lumen Scholar Institute (the School) was incorporated in the State of Utah on July 15, 2014, as a nonprofit organization involved in public education. The School operates a public charter school in Orem, Utah, and serves students from kindergarten through grade twelve. The School seeks to inspire students to the highest level of achievement excellence. The School provides the following activities: education, encompassing instruction, student and staff support activities and facilities maintenance and operation. Supporting services include general and administrative services which are overall entity-related administrative costs.

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

Financial Reporting Entity

The School follows Governmental Accounting Standards Board (GASB) in determining the reporting entity and component units. The financial reporting entity consists solely of the primary government. Accordingly, the financial statements include all funds and agencies of the primary government whose budgets are controlled or whose boards are appointed by the School's Board of Directors (the Board).

The accounts of the School are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds of the School are classified as governmental funds. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for the School's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The general fund is considered a major fund. Governmental funds include:

General fund – the primary operating fund of the School accounts for all financial resources, except those required to be accounted for in other funds.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the reporting government as a whole.

The statement of net position and the statement of activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenue, expenses, gains, losses assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenue, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions* in the GWFS.

Program Revenue

Program revenue included in the statement of activities derive directly from the program itself or from parties outside the School's citizenry, as a whole; program revenue reduces the cost of the function to be financed from the School's general revenue. Program revenue includes charges to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when susceptible to accrual, defined as measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers all revenue available if they are collected within 90 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. With this measurement focus, only current assets and current liabilities and deferred outflows and inflows of resources, as applicable, are generally included on the balance sheet. Operating statements of these funds present increases and decreases in fund balance.

The governmental funds use the following practices in recording revenue and expenditures:

Revenue

Entitlements and shared revenue (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Other receipts become measurable and available (collected within 90 days of year-end) when cash is received by the School and are recognized as revenue at that time. The School's period of availability is 90 days subsequent to year end.

Expenditures

Salaries are recorded as incurred. Salaries for July and August are accrued at June 30 as it relates to work performed prior to year-end.

Receivables

All receivables are shown net of any allowance for uncollectible amounts. No allowances for uncollectible items have been recorded as of June 30, 2022.

Estimates

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

Capital Assets

Capital assets are recorded at historical cost and depreciated/amortized over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated acquisition value at the date of donation. Estimated useful lives are management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Furniture and equipment	3-7 years
Computers	5 years
Capital improvements	10 years

The School's capitalization threshold is $1,500. The cost of normal maintenance and repairs not adding to the value of the asset or materially extending asset lives are not capitalized.

Leases

The School is a lessee for a noncancellable lease of office space. The School recognizes a lease liability and an intangible right-to-use lease asset in the government wide financial statements.

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

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

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

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

Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use is either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

It is the School's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balances of Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The School has historically shown prepaids as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the general obligations and are restricted through debt covenants.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action by the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed.

Assigned: This classification includes amounts that are constrained by the Board's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or by the Board delegating this responsibility to the Chief Administrative Officer or her designee through the budgetary process.

Unassigned: This classification includes the residual fund balance for the general fund and the amount established for minimum funding.

The School would typically use restricted fund balances first, followed by committed resources, and the assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Grants and Other Intergovernmental Revenue

Federal and state reimbursement-type grants are recorded as intergovernmental revenue when the related expenditures/expenses are incurred and, in the governmental funds, when the revenue meets the availability criterion.

Implementation of GASB Statement No. 87

As of June 30, 2022, the School adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 7 and the additional disclosures required by this standard is included in Note 4.

Note 2 - Cash

At June 30, 2022, the School's cash consisted of the following:

Cash		
Insured	$	250,000
Uninsured and not collateralized		1,506,018
Total bank balance of deposits	$	1,756,018

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act (the Act) that relate to the deposit and investment of public funds.

The School follows the requirements of the Act (Utah Code, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of School funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Act defines the types of securities authorized as appropriate investments for the School's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Custodial Credit Risk

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside party. The School's policy for managing custodial credit risk is to adhere to the Act. The Act requires all deposits of the School to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School's policy for reducing its exposure to credit risk is to comply with the Act, as previously discussed.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the School's investment in a single issuer. The School's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the state to five years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three years.

Note 3 - Capital Assets

A summary of activity in the capital assets is as follows:

	June 30, 2021	Additions	Deletions	June 30, 2022
Governmental activities				
Capital assets				
Furniture and equipment	$ 107,721	$ 12,941	$ (39,776)	$ 80,886
Right to use leased office space	486,069	-	-	486,069
Computers	-	28,490	-	28,490
Capital improvements	-	12,945	-	12,945
Total capital assets	593,790	54,376	(39,776)	608,390
Less accumulated depreciation/amortization for				
Furniture and equipment	(56,834)	(26,925)	39,776	(43,983)
Right to use leased office space	-	(116,657)	-	(116,657)
Computers	-	(3,166)	-	(3,166)
Capital improvements	-	(1,431)	-	(1,431)
Total accumulated depreciation/amortization	(56,834)	(148,179)	39,776	(165,237)
Total capital assets, subject to depreciation/amortization	536,956	(93,803)	-	443,153
Total capital assets, net	$ 536,956	$ (93,803)	$ -	$ 443,153

Depreciation and amortization expense was charged to operation and maintenance of facilities function of the School.

Note 4 - Leases

In the prior year the School entered into an agreement to lease office space for 60 months. As of July 1, 2021, upon adoption of GASB 87, an initial lease liability was recorded in the amount of $486,069. As of June 30, 2022, the value of the lease liability was $385,202. Under the terms of the lease, the School pays a monthly base fee of $9,733, increasing 4.0% annually on the anniversary of the agreement. The right to use asset is being amortized over the life of the lease. The value of the right to use asset as of June 30, 2022 was $486,069 and had accumulated amortization of $116,657. The School used a discount rate of 4.50% based on estimated incremental borrowing rate.

Remaining obligations associated with this lease are as follows:

Year Ending June 30	Principal	Interest	Total
2023	$ 110,429	$ 15,090	$ 110,429
2024	120,628	9,913	120,628
2025	131,499	4,263	130,540
2026	22,646	127	135,762
Total	$ 385,202	$ 29,393	$ 497,359

Note 5 - Concentrations

The School's principal source of support is state and federal-based support revenue. For the year ended June 30, 2022, these funding source accounted for approximately 89% and 10% of all revenue, respectively.

Note 6 - Benefit Plan

The School has a 401(k) retirement plan. All employees 21 years of age are eligible to participate in the plan. The School contributes 4% of all eligible employee's salaries to the plan. For the year ended June 30, 2022, the School matched $13,698.

Note 7 - Adoption of New Standard

As of July 1, 2021, the School adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Beginning net position was restated to adopt the provisions of GASB Statement No. 87 as follows:

	Governmental Activities
Net position at June 30, 2021, as previously reported	$ 1,677,364
Add right-to-use intangible asset, net of amortization under GASB Statement No. 87 at July 1, 2021	486,069
Less liability under GASB Statement No. 87 at July 1, 2021	(486,069)
Net position at July 1, 2021, as adjusted	$ 1,677,364

Required Supplementary Information
June 30, 2022

Lumen Scholar Institute

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenue				
State aid	$ 4,082,736	$ 3,902,736	$ 3,929,325	$ 26,589
Federal aid	36,512	282,964	423,614	140,650
Earnings on investments	2,000	2,000	1,850	(150)
Other local sources	18,000	-	138	138
Total revenue	4,139,248	4,187,700	4,354,927	167,227
Expenditures				
Instructional	2,694,602	2,979,519	2,149,995	829,524
Support services				
Students	401,920	419,703	946,985	(527,282)
Staff assistance	82,000	84,650	64,763	19,887
General	11,100	11,100	-	11,100
School administration	410,233	398,106	529,172	(131,066)
Central services	168,599	324,179	210,612	113,567
Operation and maintenance of facilities	210,500	116,954	64,082	52,872
Transportation	5,000	(51,001)	2,586	(53,587)
Total support services	1,289,352	1,303,691	1,818,200	(514,509)
Non instructional				
Capital outlay	-	54,376	54,376	-
Debt service				
Principal	-	-	100,868	(100,868)
Interest	-	-	19,927	(19,927)
Total debt service	-	-	120,795	(120,795)
Total expenditures	3,983,954	4,337,586	4,143,366	194,220
Excess (Deficiency) of Revenue Over (Under) Expenditures	155,294	(149,886)	211,561	361,447
Other financing sources:				
Loan proceeds	-	180,000	-	(180,000)
Net Change in Fund Balance	$ 155,294	$ 30,114	$ 211,561	$ 181,447

Note 1 - Basis of Budgeting

The School follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The School's Principal is appointed as the budget officer. Before June 1 of each year, the budget officer shall prepare a tentative budget, with supporting documentation, to be submitted to the Board.
2. The tentative budget and supporting documents shall include the following items:
    a. The revenue and expenditures of the preceding fiscal year
    b. The estimated revenue and expenditures of the current fiscal year
    c. A detailed estimate of the essential expenditures for all the purposes for the next succeeding fiscal year, and
    d. The estimated financial condition of the School at the close of the fiscal year
3. The tentative budget shall be filed with the School's Principal for public inspection at least 15 days before the date of the tenant budget's proposed adoption by the Board.
4. Before June 30 of each year, the Board will adopt a budget for the next fiscal year.
5. By the sooner of July 15 or 30 days of adopting a budget, the Board will file a copy of the adopted budget with the state auditor and the State Board of Education.

Compliance Reports
June 30, 2022

Lumen Scholar Institute

EideBailly

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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*

The Board of Directors
Lumen Scholar Institute
Orem, Utah

We have audited, 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, the financial statements of the governmental activities and the major fund of Lumen Scholar Institute (the School), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and the related notes to the financial statements and have issued our report thereon dated November 29, 2022.

Report on 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 School'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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of 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 result of that testing, and not to provide an opinion on the effectiveness of the School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Ogden, Utah
November 29, 2022

EideBailly

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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*

The Board of Directors
Lumen Scholar Institute
Orem, Utah

Report on Compliance

We have audited Lumen Scholar Institute's (the School) 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, 2022.

State compliance requirements were tested for the year ended June 30, 2022, in the following areas:

Budgetary Compliance
Fraud Risk Assessment
Cash Management
Public Treasurer's Bond
Internal Control Systems
Public Education Programs

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 the 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, the School complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2022.

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 as a basis for designing 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 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.

Eide Bailly LLP

Ogden, Utah
November 29, 2022

EideBailly

CPAs & BUSINESS ADVISORS

November 29, 2022

To the Board of Directors
Lumen Scholar Institute
1353 W 760 N
Orem, Utah 84057

We have audited the financial statements of Lumen Scholar Institute as of and for the year ended June 30, 2022, and have issued our report thereon dated November 29, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our letter dated May 3, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of Lumen Scholar Institute solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our 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* dated November 29, 2022.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As stated in our auditor's report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks". We have identified the following as significant risks:

- Management Override of Controls – Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we identified as a significant risk that management of the organization may have the ability to override controls that the organization has implemented. Management may override the organization's controls in order to modify the financial records with the intent of manipulating the financial statements to overstate the organization's financial performance or with the intent of concealing fraudulent transactions.
- Revenue Recognition – We identified revenue recognition as a significant risk due to financial and operational incentives for the organization to overstate revenues.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. The significant accounting policies used by Lumen Scholar Institute are described in Note 1 to the financial statements. As described in Note 1, the School changed accounting policies related to accounting for leases to adopt the provisions of GASB Statement No. 87, *Leases*. There was no effect on the beginning balance of net position or fund balance. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No such significant accounting estimates were identified.

Financial Statement Disclosures

There were no financial statement disclosures that we consider to be particularly sensitive or involve significant judgement.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected missstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. As described in Note 7 to the financial statements, due to the adoption of GASB Statement 87, *Leases*, the School restated opening balances as of July 1, 2022. We have included an emphasis of matter in our report regarding this restatement.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated November 29, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Lumen Scholar Institute, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Lumen Scholar Institute's auditors.

This report is intended solely for the information and use of the Board of Directors and management of Lumen Scholar Institute and is not intended to be and should not be used by anyone other than these specified parties.

Eide Bailly LLP

Ogden, Utah

6. Reports

6. a. Administrative Report

Contact Person

Kristy Gordon, Chief Administrative Officer
Amy Hart, K-8 Principal
Jonathan Seal, 9-12 Principal

Supporting Documents

Jan Board Report Enrollment Data

Data Board Report

As of January 19, 2023

	Withdraws by Month								
Grade	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Current Students**	**Grand Total**	**Total Withdrew**
0	1		1				15	17	2
1						1	15	16	1
2					1		20	21	1
3	1		1			1	19	22	3
4	1		2				27	30	3
5	1				1	1	25	28	3
6	3	1	1		1	2	32	40	8
7	2	2	6	3		1	34	48	14
8		1			1	1	48	51	3
9	2	3	2				46	53	7
10			2			4	29	35	6
11		1	3			1	39	44	5
12		1			1	1	41	44	3
Grand Total	**11**	**9**	**18**	**3**	**5**	**13**	**390**	**449**	**59**

*Includes only students that were enrolled with us for 10 days or more

Grade	Sem 2
0	2
1	1
2	4
3	1
4	2
5	
6	6
7	4
8	10
9	5
10	4
11	
12	
Grand Total	**39**

Semester 2 we had an increase of 39 new students!

Exit Ratings				
Category	**Avg**	**Avg no 0s**	**Median**	**Count of 0**
Admin Rating	8.1	9.3	10	10
Online Experience	7.5	8.8	9	11
Overall Rating	**7.9**	**9.1**	**9**	**10**
Rigor Curriculum	7.6	8.8	10	11
Support Staff Rating	7.9	9.1	10	10
Teacher Rating	8.0	9.4	10	11
Technology Rating	7.9	9.1	10	10

From Withdrawal Form

*76 withdrawals completed in 22-23

Rate from 1-10 where 1 is low

6. b. Finance Report

Contact Person

Dawn Benke, Academica West

Supporting Documents

LSI Monthly Financials

Lumen Scholar Institute
Statement of Activities
Created on January 11, 2023
For Prior Month

	Annual June 30, 2023 Budget	Year-to-Date December 31, 2022 Actual	% of Budget
Net Income			
Income			
Revenue From Local Sources	20,000	8,577	42.9 %
Revenue From State Sources	3,908,955	1,986,139	50.8 %
Revenue From Federal Sources	93,521	0	0.0 %
Total Income	4,022,476	1,994,716	49.6 %
Expenses			
Instruction/Salaries	2,291,843	986,040	43.0 %
Employee Benefits	442,196	137,585	31.1 %
Purchased Prof & Tech Serv	464,423	242,231	52.2 %
Purchased Property Services	193,264	88,948	46.0 %
Other Purchased Services	107,764	54,950	51.0 %
Supplies & Materials	485,000	351,590	72.5 %
Property	0	10,912	0.0 %
Debt Services & Miscellaneous	9,267	3,240	35.0 %
Total Expenses	3,993,757	1,875,496	47.0 %
Total Net Income	**28,719**	**119,220**	**415.1 %**

Lumen Scholar Institute
Statement of Financial Position
Created on January 11, 2023
For Prior Month

	Period Ending 12/31/2022 Actual	Period Ending 12/31/2021 Actual
Assets & Other Debits		
Current Assets		
Operating Cash	1,957,992	2,027,244
Accounts Receivables	4,867	5,631
Other Current Assets	5,366	5,366
Total Current Assets	1,968,225	2,038,241
Net Assets		
Fixed Assets	608,390	107,721
Depreciation	(165,237)	(56,836)
Total Net Assets	443,153	50,885
Total Assets & Other Debits	**2,411,378**	**2,089,126**
Liabilities & Fund Equity		
Current Liabilities	10,964	(20,922)
Long-Term Liabilities	385,202	0
Fund Balance	1,895,992	1,677,364
Net Income	119,220	432,684
Total Liabilities & Fund Equity	**2,411,378**	**2,089,126**

7. Voting Items

7. a. Policy 0425: School Fees and Waivers

Quick Summary / Abstract

Lumen Scholar Institute does not charge fees.
It is recommended the board review policy 0425: School Fees and Waivers Policy for any proposed changes and reapprove.

Policies

Policy 0425: School Fees and Waivers

Policy 0425: School Fees and Waivers

Status: ADOPTED

Original Adopted Date: 08/11/2015 **| Last Revised Date:** 02/17/2022 **| Last Reviewed Date:** 02/17/2022

Purpose

Policy

1. Board Policy:
    a. Pursuant to action taken by the State Legislature and subsequent rulings on that action by the State Board of Education, Lumen Scholar Institute (the School) has created (1) an official fee policy, and (2) a fee waiver guideline. The Board delegates to the Administration of the School the responsibility of administering this policy; and
    b. The School does not charge school fees, as defined below, to participate in any approved educational activities.
2. Administration Policy:
    a. The following definitions and standards shall serve as guidelines for the administration as they assess and collect fees at the school:
        i. Fee: Any charge, deposit, rental, or other mandatory payment, however designated, whether in the form of money or goods;
        ii. Provisions in Lieu of Fee Waiver: An alternative to fee payment and waiver of fee payment;
        iii. Optional Project: A project chosen and retained by a student in a vocational class or other class where projects are part of the curriculum, in lieu of a meaningful and productive project otherwise available to the student that would require only the School-supplied materials;
        iv. Textbook: Book, workbook, and materials similar in function that are required for participation in any instructional course; and
        v. Waiver: Release from the requirement of payment of a fee and from any provision in lieu of fee payment. Students who have been granted waivers or provisions in lieu of fee waivers shall not be treated differently from other students or identified to persons who do not need such information.
    b. Standards:
        i. Classes and Activities which are associated with the Regular Academic Day:
            1. No fee may be charged by the School for any class included on a student's approved schedule in kindergarten through twelfth grade;
            2. No fee may be charged for a school activity, including, but not limited to assemblies, field trips, Learning Labs, tutoring, or Activity Experiences;
            3. No fees may be charged for textbooks, labs, and other course-required items for grades kindergarten through twelfth (including Concurrent Enrollment);
            4. As a general rule, donations shall not be solicited from parents for any reason except if requested for items that have no monetary value (such as empty milk jugs or soup cans);
            5. The School shall provide all necessary supplies and resources for a student in all grade levels. This includes providing pencils, calculators, rulers, glue, or any other material goods necessary for the students to fully participate in the academic school day. Materials for required projects must be provided to students by the School;
            6. Students must be able to enroll and participate in any class, and have the opportunity to acquire all skills and knowledge required for full credit and highest grades. They may do this without paying a fee or participating in a fund raising activity with the following exceptions:
                a. Students in all grade levels may be required to provide materials for their optional projects;
                b. Students may be required to replace supplies provided by the School that are lost, wasted, or damaged by the student; and
                c. Required fees that must be paid to a Utah State Higher Education institution for concurrent enrollment (registration, Accuplacer testing, per credit hours fees, etc.) are by law not subject to a fee waiver and shall not be paid for by the School.
            7. Quality laptops that are no more than three (3) years old shall be provided to all students in every grade level at no cost. A student may be required to pay for the cost of replacement or repair for a laptop that is lost or damaged by the student.
            8. The cost of home internet shall be reimbursed per household for all grade levels, up to eighty ($80.00) dollars per allowable month as shown on a statement addressed to the

responsible party of the household. The reimbursable date will begin on August 1 of the school year and be provided continuously for ten (10) consecutive months, at a minimum, as long as a student maintains enrollment. The purpose of this is to allow access to online learning platforms required to be used as part of the academic day. **Any student who will need access to courses for credit or to finish a course during the summer will be provided with additional internet access for the full period of the course at the discretion of the Director. **Setup fees and equipment rental, lease, or purchase associated with home internet do not qualify for a fee waiver and may not be paid for by the School.

ii. Activities Outside of the Regular Academic Day:
    1. Fees shall not be charged to a student in connection with any School-sponsored activities (cap and gown for graduation, prom, leadership conference, etc.) Non-students may be charged a fee to attend an activity. Fee waivers do not apply to non-students even if a student is doing the purchasing.

iii. Extended School Year:
    1. Fees shall not be charged to a student for courses or services offered after the regular school year has ended, including, but not limited to, credit recovery, prep classes, tutoring, or remediation so long as that student remains enrolled for the next school year.

iv. General Provisions:
    1. No fee may be charged or assessed in connection with any class or school-sponsored or supported activity, including extracurricular activities, unless the fee has been set and approved by the Board of Trustees in accordance with this policy;
    2. The Board of Trustees shall adopt the fee schedules and policies for the School at least once each year in a regularly scheduled public meeting of the board prior to the start of each school year. Provisions shall be made for broad public notice and participation in the development of fee schedules and waiver policies;
    3. The school shall adopt procedures to reasonably ensure that the parent or guardian of each student receives written notice of this policy with student registration materials;
    4. No present or former student may be denied receipt of transcripts or a diploma for failure to pay fees other than a reasonable charge made to cover the cost of duplicating or mailing copies of School records to an elementary or secondary school in which the student is enrolled or intends to enroll;
    5. The Board of Trustees directs the Director to implement fee waiver procedures and to publish those procedures on the school's website prior to the start of school each year;
    6. The requirements of fee waiver and availability of other provisions in lieu of fee waiver do not apply to charges assessed pursuant to a student's damaging or losing school property. Lumen Scholar Institute may pursue reasonable methods for obtaining payment for such charges, but may not exclude students from school to obtain payment of those charges; and
    7. Charges for yearbooks, spirit items and clothing, and similar articles not required for participation in a class or activity, are not fees, and are not subject to the waiver requirements of this policy.

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7. b. Policy 0900: Banking and Financial Management

Contact Person

Dawn Benke, Academica West

Quick Summary / Abstract

Amendment increases capitalization of property from one year to three years and from a unit acquisition cost of $2,500 to $5,000.

Supporting Documents

Banking and Financial Management - 10.28.2021 (with revisions Jan. 2023)

Policy 0900: Banking and Financial Management

Original Adopted Date: 05/10/2016 | **Last Revised Date**: 1/19/2023 | **Last Reviewed Date**: 1/19/2023

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Policy

1. General:
    a. Accounting policies and financial reporting adopted by Lumen Scholar Institute (school) should be consistent with a special purpose governmental entity that engages in business-type activities. The Board of Trustees (Board) has oversight of the management of the school inclusive of establishing the governance structure and the financial management policies as set forth in the school's charter.
2. Budgeting:
    a. The school's Chief Administrative Officer is appointed as the school's budget officer. Before June 1 of each year, the budget officer shall, with the help of the business office, prepare a tentative budget for the next fiscal year, with supporting documentation, to be submitted to the Board. The tentative budget and supporting documents shall include the following items:
        i. The revenues and expenditures of the preceding fiscal year;
        ii. The estimated revenues and expenditures of the current fiscal year;
        iii. A detailed estimate of the essential expenditures for all purposes for the next succeeding fiscal year; and
        iv. The estimated financial condition of the school at the close of the current fiscal year.
    b. The tentative budget for the next fiscal year shall be filed with the school's Chief Administrative Officer for public inspection at least 15 days before the date of the tentative budget's proposed adoption by the Board.
    c. Before June 30 of each year, the Board will review and adopt the budget for the next fiscal year in an open and public meeting (any final amended budget for the current fiscal year must also be adopted by June 30). By the sooner of July 15 or 30 days of adopting the budget, the Board will file a copy of the adopted budget with the state auditor and the Utah State Board of Education.
    d. The business office staff or budget officer shall provide each Board member with a report, on a monthly basis, that includes the following information:
        i. The amounts of all budget appropriations;
        ii. The disbursements from the appropriations as of the date of the report; and
        iii. The percentage of the disbursements relative to the approved budget as of the date of the report.
    e. The school's fiscal year (budget year) is July 1 through June 30. Budgets are reviewed and amended as necessary throughout the fiscal year. The appropriate accounting period is used for all adjusting entries and accruals.
        i. School administration shall follow all budgets approved by the Board.
3. Bank Accounts:

a. The Board may authorize bank accounts for general or specific purposes. School assets shall be kept at any bank or financial institution that is approved by the State Money Management Council as defined in Utah's State Money Management Act. All bank accounts shall be reconciled as often as statements are available, typically monthly.

4. Investments:
    a. The school shall follow state law and rule as outlined by statute (including the State Money Management Act), administrative rules, and the rules of the State Money Management Council in investing school cash assets.
5. Petty Cash:
    a. A petty cash fund may be established by the school for incidental, non-recurring cash advances, local expense reimbursement, and small-dollar vendor purchases, provided proper documentation is furnished with each request. A petty cash fund shall maintain a balance of approximately $250 and in no event shall the fund exceed $500. No individual payment from a petty cash fund shall be greater than $100. Petty cash funds are recorded on the balance sheet as a cash account. The petty cash account is balanced periodically by the business office.
6. Cash Handling and Cash Receipts:
    a. Wherever possible, duties such as collecting funds, maintaining documentation, preparing deposits, and reconciling records should be segregated among different individuals. When segregation of duties is not possible due to the small size and limited staffing of the school, compensating controls such as management supervision and review of cash receipting records by independent parties should be implemented. School staff shall follow established procedures (internal controls) for the handling of cash receipts as outlined in the cash handling and receipt procedures set forth in the school's General Financial-Cash Management administrative regulation. The school will comply with all applicable state and federal laws.
    b. All funds shall be kept in a central, secure location until they are deposited in a school-approved fiduciary institution. Funds should be deposited daily or at least once every three banking days after receipt, in compliance with Utah Code § 51-4-2(2)(a). Unauthorized school employees should never hold funds in any unapproved location for any reason. Periodic and unscheduled audits or reviews should be performed for all cash activity. All payments of school fees, if any, shall correspond with the approved fee schedule, as required by Utah Administrative Code Rule R277-407.
7. Vending Machines:
    a. Vending machines are to be administered by the Chief Administrative Officer with the assistance of the business office and other school administrators. Two persons shall be present when removing cash from vending machines and delivering it to the school office for recording using the cash handling and receipts procedures. Accurate inventories of goods stocked and sold from vending machines are to be kept. Vending machine stock shall be stored adequately to minimize shrinkage and the program should be reviewed at least annually.
8. Financial Statement Reporting:

a. The business office is required to maintain supporting records in sufficient detail to prepare the school's financial statements, including:
    i. Monthly:
        1. Internally generated Income Statement, including budget vs. actual comparison and adequate notes and explanations;
        2. Balance Sheet;
        3. Cash Flow Statement; and
        4. Transaction Register.
    ii. Annually:
        1. Financial statements for audit, with supporting statements as needed; and
        2. Annual budget.
b. The school will provide financial reporting in a manner consistent with the basis of accounting as required by generally accepted accounting principles (GAAP), as applicable to the school.
c. The school will ensure that audits of the school's financial reporting, compliance, and performance are done in accordance with generally accepted auditing standards (GAAS) and generally accepted government auditing standards (GAGAS).
d. The school follows the governmental accounting standards board (GASB) as its basis of accounting.
e. The school will provide data and information consistent with budgeting, accounting (including the uniform chart of accounts for LEAs), and auditing standards for Utah LEAs provided online annually by the Utah State Superintendent of Public Education.

9. Capitalization of Property:
    a. All tangible personal property, land, capital improvements or buildings with a useful life of more than three years and a unit acquisition cost that exceeds the $5,000 depreciation threshold established by the Board are recorded and capitalized on the property schedule. The asset capitalized cost includes actual tax, shipping/handling, and other expenses incurred to bring the asset ready for its intended use. Additionally, these policies apply to capital assets:
        i. All capitalized assets will be depreciated using the straight-line method of depreciation in accordance with such asset's useful life and the applicable governmental and financial accounting standards;
        ii. The depreciation expense will be recorded in the statement of revenues, expenses, and changes in net assets;
        iii. The school maintains records of all government-furnished property and equipment, with an identification and segregation of property and equipment acquired through government contracts;
        iv. Upon receipt, all property that qualifies as necessary to include on the property schedule, or has reasonable possibility of theft, or is required by law, must be properly labeled with asset ID tags;
        v. Assets purchased or received that cost less than the depreciation threshold will be expensed in the period purchased;

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vi. No item on the property schedule shall be removed from the premises without prior approval from the Board. Procedures for asset disposal must comply with state or federal law or regulation where appropriate. All Assets shall be disposed consistent with applicable regulations of any restricted funds with which they were purchased, according to state or US Department of Education General Administrative Regulations;

vii. Gains and losses from the sale or other disposition of property are recorded as revenue in the year in which they occur, and are reflected as such on applicable financial statements; and

viii. A physical inventory of property included on the school's property schedule is performed on an annual or every two-year basis and is reconciled to the property schedule and general ledger of the school.

10. Liabilities:
    a. Encumbrances, debt or other obligations are recognized and measured in conformity with GAAP in both the modified and full accrual bases of accounting, as applicable. Liabilities also include certain other deferred amounts that are not obligated but are recognized and measured in conformity with GAAP. The Board and administration, in consultation with accounting firms, will determine liabilities as needed for financial statements.
11. Accounts Payable:
    a. Only valid accounts payable transactions based on documented vendor invoices, receiving reports, or other approved documentation are recorded as accounts payable. Vendors and suppliers are paid as their payment terms require, taking advantage of any discounts offered. If cash flow problems exist, payments are made on a greatest dependency/greatest need basis, considering critical disbursements, including payroll and tax obligations, etc.
12. Use Of School Credit and Debit Cards:
    a. Debit cards are only authorized with Board approval. School credit cards and purchase cards shall only be issued with the formal approval of the Board and with proper justification. The cost/benefit to the school should be fully reviewed to ensure that no other method is appropriate. If credit cards are issued, they should be assigned to specific school employees and should be used only for school-related expenditures.
    b. All charges must be supported by transaction-level invoices (point-of-sale receipts) or travel reports to be eligible for payment by the school. Monthly credit card statements are reconciled by cardholders to point-of-sale receipts and travel reports. They are reviewed and approved monthly by appropriate supervisors in consultation with business office staff.
13. Accrued Liabilities:
    a. Salaries, wages earned, and payroll taxes, together with professional fees, rent, and insurance costs incurred, but unpaid, are reflected as a liability when entitlement to payment occurs. The portion of any teacher, or other employee, whose salaries are paid over a period different than during which work was performed, are accrued at the end of the fiscal year for which services were rendered.

14. Debt:
    a. Short-term debt consists of financing expected to be paid within one year of the date of the annual audited financial statements. Long-term debt consists of financing that is not expected to be repaid within one year. All short-term and long-term debt must be approved by the Board in accordance with school policy. Loan agreements approved by the Board shall be in writing and specify all applicable terms, including the purpose of the loan, the interest rate, and the repayment schedule. School administration may not enter into loan agreements without Board approval.
15. Net Assets:
    a. Net assets are recorded in accordance with GASB. Net assets include the following:
        i. Unrestricted;
        ii. Restricted; and
        iii. Investment in Capital Assets, net of related debt.
16. Consistency in Cost Accounting:
    a. Practices used by the school in estimating costs in grant/contract proposals are consistent with its accounting practices used in accumulating and reporting costs. Accounting practices used by the school in accumulating and reporting actual costs are consistent with its practices used in estimating costs in its grant and contract proposals.

7. c. 2023-2024 Academic Calendar

Contact Person

Kristy Gordon, Chief Administrative Officer

Supporting Documents

2023-2024 Academic Calendar - LSI

First & Last Day of Terms

Non-School Day

August 2023

M	T	W	TH	F
	1	2	3	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
28	29	30	31	

Aug 8-9	Teacher Professional Development
Aug 8	Term 1 Begins
Aug 10-11	Student Conferences
Aug 14-18	Terms 1&2 Orientation & School Assessments, K-12th
August 21	Livestream Classes Begin, K-12th

September 2023

M	T	W	TH	F
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

Sept 4	Labor Day, no school

October 2023

M	T	W	TH	F
2	3	4	5	6
9	10	11	12	13
16	17	18	19	20
23	24	25	26	27
30	31			

Oct 17	Term 1 Ends
Oct 18-20	Fall Break, no school
Oct 23	Term 2 Begins

November 2023

M	T	W	TH	F
		1	2	3
6	7	8	9	10
13	14	15	16	17
20	21	22	23	24
27	28	29	30	

Nov 20-24	Thanksgiving Break, no school

December 2023

M	T	W	TH	F
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

Dec 7	Livestream Classes End, 10th-12th
Dec 11-15	Final Exams, 10th-12th
Dec 14	Livestream Classes End, K-9th
Dec 15	Term 2 Ends, K-12th
Dec 18-31	Christmas Break, no school

January 2024

M	T	W	TH	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30	31		

Jan 1	Christmas Break Continued, no school
Jan 2	Term 3 Begins, K-12th
Jan 2-5	Terms 3&4 Orientation Week & School Assessments, K-12th
Jan 8	Livestream Classes Begin, K-12th
Jan 15	Martin Luther King Jr. Day, no school

February 2024

M	T	W	TH	F
			1	2
5	6	7	8	9
12	13	14	15	16
19	20	21	22	23
26	27	28		

Feb 19	President's Day, no school

March 2024

M	T	W	TH	F
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

March 8	End of Term 3

April 2024

M	T	W	TH	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30			

April 1-5	Spring Break, no school

May 2024

M	T	W	TH	F
		1	2	3
6	7	8	9	10
13	14	15	16	17
20	21	22	23	24
27	28	29	30	31

May 9	Livestream Classes End, 10th-12th Grade
May 10-15	Final Exams, 10th-12
May 16	Livestream Classes End, K-9th Grade
May 16	Graduation
May 21	End of Term 4
May 22-23	Professional Development
May 27	Memorial Day, office closed

LUMEN SCHOLAR INSTITUTE

7. d. LEA-Specific Licenses

Contact Person

Kristy Gordon, Chief Administrative Officer

Quick Summary / Abstract

LEA-Specific License request for Stacey Koller for three years.

Supporting Documents

Lumen Scholar Institute LEA-Specific Spreadsheet 1.18.2023

LEA SPECIFIC LICENSE REQUEST						
Last Name	First Name	Years Approved (1, 2, 3)	Is this a RENEWAL Request from SY20-21? (Y/N)	License Area 1	Endorsement 1	Rationale/Motions
Koller	Stacey	3	N	Secondary	Language Arts	Educator is looking at options to become licensed. This rationale falls under the Eminence Guidelines

8. Board Business

8. a. Calendaring

Quick Summary / Abstract

Next Board Meeting: February 16, 2023 at 3 PM

Schedule School LAND Trust Work Session

9. Closed Session in Accordance with the Utah Open and Public Meetings Act

Quick Summary / Abstract

A motion to enter a closed session in accordance with Utah Code 52-4-205 for one of the allowed purposes:

- *To discuss the character, professional competence, or physical or mental health of an individual pursuant to Utah Code 52-4-205(I)(a).*
- *To discuss collective bargaining pursuant to Utah Code 52-4-205(I)(b).*
- *To discuss pending or reasonably imminent litigation pursuant to Utah Code 52-4-205(I)(c).*
- *To discuss the purchase, exchange, or lease of real property pursuant to Utah Code 52-4-205(I)(d).*
- *To discuss the deployment of security personnel, devices, or systems pursuant to Utah Code 52-4-205(I)(f).*

10. School LAND Trust Council

11. Adjourn