

SUMMIT ACADEMY OIC
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2025 AND 2024



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INDEPENDENT AUDITORS' REPORT

Board of Governors
Summit Academy, OIC
Minneapolis, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Summit Academy OIC, which comprise the balance sheets as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Summit Academy OIC, as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Summit Academy OIC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Summit Academy OIC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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 Summit Academy OIC'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 Summit Academy OIC'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements as a whole. The financial responsibility ratio supplemental schedule as required by Department of Education is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the financial responsibility ratio supplemental schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 15, 2025

**SUMMIT ACADEMY OIC
BALANCE SHEETS
JUNE 30, 2025 AND 2024**

ASSETS	2025	2024
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,591,843	\$ 5,304,179
Program Service Receivables	953,190	1,291,078
Pledges Receivable - Current Portion	632,613	1,743,004
Other Assets	298,041	163,779
Total Current Assets	5,475,687	8,502,040
PROPERTY AND EQUIPMENT		
Land	465,500	465,500
Building and Building Improvements	8,486,380	8,553,676
Automobiles	53,256	53,256
Furniture and Equipment	3,490,737	3,411,886
Construction in Progress	1,996,697	-
Total	14,492,570	12,484,318
Less: Accumulated Depreciation	7,580,171	6,961,827
Net Property and Equipment	6,912,399	5,522,491
OTHER ASSETS		
Right-of-Use Asset - Operating	-	102,150
Right-of-Use Asset - Finance	21,363	8,671
Investments - Long-Term	6,836,978	6,666,223
Pledges Receivable - Long-Term	631,476	967,029
Total Other Assets	7,489,817	7,744,073
Total Assets	\$ 19,877,903	\$ 21,768,604

See accompanying Notes to Financial Statements.

**SUMMIT ACADEMY OIC
BALANCE SHEETS (CONTINUED)
JUNE 30, 2025 AND 2024**

LIABILITIES AND NET ASSETS	2025	2024
CURRENT LIABILITIES		
Lease Liability - Current Operating	\$ -	\$ 171,802
Lease Liability - Current Finance	4,872	5,028
Notes Payable - Current Maturities	40,414	-
Accounts Payable	2,203,852	261,919
Deferred Financial Aid Revenue	1,593	309,878
Accrued Payroll and Related Expenses	827,806	1,111,452
Utility Contract Obligation - Short-Term	37,036	37,036
Total Current Liabilities	3,115,573	1,897,115
LONG-TERM LIABILITIES		
Lease Liability - Long-Term Finance	22,915	3,345
Notes Payable, Less Current Maturities	161,658	-
Asset Retirement Obligation	-	285,790
Utility Contract Obligation - Long-Term	295,006	332,042
Total Long-Term Liabilities	479,579	621,177
Total Liabilities	3,595,152	2,518,292
NET ASSETS		
Without Donor Restrictions	13,031,819	14,322,256
With Donor Restrictions	3,250,932	4,928,056
Total Net Assets	16,282,751	19,250,312
Total Liabilities and Net Assets	\$ 19,877,903	\$ 21,768,604

See accompanying Notes to Financial Statements.

**SUMMIT ACADEMY OIC
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Support:						
Government Grants	\$ 3,185,656	\$ -	\$ 3,185,656	\$ 3,113,790	\$ -	\$ 3,113,790
Contributions of Nonfinancial Assets	-	-	-	29,790	-	29,790
Contributions from Individuals, Corporations, and Foundations	3,079,142	402,500	3,481,642	8,427,398	900,859	9,328,257
Total Support	<u>6,264,798</u>	<u>402,500</u>	<u>6,667,298</u>	<u>11,570,978</u>	<u>900,859</u>	<u>12,471,837</u>
Revenue:						
Federal Student Financial Aid	50,643	-	50,643	50,538	-	50,538
State Student Financial Aid	710,746	-	710,746	701,666	-	701,666
Net Tuition, net of scholarships of \$1,861,767 in 2025 and \$2,053,117 in 2024, Respectively	1,842,802	-	1,842,802	1,598,698	-	1,598,698
Rental Income	43,200	-	43,200	129,600	-	129,600
Special Events (Net of Direct Benefits of \$218,468 and \$241,769 for the Years Ended June 30, 2025 and 2024, Respectively)	690,999	-	690,999	492,672	-	492,672
Investment Income	313,932	155,561	469,493	321,411	183,403	504,814
Other	151,151	-	151,151	103,665	-	103,665
Total Revenue	<u>3,803,473</u>	<u>155,561</u>	<u>3,959,034</u>	<u>3,398,250</u>	<u>183,403</u>	<u>3,581,653</u>
Total	10,068,271	558,061	10,626,332	14,969,228	1,084,262	16,053,490
Net Assets Released from Restrictions	<u>2,035,185</u>	<u>(2,035,185)</u>	<u>-</u>	<u>1,938,830</u>	<u>(1,938,830)</u>	<u>-</u>
Total Support and Revenue	12,103,456	(1,477,124)	10,626,332	16,908,058	(854,568)	16,053,490

See accompanying Notes to Financial Statements.

**SUMMIT ACADEMY OIC
STATEMENTS OF ACTIVITIES (CONTINUED)
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES						
Program Services:						
Training	\$ 6,190,450	\$ -	\$ 6,190,450	\$ 6,361,852	\$ -	\$ 6,361,852
Service	3,746,688	-	3,746,688	3,090,660	-	3,090,660
Total Program Services	<u>9,937,138</u>	<u>-</u>	<u>9,937,138</u>	<u>9,452,512</u>	<u>-</u>	<u>9,452,512</u>
Supporting Services:						
Management and General	2,049,408	-	2,049,408	2,677,353	-	2,677,353
Rental Property	267,906	-	267,906	301,017	-	301,017
Fundraising	1,139,441	-	1,139,441	978,272	-	978,272
Total Supporting Services	<u>3,456,755</u>	<u>-</u>	<u>3,456,755</u>	<u>3,956,642</u>	<u>-</u>	<u>3,956,642</u>
Total Expenses	<u>13,393,893</u>	<u>-</u>	<u>13,393,893</u>	<u>13,409,154</u>	<u>-</u>	<u>13,409,154</u>
CHANGE IN OPERATING NET ASSETS	(1,290,437)	(1,477,124)	(2,767,561)	3,498,904	(854,568)	2,644,336
NONOPERATING ACTIVITY						
Insurance Proceeds	-	-	-	327,934	-	327,934
Loss on Writedown of Pledge	-	(200,000)	(200,000)	-	(213,000)	(213,000)
Total Nonoperating Activity	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>327,934</u>	<u>(213,000)</u>	<u>114,934</u>
CHANGE IN NET ASSETS	(1,290,437)	(1,677,124)	(2,967,561)	3,826,838	(1,067,568)	2,759,270
Net Assets - Beginning of Year	<u>14,322,256</u>	<u>4,928,056</u>	<u>19,250,312</u>	<u>10,495,418</u>	<u>5,995,624</u>	<u>16,491,042</u>
NET ASSETS - END OF YEAR	<u>\$ 13,031,819</u>	<u>\$ 3,250,932</u>	<u>\$ 16,282,751</u>	<u>\$ 14,322,256</u>	<u>\$ 4,928,056</u>	<u>\$ 19,250,312</u>

See accompanying Notes to Financial Statements.

**SUMMIT ACADEMY OIC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025**

	Program Services			Supporting Services			
	Training	Service	Total	Management and General	Rental Property	Fundraising	Total
Salaries	\$ 3,362,398	\$ 2,023,756	\$ 5,386,154	\$ 1,284,055	\$ 82,574	\$ 792,200	\$ 7,544,983
Fringe Benefits	795,050	456,872	1,251,922	177,047	14,956	114,481	1,558,406
Professional Fees	292,604	285,377	577,981	302,870	38,963	65,068	984,882
Depreciation	405,445	141,350	546,795	40,404	76,005	28,777	691,981
Occupancy and Utilities	399,696	114,387	514,083	36,519	51,922	22,919	625,443
Equipment Rental and Maintenance	4,975	2,588	7,563	(2,888)	1,744	898	7,317
Classroom Supplies	286,921	8,967	295,888	-	-	969	296,857
Postage and Office Supplies	36,499	29,072	65,571	39,782	573	7,553	113,479
Training, Meetings, and Staff Travel	20,208	31,669	51,877	20,603	11	3,388	75,879
Public Relations and Recruiting	13,435	282,043	295,478	-	-	19,072	314,550
Student Assistance	435,261	255,405	690,666	-	-	-	690,666
Dues and Subscriptions	102,728	85,771	188,499	47,788	585	38,553	275,425
Bank Charges and Interest	-	-	-	18,850	-	13,322	32,172
Credit Loss Expense	-	-	-	33,745	-	-	33,745
General Operating Expenses	35,230	29,431	64,661	50,633	573	32,241	148,108
Subtotal	6,190,450	3,746,688	9,937,138	2,049,408	267,906	1,139,441	13,393,893
Plus Special Events Expenses	-	-	-	-	-	217,427	217,427
Total Expenses	<u>\$ 6,190,450</u>	<u>\$ 3,746,688</u>	<u>\$ 9,937,138</u>	<u>\$ 2,049,408</u>	<u>\$ 267,906</u>	<u>\$ 1,356,868</u>	<u>\$ 13,611,320</u>

See accompanying Notes to Financial Statements.

**SUMMIT ACADEMY OIC
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024**

	Program Services			Supporting Services			
	Training	Service	Total	Management and General	Rental Property	Fundraising	Total
Salaries	\$ 3,344,371	\$ 1,791,137	\$ 5,135,508	\$ 1,629,295	\$ 74,962	\$ 615,249	\$ 7,455,014
Fringe Benefits	690,395	416,210	1,106,605	189,834	15,826	91,782	1,404,047
Professional Fees	429,903	230,717	660,620	374,719	28,350	123,588	1,187,277
Depreciation	382,803	166,579	549,382	36,964	108,739	26,644	721,729
Occupancy and Utilities	287,383	64,491	351,874	21,124	67,858	10,210	451,066
Equipment Rental and Maintenance	23,363	10,130	33,493	2,354	2,067	1,683	39,597
Classroom Supplies	357,437	9,905	367,342	-	-	-	367,342
Postage and Office Supplies	36,405	37,283	73,688	46,725	562	6,883	127,858
Training, Meetings, and Staff Travel	38,664	38,399	77,063	26,833	110	2,552	106,558
Public Relations and Recruiting	353,449	56,242	409,691	-	-	4,900	414,591
Student Assistance	295,106	177,397	472,503	-	-	-	472,503
Dues and Subscriptions	83,483	54,734	138,217	41,734	273	13,914	194,138
Bank Charges and Interest	-	184	184	22,783	-	16,408	39,375
Credit Loss Expense	-	-	-	200,543	-	-	200,543
General Operating Expenses	39,090	37,252	76,342	84,445	2,270	64,459	227,516
Subtotal	6,361,852	3,090,660	9,452,512	2,677,353	301,017	978,272	13,409,154
Plus Special Events Expenses	-	-	-	-	-	241,769	241,769
Total Expenses	<u>\$ 6,361,852</u>	<u>\$ 3,090,660</u>	<u>\$ 9,452,512</u>	<u>\$ 2,677,353</u>	<u>\$ 301,017</u>	<u>\$ 1,220,041</u>	<u>\$ 13,650,923</u>

See accompanying Notes to Financial Statements.

**SUMMIT ACADEMY OIC
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (2,967,561)	\$ 2,759,270
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Unrealized Gain on Investments	(239,135)	(228,294)
Depreciation	691,981	721,729
Cash Received from Capital Campaign	(318,636)	(712,969)
Asset Retirement Obligation	(285,790)	13,609
Amortization of Right-of-Use Asset - Finance Lease	4,888	4,955
Noncash Lease Expense - Operating Lease	-	(69,600)
Lease Liability Adjustment	27,787	-
Credit Loss Expense	231,783	200,543
Loss of Pledge Write Off	1,962	213,000
Change in Current Assets and Liabilities:		
Program Service Fee Receivables	337,888	(319,713)
Pledges Receivable	1,277,455	1,240,523
Other Assets	(134,262)	190,873
ROU Liability	(90,717)	(276)
Accounts Payable	1,941,933	(130,186)
Deferred Financial Aid Revenue	(308,285)	160,159
Solar Panel Contract	(37,036)	(37,036)
Accrued Payroll and Related Expenses	(283,646)	357,816
Net Cash Provided (Used) by Operating Activities	(149,391)	4,364,403
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(609,370)	(3,177,104)
Proceeds from Sale of Investments	677,750	512,629
Purchase of Property and Equipment	(2,081,889)	(560,460)
Net Cash Used by Investing Activities	(2,013,509)	(3,224,935)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Received from Capital Campaign	253,380	712,969
Line of Credit Advances	-	-
Line of Credit Payments	-	-
Cash Received from Venn Foundation Loan	202,072	-
Payments on Finance Leases	(4,888)	(4,969)
Net Cash Provided by Financing Activities	450,564	708,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,712,336)	1,847,468
Cash and Cash Equivalents - Beginning of Year	5,304,179	3,456,711
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,591,843	\$ 5,304,179
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Noncash Disclosures:		
Cash Payments for Interest	\$ 32,173	\$ 39,376
Donated Stock	\$ 199,601	\$ 29,694

See accompanying Notes to Financial Statements.

**SUMMIT ACADEMY OIC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Summit Academy OIC (the Organization), a nonprofit organization based in Minneapolis, Minnesota, trains and retrains the unemployed and underemployed, secures placement for trainees in jobs, and promotes other educational and developmental programs. The Organization has been accredited as a post-secondary vocational school by the Council on Occupational Education.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Financial Statement Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restriction – Those resources over which the board of directors has discretionary control. These resources are available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restriction – Those resources subject to donor-imposed restrictions which will be satisfied by actions of the Organization or passage of time or to be held in perpetuity.

Measurement of Operations

In its statements of activities, the Organization includes in its definition of operations all revenues and expenses that are an integral part of its program and supporting activities. Nonoperating activity consists primarily of insurance proceeds that the Organization received in the year ended June 30, 2025 and also contributions and expenses relating to the capital campaign.

Cash

The Organization maintains its cash in checking, savings, certificate of deposits, and money market accounts which, at times, may exceed federally insured limits.

**SUMMIT ACADEMY OIC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Service Receivables

Program service receivables are recorded for amounts that have been earned on government grants during the fiscal year, as well as amounts due for the annual golf event. The Organization provides an allowance for credit loss using the allowance method, which is based on management judgment considering historical information. Services are performed on an unsecured basis based on the related grant and no interest is charged. An allowance for credit loss is provided for receivables when a significant pattern of collectability has occurred. When all collection efforts have been exhausted, the accounts are written off against the related allowance, which is typically done at year-end. At June 30, 2025 and 2024, no allowance for credit loss was considered necessary. As of June 30, 2025, 2024 and 2023, the program service fee receivables were \$953,190, \$1,291,078 and \$971,365, respectively.

Pledges Receivable

Promises to give are recorded at their net realizable value. Long-term promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on those amounts are computed using an imputed interest rate applicable to the year in which the promise is received. Conditional promises to give are not included as support until such time as the conditions are substantially met. As of June 30, 2025 and 2024, an allowance for uncollectible pledges receivable of \$31,001 and \$19,262, respectively, was recorded.

Investments

Investments are carried at fair value, based upon quoted market prices. In general, investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur due to market fluctuation and that such changes could materially affect the amounts reported in the statements of financial position. Changes in quoted market value are recorded as unrealized gains or losses in the period of change. Realized gains and losses on sales of securities are determined using the average cost method and are recorded on a trade-date basis.

Property and Equipment

Property and equipment includes fixed assets stated at cost at date of acquisition or fair market value at date of donation in the case of donated property. The Organization capitalizes all additions greater than \$1,000. Depreciation of property and equipment is computed on the straight-line basis. The estimated useful lives in determining depreciation are:

Building and Building Improvements	10 to 30 Years
Furniture and Equipment	3 to 30 Years
Automobiles	5 Years

**SUMMIT ACADEMY OIC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unemployment Trust

The Organization participates in a trust in which premium payments are deposited to administer self-insurance unemployment claims. The balance as of June 30, 2025 and 2024 was \$17,911 and \$105,481, respectively, and is recorded in Other Assets.

Asset Retirement Obligation

The Organization has recorded an obligation to dispose of assets that are legally required to be removed at a future date. This obligation has been recorded at its estimated fair value using the net present value of the future obligation using a risk-free interest rate and an estimated inflationary rate. During the year ended June 30, 2025, the Organization performed work to abate the asbestos and therefore, the balance as of June 30, 2025 is \$-0-.

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets—operating and lease liability, and finance leases are included in ROU assets—financing and lease liability in the balance sheets. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the balance sheets.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use their incremental borrowing rate. The Organization has elected not to separate nonlease components from lease components and instead account for each separate lease component and the nonlease component as a single lease component.

Utility Contract Obligation

As discussed in Note 10, the Organization entered into three solar array agreements with Green2Solar Leasing. As part of this agreement, Green2Solar Leasing advanced \$545,000 to Summit Academy OIC to pay for solar equipment purchased. The \$545,000 will be amortized over the life of the three solar agreements (see Note 10 for agreement terms). As of June 30, 2025, the utility contract obligation is the remaining amount not amortized on this agreement.

**SUMMIT ACADEMY OIC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Financial Aid Revenue

The Organization charges tuition to its students for a 20-week training program. The financial aid awarded a student for the tuition charge is recorded as deferred revenue on day one of classes and then recognized on a monthly basis as the class session progresses through the 20 weeks. As of June 30, 2025, 2024 and 2023, the deferred financial aid revenue was \$1,593, \$309,878 and \$149,719, respectively.

Governmental Grants and Financial Aid Revenue

Governmental grants and financial aid revenue are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant, are made or the required services are provided. Funds received but not yet earned are shown as deferred revenue. Expenditures under governmental grants are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these grants, the Organization will record such disallowance at the time the final assessment is made.

A portion of the Organization's revenue is derived from cost reimbursable federal and state grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. The Organization received cost reimbursable grants of \$482,878 that have not been recognized at June 30, 2025, because qualifying expenditures have not yet been incurred.

Contributions

Contributions, unconditional promises to give (pledges receivable), and contributions of donated stock are recognized at fair values and are recorded as made. All contributions are available for general use unless specifically restricted by the donor.

Donor-restricted contributions are reported as increases in donor-restricted net assets. When these restrictions expire, donor-restricted net assets are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

Tax Status

Summit Academy OIC is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and similar Minnesota Statutes. Summit Academy OIC is not considered a private foundation and contributions to the Organization are considered tax deductible.

The Organization follows the accounting standards for contingencies in evaluating uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The Organization's tax returns are subject to review and examination by federal and state authorities.

**SUMMIT ACADEMY OIC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing program services and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Salary costs are charged directly to the program they relate to and related costs are allocated based on full-time equivalents. Other costs have been allocated among the program and the supporting services based on full-time equivalents or square footage.

Fair Value Hierarchy

In accordance with accounting standards, the Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for the identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Academy has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

**SUMMIT ACADEMY OIC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Hierarchy (Continued)

The fair value of investments measured on a recurring basis were as follows as of June 30:

	2025			
	Level 1	Level 2	Level 3	Total
Exchange Traded Funds - International Equities	\$ 459,575	\$ -	\$ -	\$ 459,575
Exchange Traded Funds - U.S. Bonds	-	2,032,639	-	2,032,639
Exchange Traded Funds - U.S. Equities	1,295,671	-	-	1,295,671
U.S. Treasury Bill	-	362,513	-	362,513
Cash	-	-	-	2,686,580
Total Investments	<u>\$ 1,755,246</u>	<u>\$ 2,395,152</u>	<u>\$ -</u>	<u>\$ 6,836,978</u>

	2024			
	Level 1	Level 2	Level 3	Total
Exchange Traded Funds - International Equities	\$ 330,519	\$ -	\$ -	\$ 330,519
Exchange Traded Funds - U.S. Bonds	-	1,982,154	-	1,982,154
Exchange Traded Funds - U.S. Equities	1,321,518	-	-	1,321,518
U.S. Treasury Bill	-	2,494,015	-	2,494,015
U.S. Treasury Note and Bond	-	528,108	-	528,108
Cash	-	-	-	9,909
Total Investments	<u>\$ 1,652,037</u>	<u>\$ 5,004,277</u>	<u>\$ -</u>	<u>\$ 6,666,223</u>

Revenue Recognition

Revenue from contracts with customers is recognized when control of the promised goods or services is transferred to our customers (students), in an amount that reflects the consideration we expect to be entitled in exchange for those goods or services.

The Organization has five 20-week cohorts. Tuition revenue is recognized in the fiscal year in which the academic programs are delivered, portably over the term of the related semester. Any payments received prior to fiscal year-end related to academic terms that occur subsequent to fiscal year-end are recorded as deferred revenue in the accompanying statements of financial position.

Customer contracts generally have separately stated prices for each performance obligation contained in the contract. Therefore, each performance obligation generally has its own standalone selling price. Arrangements for payment are agreed to prior to registration of the student's cohort. Generally, payments for tuition are due prior to the start of the academic terms. Most students obtain Title IV or other financial aid resulting in the Organization receiving a significant amount of the transaction price at the beginning of the academic term.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 15, 2025, the date the financial statements were available to be issued.

SUMMIT ACADEMY OIC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 2 LIQUIDITY

The following table reflects the Organization’s financial assets as of June 30 that are available to meet general expenditures within one year of the statement of financial position date.

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 3,591,843	\$ 5,304,179
Program Service Fee Receivables	953,190	1,291,078
Pledges Receivable - Current Portion	632,613	1,743,004
Pledges Receivable - Long-Term Portion	631,476	967,029
Less: Restricted Net Assets (Included Above)	(2,289,157)	(2,512,490)
Add: Time Restricted Net Assets Available with One Year	<u>10,000</u>	<u>100,000</u>
Total Financial Assets	<u>\$ 3,529,965</u>	<u>\$ 6,892,800</u>

The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing mission-related activities as well as the conduct of services undertaken to support those activities to be general expenditures.

NOTE 3 CONCENTRATIONS

The Organization maintains a portion of its cash balance in accounts which, at times, may exceed Federal Deposit Insurance Corporation (FDIC) limits. Three accounts held by the Organization was over the FDIC limit at June 30, 2025, in the amount of \$3,341,453. There were three accounts held by the Organization that were over the FDIC limit at June 30, 2024, in the amount of \$4,788,222.

The Organization receives much of its funding through grants to fund programs. A significant amount of the Organization’s program service revenue and program service fee receivables is from a limited number of governmental agencies for 2025 and 2024.

During the year 2025, one entity represented 61% of the contributions received during the year. During the year 2024, three entities represented 50% of the contributions received during the year. Additionally, of the contributions received during June 30, 2025 and 2024, approximately \$482,000 and \$695,000, respectively were from board members.

At June 30, 2025, four entities made up 60% of support receivables. At June 30, 2024, one entity made up 22% of support receivables. Additionally, of the support receivables at June 30, 2025 and 2024, approximately \$131,779 and \$21,500, respectively, were from board members.

At June 30, 2025, no entities made up over 10% of program receivables. At June 30, 2024, no entities made over 10% of program receivables.

SUMMIT ACADEMY OIC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 PLEDGES RECEIVABLE

Pledges receivable consist of the following:

	2025	2024
Annual Pledges Receivable	\$ 142,119	\$ 1,158,291
Capital Campaign Pledges Receivable	1,152,971	1,571,004
Allowance for Uncollectible Pledges	(31,001)	(19,262)
Total	\$ 1,264,089	\$ 2,710,033
Amounts Due in:		
Less than One Year	\$ 661,483	\$ 1,757,641
One to Five Years	633,607	971,654
Total	\$ 1,295,090	\$ 2,729,295

The imputed interest rate utilized for computing the discount for long-term pledges was 3.75% and 4.71% for years ended June 30, 2025 and 2024, respectively.

NOTE 5 INVESTMENTS

Investments consist of the following as of June 30:

	2025	
Exchange Traded Funds - International Equities	\$ 459,575	
Exchange Traded Funds - U.S. Bonds	2,032,639	
Exchange Traded Funds - U.S. Equities	1,295,671	
U.S. Treasury Bill	362,513	
Cash	2,686,580	
Total Investments	\$ 6,836,978	
2024		
Exchange Traded Funds - International Equities	\$ 330,519	
Exchange Traded Funds - U.S. Bonds	1,982,154	
Exchange Traded Funds - U.S. Equities	1,321,518	
U.S. Treasury Bill	2,494,015	
U.S. Treasury Note and Bond	528,108	
Cash	9,909	
Total Investments	\$ 6,666,223	

NOTE 6 NOTES PAYABLE

In 2025, the Organization obtained a noncollateralized subordinate loan of \$202,072 at an annual interest rate of 2.5%. The loan requires yearly payments of \$40,140 and is scheduled to mature in 2030.

**SUMMIT ACADEMY OIC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 7 NET ASSETS

Donor-Restricted Net Assets

Net assets with donor restrictions consist of the following as of June 30:

	2025	2024
Time Restricted Pledges	\$ 961,775	\$ 2,415,566
Purpose Restricted for Programs	763,092	858,137
Purpose Restricted, Earnings on Endowment	247,487	375,775
Total	\$ 1,972,354	\$ 3,649,478
Held in Perpetuity		
Building and Maintenance	\$ 639,289	\$ 639,289
Innovation/Strategic Opportunity Fund	639,289	639,289
Total	\$ 1,278,578	\$ 1,278,578
Total Restricted Net Assets	\$ 3,250,932	\$ 4,928,056

Restrictions Released

Net assets restrictions were released as a result of the following conditions being met:

	2025	2024
Program Expenditures	\$ 470,785	\$ 81,841
Time Restrictions Met	1,764,400	2,069,989
Total	\$ 2,235,185	\$ 2,151,830

NOTE 8 ENDOWMENT

Donor-Restricted Endowments

Summit Academy OIC has donor-restricted endowment funds established for building and maintenance and innovation/strategic opportunity. Net assets of the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The board of trustees of Summit Academy OIC has interpreted the state's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, Summit Academy OIC classifies as net assets with donor restrictions the original value of the gifts to the donor-restricted endowment, the value of subsequent gifts to the donor-restricted endowment, and accumulated earnings that are required to be classified as donor-restricted based on donor stipulations. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restriction held in perpetuity is classified as net assets with donor restriction that is purpose restricted until those amounts are appropriated for expenditure by Summit Academy OIC in a manner consistent with the standard of prudence prescribed by UPMIFA.

**SUMMIT ACADEMY OIC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 8 ENDOWMENT (CONTINUED)

Funds with Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of June 30, 2025 and 2024, Summit Academy OIC had no endowment funds that were underwater.

Return Objectives and Risk Parameters, Investment, and Spending Policies

Summit Academy OIC has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Summit Academy OIC must hold in perpetuity. Under this policy, as approved by the board of trustees, the endowment assets having exceeded a cash balance is \$500,000 have been invested in a manner intended to produce results that meet or exceed the price and yield results of a moderate allocation model. The board will review annually the management of funds and its decision to manage the fund internally or hire an external investment manager to manage the funds to meet Summit Academy OIC board's requirements.

Changes in donor-restricted endowment net assets for the years ended June 30 were as follows:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Fund Balance, June 30, 2024	\$ -	\$ 1,654,353	\$ 1,654,353
Loss on Write Off of Pledge	-	-	-
Investment Income	-	155,561	155,561
Appropriations	-	(283,849)	(283,849)
Endowment Fund Balance, June 30, 2025	<u>\$ -</u>	<u>\$ 1,526,065</u>	<u>\$ 1,526,065</u>

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Fund Balance, June 30, 2023	\$ -	\$ 1,492,888	\$ 1,492,888
Loss on Write Off of Pledge	-	(13,000)	(13,000)
Investment Income	-	183,403	183,403
Appropriations	-	(8,938)	(8,938)
Endowment Fund Balance, June 30, 2024	<u>\$ -</u>	<u>\$ 1,654,353</u>	<u>\$ 1,654,353</u>

**SUMMIT ACADEMY OIC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 8 ENDOWMENT (CONTINUED)

**Return Objectives and Risk Parameters, Investment, and Spending Policies
(Continued)**

Once the funds are invested, investment income from certain donor-restricted assets held in perpetuity, by order of the gift requirements, will be classified as income without donor restrictions that is purpose restricted. Since the establishment of the endowment, the Organization only appropriated \$8,938. Therefore, in 2025, the board approved appropriation for building and maintenance to cover for four years worth of endowment spend in accordance with their policy. There was \$187,000 relating to spend for fiscal years ending 2022 to 2024 and \$96,849 relating to fiscal year ended 2025.

NOTE 9 LEASES

The Organization leases certain equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2026 and provide for renewal options up to three years. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Also, the agreements generally require the Council to pay real estate taxes, insurance, and repairs. The Organization does not have any covenants with these agreements or required to maintain certain financial ratios.

SUMMIT ACADEMY OIC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 9 LEASES (CONTINUED)

The following table provides quantitative information concerning the Organization's leases as of June 30:

	2025	2024
Right-of-Use Assets:		
Financing Leases, Net	\$ 21,363	\$ 8,671
Operating Leases, Net	-	102,150
Total	\$ 21,363	\$ 110,821
Lease Liabilities:		
Current:		
Financing Leases	\$ 4,872	\$ 5,028
Operating Leases	-	171,802
Noncurrent:		
Financing Leases	22,915	3,345
Total	\$ 27,787	\$ 180,175
Finance Lease Costs:		
Amortization of ROU Assets	\$ 4,888	\$ 4,955
Interest on Lease Liabilities	161	131
Operating Lease Costs	104,400	104,400
Total	\$ 109,449	\$ 109,486
Other Information:		
Operating Cash Flows from Finance Leases	\$ 161	\$ 131
Operating Cash Flows from Operating Leases	\$ 174,000	\$ 174,000
Financing Cash Flows from Finance Leases	\$ 4,901	\$ 4,969
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liability	\$ 22,100	\$ -
Weighted Average Remaining Lease Term - Finance Leases	4.8 Years	1.7 Years
Weighted Average Remaining Lease Term - Operating Leases	0.0 Years	1.0 Years
Weighted Average Discount Rate - Finance Leases	3.90%	1.18%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2025 is as follows:

<u>Year Ending December 31,</u>	<u>Operating</u> <u>Leases</u>	<u>Finance</u> <u>Leases</u>
2026	\$ -	\$ 4,872
2027	-	4,872
2028	-	4,872
2029	-	4,872
2030	-	10,417
Total Lease Payments	-	29,905
Less: Interest	-	(2,118)
Present Value of Lease Liabilities	\$ -	\$ 27,787

**SUMMIT ACADEMY OIC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 10 SOLAR ARRAY AGREEMENT

During the year 2020, Summit Academy OIC entered into three separate agreements to purchase power from Green2Solar Leasing. The power will be generated from the solar array atop of the Organization's building. The agreements require Summit Academy OIC to purchase the solar equipment from another Organization, Ideal Energies, for a total of \$545,000. As part of the agreements with Green2Solar Leasing, Summit Academy OIC was advanced \$545,000 from Green2Solar Leasing as a pre-payment on the agreement. Summit Academy OIC used these proceeds to purchase the solar equipment.

As a result of the agreements, Summit Academy OIC has a utility contract obligation of \$545,000 which is presented as a liability on the statement of financial position. The utility contract obligation will be amortized over the life of the agreement with Green2Solar Leasing. Approximately \$275,000 will be amortized over 13 years and \$270,000 will be amortized over 17 years. As of June 30, 2025 and 2024, the utility contract obligation was \$332,042 and \$369,078, respectively.

NOTE 11 RENTAL INCOME

The Organization has a lease agreement to lease part of their building to Summit Early Learning Center, Inc. Effective January 1, 2016, rent on this lease is based on a month-to-month basis with monthly payments of \$10,800. The month to month lease ended October 2024. The total lease amount for each of the fiscal years 2025 and 2024 was \$43,200 and \$129,600, respectively.

NOTE 12 EMPLOYEE BENEFIT PLAN

The Organization has a 401(k) profit-sharing plan to which it makes an annually determined discretionary contribution up to a maximum of 4% of employee compensation. All employees who meet certain minimum employment and age requirements are eligible to participate. The Organization's discretionary contribution to the plan was \$185,657 and \$149,482 for 2025 and 2024, respectively.

**SUMMIT ACADEMY OIC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 13 CONTRIBUTED NONFINANCIAL ASSETS

The Organization received the following contributions of nonfinancial assets for the years ended June 30:

	2025	2024	Fair Value Techniques
Other - Supplies for Golf Event			Estimated at the fair value as of
	-	29,790	the date of donation based on retail prices
Total Contributed Non-Financial Assets	\$ -	\$ 29,790	

All donated services and assets were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets. The information technology supplies contributed are used by students during their training courses. The other contributed assets consist of items that the Organization uses as prizes during their annual campaign.

NOTE 14 RELATED PARTY TRANSACTIONS

The Organization had outstanding contribution receivables from trustee board members of \$350,000 and \$695,000 as of the years ended June 30, 2025 and 2024, respectively. During the years ending June 30, 2025 and 2024, the Organization had contributions from trustee board members and management of \$131,779 and \$102,353, respectively. Additionally, during the year, the Organization had construction services provided by a Company for which two of the board members are owners. There is an accounts payable to the related party vendors for \$1,738,054 as of June 30, 2025. The costs incurred to the related party vendors was \$1,960,000 for the year ended June 30, 2025.

NOTE 15 CONTINGENCY AND PROJECT COMMITMENTS

In the normal course of business, the Academy has claims made against them. As of June 30, 2025, the amount and likelihood of loss is not determined. The Academy believes these claims are without merit and intends to vigorously defend the matters.

As of June 30, 2025, the Academy has contractual obligations totaling \$3,061,382. These commitments reflect the organization's strategic investment in infrastructure, technology, and operational improvements. The project is expected to be completed in fiscal year 2026, and all expenditures are aligned with approved budgets and funding sources. Management has reviewed all related agreements and confirms that adequate resources are available to fulfill these obligations. Any changes to scope or funding will be disclosed in future reporting periods.

**SUMMIT ACADEMY OIC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 16 COMPOSITE SCORE

The Organization participates in various federally funded student financial aid programs. Under regulatory provisions of these programs, the Organization is required to demonstrate financial responsibility by meeting a certain composite score based on a formula developed by the Department of Education. This score uses financial ratios based on the Organization's audited financial statements. The composite score calculated reflects the overall relative financial health of institutions along a scale of negative 1.0 to positive 3.0.

The composite score for the year ended June 30, 2025 is as follows:

Primary Reserve Ratio:				
Expendable Net Assets		\$	8,098,198	
Total Expenses		\$	13,393,893	<u>0.60</u>
Equity Ratio:				
Modified Net Assets		\$	16,282,751	
Modified Assets		\$	19,877,903	<u>0.82</u>
Net Income Ratio:				
Change in Net Assets Without Donor Restrictions		\$	(1,290,437)	
Total Revenues/Gains		\$	12,417,388	<u>(0.10)</u>

RATIO	Ratio	Strength Factor	Weight	Composite Scores
Primary Reserve Ratio	0.6046	3.0000	40%	1.2000
Equity Ratio	0.8191	3.0000	40%	1.2000
Net Income Ratio	-0.1039	-1.0000	20%	<u>(0.2000)</u>
				<u>2.2000</u>

**SUMMIT ACADEMY OIC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 16 COMPOSITE SCORE (CONTINUED)

Net Assets

Net assets with donor restrictions: restricted in perpetuity	\$	1,278,578
Other net assets with donor restrictions (not restricted in perpetuity):		
a. Annuities with donor restrictions	\$	-
b. Term endowments		-
c. Life income funds (trusts)		-
d. Total annuities, term endowments, and life income funds with donor restrictions	<u>\$</u>	<u>-</u>

Property, Plant, and Equipment, net

Pre-implementation property, plant, and equipment, net		
a. Ending balance of pre-implementation as of June 30, 2025	\$	3,211,764
b. Reclassify capital lease assets previously included in PPE, net prior to the implementation of ASU 2016-02 leases standard		-
c. Less subsequent depreciation and disposals (net of accumulated depreciation)		<u>(2,815)</u>
d. Balance pre-implementation property, plant, and equipment, net		<u>3,208,949</u>

Debt financed post-implementation property, plant, and equipment, net

Long-lived assets acquired with debt subsequent to June 30, 2020:		
a. Equipment		-
b. Land improvements		-
c. Building		-
d. Total property, plant, and equipment, net acquired with debt exceeding 12 months		<u>-</u>

Construction in progress - acquired subsequent to June 30, 2020 1,996,697

Post-implementation property, plant, and equipment, net, acquired without debt:

a. Long-lived assets acquired without use of debt subsequent to June 30, 2020		1,706,753
---	--	-----------

Total Property, Plant, and Equipment, net - June 30, 2025 \$ 6,912,399

Debt to be excluded from expendable net assets

Pre-implementation debt:

a. Ending balance of pre-implementation as of June 30, 2021	\$	-
b. Reclassify capital leases previously included in long-term debt prior to the implementation of ASU 2016-02 leases standard.		-
c. Less subsequent debt repayments		<u>-</u>
d. Balance Pre-implementation Debt		<u>-</u>

Allowable post-implementation debt used for capitalized long-lived assets:

a. Equipment - all capitalized		-
b. Land improvements		-
c. Buildings		-
d. Balance Post-implementation Debt		<u>-</u>

Construction in progress (CIP) financed with debt or line of credit -

Long-term debt not for the purchase of property, plant, and equipment or liability greater than assets value -

\$ -

**SUMMIT ACADEMY OIC
FINANCIAL RESPONSIBILITY RATIO SUPPLEMENTAL SCHEDULE
JUNE 30, 2025**

Primary Reserve Ratio:			
		Expendable Net Assets:	
1	Statement of Financial Position (SFP)	Net assets without donor restrictions	\$ 13,031,819
2	SFP	Net assets with donor restrictions	\$ 3,250,932
3	Note 7	Net assets restricted in perpetuity	\$ 1,278,578
4	N/A	Unsecured related-party receivable	\$ -
5	N/A	Donor restricted annuities, term endowments, life income funds	\$ -
6	Note 13	Property, plant, and equipment pre-implementation	\$ 3,208,949
7	Note 13	Property, plant, and equipment post-implementation with outstanding debt for original purchase	\$ -
8	N/A	Construction in progress purchased with long-term debt	\$ 1,996,697
9	Note 13	Post-implementation property, plant, and equipment, net, acquired without debt	\$ 1,706,753
10	N/A	Lease right-of-use asset, pre-implementation (grandfather of leases option not chosen)	\$ -
11	N/A	Lease right-of-use asset, post-implementation	\$ 21,363
12	N/A	Intangible assets	\$ -
13	N/A	Post-employment and pension liabilities	\$ -
14	Note 13	Long-term debt - for long-term purposes pre-implementation	\$ -
15	Note 13	Long-term debt - for long-term purposes post-implementation	\$ -
16	N/A	Line of credit for construction in progress	\$ -
17	N/A	Pre-implementation right-of-use asset liability	\$ -
18	N/A	Post-implementation right-of-use asset liability	\$ 27,787
		Total Expenses and Losses:	
19	Statement of Activities (SOA)	Total expenses (operating and nonoperating) without donor restrictions	\$ 13,393,893
20	N/A	Nonservice component of pension/postemployment (nonoperating) cost, (if loss)	\$ -
21	N/A	Sale of fixed assets (if loss)	\$ -
22	N/A	Change in value of interest-rate swap agreements (if loss)	\$ -
		Equity Ratio:	
		Modified Net Assets:	
23	SFP	Net assets without donor restrictions	\$ 13,031,819
24	SFP	Net assets with donor restrictions	\$ 3,250,932
25	N/A	Lease Right-of-use asset - Pre-implementation	\$ -
26	N/A	Lease Right-of-use liability - Pre-implementation	\$ -
27	N/A	Intangible assets	\$ -
28	N/A	Unsecured related-party receivables	\$ -
		Modified Assets:	
29	SFP	Total assets	\$ 19,877,903
30	N/A	Lease right-of-use asset pre-implementation	\$ -
31	N/A	Intangible assets	\$ -
32	N/A	Unsecured related-party receivables	\$ -
		Net Income Ratio:	
33	SOA	Change in Net Assets Without Donor Restrictions	\$ (1,290,437)
		Total Revenues and Gains Without Donor Restriction:	
34	SOA	Total operating revenue (including net assets released from restrictions)	\$ 12,103,456
35	SOA	Investments gain, net (aggregate operating and nonoperating interest, dividends, realized and unrealized gains)	\$ 313,932
36	SOA	Nonservice component of pension/postemployment (nonoperating) cost (if gain)	\$ -
37	SOA	Pension-related changes other than net periodic pension costs (if gain)	\$ -
38	SOA	Change in value of annuity agreement (typically in nonoperating)	\$ -
39	SOA	Change in value of interest-rate swap agreements (if gain)	\$ -
40	N/A	Sale of fixed assets (if gain)	\$ -
41	SOA	Other gains	\$ -



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