

Wallace Stegner Academy Board of Directors Meeting



Date: Tuesday, January 14, 2025

Time: 5:30 PM

Location: 980 Bending River Road; Salt Lake City, UT 84104

Wallace Stegner Academy will foster a community of active learners through academic rigor and citizenship by providing an opportunity for students to achieve academic excellence.

AGENDA

CALL TO ORDER

CONSENT ITEMS

- December 3, 2024, Board Meeting & Closed Session Minutes

BOARD TRAINING

- Eide Bailly Audit Presentation & Training

PUBLIC COMMENT (Comments will be limited to three minutes)

REPORTS

- Directors' Report
- Finance Report

VOTING AND DISCUSSION ITEMS

- Amended Budget
- Award RFP for Food Service Equipment and Fixtures
- 2025-2026 School Year Calendar
- Satellite Discussion

CALENDARING

- Next Board Meeting is Scheduled for March 20, 2025 @ 5:30 PM.
- USCSB Satellite Interview January 16th, 2025 @ 8:00 AM.

ADJOURN

In compliance with the Americans with Disabilities Act, persons needing accommodations for this meeting should call 801-444-9378 to make appropriate arrangements. One or more board members may participate electronically or telephonically pursuant to UCA 52-4-207.



The Board of Directors
Wallace Stegner Academy
980 Bending River Rd W
Salt Lake City, UT 84104

We have audited the financial statements of Wallace Stegner Academy as of and for the year ended June 30, 2024, and have issued our report thereon dated November 21, 2024. 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* and our Compliance Audit under the Uniform Guidance

As communicated in our letter dated May 15, 2024, 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 and to express an opinion on whether Wallace Stegner Academy complied with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on Wallace Stegner Academy's major federal program. Our audit of the financial statements and major program compliance does not relieve you or management of your 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 Wallace Stegner Academy solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of Wallace Stegner Academy's major federal program compliance, is to express an opinion on the compliance for Wallace Stegner Academy's major federal program based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the Wallace Stegner Academy's internal control over compliance.

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 comments regarding internal controls during our audit in 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 21, 2024. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance with Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated November 21, 2024.

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.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Wallace Stegner Academy is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024. 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.

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 sensitive accounting estimates were identified.

Financial Statement Disclosures

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

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 misstatements 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. We did not identify any circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated November 21, 2024.

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 Wallace Stegner Academy, 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 conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Wallace Stegner Academy's auditors.

This report is intended solely for the information and use of the Board of Directors and management of Wallace Stegner Academy and is not intended to be, and should not be, used by anyone other than these specified parties.



Ogden, Utah



Financial Statements
June 30, 2024

Wallace Stegner Academy

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Financial Statements	
Statement of Net Position	9
Statement of Activities.....	10
Balance Sheet – Governmental Funds	11
Reconciliation for Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenue, Expenditures, and Changes in Fund Balance – Governmental Funds	13
Reconciliation of Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balance to the Statement of Activities	15
Notes to Financial Statements	16
Required Supplementary Information	
Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	27
Notes to Required Supplementary Information	29
Supplemental Report in Compliance with Government Auditing Standards, Federal Awards Reports in Accordance with Uniform Guidance, State of Utah Legal Compliance Reports as Required by the State Compliance Audit Guide	
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 <i>Government Auditing Standards</i>	30
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	32
Schedule of Expenditures of Federal Awards	35
Notes to Schedule of Expenditures of Federal Awards	36
Schedule of Findings and Questioned Costs	37
Independent Auditor's Report on Compliance and Report on Internal Control over Compliance as Required by the <i>State Compliance Audit Guide</i>	39



Independent Auditor's Report

The Board of Directors
Wallace Stegner Academy
Salt Lake City, 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 Wallace Stegner Academy (the School) as of and for the year ended June 30, 2024, 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, 2024, 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.

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 and 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is 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 basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, 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.



Ogden, Utah
November 21, 2024

The discussion and analysis of the Wallace Stegner Academy's (the School) financial performance provides an overall review of financial activities for the fiscal year.

FINANCIAL HIGHLIGHTS

During fiscal year 2024, the School had an increase of federal and state funding due to an increase in the Weighted Pupil Unit (WPU) by 6%, the Local Replacement Funds (LRF) by 6%, and an increase in enrollment with the second campus. The School will continue to manage its budget and available resources efficiently to maximize student outcomes and retain its valuable teaching staff.

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) provides 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

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 11-15 of this report.

Notes

The notes to the financial statements starting on page 16 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 is strong and has increased from the prior year.

	2024	2023
Assets		
Current and other assets	\$ 8,347,633	\$ 8,639,398
Capital assets	<u>28,862,563</u>	<u>27,307,857</u>
Total assets	<u><u>\$ 37,210,196</u></u>	<u><u>\$ 35,947,255</u></u>
Liabilities		
Current and other liabilities	\$ 1,075,585	\$ 940,362
Long-term liabilities	<u>31,284,272</u>	<u>31,924,897</u>
Total liabilities	<u><u>32,359,857</u></u>	<u><u>32,865,259</u></u>
Net Position		
Net investment in capital assets	(2,336,604)	(4,454,995)
Restricted	4,602,106	4,550,554
Unrestricted	<u>2,584,837</u>	<u>2,986,437</u>
Total net position	<u><u>\$ 4,850,339</u></u>	<u><u>\$ 3,081,996</u></u>

A portion of the School's net position is the investments in capital assets (i.e., land, buildings, construction in progress, furniture and equipment, computers, and capital improvements) 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. The negative net investment in capital assets is due to cumulative depreciation of the respective capital assets exceeding the cumulative principal repayments on the related long-term debt. 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 2024 and 2023. The School relied on state and federal support for 96% of its governmental activities for the year ended June 30, 2024. The School had total revenue of \$18,042,381 and total expenses of \$16,274,038 during the year ended June 30, 2024. The School had an increase in net position of \$1,768,343 during the year ended June 30, 2024. The increase in net position was due to increased state and federal funding and careful budgeting throughout the year.

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Revenue			
Program revenue			
State and federal aid	\$ 17,343,139	\$ 14,682,981	\$ 2,660,158
Charges for services	118,095	104,259	13,836
Operating grants and contributions	94,140	5,558	88,582
Interest earnings	328,343	270,247	58,096
Other local revenue	158,664	81,622	77,042
Total revenue	<u>18,042,381</u>	<u>15,144,667</u>	<u>2,897,714</u>
Expenses			
Instructional	8,433,027	6,092,282	2,340,745
Support services			
Students	831,325	712,283	119,042
Staff assistance	238,746	400,311	(161,565)
General	20,000	-	20,000
School administration	1,548,344	1,412,557	135,787
Central services	793,681	672,276	121,405
Operation and maintenance of facilities	1,282,609	1,028,423	254,186
Transportation	50,834	47,246	3,588
School food services	1,424,669	1,132,549	292,120
Facilities acquisition and construction services	-	404,943	(404,943)
Interest and other costs	1,650,803	1,823,607	(172,804)
Total expenses	<u>16,274,038</u>	<u>13,726,477</u>	<u>2,547,561</u>
Change in Net Position	<u>\$ 1,768,343</u>	<u>\$ 1,418,190</u>	<u>\$ 350,153</u>

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 \$7,341,031, which is a decrease of \$427,763 from the prior year. The decrease is a result of expenditures exceeding revenue because of purchases of equipment and the ongoing construction costs for the new third campus during fiscal year 2024.

Expenditures for general School purposes totaled \$18,470,144, which is a decrease of \$11,591,990 from the prior year. The large decrease is primarily due to a significant decrease in capital outlay as projects are being completed.

General fund salaries totaled \$8,676,902, while the associated fringe benefits of retirement, social security, unemployment, workers compensation, health, dental, and vision added \$1,238,051 to arrive at 54% 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 \$1,541 less than the amended budget. The School spent funds according to specific purchasing plans for the current and upcoming school year.

Capital Assets

The School has invested \$30,957,651 in a wide range of capital assets but primarily in land and buildings. The total accumulated depreciation on these assets amounts to \$2,095,088. There were capital asset additions of \$2,315,836 for fiscal year 2024. Additional information regarding the School's capital assets can be found in Note 3 to the basic financial statements.

Long-Term Debt

Long-term debt consists of a \$85,105 note payable with the Utah State Board of Education that bears interest at 2.00% and matures in July 2025. The School has outstanding 2019 series bonds totaling \$12,030,000, with rates ranging from 3.63% to 5.00% and matures in June 2049. The School also has outstanding 2022 series bonds totaling \$19,169,167, net of bond premium, with rates ranging from 5.25% - 5.75% and matures June 2052. The School is required to meet certain covenants including debt coverage and cash available as defined in the agreements. See Note 4 to the basic financial statements for more information about long-term debt.

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 School at 980 Bending River Road, Salt Lake City, Utah 84104, or by phone at 801-456-9570.

Wallace Stegner Academy
Statement of Net Position
June 30, 2024

	<u>Governmental Activities</u>
Assets	
Cash and investments	\$ 3,630,561
Restricted cash and investments	4,039,189
State receivables	326,216
Federal receivables	231,001
Other receivables	10,767
Prepaid expenses	109,899
Capital assets (not subject to depreciation)	3,776,107
Capital assets (net of accumulated depreciation)	<u>25,086,456</u>
Total assets	<u>37,210,196</u>
Liabilities	
Accounts payable	9,096
Accrued liabilities	997,506
Accrued interest	68,983
Long-term liabilities	
Due within one year - bonds and note payables	643,493
Due in more than one year - bonds and note payables	<u>30,640,779</u>
Total liabilities	<u>32,359,857</u>
Net Position	
Net investment in capital assets	(2,336,604)
Restricted for	
Educator professional time	29,904
School lunch program	533,013
Debt service	4,039,189
Unrestricted	<u>2,584,837</u>
Total net position	<u><u>\$ 4,850,339</u></u>

Wallace Stegner Academy
Statement of Activities
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenue		Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<i>Governmental activities</i>				
Instructional	\$ 8,433,027	\$ -	\$ 9,844,570	\$ 1,411,543
Support services				
Students	831,325	-	-	(831,325)
Staff assistance	238,746	-	-	(238,746)
General	20,000	-	-	(20,000)
School administration	1,548,344	-	-	(1,548,344)
Central services	793,681	-	-	(793,681)
Operation and maintenance of facilities	1,282,609	-	-	(1,282,609)
Transportation	50,834	-	-	(50,834)
School food services	1,424,669	118,095	1,085,853	(220,721)
Interest and other costs	1,650,803	-	-	(1,650,803)
Total Governmental Activities	<u>\$ 16,274,038</u>	<u>\$ 118,095</u>	<u>\$ 10,930,423</u>	<u>(5,225,520)</u>
General Revenue				
Grants and contributions not restricted to specific programs				
State aid				6,506,856
Local revenue				158,664
Interest earnings				<u>328,343</u>
Total general revenue				<u>6,993,863</u>
Change in Net Position				1,768,343
Net Position, Beginning of Year				<u>3,081,996</u>
Net Position, End of Year				<u>\$ 4,850,339</u>

Wallace Stegner Academy
Balance Sheet – Governmental Funds
June 30, 2024

	<u>General</u>
Assets	
Cash and investments	\$ 3,630,561
Restricted cash and investments	4,039,189
State receivables	326,216
Federal receivables	231,001
Other receivables	10,767
Prepaid expenses	<u>109,899</u>
Total assets	<u><u>\$ 8,347,633</u></u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 9,096
Accrued liabilities	<u>997,506</u>
Total liabilities	<u>1,006,602</u>
Fund Balance	
Nonspendable	
Prepaid expenses	109,899
Restricted for	
Educator professional time	29,904
School lunch program	533,013
Debt service	4,039,189
Unassigned	<u>2,629,026</u>
Total fund balance	<u>7,341,031</u>
	<u><u>\$ 8,347,633</u></u>

Wallace Stegner Academy
Reconciliation for Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Total Fund Balance - Governmental Funds	\$ 7,341,031
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The cost of capital assets (land, buildings, construction in progress, furniture and equipment, computers, and capital improvements) 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 expense) to the various programs reported as governmental activities in the statement of activities. Because depreciation expense does not affect financial resources, it is not reported in government funds.

Costs of capital assets	30,957,651	
Depreciation expense to date	<u>(2,095,088)</u>	
		28,862,563

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		
Bonds and note payables	(31,284,272)	
Accrued interest	<u>(68,983)</u>	
		<u>(31,353,255)</u>

Net Position	\$ <u><u>4,850,339</u></u>
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Wallace Stegner Academy
Statement of Revenue, Expenditures, and Changes in Fund Balance – Governmental Funds
Year Ended June 30, 2024

	<u>General</u>
Revenue	
State aid	\$ 14,908,813
Federal aid	2,419,655
Earnings on investments	328,343
School lunch sales	118,095
Other local sources	<u>252,804</u>
Total revenue	<u>18,027,710</u>
Expenditures	
Instructional	<u>8,433,027</u>
Support services	
Students	831,325
Staff assistance	238,746
General	20,000
School administration	1,548,344
Central services	793,681
Operation and maintenance of facilities	521,478
Transportation	<u>50,834</u>
Total support services	<u>4,004,408</u>
Non-instructional	
School food services program	1,424,669
Capital outlay	<u>2,315,836</u>
Total non-instructional	<u>3,740,505</u>
Debt service	
Principal	616,940
Interest and other costs	<u>1,675,264</u>
Total debt service	<u>2,292,204</u>
Total expenditures	<u>18,470,144</u>

Wallace Stegner Academy
Statement of Revenue, Expenditures, and Changes in Fund Balance – Governmental Funds
Year Ended June 30, 2024

	<u>General</u>
Deficiency of Revenue Under Expenditures	(442,434)
Other Financing Sources	
Proceeds on sale of capital asset	<u>14,671</u>
Net Change in Fund Balance	(427,763)
Fund Balance, Beginning of Year	<u>7,768,794</u>
Fund Balance, End of Year	<u><u>\$ 7,341,031</u></u>

Wallace Stegner Academy
Reconciliation of Governmental Funds Statement of Revenue, Expenditures,
and Changes in Fund Balance to the Statement of Activities
Year Ended June 30, 2024

Total Net Change in Fund Balance - Governmental Funds	\$ (427,763)
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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 expense. This is the amount by which capital outlay exceeded depreciation expense during the fiscal year:

Capital outlay	2,315,836	
Depreciation expense	(761,131)	
		1,554,705

The governmental funds report repayment of long-term liability payments as expenditures and the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. 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 bonds and related items is as follows:

Repayment of bonds and note payables	616,940	
Amortization of bond premium	23,685	
Change in accrued interest	776	
		641,401

Change in Net Position of Governmental Activities	\$ 1,768,343
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Note 1 - Summary of Significant Accounting Policies

Wallace Stegner Academy (the School) was formed in 2015 and is a nonprofit institution which was organized under the nonprofit corporation laws of the State of Utah. The School was organized as a college preparatory school for the purpose of preparing students for their future careers as high school students, university students, and beyond by fostering a community of active learners through academic rigor and citizenship. 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 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**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 (generally 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. The School has employees who do not work year-round but receive salary payments on a monthly basis; salaries earned, but unpaid, have been accrued as of June 30, 2024.

Restricted Cash and Investments

Cash and investments restricted for debt service is cash and investments set aside for bonds payable reserve requirements.

Investments

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Receivables

All receivables are shown net of any allowance for uncollectible amounts. No allowances for uncollectible items have been recorded as of June 30, 2024.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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 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. The School's capitalization threshold is \$5,000. The cost of normal maintenance and repairs not adding to the value of the asset or materially extending asset lives are not capitalized. Straight-line depreciation is used based on the following estimated useful lives:

Buildings	40 years
Furniture and equipment	7 years
Computers	5 years
Capital improvements	20 years

Long-Term Liabilities

For government-wide reporting, material premiums and discounts are deferred and amortized over the life of the debt using the straight-line method, which approximates the effective interest method. Debt is reported net of the applicable premium or discount. Issuance costs are expensed as incurred.

For fund financial reporting, premiums and discounts as well as issuance costs are recognized in the period the debt is issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

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 a fund balance based on classifications that comprise a hierarchy 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 Co-Executive Directors or their 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.

Note 2 - Cash and Investments

At June 30, 2024, the School's cash and investments consisted of the following:

Cash			
Insured		\$	250,000
Uninsured and not collateralized			<u>330,880</u>
Total balance of deposits		\$	<u><u>580,880</u></u>
	<u>Rating</u>	<u>Fair Value</u>	<u>Investment</u>
Investments			<u>Maturities</u>
PTIF	Unrated	\$ <u>7,088,870</u>	Less than 1 year
Total cash and investments		\$ <u><u>7,669,750</u></u>	

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.

Statutes authorize the School to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the state; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Act (Utah Code, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on a fair value basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

Fair Value of Investments

The School measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and
- Level 3: Unobservable inputs.

The investments consist only of PTIF funds which are classified as Level 2. The PTIF funds use the application of the June 30, 2024, fair value as calculated by the Utah State Treasurer to the School's average daily balance in the Fund. The School currently has no assets that qualify for Level 1 or 3 investments. The following table illustrates the investments by the appropriate levels for the School:

	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
June 30, 2024				
PTIF	\$ 7,088,870	\$ -	\$ 7,088,870	\$ -

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, 2023	Additions	Deletions	Transfers	June 30, 2024
Capital assets, not subject to depreciation					
Land	\$ 3,498,651	\$ -	\$ -	\$ -	\$ 3,498,651
Construction in progress	1,937,714	277,456	-	(1,937,714)	277,456
	<u>5,436,365</u>	<u>277,456</u>	<u>-</u>	<u>(1,937,714)</u>	<u>3,776,107</u>
Capital assets, subject to depreciation					
Buildings	22,112,880	976,761	-	1,937,714	25,027,355
Furniture and equipment	249,884	79,994	(48,610)	-	281,268
Computers	229,978	981,625	-	-	1,211,603
Capital improvements	661,318	-	-	-	661,318
	<u>23,254,060</u>	<u>2,038,380</u>	<u>(48,610)</u>	<u>1,937,714</u>	<u>27,181,544</u>
Less accumulated depreciation for					
Buildings	(1,123,466)	(643,694)	-	-	(1,767,160)
Furniture and equipment	(117,979)	(33,293)	48,610	-	(102,662)
Computers	(93,535)	(51,078)	-	-	(144,613)
Capital improvements	(47,587)	(33,066)	-	-	(80,653)
	<u>(1,382,567)</u>	<u>(761,131)</u>	<u>48,610</u>	<u>-</u>	<u>(2,095,088)</u>
Total capital assets, subject to depreciation	<u>21,871,493</u>	<u>1,277,249</u>	<u>-</u>	<u>-</u>	<u>25,086,456</u>
Total capital assets, net	<u>\$27,307,858</u>	<u>\$ 1,554,705</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$28,862,563</u>

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

Note 4 - Long-Term Liabilities

A summary of activity for the long-term liabilities is as follows:

	Balance at June 30, 2023	Additions	Retirements	Balance at June 30, 2024	Due Within One Year
Note payable	\$ 162,045	\$ -	\$ (76,940)	\$ 85,105	\$ 78,493
Series 2019					
bonds payable	12,290,000	-	(260,000)	12,030,000	270,000
Series 2022					
bonds payable	19,080,000	-	(280,000)	18,800,000	295,000
Bonds premium	392,852	-	(23,685)	369,167	-
	<u>\$ 31,924,897</u>	<u>\$ -</u>	<u>\$ (640,625)</u>	<u>\$ 31,284,272</u>	<u>\$ 643,493</u>

Long-term liabilities as of June 30, 2024, consist of the following:

Promissory note issued by the Utah State Board of Education and had an original issue amount of \$299,976. The note bears interest at 2.00%. The note requires monthly payments of principal and interest of \$6,623 through July 2025. The proceeds were used for general operations.

\$ 85,105

Series 2019 Revenue Bonds have rates between 3.63% - 5.00%. The bonds were issued during fiscal year 2020 for \$13,125,000. Variable annual principal and semi-annual interest payments are required through June 2049. The bonds were sold at a premium, which is being amortized using the effective interest rate method over the life of the bonds. The proceeds were used to purchase a school building. The School is required to meet certain covenants including debt coverage and cash available as defined by their bonds payable agreement.

12,030,000

Series 2022 Revenue Bonds have rates between 5.25% - 5.75%. The bonds were issued during fiscal year 2022 for \$19,240,000. Variable annual principal and semi-annual interest payments are required through June 2052. The proceeds were used to purchase a school building. The School is required to meet certain covenants including debt coverage and cash available as defined by their bonds payable agreement.

	<u>18,800,000</u>
	30,915,105
Bond premium, net	<u>369,167</u>
	<u><u>\$ 31,284,272</u></u>

The annual requirements to pay principal and interest on the outstanding long-term liabilities is as follows:

Years Ending	Principal	Interest	Total
2025	\$ 643,493	\$ 1,642,083	\$ 2,285,576
2026	596,612	1,615,837	2,212,449
2027	615,000	1,589,319	2,204,319
2028	645,000	1,561,663	2,206,663
2029	675,000	1,532,676	2,207,676
2030-2034	3,910,000	7,128,551	11,038,551
2035-2039	5,065,000	5,976,406	11,041,406
2040-2044	6,565,000	4,469,344	11,034,344
2045-2049	8,550,000	2,490,213	11,040,213
2050-2052	<u>3,650,000</u>	<u>427,513</u>	<u>4,077,513</u>
Total	<u><u>\$ 30,915,105</u></u>	<u><u>\$ 28,433,605</u></u>	<u><u>\$ 59,348,710</u></u>

Note 5 - Concentrations

The School's principal source of support is state and federal-based support revenue. For the year ended June 30, 2024, these funding sources accounted for approximately 83% and 13%, respectively, of all revenue.

Note 6 - Benefit Plan

The School has a defined contribution retirement plan covering all full-time, salaried employees. The plan is administered by Helpside, an outsourcing company that the School has contracted with to perform its payroll and retirement functions. Eligible employees may contribute into an account at their option and discretion. The School matches up to 100% of employee contributions that do not exceed 6% of the employee's salary. For the year ended June 30, 2024, the School matched \$275,832.



Required Supplementary Information
June 30, 2024

Wallace Stegner Academy

Wallace Stegner Academy
Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenue				
State aid	\$ 13,989,526	\$ 14,154,698	\$ 14,908,813	\$ 754,115
Federal aid	1,720,266	2,442,651	2,419,655	(22,996)
Earnings on investments	250,000	315,000	328,343	13,343
School lunch sales	95,000	105,000	118,095	13,095
Other local sources	95,000	250,000	252,804	2,804
Total revenue	16,149,792	17,267,349	18,027,710	760,361
Expenditures				
Instructional	8,032,019	8,451,913	8,433,027	18,886
Support services				
Students	742,882	661,259	831,325	(170,066)
Staff assistance	505,320	380,250	238,746	141,504
General	-	-	20,000	(20,000)
School administration	1,801,577	1,777,603	1,548,344	229,259
Central services	706,000	604,762	793,681	(188,919)
Operation and maintenance of facilities	631,629	679,937	521,478	158,459
Transportation	35,000	35,000	50,834	(15,834)
Total support services	4,422,408	4,138,811	4,004,408	134,403
Non-instructional				
School food services program	1,200,000	1,280,421	1,424,669	(144,248)
Capital outlay	-	2,315,837	2,315,836	1
Total non-instructional	1,200,000	3,596,258	3,740,505	(144,247)
Debt service				
Principal	616,940	616,940	616,940	-
Interest and other costs	1,667,763	1,667,763	1,675,264	(7,501)
Total debt service	2,284,703	2,284,703	2,292,204	(7,501)
Total expenditures	15,939,130	18,471,685	18,470,144	1,541

Wallace Stegner Academy

Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund

Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Excess (Deficiency) of Revenue over (under) Expenditures	210,662	(1,204,336)	(442,434)	761,902
Other Financing Sources				
Proceeds on sale of capital asset	-	14,671	14,671	-
Budget from surplus	-	1,189,665	-	(1,189,665)
Total other financing sources	-	1,204,336	14,671	(1,189,665)
Net Change in Fund Balance	\$ 210,662	\$ -	\$ (427,763)	\$ (427,763)

Note 1 - Basis of Budgeting

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

1. The School's Co-Executive Directors are appointed as the budget officers. 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 Co-Executive Directors for public inspection at least 15 days before the date of the tentative 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.



Supplementary Report in Compliance with
Government Auditing Standards, Federal
Awards Reports in Accordance with Uniform
Guidance, State of Utah Legal Compliance
Reports as Required by the *State Compliance
Audit Guide*

June 30, 2024

Wallace Stegner Academy



**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
Wallace Stegner Academy
Salt Lake City, 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 (*Government Auditing Standards*), the financial statements of the governmental activities and the major fund of Wallace Stegner Academy (the School), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated November 21, 2024.

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 or significant deficiencies may exist that were not 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Ogden, Utah
November 21, 2024



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Directors
Wallace Stegner Academy
Salt Lake City, Utah

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Wallace Stegner Academy's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Wallace Stegner Academy's major federal programs for the year ended June 30, 2024. Wallace Stegner Academy's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Wallace Stegner Academy complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001, to be a material weakness.

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

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

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



Ogden, Utah
November 21, 2024

Wallace Stegner Academy
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Pass-Through Entity Identifying Number	Expenditures
<u>U.S. Department of Education</u>			
Passed Through the Utah State Office of Education:			
Special Education Cluster			
Special Education Grants to States	84.027	H027A220059, H027A230059	\$ 204,354
Total Special Education Cluster			<u>204,354</u>
Title I Grants to Local Educational Agencies	84.010	S010A210044	313,507
Title IIA Supporting Effective Instruction	84.367	S367A210042	26,824
Title IVA to Title IIA Student Support and Academic Enrichment Program	84.424A	S424A210046	22,113
Education Stabilization Funds			
COVID-19 Elementary and Secondary School Education Relief II	84.425D	S425D210032	39,506
COVID-19 Elementary and Secondary School Education Relief III	84.425D	S425U210032	727,498
Total Education Stabilization Funds			<u>767,004</u>
Total U.S. Department of Education			<u>1,333,802</u>
<u>U.S. Department of Agriculture</u>			
Passed through Utah State Office of Education:			
Child Nutrition Cluster			
National School Lunch Program	10.555	236UT311N1099	492,580
Total Child Nutrition Cluster			<u>492,580</u>
Child and Adult Care Food Program	10.558	236UT311N1099	964,733
Total U.S. Department of Agriculture			<u>1,457,313</u>
Total Federal Financial Assistance			<u>\$ 2,791,115</u>

Note 1- Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Wallace Stegner Academy (the School) under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net position, or changes in fund balance of the School.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

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

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516 (a):	Yes

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Federal Financial Assistance Listing</u>
COVID-19 Education Stabilization Funds	84.425D
Child and Adult Care Food Program	10.558
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

2024-001 U.S. Department of Education, Utah State Office of Education, Federal Financial Assistance Listing 84.425D and 84.425U, S425D210032, S425U210032

Reporting

Material Weakness in Internal Control over Compliance

Criteria: Wallace Stegner Academy should have policies and procedures in place to ensure that the required annual performance report is prepared accurately before submission to the State.

Condition: In connection with the audit procedures performed, it was noted that Wallace Stegner Academy reported incorrect amounts of all ESSER expenditures by specific positions and incorrect number of full-time equivalent positions supported with ESSER funds. These items were not considered to be key line items.

Cause: Wallace Stegner Academy did not properly review their records to determine the correct amount ESSER expenditures by specific positions and the number of full-time equivalent positions supported with ESSER funds.

Effect: Wallace Stegner Academy could be out of compliance with 84.425 Education Stabilization Funds reporting requirements as their review process may not identify inaccuracies.

Questioned Costs: None reported

Context: In connection with the audit procedures performed, it was noted that the required annual performance report did not report program expenditures correctly.

Repeat Finding from Prior Year: Yes

Recommendation: Wallace Stegner Academy should contact the State of Utah and report the correct amount of all ESSER expenditures by specific positions and the number of full-time equivalent positions supported with ESSER funds.

Views of Responsible Officials: Management agrees with this finding.



**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
Wallace Stegner Academy
Salt Lake City, Utah

Report on Compliance

We have audited Wallace Stegner Academy'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, 2024.

State compliance requirements were tested for the year ended June 30, 2024, in the following areas:

Budgetary Compliance
Fraud Risk Assessment
Internal Control Systems
Public Education Programs

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, 2024.

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Ogden, Utah
November 21, 2024



Wallace Stegner Academy Board of Directors Meeting

Date: December 3, 2024

In Attendance: Sarah Vaughan, Tony Furano, Frank Magana, Reed Farnsworth

Excused: Jeremy Schow

Others in Attendance: Anthony Sudweeks, Adam Gerlach, Tyler O'Brien, Hannah Jones, Platte Nielsen, Janey Stoddard

Location: 980 Bending River Road; Salt Lake City, UT 84104

Wallace Stegner Academy will foster a community of active learners through academic rigor and citizenship by providing an opportunity for students to achieve academic excellence.

MINUTES

CALL TO ORDER Sarah Vaughan called the meeting to order at 5:39 PM.

CONSENT ITEMS

- October 29, 2024, Board Meeting Minutes
Reed Farnsworth made a motion to approve the October 29, 2024, Board Meeting Minutes. Frank Magana seconded. The motion passed unanimously. The votes were as follows: Sarah Vaughan, Aye; Jeremy Schow, Aye; Frank Magana, Aye; Reed Farnsworth, Aye; Tony Furano, Aye.

PUBLIC COMMENT

There were no public comments.

REPORTS

- Finance Report
Tyler O'Brien began the finance report with an explanation of the balance sheet. He reported that the audit is complete, and everything was clean. He said nothing substantial was reported. He said the numbers for fixed assets and depreciations are solid for the year. Tyler noted that the operating cash is at 5.7% which does include the PTIF. Tyler mentioned that the PTIF did get trued up and that their last rate was around 5.2 percent. Reed Farnsworth asked for clarification on the PTIF. Tyler stated it is an account with the Public Treasury Investment Fund which is a savings account that accrues interest. Wallace Stegner was provided a bridge loan for 1.3 million dollars allowing them to leave the PTIF funds untouched. The bridge loan will be paid back to the state in one lump sum. Tyler mentioned that the current operating cash is a little high at this point but will go down once they receive the four months of revenue. The total income number is near 26.5 million. A budget

revision will be worked on in order to prepare for the high school needs for next year. Supplies purchases will be high while big purchases and preparations are made for the high school to be ready to operate. Tyler concluded by saying that overall, the budget is in a good spot, and they have a lot of freedom to do the things that are needed. Reed Farnsworth asked about net income and asked Tyler how accurate the annual budget is. Tyler said the budget is based on legislative estimates and that the goal is to avoid having a negative budget. The upcoming amended budget will provide a accurate outlook for the rest of the school year. The January budget will better reflect the net income. There were no further questions or discussion on the financial report.

VOTING AND DISCUSSION ITEMS

- **Award Request for Proposals for E-Rate**
Adam Gerlach made the recommendation to award the RFP to ETS. Adam mentioned that they originally had 12 vendors come do a walk-through and that only 3 of those vendors submitted proposals. He said that after evaluating and scoring the RFP with the scoring committee, he recommends awarding the bid to ETS. The board had no questions or concerns about the E-rate contract and the RFP evaluation.
Tony Furano made a motion to award the E-Rate RFP to ETS and allow Adam Gerlach to enter the contract with ETS. Reed Farnsworth seconded. The motion passed unanimously. The votes were as follows: Sarah Vaughan, Aye; Frank Magana, Aye; Reed Farnsworth, Aye; Tony Furano, Aye.
- **LEA Specific License Endorsement – Casey Huber & Kjeisten Secretan**
Anthony Sudweeks explained the need for the two LEA Specific Licenses to the board. The board had no questions or concerns about the license endorsements.
Sarah Vaughan made a motion to approve the LEA Specific Licenses for Casey Huber and Kjeisten Secretan. Tony Furano seconded. The motion passed unanimously. The votes were as follows: Sarah Vaughan, Aye; Frank Magana, Aye; Reed Farnsworth, Aye; Tony Furano, Aye.
- **NWEA Invoice**
Anthony Sudweeks said that the NWEA invoice reflects the cost for testing software for third- ninth graders at the school. Anthony said the software is also used to give reports to parents. There were no questions from the board.
Frank Magana made a motion to approve the NWEA Invoice in the amount of \$33,435. Tony Furano seconded. The motion passed unanimously. The votes were as follows: Sarah Vaughan, Aye; Frank Magana, Aye; Reed Farnsworth, Aye; Tony Furano, Aye.
- **Amended Fee Waiver Policy**
- **Amended Bullying and Hazing Policy**
- **Amended FERPA Policy**
- **New Paid Professional Hours for Educators Policy**

Platte Nielson gave a brief description of the changes in each policy and the details of the new policy. Platte explained that even though Wallace Stegner does not charge fees they keep the Fee Waiver policy updated just in case the school ever decided to charge fees. The biggest changes to the Fee Waiver Policy were updating the definitions and clarifying that any student who is homeless automatically qualifies for a fee waiver. Platte Nielson explained that one of the major changes to the Bullying and Hazing Policy requires notification of bullying only if it is a verified incident of bullying. The school is required to notify parents and have an action plan in place when there is a verified incident of bullying. He said the policy defines what the schools' responsibilities are. The Amended FERPA Policy changes will be apparent in their administrative procedures reflecting that schools are not allowed to ask students about their gender identity. Board member Frank Magana asked if they keep track of student's sex, and they clarified that yes, they do track sex of students for state purposes. Lastly, Platte Nielson explained that the new paid professional hours for educators' policy is necessary to have a policy in place with a plan for paying teachers out by June 30th with 32 paid professional hours and it is money from the state specifically for that. If the funds are not used the schools are responsible for paying the unused funds back to the state.

Sarah Vaughan made a motion to approve the Amended Fee Waiver Policy, Amended Bullying and Hazing Policy, Amended FERPA Policy and the New Paid Professional Hours for Educators Policy. Tony Furano seconded. The motion passed unanimously. The votes were as follows: Sarah Vaughan, Aye; Frank Magana, Aye; Reed Farnsworth, Aye; Tony Furano, Aye.

CALENDARING

The next Board Meeting was scheduled for January 9th, 2024, at 5:30 PM. The board determined that they would like to move the date after poll results come back with a better date for all board members to attend.

The board will also meet the Utah State Charter School Board for an interview on January 16th, 2025.

CLOSED SESSION -to discuss the purchase, exchange, or lease of real property pursuant to Utah Code 52-4-205(I)(d).

Tony Furano made a motion to enter a closed session located at SLC campus to discuss the purchase, exchange, or lease of real estate property pursuant to code 52-4-205(I)(d) at 6:11 PM. Frank Magana seconded. The motion passed unanimously. The votes were as follows: Sarah Vaughan, Aye; Frank Magana, Aye; Reed Farnsworth, Aye; Tony Furano, Aye.

At 6:35 PM Tony Furano made a motion to leave the closed session and enter the general session. Frank Magana seconded. The motion passed unanimously. The votes

were as follows: Sarah Vaughan, Aye; Frank Magana, Aye; Reed Farnsworth, Aye; Tony Furano, Aye.

REPORTS

- **Directors' Report**

Anthony Sudweeks and Adam Gerlach reported on enrollment with a total of 2,177 which is quite a bit above their budget and that they will stop accepting new students in December. Anthony mentioned community events at the school saying that they just wrapped up soccer and they are in the middle of intramural volleyball. He said they have done a ton of community events at all campuses. The Amazing Shake is coming up in March 2025 and that they would love the board to be a part of it. Sarah Vaughan asked them to describe the Amazing Shake and Anthony Sudweeks said that during Ron Clark Academy's Amazing Shake students learn and develop professional qualities, and work on building the skills to "work a room" and present themselves exceptionally. Anthony said this first year will be a little bit of a trial run but that they have a bunch of people coming such as the Utah Jazz. Adam and Anthony said have been receiving some mentorship from Bill Kurtz the former superintendent of DSST. Adam said that they have just been bouncing ideas off Bill and getting some good coaching for their own high school model. The DSST are one of the most successful charter school models in the nation. Anthony expressed that it is awesome having the help from Bill and that it has helped them build their overall network. Adam said that construction for the high school has started and that it will be open in early July 2025. Adam mentioned sports at the high school and that they will want to hire an athletic director for the high school sports and that if they didn't bring sports into their high school model it will limit the number of students that will consider attending the school. The board asked if they have the facilities for the sports teams. They said they wouldn't have football but sports like soccer, volleyball, track, and cross country will be well supported with the facilities they have. They said they also want to have a mountain biking team as well. The directors are excited about the mountain biking team and mentioned that just about 2 miles from the Kearns campus there is a mountain biking park that is just finishing up construction. Adam and Anthony concluded their director's report with the mention that they won the distinguished Title I award that only two schools in the entire state receive. They said the national Title I conference is held in Austin, Texas where they will receive the award in February 2025.

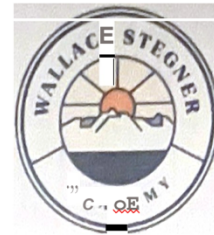
ADJOURN

At 6:48 PM Tony Furano made a motion to adjourn the meeting. Reed Farnsworth seconded. The motion passed unanimously. The votes were as follows: Sarah Vaughan, Aye; Frank Magana, Aye; Reed Farnsworth, Aye; Tony Furano, Aye.

Wallace Stegner Academy
Board of Directors
Closed Session Statement

Date: 12.03.2024

Location: 980 Bending River Road; Salt Lake City, UT 84104



CLOSED SESSION SWORN STATEMENT:

At a duly noticed public meeting held on the date listed above, the board of directors for Wallace Stegner Academy entered a closed session to discuss the purchase, exchange, or lease of real estate property pursuant to Utah Code 52-4-ZOS(l)(d).

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

Signed on the 3rd day of December, 2024.



Sarah Vaughan, Board President

Wallace Stegner Academy 12/03/2024
Board Approved:

Wallace Stegner Academy
Statement of Financial Position
Created on January 11, 2025
For Prior Month

	07/01/2024 Through 12/31/2024 <u>Actual</u>	Year Ending 06/30/2024 <u>Actual</u>
Assets & Other Debits		
Current Assets		
Operating Cash	7,088,534	3,630,561
Accounts Receivables	15,742	567,983
Other Current Assets	0	109,899
Total Current Assets	<u>7,104,276</u>	<u>4,308,443</u>
Restricted Cash	<u>4,875,357</u>	<u>4,039,189</u>
Net Assets		
Fixed Assets	30,957,650	30,957,650
Depreciation	(2,095,087)	(2,095,088)
Total Net Assets	<u>28,862,563</u>	<u>28,862,562</u>
Total Assets & Other Debits	<u>40,842,196</u>	<u>37,210,194</u>
Liabilities & Fund Equity		
Current Liabilities	1,260,342	1,075,584
Long-Term Liabilities	<u>31,284,272</u>	<u>31,284,272</u>
Fund Balance	4,850,338	3,081,995
Net Income	<u>3,447,244</u>	<u>1,768,343</u>
Total Liabilities & Fund Equity	<u>40,842,196</u>	<u>37,210,194</u>

Wallace Stegner Academy Budget Comparison

	Year Ending 06/30/2025	Year Ending June 30, 2025			
	Actual	Approved Budget	Prelim Budget	Increase/(Decrease)	% Increase/(Decrease)
Net Income					
Income					
Revenue From Local Sources	2,442,783	2,700,000	2,840,000	140,000	5 %
Revenue From State Sources	11,581,709	15,278,057	22,054,099	6,776,042	44 %
Revenue From Federal Sources	610,786	1,985,259	2,098,349	113,090	6 %
Revenue from Other Sources					
6050 - Budget from Surplus	0	3,354,660	0	(3,354,660)	(100) %
Total Revenue from Other Sources	0	3,354,660	0	(3,354,660)	(100) %
Total Income	14,635,278	23,317,976	26,992,448	3,674,472	16 %
Expenses					
Instruction/Salaries	5,429,001	12,102,667	13,201,399	1,098,732	9 %
Employee Benefits	724,227	1,733,863	1,777,863	44,000	3 %
Purchased Prof & Tech Serv	747,788	1,220,744	1,428,186	207,441	17 %
Purchased Property Services	1,630,133	2,257,293	3,015,080	757,787	34 %
Other Purchased Services	738,367	2,196,830	2,336,050	139,220	6 %
Supplies & Materials	1,051,091	1,276,000	2,361,000	1,085,000	85 %
Property	93,914	200,000	300,000	100,000	50 %
Debt Services & Miscellaneous	908,875	2,330,578	2,350,578	20,000	1 %
Total Expenses	11,323,396	23,317,975	26,770,156	3,452,180	15 %
Total Net Income	3,311,882	1	222,292	222,292	

**Wallace Stegner Academy
Evaluation Committee Statement
Food Service Equipment and Fixtures Purchase and Installation**

Background

Wallace Stegner Academy issued an RFP for Food Service Equipment and Fixtures Purchase and Installation on December 3, 2024, to seek proposals for the purchase and installation of various equipment and fixtures for the school's food service program at its new Kearns High School facility. The school posted the RFP on its website. The deadline to submit a proposal in response to the RFP was December 17, 2024. Commercial Kitchen Supply and Bargreen Ellingson submitted a proposal.

Evaluation and Scoring of Proposal

The Evaluation Committee for this RFP was Adam Gerlach, Dave Hirst, Kirk Blake, and Gabe Clark. They reviewed and scored the proposal, first reviewing and scoring the non-cost portion of the proposal and then reviewing and scoring the cost portion of the proposal.

Commercial Kitchen Supply's proposal received an overall score of 83/100. Below is a breakdown of the score given to the company's proposal and pricing:

- **Commercial Kitchen Supply: 83/100**
 - Experience, Qualifications and Track Record: 20/30
 - Quality of Service Based on References: 13/15
 - Offeror's Expertise and Ability to Satisfy Scope of Work, Specifications, and Requirements: 20/25
 - Cost: 30/30
 - Price: \$182,998.55

Bargreen Ellingson's proposal received an overall score of 74/100. Below is a breakdown of the score given to the company's proposal and pricing:

- **Bargreen Ellingson: 74/100**
 - Experience, Qualifications and Track Record: 21/30
 - Quality of Service Based on References: 10/15
 - Offeror's Expertise and Ability to Satisfy Scope of Work, Specifications, and Requirements: 15/25
 - Cost: 74/30
 - Price: \$191,596.43

Based on the Evaluation Committee's review of the proposal, Commercial Kitchen Supply (a) has significant experience and excellent qualifications to do the work required; (b) has successfully done similar work like this in the past; (c) has a proven track record of successfully completing projects on time and within budget; and (d) can do the project for a reasonable fee.

Award Recommendation

The Evaluation Committee recommends to the school's Board of Directors that it award the contract on this project to Commercial Kitchen Supply. The Evaluation Committee believes that Commercial Kitchen Supply's proposal provides value to the school in connection with this project.

Wallace Stegner Academies

School Year 2025-2026

WSACharter.org

AUGUST 2025							SEPTEMBER 2025							OCTOBER 2025							2025-2026 YEAR AT A GLANCE		
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	August 11-15	Teachers Only	Opening Institute
					1	2		1	2	3	4	5	6				1	2	3	4	August 18	School Starts	All Grades - First Day of School
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11	August 18-22	Early Out	Early Release Days
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18	September 1	No School	Labor Day
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25	October 3	No School	Professional Development (Legislative Days)
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31		October 8-9	Fall PTC	Early Release Days
31																					October 10	No School	Teacher Compensation Day
NOVEMBER 2025							DECEMBER 2025							JANUARY 2026							October 13-17	No School	Fall Break
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	November 26-28	No School	Thanksgiving Recess
						1		1	2	3	4	5	6					1	2	3	December 20-January 4	No School	Winter Recess
2	3	4	5	6	7	8	7	8	9	10	11	12	13	4	5	6	7	8	9	10	January 9	No School	Professional Development (Legislative Days)
9	10	11	12	13	14	15	14	15	16	17	18	19	20	11	12	13	14	15	16	17	January 14-15	Winer PTC	Early Release Days
16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24	16-Jan	No School	Teacher Compensation Day
23	24	25	26	27	28	29	28	29	30	31				25	26	27	28	29	30	31	January 19	No School	Martin Luther King Jr. Day
30																					February 13	No School	Professional Development (Legislative Days)
FEBRUARY 2026							MARCH 2026							APRIL 2026							February 16	No School	Presidents' Day
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	March 27	No School	Professional Development (Legislative Days)
1	2	3	4	5	6	7	1	2	3	4	5	6	7				1	2	3	4	April 1-2	Spring PTC	Early Release Days
8	9	10	11	12	13	14	8	9	10	11	12	13	14	5	6	7	8	9	10	11	April 3	No School	Teacher Compensation Day
15	16	17	18	19	20	21	15	16	17	18	19	20	21	12	13	14	15	16	17	18	April 6-10	No School	Spring Break
22	23	24	25	26	27	28	22	23	24	25	26	27	28	19	20	21	22	23	24	25	May 25	No School	Memorial Day
							29	30	31					26	27	28	29	30			May 28-June 2	Early Out	Early Release Days
																					June 2	Early Out	Last Day of School
MAY 2026							JUNE 2026							JULY 2026							Frídays	Early Out	Early Release Days
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	DAILY SCHOOL SCHEDULE		
					1	2		1	2	3	4	5	6				1	2	3	4	Grades K-10: 8:30-3:30PM		
3	8	5	6	4	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11	Early Release Days: 8:30-1PM		
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18			
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25			
24	25	26	27	28	29	30	28	29	30	31				26	27	28	29	30	31				
31																					Board Approved Date:		

Validate Student Academics 2023

MONTH	STUDENT DAYS PER MONTH	FULL DAYS	EARLY RELEASE DAYS	TEACHER COMP DAYS	LEGISLATIVE PD DAYS	NEW TEACHERS ONLY WORK DAYS	ALL TEACHERS ONLY WORK DAYS
August	10	4	6				7
September	21	17	4				
October	18	12	4	1	1		
November	17	14	3				
December	15	12	3				
January	19	13	4	1	1		
February	19	15	3		1		
March	22	18	3		1		
April	17	12	4	1			
May	20	14	6				
June	2		2				
Total Days	180	131	42	3	4	0	7
Total Hours	1003.00	807.83	154.00	16.50	24.67	N/A	N/A

CALENDAR CHECKLIST

1. Fill in the blank white spaces on the count template and edit the start/end times. The gray/blue spaces will auto-populate.
2. Verify that the total days and total hours meet requirements (exactly 180 days / 990 hours minimum). Kinder must be a minimum of 2 hrs/d
3. Confirm days being used for teacher compensation days and legislative days and that they are clearly labelled.
4. Confirm Kindergarten assessment days. Can be at the beginning and/or the end (not the middle) for a maximum of 10 days.
5. Confirm new and returning teacher work days, compare to previous school year days, and note differences to HR and Director.
6. October 1 should be a regular day with no days off or field trips. If October 1st falls over a weekend, verify that the Friday / Monday is in se
7. Remind Directors to leave a cushion for snow/emergency make-up days. Consider building in one snow day annually.
8. Check that Legislative Days are labeled and scheduled after the first day of school.
9. For multi-campus schools, determine which campus is the district campus and which calendar will serve as the district calendar.
10. Boards must approve calendar and it must be turned into R&C and HR by March 30 to send to USBE and posted on the school website.

2020

TEACHER DAYS PER MONTH
17
21
18
17
15
19
19
22
17
20
2
187
N/A

STUDENT HOUR CALCULATIONS	STUDENT FULL DAYS	STUDENT EARLY RELEASE DAYS
Start	8:30 AM	8:30 AM
End	3:30 PM	1:00 PM
<i>Elapsed Time</i>	420.00	270.00
Passing Time	10	10
Lunch	40	40
Total Minutes	370.00	220.00
EMPLOYMENT AGREEMENT INFORMATION		
DAYS	NEW TEACHERS	RETURNING TEACHERS
Start Date	8/7/2024	8/7/2024
End Date	6/2/2024	6/2/2024
23-24 Work Days		
24-25 Work Days	187	187
Difference	187	187

ay (even short days)

ession.

USBE CALENDAR SUBMISSION	
Opening Institute:	August 11-15
First Day:	August 18
Fall Break:	October 13-17th
Thanksgiving:	November 26-28
Winter Break:	December 22- Jan 2
Spring Break:	April 6-10
Other Non-School Days:	Labor Day, Martin Luther Kind Jr. Day, Presidents Day, Memorial d
Last Day:	June 2, 2026
Website Link:	WSACharter.org