



Learning Through the Arts

Board Meeting Packet

The purpose of Syracuse Arts Academy is to develop respectful, confident citizens in a solid educational environment enriched by artistic expression.

December 2, 2021

Syracuse Arts Academy Board Meeting Agenda Thursday, December 2, 2021

Place: SAA North Campus, 357 S 1550 W, Syracuse, UT 84075



NOTE: It is possible that the SAA Board of Directors may be utilizing an electronic meeting component with one or more of their members.

Zoom Meeting: <https://us02web.zoom.us/j/89193984423?from=addon>

Meeting ID: 891 9398 4423

Mobile: 669-900-9128

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Agenda

2021-2022 School Priorities

Schoolwide Unity, Cooperation & Collaboration

Expansion of Arts Integration

Maximize All Data Sources to Improve Student Instruction and Performance

5:30 PM – Call to Order

- Welcome by Bryan DeGrange (1 minute)
- “Traditions” – The SAA Way
 - School Vision – Rene Dreiling (1 minute)
 - Storytelling – Dale Pfister (3 minutes)

5:35 PM – PUBLIC COMMENT (Comments will be limited to 3 minutes each)

- [2022-2023 School Fee Schedule](#)
- [Fee Waiver Policy](#)

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In compliance with the Americans with Disabilities Act, persons needing accommodations for this meeting should call (801) 444-9378 to make appropriate arrangements.

5:35 PM – REPORTS

- Eide Bailly
 - [Review of FY21 Audit](#) – Ken Jeppesen (15 minutes)
- Administration
 - [State of the School](#) – Dale Pfister (15 minutes)
- Board of Directors
 - [Financial Update](#) – Rene Dreiling (5 minutes)
- Academica West
 - AW Recap (5 minutes)

6:15 PM – CONSENT ITEMS

- [New Hires](#)
- [October 7, 2021 Board Meeting Minutes](#)

6:16 PM – VOTING ITEMS

- [Borrower Authorizing Resolution](#) – Nathan Canova (5 minutes)
- [2022-2023 School Calendar](#) – Dale Pfister (5 minutes)
- [Sex Education Curriculum](#) – Dale Pfister/Leigh Schwartz (2 minutes)
- [LEA-Specific Educator License\(s\)](#) – Dale Pfister (2 minutes)
- [Amended Budgeting Policy](#) – Jon McQueary (2 minutes)
- [Amended Parent Compact](#) – Dale Pfister (2 minutes)
- [Technology Purchase](#) – Dale Pfister (2 minutes)
- [401\(k\) Contract](#) – Dale Pfister (2 minutes)

6:38 PM – DISCUSSION ITEMS

- Calendaring Items – ALL (5 minutes)
 - Next Pre-Board Meeting – January 20th
 - Next Board Meeting – February 3rd (Winter Retreat)
 - NCSC22 Washington DC June 19-22

6:43 PM – CLOSED SESSION to discuss an individual's character, professional competence, or physical or mental health pursuant to Utah Code 52-4-205(1) (a) – ALL (15 minutes)

6:58 PM – ADJOURN

UPCOMING CALENDAR ITEMS

February

School LAND Trust Plan
SLT Training Assurance
Board Vacancies

April

Prepare Parent Survey
EOY Bonuses
Summer Purchasing Plan

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Audit Engagement Letters
June
2021-2022 Final Amended Budget
2022-2023 Annual Budget
2022-2023 TSSA Plan
Ratify Board Members & Terms
Ratify Board Officers
2022-2023 Board Meeting Schedule
Annual PPP Training & Review
Annual Open Meetings Act Training
Review Board Communication Guidelines
Board Member Agreement
Ratify Lead Admin & Employment Agreement
Sex Education Instruction Committee

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****PROPOSED**** **2022-2023 Student Fee Schedule**

The following student fees may be assessed to students of Syracuse Arts Academy as follows:

REQUIRED FEES (for all fully and partially enrolled students in grades 7-9)		
GRADE	FEES FOR COURSE AND ACTIVITY SUPPLIES AND EXPENDITURES FUNDED BY FEES (SPEND PLAN)	TOTAL FEE
7	<ul style="list-style-type: none"> Required and Elective Class Supplies: \$50 Student Activity Supplies: \$20 	\$70
8	<ul style="list-style-type: none"> Required and Elective Class Supplies: \$50 Student Activity Supplies: \$30 	\$80
9	<ul style="list-style-type: none"> Required and Elective Class Supplies: \$50 Student Activity Supplies: \$40 	\$90

FEES FOR OPTIONAL SPORTS, PROGRAMS, CLUBS, AND ACTIVITIES (for all fully and partially enrolled students in grades 7-9)		
FEE DESCRIPTION	EXPENDITURES FUNDED BY FEE (SPEND PLAN)	TOTAL FEE
Extra-curricular Participation	<ul style="list-style-type: none"> Uniforms, coach stipend, referee pay, supplies 	\$60/Sport
Cheer Team	<ul style="list-style-type: none"> Attire, coach stipend, clinics, supplies 	\$900
NJHS (National Junior Honor Society)	<ul style="list-style-type: none"> Attire, advisor stipend, activities, supplies 	\$50
Performance Theater Fall and Spring	<ul style="list-style-type: none"> Costumes, music, script, advisor stipend, supplies 	\$25/semester
Student Government Officers	<ul style="list-style-type: none"> School SGO Sweater, supplies 	\$250
Extended Curricular Travel	<ul style="list-style-type: none"> Travel, workshops Limited to one trip in 8th or 9th Grade year Supplies 	Up to \$1,200 per trip
Credit Recovery	<ul style="list-style-type: none"> 9th Grade Students only (per .25 credit) Teacher Stipends 	\$25
Vex Robotics	<ul style="list-style-type: none"> Coach stipend, competitions, supplies 	\$90

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FEEES FOR OPTIONAL AFTER-SCHOOL CLUBS, ACTIVITIES, AND SPORTS (for participating students in grades identified below)		
FEE DESCRIPTION	EXPENDITURES FUNDED BY FEE (SPEND PLAN)	TOTAL FEE
Lego Robotics (grades 5-6)	● Coach stipend, supplies	\$90
Show Choir (grades 5-6)	● Music, director stipend, supplies	\$30
Grade Level Choir (1-2)	● Music, director stipend, supplies	\$20
Grade Level Choir (3-6)	● Music, director stipend, supplies	\$20
Musical/Play (grade 5-6)	● Costumes, scripts, director stipend, supplies	\$30

PER STUDENT (GRADES 7-9) ANNUAL MAXIMUM FEE AMOUNT FOR SCHOOL
YEAR: \$2,715

This amount reflects the total student fees any student in grades 7-9 would be required to pay if the student participated in all courses, programs, and activities provided, sponsored, or supported by the School for students in grades 7-9 for the year.

PER STUDENT (GRADE 5-6) ANNUAL MAXIMUM FEE AMOUNT FOR SCHOOL
YEAR: \$150

This amount reflects the total student fees any student in grades 5- 6 would be required to pay if the student participated in all after-school courses, programs, and activities provided, sponsored, or supported by the School for students in grade 5-6 for the year.

PER STUDENT (GRADES K-4) ANNUAL MAXIMUM FEE AMOUNT FOR SCHOOL
YEAR: \$40

This amount reflects the total student fees any student in regular Kindergarten through grade 4 would be required to pay if the student participated in all after-school courses, programs, and activities provided, sponsored, or supported by the School for students in Kindergarten through grade 4 for the year.

Student Withdrawal Refund Payment Rate for Grade 7-9 Required Fees	
STUDENT WITHDRAWAL DATE	REFUND PAYMENT RATE
Prior to Mid-Term of Term 1	100% Refund Payment
After Mid-Term of Term 1 and Prior to Mid-Term of Term 2	75% Refund Payment
After Mid-Term of Term 2 and Prior to Mid-Term of Term 3	50% Refund Payment
After Mid-Term of Term 3 and Prior to Mid-Term of Term 4	25% Refund Payment
After Mid-Term of Term 4	No Refund Payment

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Notice to Parents: Your student may be eligible to have one or more of their fees waived. For information on fees and fee waivers, please contact an administrator at the School and/or review the school fees materials provided in your registration materials (School Fees Notices, Fee Waiver Policy, Fee Waiver Applications, Fee Waiver Decision and Appeal Form, etc.). If your student files a fee waiver request with the School and the request is denied, you may appeal the School's decision.

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Syracuse Arts Academy Fee Waiver Policy



PURPOSE

Syracuse Arts Academy (the “School”) must abide by the Utah State Board of Education rules which direct the School’s Board of Directors (the “Board”) to implement a policy regarding student fees. The purpose of this policy is to provide educational opportunities for all students. This allows the School to establish a reasonable system of fees, while prohibiting practices that would exclude those unable to pay from participation in school-sponsored activities.

POLICY

Under the direction of the Board, the School’s Lead Director is authorized to administer this policy and is directed to do so fairly, objectively, and without delay, and in a manner that avoids stigma and unreasonable burdens on students or parents/guardians.

Definitions

"Co-curricular activity" means an activity, course, or program that:

- (a) is an extension of a curricular activity;
- (b) is included in an instructional plan and supervised or conducted by a teacher or educational professional;
- (c) is conducted outside of regular School hours;
- (d) is provided, sponsored, or supported by the School;
- (e) includes a required regular School day activity, course, or program.

“Curricular activity” means an activity, course, or program that is:

- (a) intended to deliver instruction;
- (b) provided, sponsored, or supported by the School; and
- (c) conducted only during School hours.

"Extracurricular activity"

- (a) means an activity, a course, or a program that is:
 - (i) not directly related to delivering instruction;
 - (ii) not a curricular activity or co-curricular activity; and
 - (iii) provided, sponsored, or supported by the School.
- (b) does not include a noncurricular club as defined in Section 53G-7-701.

"Fee" means something of monetary value requested or required by the School as a condition to a student's participation in an activity, class, or program provided, sponsored, or supported by the

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School. This includes money or something of monetary value raised by a student or the student's family through fundraising.

“Instructional equipment”

- (a) means an activity-related, course-related, or program-related tool or instrument that:
 - (i) is required for a student to use as part of an activity, course, or program in a secondary school;
 - (ii) typically becomes the property of the student upon exiting the activity, course, or program, and
 - (iii) is subject to a fee waiver;
- (b) includes:
 - (i) shears or styling tools;
 - (ii) a band instrument;
 - (iii) a camera;
 - (iv) a stethoscope; or
 - (v) sports equipment, including a bat, mitt, or tennis racket.
- (c) does not include school equipment.

“Instructional supply” means a consumable or non-reusable supply that is necessary for a student to use as part of an activity, course, or program in a secondary school and includes:

- (a) prescriptive footwear;
- (b) brushes or other art supplies, including clay, pain, or art canvas;
- (c) wood for wood shop;
- (d) Legos for Lego robotics;
- (e) film; or
- (f) filament used for 3D printing.

"Non-waivable charge" means a cost, payment, or expenditure that:

- (a) is a personal discretionary charge or purchase, including:
 - (i) a charge for insurance, unless the insurance is required for a student to participate in an activity, class, or program;
 - (ii) a charge for college credit related to the successful completion of:
 - (A) a concurrent enrollment class; or
 - (B) an advanced placement examination; or
 - (iii) except when requested or required by the School, a charge for a personal consumable item such as a yearbook, class ring, letterman jacket or sweater, or other similar item;
- (b) is subject to sales tax as described in Utah State Tax Commission Publication 35, Sales Tax Information for Public and Private Elementary and Secondary Schools; or
- (c) by Utah Code, federal law, or State Board of Education rule is designated not to be a fee, including:
 - (i) a school uniform as provided in Utah Code § 53G-7-801;
 - (ii) a school lunch; or
 - (iii) a charge for a replacement for damaged or lost School equipment or supplies.

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"Provided, sponsored, or supported by the School"

- (a) means an activity, class, program, fundraiser, club, camp, clinic, or other event that:
 - (i) is authorized by the School; or
 - (ii) satisfies at least one of the following conditions:
 - (A) the activity, class, program, fundraiser, club, camp, clinic, or other event is managed or supervised by the School, or a School employee in the employees School employment capacity;
 - (B) the activity, class, program, fundraiser, club, camp, clinic, or other event uses, more than inconsequentially, the School's facilities, equipment, or other School resources; or
 - (C) the activity, class, program, fundraising event, club, camp, clinic, or other event is supported or subsidized, more than inconsequentially, by public funds, including the School's activity funds or minimum school program dollars.
- (b) does not include an activity, class, or program that meets the criteria of a noncurricular club as described in Title 53G, Chapter 7, Part 7, Student Clubs.

"Provision in lieu of fee waiver"

- (a) means an alternative to fee payment or waiver of fee payment; and
- (b) does not include a plan under which fees are paid in installments or under some other delayed payment arrangement.

"Requested or required by the School as a condition to a student's participation" means something of monetary value that is impliedly or explicitly mandated or necessary for a student, parent, or family to provide so that a student may:

- (a) fully participate in school or in a School activity, class, or program;
- (b) successfully complete a School class for the highest grade; or
- (c) avoid a direct or indirect limitation on full participation in a School activity, class, or program, including limitations created by:
 - (i) peer pressure, shaming, stigmatizing, bullying, or the like; or
 - (ii) withholding or curtailing any privilege that is otherwise provided to any other student.

"School equipment" means a durable school-owned machine, equipment, or tool used by a student as part of an activity, course, or program in a secondary school and includes a saw or 3D printer.

"School equipment" includes a saw or 3D printer.

"Something of monetary value"

- (a) means a charge, expense, deposit, rental, fine, or payment, regardless of how the payment is termed, described, requested or required directly or indirectly, in the form of money, goods or services; and
- (b) includes:

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- (i) charges or expenditures for a School field trip or activity trip, including related transportation, food, lodging, and admission charges;
- (ii) payments made to a third party that provide a part of a School activity, class, or program;
- (iii) classroom textbooks, supplies or materials;
- (iv) charges or expenditures for school activity clothing; and
- (v) a fine, except for a student fine specifically approved the School for:
 - (A) failing to return School property;
 - (B) losing, wasting, or damaging private or School property through intentional, careless, or irresponsible behavior; or
 - (C) improper use of School property, including a parking violation.

“Textbook”

- (a) means instructional material necessary for participation in an activity, course, or program, regardless of the format of the material;
- (b) includes:
 - (i) a hardcopy book or printed pages of instructional material, including a consumable workbook; or
 - (ii) computer hardware, software, or digital content.
- (c) does not include instructional equipment or instructional supplies.

“Waiver” means a full release from the requirement of payment of a fee and from any provision in lieu of fee payment.

General School Fees Provisions

The School may only collect a fee for an activity, class, or program provided, sponsored, or supported by the School consistent with School policies and state law.

Beginning with the 2021-2022 school year:

- (a) if the School imposes a fee, the fee shall be equal to or less than the expense incurred by the School in providing for a student the activity, course, or program for which the School imposes a fee; and
- (b) the School may not impose an additional fee or increase a fee to supplant or subsidize another fee.

Beginning with the 2022-23 school year, the School may not sell textbooks or otherwise charge a fee for textbooks or the maintenance costs of School equipment as provided in Section 53G-7-602, except for a textbook used for a concurrent enrollment or advanced placement course.

All fees are subject to the fee waiver provisions of this policy.

Fees for Classes & Activities During the Regular School Day

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Fees for Students in Kindergarten through Sixth Grade

No fee may be charged in kindergarten through sixth grade for materials, textbooks, supplies (except as provided below), or for any class or regular school day activity, including assemblies and field trips.

Elementary students cannot be required to provide their own student supplies. However, the School or teacher may provide to a student's parent or a suggested list of student supplies for use during the regular school day so that a parent or guardian may furnish on a voluntary basis student supplies for student use. The list provided to a student's parent or guardian must include and be preceded by the following language:

"NOTICE: THE ITEMS ON THIS LIST WILL BE USED DURING THE REGULAR SCHOOL DAY. THEY MAY BE BROUGHT FROM HOME ON A VOLUNTARY BASIS, OTHERWISE, THEY WILL BE FURNISHED BY THE SCHOOL."

The School may charge a fee to a student in grade six if all of the following are true:

- (a) the School has students in any of the grades seven through twelve;
- (b) the School follows a secondary model of delivering instruction to the School's grade six students; and
- (c) The School annually provides notice to parents that the School will collect fees from grade six students and that the fees are subject to waiver.

Fees for Students in Seventh through Ninth Grade

Fees may be charged in grades 7-9 in connection with an activity, class, or program provided, sponsored, or supported by the School that takes place during the regular school day if the fee is approved as provided in this policy and state law. All such fees are subject to waiver. In addition, if an established or approved class requires payment of fees or purchase of items (i.e., tickets to events, etc.) in order for students to fully participate and to have the opportunity to acquire all skills and knowledge required for full credit and highest grades, the fees or costs for the class are subject to waiver.

In project related courses, projects required for course completion will be included in the course fee.

Secondary students may be required to provide their own student supplies, subject to the fee waiver provisions of this policy.

Fees for Optional Projects

The School may require students at any grade level to provide materials or pay for an additional discretionary project if the student chooses a project in lieu of, or in addition to a required classroom project. A student may not be required to select an additional project as a condition to

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enrolling, completing, or receiving the highest possible grade for a course. The School will avoid allowing high cost additional projects, particularly when authorizing an additional discretionary project results in pressure on a student by teachers or peers to also complete a similar high cost project.

Fees for Activities Outside of the Regular School Day

Fees may be charged in all grades for any School-sponsored activity that does not take place during the regular school day if participation in the activity is voluntary and does not affect the student's grade or ability to participate fully in any course taught during the regular school day. Fee waivers are available for such fees.

A fee related to a co-curricular or extracurricular activity may not exceed the maximum fee amounts for the co-curricular or extracurricular activity adopted by the Board, as provided below.

Activities that use the School facilities outside the regular school day but are not provided, sponsored, or supported by the School (i.e., programs sponsored by the parent organization and/or an outside organization) may charge for participation, and fee waivers are not available for these charges.

An activity, class, or program that is provided, sponsored, or supported by the School outside of the regular School day or School year calendar is subject to this policy and state law regardless of the time or season of the activity, class, or program.

In the event the School provides supplemental kindergarten, the School may charge a fee related to a student's enrollment in the supplemental kindergarten. A fee for supplemental kindergarten is subject to waiver.

Fee Schedule

The Board will approve a Fee Schedule at least once each year on or before April 1. The Fee Schedule will establish the maximum fee amount per student for each activity and the maximum total aggregate fee amount per student per school year. No fee may be charged or assessed in connection with an activity, class, or program provided, sponsored, or supported by the School, including for a curricular, co-curricular or extracurricular activity, unless the fee has been set and approved by the Board, is equal to or less than the established maximum fee amount for the activity, and is included in the approved Fee Schedule.

The School will encourage public participation in the development of the Fee Schedule and related policies.

Before approving the School's Fee Schedule, the School will provide an opportunity for the public to comment on the proposed Fee Schedule during a minimum of two public Board meetings. In addition to the standard notice of Board meetings under the Open and Public Meetings Act, the

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School will provide notice of these Board meetings using the same form of communication regularly used by the administration to communicate with parents.

After the Fee Schedule is adopted, the Board may amend the Fee Schedule using the same process.

Maximum Fee Amounts

In connection with establishing the Fee Schedule, the Board will establish a per student annual maximum fee amount that the School may charge a student for the student's participation in all courses, programs, and activities provided, sponsored, or supported by the School for the year. This is a maximum total aggregate fee amount per student per School year.

The Board may establish a reasonable number of activities, courses, or programs that will be covered by the annual maximum fee amount.

The amount of revenue raised by a student through an individual fundraiser for an activity, as well as the total per student amount expected to be received through required group fundraising for an activity, will be included as part of the maximum fee amount per student for the activity and maximum total aggregate fee amount per student.

Notice to Parents

The Lead Director will annually provide written notice of the School's Fee Schedule and Fee Waiver Policy to the parent or guardian of each student in the School by ensuring that a written copy of the School's Fee Schedule and Fee Waiver Policy is included with all registration materials provided to potential or continuing students each year. The procedures for obtaining fee waivers and for appealing a denial of a waiver will also be included with the School's registration materials.

The School will post the applicable Fee Schedule and Fee Waiver Policy, including maximum fee amounts, on the School's website each school year.

Donations

The School may not request or accept a donation in lieu of a fee from a student or parent unless the activity, class, or program for which the donation is solicited will otherwise be fully funded by the School and receipt of the donation will not affect participation by an individual student.

A donation is a fee if a student or parent is required to make the donation as a condition to the student's participation in an activity, class, or program.

The School may solicit and accept a donation or contribution in accordance with the School's policies, including the Donation and Fundraising Policy, but all such requests must clearly state that donations and contributions by a student or parent are voluntary.

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If the School solicits donations, the School: (a) shall solicit and handle donations in accordance with policies and procedures established by the School; and (b) may not place any undue burden on a student or family in relation to a donation.

Fee Collection

The School may pursue reasonable methods for obtaining payment for fees and for charges assessed in connection with a student losing or willfully damaging school property.

The School may not exclude students from school, an activity, a class, or a program that is provided, sponsored, or supported by the School during the regular school day; refuse to issue a course grade; or withhold official student records, including written or electronic grade reports, diplomas, or transcripts, as a result of unpaid fees.

The School may withhold the official student records of a student responsible for lost or damaged School property consistent with Utah Code § 53G-8-212 until the student or the student's parent has paid for the damages, but may not withhold a student's records required for student enrollment or placement in a subsequent school.

A reasonable charge may be imposed by the School to cover the cost of duplicating, mailing, or transmitting transcripts and other school records. No charge may be imposed for duplicating, mailing, or transmitting copies of school records to an elementary or secondary school in which the student is enrolled or intends to enroll.

Consistent with Utah Code § 53G-6-604, the School will forward a certified copy of a transferring student's record to a new school within 30 days of the request, regardless of whether the student owes fees or fines to the School.

Students shall be given notice and an opportunity to pay fines prior to withholding issuance of official written grade reports, diplomas and transcripts. If the student and the student's parent or guardian are unable to pay for damages or if it is determined by the School in consultation with the student's parents that the student's interests would not be served if the parents were to pay for the damages, then the School may provide for a program of voluntary work for the student in lieu of the payment. A general breakage fee levied against all students in a class or school is not permitted.

Fee Refunds

Student fees are non-refundable unless the School's Fee Schedule states otherwise.

Budgeting and Spending Revenue Collected Through Fees

The School will follow the general accounting standards described in Rule R277-113 for treatment of fee revenue.

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Beginning with the 2020-2021 school year, the School will establish a spend plan for the revenue collected from each fee charged. The spend plan will (a) provide students, parents, and employees transparency by identifying a fee's funding uses; (b) identify the needs of the activity, course, or program for the fee being charged and include a list or description of the anticipated types of expenditures, for the current fiscal year or as carryover for use in a future fiscal year, funded by the fee charged.

The School will share revenue lost due to fee waivers across the LEA's campuses. Financial inequities or disproportional impact of fee waivers will not fall inequitably on any one campus. The School will establish a procedure to identify and address potential inequities due to the impact of the number of students who receive fee waivers at each campus.

School Fee Collections & Accounting Procedures

It is the responsibility of the Lead Director to ensure that all student fees collected are in compliance with the Fee Schedule and applicable financial policies and procedures.

Fees must be received and deposited in a timely manner.

Money may only be collected by staff authorized by the Lead Director. Students may not collect fees.

Beginning in the 2020-21 school year, the School may not use revenue collected through fees to offset the cost of fee waivers by requiring students and families who do not qualify for fee waivers to pay an increased fee amount to cover the costs of students and families who qualify for fee waivers. However, the School may notify students and families that the students and families may voluntarily pay an increased fee amount or provide a donation to cover the costs of other students and families.

The School will distribute the impact of fee waivers across the School's campuses so that no individual campus carries a disproportionate share of the School's total fee waiver burden.

Fee Waiver Provisions

To ensure that no student is denied the opportunity to participate in a class or activity that is provided, sponsored, or supported by the School because of an inability to pay a fee, the School provides fee waivers or other provisions in lieu of fee waivers. Fee waivers or other provisions in lieu of fee waivers will be available to any student whose parent is unable to pay a fee.

All fees are subject to waiver.

Non-waivable charges are not subject to waiver.

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Fee Waiver Administration

The Lead Director will administer this policy and will review and grant fee waiver requests. The process for obtaining waivers or pursuing alternatives will be administered in accordance with this policy, fairly, objectively, and without delay, and in a manner that avoids stigma, embarrassment, undue attention, and unreasonable burdens on students and parents.

The School will not treat a student receiving a fee waiver or provision in lieu of a fee waiver differently from other students. The process for obtaining waivers or pursuing alternatives will create no visible indicators that could lead to identification of fee waiver applicants.

The process for obtaining waivers or pursuing alternatives will comply with the privacy requirements of The Family Educational Rights and Privacy Act of 1974, 20 U.S.C. 123g (FERPA). The School may not identify a student on fee waiver to students, staff members, or other persons who do not need to know. As a general rule, teachers and coaches do not need to know which students receive fee waivers. Students may not assist in the fee waiver approval process.

Fee Waiver Eligibility

A student is eligible for a fee waiver if the School receives verification that:

- (a) In accordance with Utah Code § 53G-7-504(4), family income falls within levels established annually by the State Superintendent and published on the Utah State Board of Education website;
- (b) The student to whom the fee applies receives Supplemental Security Income (SSI). If a student receives SSI, the School may require a benefit verification letter from the Social Security Administration;
- (c) The family receives TANF funding. If a student's family receives TANF, the School may require a letter of decision covering the period for which the fee waiver is sought from the Utah Department of Workforce Services; or
- (d) The student is in foster care through the Division of Child and Family Services or is in state custody. If a student is in state custody or foster care, the School may rely on the youth in care required intake form or school enrollment letter provided by a caseworker from the Utah Division of Child and Family Services or the Utah Juvenile Justice Department.

The School will not maintain copies of any documentation provided to verify eligibility for a fee waiver.

The School will not subject a family to unreasonable demands for re-qualification.

The School may grant a fee waiver to a student, on a case by case basis, who does not qualify for a fee waiver under the foregoing provisions but who, because of extenuating circumstances, is not reasonably capable of paying the fee.

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In compliance with the Americans with Disabilities Act, persons needing accommodations for this meeting should call (801) 444-9378 to make appropriate arrangements.

The School may charge a proportional share of a fee or a reduced fee if circumstances change for a student or family so that fee waiver eligibility no longer exists.

Fee Waiver Approval Process

The Lead Director will inform patrons of the process for obtaining waivers and will provide a copy of the standard fee waiver application on the School's website and in registration materials each year.

The Lead Director will review fee waiver applications within five (5) school days of receipt. If the School denies a request for a fee waiver, the School will provide the decision to deny a waiver in writing and will provide notice of the procedure for appeal in the form approved by the Utah State Board of Education.

Any requirement that a student pay a fee will be suspended during any period in which the student's eligibility for a waiver is being determined or during the time a denial of waiver is being appealed.

The School will maintain documentation of fee waiver applications and decisions that is adequate to report the required information to the Utah State Board of Education.

Appeal Process

Denial of eligibility for a waiver may be appealed in writing to the Principal or Lead Director within ten (10) school days of receiving notice of denial. The School shall contact the parent within two (2) weeks after receiving the appeal and schedule a meeting with the Principal or Lead Director to discuss the parent's concerns. If, after meeting with the Principal or Lead Director, the waiver is still denied, the parent may appeal, in writing, within ten (10) school days of receiving notice of denial to the Board.

In order to protect privacy and confidentiality, the School will not retain information or documentation provided to verify eligibility for fee waivers.

Alternatives to Fees and Fee Waivers

The School may allow a student to perform service or another approved task (as described in Utah Code § 53G-7-504(2)) in lieu of paying a fee or, in the case of an eligible student, in lieu receiving a fee waiver, but such alternatives may not be required. If the School allows an alternative to satisfy a fee requirement, the Principal or Lead Director will explore with the interested student and his or her parent/guardian the alternatives available for satisfying the fee requirement, and parents will be given the opportunity to review proposed alternatives to fees and fee waivers. However, if a student is eligible for a waiver, textbook fees must be waived, and no alternative in lieu of a fee waiver is permissible for such fees.

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The School may allow a student to perform service in lieu of paying a fee or receiving a fee waiver if: (a) the School establishes a service policy or procedure that ensure that a service assignment is appropriate to the age, physical condition, and maturity of the student; (b) the School's service policy or procedure is consistent with state and federal laws, including Section 53G-7-504 regarding the waiver of fees and the federal Fair Labor Standards Act, 29 U.S.C. 201; (c) the service can be performed within a reasonable period of time; and (d) the service is at least equal to the minimum wage for each hour or service.

A student who performs service may not be treated differently than other students who pay a fee.

The service may not create an unreasonable burden for a student or parent and may not be of such a nature as to demean or stigmatize the student.

The School will transfer the student's service credit to another LEA upon request of the student.

The School may make an installment payment plan available for the payment of a fee. Such a payment plan may not be required in lieu of a fee waiver.

Annual Review, Approval, and Training

The Board will review and approve this policy annually.

The School will develop a plan for at least annual training of School employees on fee-related policies specific to each employee's job functions.

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In compliance with the Americans with Disabilities Act, persons needing accommodations for this meeting should call (801) 444-9378 to make appropriate arrangements.



[Back to Agenda](#)

November 16, 2021

The Board of Directors
Syracuse Arts Academy
2893 W 1700 S
Syracuse, UT 84075

We have audited the financial statements of Syracuse Arts Academy as of and for the year ended June 30, 2021, and have issued our report thereon dated November 16, 2021. Professional standards require that we advise you of the following matters relating to our audit.

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

As communicated in our letter dated May 15, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Syracuse Arts Academy solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

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

We have provided our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated November 16, 2021.

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.

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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 Syracuse Arts 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 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

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. We noted no misstatements as a result of our audit.

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.

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Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated November 16, 2021.

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 Syracuse Arts Academy, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Syracuse Arts Academy's auditors.

Modification of the Auditor's Report

The following modification was made to our auditor's report:

Change in Accounting Framework

As described in Note 7 to the financial statements, Utah House Bill 242 (H.B. 242) was passed in 2020 and requires Utah charter schools to report under the Governmental Accounting Standards Board (GASB) framework. As a result of implementing the financial reporting requirements of H.B. 242, the School has converted the financial statement presentation of the School's financial statements and related disclosures to be presented in accordance with the GASB financial reporting framework. Our opinions are not modified with respect to this matter.

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



Ogden, Utah

NOTE: Times on this agenda are estimated as a courtesy only. Actual times may vary.

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June 30, 2021

Syracuse Arts Academy

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Independent Auditor's Report

The Board of Directors
Syracuse Arts Academy
Syracuse, Utah

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the School, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Framework

As described in Note 7 to the financial statements, Utah House Bill 242 (H.B. 242) was passed in 2020 and requires Utah charter schools to report under the Governmental Accounting Standards Board (GASB) framework. As a result of implementing the financial reporting requirements of H.B. 242, the School has converted the financial statement presentation of the School's financial statements and related disclosures to be presented in accordance with the GASB financial reporting framework. Our opinions are not modified with respect to this matter.

Other Matters

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

Other Reporting Required by *Government Auditing Standards*

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



Ogden, Utah
November 16, 2021

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

FINANCIAL HIGHLIGHTS

During the 2020-2021 school year, the School continued the education of students through in-person learning. Distance learning options were reserved for students that needed to be quarantined. Due largely to the pandemic, and classes returning to in-person instruction, enrollment decreased by 24 students from the previous year. The School received significant federal funds to help mitigate the effects of COVID-19 related costs. The School sold a parcel of land to Utah Department of Transportation (UDOT) to facilitate the West Davis Corridor project. Due to sale of land and changes in surrounding roads, traffic patterns, etc., it was necessary to reconfigure the School's grounds, parking areas, and loading and unloading patterns. The School entered into a legal agreement with UDOT regarding the cost to cure amount (\$2,009,400) that UDOT would provide to cover the sale of land and relevant reconfiguration costs. Additionally, the School entered into agreement with Syracuse City to purchase 15+ acres of land next to the School's Antelope campus for future development and use. The cost of the land was \$2,964,715.

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.

Change in Reporting Framework

It was determined by the Utah Legislature that the School should be reporting under the Governmental Accounting Standards Board (GASB) framework instead of the Financial Accounting Standards Board (FASB) framework. Therefore, the School has converted the beginning net position and fund balance to be presented in accordance with the GASB framework.

Government-Wide Financial Statements (GWFS)

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

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

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

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

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

In the government-wide financial statements, 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 government-wide financial statements 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. While current assets decreased, capital assets increased significantly due to the purchase of more than 15 acres of land from Syracuse City. The School also made significant investments in technology to help facilitate teaching and learning. Long term liabilities decreased modestly due to payment of principal on outstanding bond related debt. The School received over \$2 million in cost to cure funds to help mitigate the impact of the West Davis Corridor project.

	2021	2020
Assets		
Current and other assets	\$ 9,686,413	\$ 10,280,601
Capital assets	30,277,817	27,402,487
	<u>\$ 39,964,230</u>	<u>\$ 37,683,088</u>
Liabilities		
Current and other liabilities	\$ 1,447,388	\$ 1,324,095
Long-term liabilities	29,341,957	29,995,435
	<u>30,789,345</u>	<u>31,319,530</u>
Net Position		
Net investment in capital assets	935,860	(2,592,948)
Restricted	3,735,193	4,186,895
Unrestricted	4,503,832	4,769,611
	<u>\$ 9,174,885</u>	<u>\$ 6,363,558</u>

A portion of the School's net position is the investments in capital assets (i.e., buildings, land, audio and visual materials, furniture and equipment, computers, software, capital improvements and construction in progress) and the related debt used to acquire those assets still outstanding. These capital assets provide services to students; consequently, these assets are not available for future spending. Restricted net position is restricted for debt service and program restrictions. The remaining portion of the School's net position is unrestricted.

Governmental Activities

Changes in Net Position – The table below shows the changes in net position for the fiscal years 2021 and 2020. The School relies on state and federal support for 88.2% of its governmental activities for the year ended June 30, 2021. The School had total revenue of \$18,365,849 and total expenses of \$15,554,522, during the year ended June 30, 2021. The School had an increase in net position of \$2,811,327 during the year ended June 30, 2021. There were a few drivers behind the increase in net position. The federal government provided significant resources to help schools mitigate the impact of the COVID-19 pandemic. The School used these funds to procure assets, largely in the form of technology, to help improve the learning experience for students and the teaching capabilities of educators. The federal government also covered school lunches for all students. Additionally, the School continues to pay down the principal on debt, resulting in a reduction of liabilities. The final significant factor related to the increase in net position is the School receiving other local revenue (\$2,009,400) from the UDOT in cost to cure funds related to the West Davis Corridor project that impacted the School.

	2021	2020	Change
Revenue			
Program revenue			
State and federal aid	\$ 16,190,520	\$ 14,840,041	\$ 1,350,479
Charges for services	29,748	232,961	(203,213)
Operating grants and contributions	90,983	65,649	25,334
Other local revenue	102,662	361,383	(258,721)
Gain on sale of assets	1,951,936	-	1,951,936
Total revenue	<u>18,365,849</u>	<u>15,500,034</u>	<u>2,865,815</u>
Expenses			
Instructional	8,362,011	7,668,914	693,097
Support services			
Students	1,011,535	612,992	398,543
Staff assistance	423,217	262,762	160,455
General	-	8,866	(8,866)
School administration	1,289,259	1,773,991	(484,732)
Central services	784,055	722,451	61,604
Operation and maintenance of facilities	1,778,685	1,937,189	(158,504)
Transportation	1,416	8,692	(7,276)
School food services	673,579	671,717	1,862
Interest and other costs	1,230,765	1,241,896	(11,131)
Total expenses	<u>15,554,522</u>	<u>14,909,470</u>	<u>645,052</u>
Change in Net Position	<u>\$ 2,811,327</u>	<u>\$ 590,564</u>	<u>\$ 2,220,763</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 \$8,514,962, which is a decrease of \$721,940 from the prior year. While there was a significant inflow of federal COVID-19 funding, the School purchased approximately 15 acres of land for \$2,964,715. This led to the decrease in the general fund noted above. There were also expenses the School incurred due to UDOT's West Davis Corridor expansion which contributed to the decrease.

Expenditures for general School purposes totaled \$19,145,253, which is an increase of \$4,326,074 from the prior year. This was due in large part to the following:

1. The land purchase from Syracuse City.
2. Reconfiguration expenses due to the UDOT West Davis Corridor project.
3. COVID-19 related expenditures to help the School mitigate the effects of the global pandemic.

General fund salaries totaled \$7,945,019, while the associated fringe benefits of retirement, social security, unemployment, workers compensation, health, dental and vision added \$2,711,150 to arrive at 55.7% 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 \$299,830 less than the amended budget. The amended budget was prepared with a conservative approach for revenues and budgeted for additional year-end expenditures, which were not made.

Capital Assets

The School has invested \$37,392,528 in a wide range of capital assets, but primarily in land, buildings and capital improvements. The total accumulated depreciation on these assets amounts to \$7,114,711. There were capital asset additions of \$3,944,624 for fiscal year 2021.

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 outstanding bonds, net of unamortized premium, with US Bank as Trustee, totaling \$29,341,957, with rates ranging from 4.0% to 5.0%. The bonds mature in April 2047. See Note 4 to the 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 Board chair, Bryan DeGrange, at the Syracuse Arts Academy, 2893 West 1700 South, Syracuse, Utah 84075, or by email at bdegrange@saacharter.org.

Syracuse Arts Academy
Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>
Assets	
Cash and investments	\$ 4,216,775
Restricted cash and investments	2,743,279
State receivables	38,857
Federal receivables	656,787
Other receivables	2,017,038
Prepaid expenses	13,677
Capital assets (not subject to depreciation)	5,653,629
Capital assets (net of accumulated depreciation)	<u>24,624,188</u>
Total assets	<u>39,964,230</u>
Liabilities	
Accounts payable	43,994
Accrued liabilities	1,047,863
Accrued interest	275,937
Unearned revenue	79,594
Long-term liabilities	
Due within one year - bonds payable	555,000
Due in more than one year - bonds payable	<u>28,786,957</u>
Total liabilities	<u>30,789,345</u>
Net Position	
Net investment in capital assets	935,860
Restricted for	
Special education	666,015
Food lunch program	299,546
School land trust	26,353
Debt service	2,743,279
Unrestricted	<u>4,503,832</u>
Total net position	<u><u>\$ 9,174,885</u></u>

Syracuse Arts Academy

Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<i>Governmental activities</i>				
Instructional	\$ 8,362,011	\$ -	\$ 9,580,562	\$ 1,218,551
Support services				
Students	1,011,535	-	-	(1,011,535)
Staff assistance	423,217	-	-	(423,217)
School administration	1,289,259	-	-	(1,289,259)
Central services	784,055	-	-	(784,055)
Operation and maintenance of facilities	1,778,685	-	-	(1,778,685)
Transportation	1,416	-	-	(1,416)
School food services	673,579	29,748	-	(643,831)
Interest and other costs	1,230,765	-	-	(1,230,765)
Total Governmental Activities	<u>\$15,554,522</u>	<u>\$ 29,748</u>	<u>\$ 9,580,562</u>	<u>(5,944,212)</u>
General Revenue				
Grants and contributions not restricted to specific programs				
State aid				6,700,941
Local revenue				38,192
Interest earnings				39,853
Gain on sale of assets				1,951,936
Miscellaneous				24,617
Total general revenue				<u>8,755,539</u>
Change in Net Position				2,811,327
Net Position, Beginning of Year, As Restated				<u>6,363,558</u>
Net Position, End of Year				<u>\$ 9,174,885</u>

Syracuse Arts Academy
Balance Sheet – Governmental Funds
June 30, 2021

	<u>General</u>
Assets	
Cash and investments	\$ 4,216,775
Restricted cash and investments	2,743,279
State receivables	38,857
Federal receivables	656,787
Other receivables	2,017,038
Prepaid expenses	<u>13,677</u>
Total assets	<u><u>\$ 9,686,413</u></u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 43,994
Accrued liabilities	1,047,863
Unearned revenue	<u>79,594</u>
Total liabilities	<u>1,171,451</u>
Fund Balance	
Nonspendable	
Prepaid expenses	13,677
Restricted for	
Special education	666,015
Food lunch program	299,546
School land trust	26,353
Debt service	2,743,279
Unassigned	<u>4,766,092</u>
Total fund balance	<u>8,514,962</u>
	<u><u>\$ 9,686,413</u></u>

Syracuse Arts Academy
Reconciliation for Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2021

Total Fund Balance - Governmental Funds	\$ 8,514,962
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The cost of capital assets (land, buildings, audio and visual materials, furniture and equipment, computers, software, capital improvements, and construction in progress) 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	37,392,528	
Depreciation expense to date	<u>(7,114,711)</u>	
		30,277,817

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 payable and bond premium	(29,341,957)	
Accrued interest	<u>(275,937)</u>	
		<u>(29,617,894)</u>

Net Position	\$ <u><u>9,174,885</u></u>
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Syracuse Arts Academy

Statement of Revenue, Expenditures, and Changes in Fund Balance – Governmental Funds

Year Ended June 30, 2021

	<u>General</u>
Revenue	
State aid	\$ 14,679,280
Federal aid	1,511,240
Earnings on investments	39,853
School fees	7,916
School lunch sales	29,748
Other local sources	145,876
Total revenue	<u>16,413,913</u>
Expenditures	
Instructional	<u>8,362,011</u>
Support services	
Students	1,011,535
Staff assistance	423,217
School administration	1,289,259
Central services	784,055
Operation and maintenance of facilities	766,857
Transportation	1,416
Total support services	<u>4,276,339</u>
Non instructional	
School food services program	673,579
Capital outlay	3,944,624
Total non instructional	<u>4,618,203</u>
Debt service	
Principal	535,000
Interest and other costs	1,353,700
Total debt service	<u>1,888,700</u>
Total expenditures	<u>19,145,253</u>

Syracuse Arts Academy
Statement of Revenue, Expenditures, and Changes in Fund Balance – Governmental Funds
Year Ended June 30, 2021

	<u>General</u>
Deficiency of Revenue Under Expenditures	(2,731,340)
Other Financing Sources	
Proceeds on sale of asset	<u>2,009,400</u>
Deficiency of Revenue Under Expenditures	(721,940)
Fund Balance, Beginning of Year, As Restated	<u>9,236,902</u>
Fund Balance, End of Year	<u><u>\$ 8,514,962</u></u>

Syracuse Arts Academy
Reconciliation of Governmental Funds Statement of Revenue, Expenditures,
and Changes in Fund Balance to the Statement of Activities
Year Ended June 30, 2021

Total Net Change in Fund Balance - Governmental Funds \$ (721,940)

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 depreciation expense exceeded capital outlays during the fiscal year:

Capital outlay	3,944,624	
Difference in proceeds and gain on sale of capital assets	(57,465)	
Depreciation expense	<u>(1,011,828)</u>	
		2,875,331

The governmental funds report repayment of long-term liability payments as expenditures and the effect of premiums/ 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 payable principal	535,000	
Amortization of bond premium	118,477	
Change in accrued interest	<u>4,459</u>	
		<u>657,936</u>

Change in Net Position of Governmental Activities	<u><u>\$ 2,811,327</u></u>
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Note 1 - Summary of Significant Accounting Policies

Syracuse Arts Academy (the School) was formed in 2006 and is a nonprofit institution, organized under the nonprofit corporation laws of the State of Utah. The School operates two campuses, one is a K-6 and the other is K-9. The School was organized by a group of parents, teachers, and community leaders to provide an education opportunity in the city of Syracuse that was not governed by the local school district. The School was founded on the premise that parents as partners in the learning process leads to success for each child. Every parent is asked to be involved with the school either through committees, volunteering time in the classroom, or with other needs the school may have as they arise. The School provides the following activities: education, encompassing instruction, student and staff support activities and facilities maintenance and operation. Supporting services include general and administrative services which are overall entity-related administrative costs.

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

Financial Reporting Entity

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

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

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

Governmental Funds

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

Governmental funds include:

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

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

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

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

Program Revenue

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

Fund Financial Statements (FFS)

Governmental Funds

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

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

Revenue

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

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

Expenditures

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

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, 2021.

Estimates

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

Capital Assets

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Estimated useful lives are management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Buildings	40 years
Audio and visual materials	5 years
Furniture and equipment	7 years
Computers	5 years
Software	3 years
Capital improvements	20 years

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

Unearned Revenue

Unearned revenue consists of funds that have been received but not yet earned (expended). The funds must be returned to the State of Utah if not used for qualifying expenditures.

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.

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.

Fund Balances of Fund Financial Statements

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

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

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 Director or his 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, 2021, the School's cash and investments consisted of the following:

Cash			
Insured		\$ 250,000	
Uninsured and not collateralized		<u>1,323,205</u>	
Total bank balance of deposits		<u>\$ 1,573,205</u>	
	<u>Rating</u>	<u>Fair Value</u>	<u>Investment Maturities</u>
Investments			
PTIF	Unrated	<u>\$ 5,386,849</u>	Less than 1 year
Total cash and investments		<u>\$ 6,960,054</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, 2021 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, 2021				
PTIF	\$ 5,386,849	\$ -	\$ 5,386,849	\$ -

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:

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>
Governmental activities				
Capital assets, not subject to depreciation				
Land	\$ 2,330,000	\$ -	\$ (57,465)	\$ 2,272,535
Construction in progress	53,890	3,327,204	-	3,381,094
Total capital assets, not subject to depreciation	<u>2,383,890</u>	<u>3,327,204</u>	<u>(57,465)</u>	<u>5,653,629</u>
Capital assets				
Buildings	28,847,670	-	-	28,847,670
Audio and visual materials	18,369	-	-	18,369
Furniture and equipment	1,189,160	36,271	(43,612)	1,181,819
Computers	960,139	576,276	(338,052)	1,198,363
Software	5,180	4,873	-	10,052
Capital improvements	482,626	-	-	482,626
Total capital assets	<u>31,503,144</u>	<u>617,420</u>	<u>(381,664)</u>	<u>31,738,899</u>
Less accumulated depreciation for				
Buildings	(4,796,415)	(742,611)	-	(5,539,026)
Audio and visual materials	(7,304)	(3,083)	-	(10,387)
Furniture and equipment	(690,198)	(163,317)	43,612	(809,903)
Computers	(886,911)	(77,024)	338,052	(625,883)
Software	(4,318)	(1,809)	-	(6,127)
Capital improvements	(99,400)	(23,984)	-	(123,384)
Total accumulated depreciation	<u>(6,484,547)</u>	<u>(1,011,828)</u>	<u>381,664</u>	<u>(7,114,711)</u>
Total capital assets, subject to depreciation	<u>25,018,597</u>	<u>(394,408)</u>	<u>-</u>	<u>24,624,188</u>
Total capital assets, net	<u>\$27,402,487</u>	<u>\$2,932,796</u>	<u>\$ (57,465)</u>	<u>\$30,277,817</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, 2020	Additions	Retirements	Balance at June 30, 2021	Due Within One Year
Bonds payable	\$ 28,015,000	\$ -	\$ (535,000)	\$ 27,480,000	\$ 555,000
Bond premium	1,980,433	-	(118,477)	1,861,957	-
	<u>\$ 29,995,433</u>	<u>\$ -</u>	<u>\$ (653,477)</u>	<u>\$ 29,341,957</u>	<u>\$ 555,000</u>

Long-term liabilities as of June 30, 2021, consist of the following:

Series 2017 Bonds have rates between 4.0% and 5.0% and were issued during fiscal year 2017 for \$29,270,000. Annual payments of principal and variable semi-annual payments of interest are required through April 2047. The School is required to meet certain covenants including debt coverage and cash available as defined by their bonds payable. 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.

Bond premium, net

	\$ 27,480,000
	<u>1,861,957</u>
	<u>\$ 29,341,957</u>

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

Years Ending	Principal	Interest	Total
2022	\$ 555,000	\$ 1,324,500	\$ 1,879,500
2023	575,000	1,302,300	1,877,300
2024	600,000	1,279,300	1,879,300
2025	625,000	1,255,300	1,880,300
2026	655,000	1,224,050	1,879,050
2027-2031	3,795,000	5,595,750	9,390,750
2032-2036	4,840,000	4,547,500	9,387,500
2037-2041	6,185,000	3,209,250	9,394,250
2042-2046	7,855,000	1,537,150	9,392,150
2047	1,795,000	82,550	1,877,550
Total	<u>\$ 27,480,000</u>	<u>\$ 21,357,650</u>	<u>\$ 48,837,650</u>

Note 5 - Concentrations

The School's principal source of support is state and federal-based support revenue. For the year ended June 30, 2021, this funding source accounted for approximately 88.2% 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 4% of the employee's salary. For the year ended June 30, 2021, the School matched \$176,141.

Note 7 - Change in Accounting Framework

Utah House Bill 242 (H.B. 242) was passed in 2020 and requires Utah charter schools to report under the Governmental Accounting Standards Board (GASB) framework. As a result of implementing the financial reporting requirements of H.B. 242, the School has converted the financial statement presentation of the School financial statements and related disclosures to be presented in accordance with the GASB financial reporting framework. Previously, the School prepared financial statements under the Financial Accounting Standards Board (FASB) framework.

As a result of implementing the financial reporting requirements within H.B. 242, the School has converted the financial statement presentation of the School's financial statements and related disclosures to be presented in accordance with the GASB financial reporting framework. See Note 1 for the Summary of Significant Accounting Policies which describe the measurement focus, basis of accounting and basis of presentation in accordance with the GASB financial reporting framework. The following table provides a detailed reconciliation for the conversion of the beginning fund balance and net position as of July 1, 2020:

	General Fund	Government Wide
Net assets (FASB) at July 1, 2020, as previously reported	\$ 6,704,876	\$ 6,704,876
Recognize capital assets as capital outlay	(27,402,487)	-
Debt issuance costs, net	(341,318)	(341,318)
Recognize bonds payable as proceeds from bonds payable issuance	29,995,433	-
Derecognition of accrued interest	280,398	-
	<u>\$ 9,236,902</u>	
Fund balance, July 1, 2020, as converted		
Net position, July 1, 2020, as converted		<u>\$ 6,363,558</u>

Note 8 - Risk and Uncertainties

The School has been impacted by the effects and continuation of the world-wide coronavirus pandemic. The School is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the School's financial position is not known.

Note 9 - Related Party Transactions

During 2021, the School contracted with One West Construction, LLC to assist with the construction of capital improvement additions. One West Construction, LLC is owned by the members of Academica West, LLC, a management company employed by the School. Total additions were \$298,136 for the year ended June 30, 2021.



Required Supplementary Information
June 30, 2021

Syracuse Arts Academy

Syracuse Arts Academy

Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenue				
State aid	\$ 14,137,056	\$ 14,725,356	\$ 14,679,280	\$ (46,076)
Federal aid	613,726	1,508,669	1,511,240	2,571
Earnings on investments	189,000	41,706	39,853	(1,853)
School fees	143,000	32,000	7,916	(24,084)
School lunch sales	270,000	33,806	29,748	(4,058)
Other local sources	99,000	110,153	145,876	35,723
Total revenue	15,451,782	16,451,690	16,413,913	(37,777)
Expenditures				
Instructional	8,776,803	9,693,989	8,362,011	(1,331,978)
Support services				
Students	441,123	517,270	1,011,535	494,265
Staff assistance	115,701	162,309	423,217	260,908
General	163,250	13,250	-	(13,250)
School administration	900,612	897,445	1,289,259	391,814
Central services	1,660,000	1,024,481	784,055	(240,426)
Operation and maintenance of facilities	629,128	627,310	766,857	139,547
Transportation	-	-	1,416	1,416
Total support services	3,909,814	3,242,065	4,276,339	1,034,274
Non instructional				
School food services program	693,049	683,505	673,579	(9,926)
Capital outlay	-	3,944,624	3,944,624	-
Total non instructional	693,049	4,628,129	4,618,203	(9,926)
Debt service				
Principal	535,000	535,000	535,000	-
Interest and other costs	1,345,900	1,345,900	1,353,700	7,800
Total debt service	1,880,900	1,880,900	1,888,700	7,800
Total expenditures	15,260,566	19,445,083	19,145,253	(299,830)

Syracuse Arts Academy

Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Excess (Deficiency) of Revenue Over (Under) Expenditures	191,216	(2,993,393)	(2,731,340)	262,053
Other Financing Sources (Uses) Proceeds on sale of assets	-	2,009,400	2,009,400	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 191,216</u>	<u>\$ (983,993)</u>	<u>\$ (721,940)</u>	<u>\$ 262,053</u>

Note 1 - Basis of Budgeting

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

1. The School's Principal is appointed as the budget officer. Before June 1 of each year, the budget officer shall prepare a tentative budget, with supporting documentation, to be submitted to the Board.
2. The tentative budget and supporting documents shall include the following items:
 - a. The revenue and expenditures of the preceding fiscal year
 - b. The estimated revenue and expenditures of the current fiscal year
 - c. A detailed estimate of the essential expenditures for all the purposes for the next succeeding fiscal year, and
 - d. The estimated financial condition of the School at the close of the fiscal year
3. The tentative budget shall be filed with the School's Principal for public inspection at least 15 days before the date of the 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.



Compliance Reports
June 30, 2021

Syracuse Arts 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
Syracuse Arts Academy
Syracuse, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Syracuse Arts Academy (the School), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and the related notes to the financial statements and have issued our report thereon dated November 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

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 16, 2021



**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
Syracuse Arts Academy
Syracuse, Utah

Report on Compliance

We have audited Syracuse Arts 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, 2021.

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

- Budgetary Compliance
- Fraud Risk Assessment
- School Fees
- Minimum School Program - Unrestricted Programs
- Minimum School Program - Restricted Programs: Special Education and Teacher and Student Success Act

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the School's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Compliance

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

Report on Internal Control over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the state compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

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

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

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

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

Ogden, Utah
November 16, 2021

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SYRACUSE ARTS ACADEMY - ANTELOPE

2018-2019 (<https://secure-utahschoolgrades.schools.utah.gov/home/SchoolAchievement/?latelD=99&SchoolID=185793&DistrictID=185793&SchoolNbr=100&SchoolLevel=K8&IsSplitSchool=0&schoolyearendyear=2019>) | 2019-2020
(<https://secure-utahschoolgrades.schools.utah.gov/home/SchoolAchievement/?latelD=99&SchoolID=185793&DistrictID=185793&SchoolNbr=100&SchoolLevel=K8&IsSplitSchool=0&schoolyearendyear=2020>) | **2020-2021**

ACHIEVEMENT (K8)



WHAT IS ACHIEVEMENT?

Each spring, students are assessed in the concepts and skills taught in the classroom, measuring student learning and the Utah State Standards. Achievement shows the percentage of students who demonstrated mastery of grade-level standards in each subject. Select 'View Details' to see comparison to the district and/or state, and how student groups performed in each subject. Learn more about Utah's annual assessments, RISE for grades 3 through 8 (<https://schools.utah.gov/file/3efbba05-29a4-45bd-9b06-179ef984aaac>) and Utah Aspire Plus for grades 9 and 10. (<https://schools.utah.gov/file/f3ac14f2-42bf-42b5-84fc-545554ce7d09>)

Due to the impacts of COVID-19, interpret 2021 scores with extreme caution. Comparisons of 2021 scores to previous years or across student groups, schools, and districts are not advised.

HOW IS THIS SCHOOL PERFORMING IN EACH SUBJECT AREA?

ENGLISH LANGUAGE ARTS	46.0%	ND no increase or decrease from 2020 score	View Details
MATHEMATICS	50.8%	ND no increase or decrease from 2020 score	View Details
SCIENCE	48.0%	ND no increase or decrease from 2020 score	View Details

NOTE: Times on this agenda are estimated as a courtesy only. Actual times may vary.

In compliance with the Americans with Disabilities Act, persons needing accommodations for this meeting should call (801) 444-9378 to make appropriate arrangements.

SYRACUSE ARTS ACADEMY - ANTELOPE

2018-2019 (<https://secure-utahschoolgrades.schools.utah.gov/Home/SchoolOverAllPerformance?SchoolID=185793&DistrictID=185793&SchoolNbr=100&SchoolLevel=K8&IsSplitSchool=0&schoolyearendyear=2019>) | 2019-2020 (<https://secure-utahschoolgrades.schools.utah.gov/Home/SchoolOverAllPerformance?SchoolID=185793&DistrictID=185793&SchoolNbr=100&SchoolLevel=K8&IsSplitSchool=0&schoolyearendyear=2020>) | **2020-2021**

OVERALL PERFORMANCE (K8)

Parents are critical partners in a school's success. Just as your child's report card shows how your child is performing, this school report card shows you how your child's school is performing in multiple areas. It is designed to show the school's strengths and areas in need of improvement in order to ensure Utah schools are meeting the needs of all students. To learn more, see Frequently Asked Questions. ([/Documents/SchoolReportCardFAQ2021.pdf](#))

Due to the impacts of COVID-19, interpret 2021 scores with extreme caution. Comparisons of 2021 scores to previous years or across student groups, schools, and districts are not advised.

School Accountability

PARTICIPATION RATE: 99.8%



ACHIEVEMENT

English Language Arts
Mathematics
Science

[View Details](#)

([../home/SchoolAchievement/?](#)

StateID=99&SchoolID=185793&DistrictID=185793&SchoolNbr=100&SchoolLevel=K8&IsSplitSchool=0&schoolyearendyear=20



GROWTH

English Language Arts	ND	—
Mathematics	ND	—
Science	ND	—
Growth of Lowest 25%	ND	—



ENGLISH LEARNER PROGRESS

English Learners' Adequate Progress	ND
English Learners Reaching Proficiency	N < 10



EARLY LITERACY

Students Reading on Grade Level
Students Making Typical or Better Progress

[View Details](#)

([../home/SchoolEarly](#)

StateID=99&SchoolID=185793&DistrictID=185793&SchoolNb

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SYRACUSE ARTS ACADEMY - NORTH

2018-2019 (<https://secure-utahschoolgrades.schools.utah.gov/home/SchoolAchievement/?DistrictID=99&SchoolID=186413&DistrictID=185793&SchoolNbr=110&SchoolLevel=K8&IsSplitSchool=0&schoolyearendyear=2019>) | 2019-2020 (<https://secure-utahschoolgrades.schools.utah.gov/home/SchoolAchievement/?DistrictID=99&SchoolID=186413&DistrictID=185793&SchoolNbr=110&SchoolLevel=K8&IsSplitSchool=0&schoolyearendyear=2020>) | **2020-2021**

ACHIEVEMENT (K8)



WHAT IS ACHIEVEMENT?

Each spring, students are assessed in the concepts and skills taught in the classroom, measuring student learning and the Utah State Standards. Achievement shows the percentage of students who demonstrated mastery of grade-level standards in each subject. Select 'View Details' to see comparison to the district and/or state, and how student groups performed in each subject. Learn more about Utah's annual assessments, RISE for grades 3 through 8 (<https://schools.utah.gov/file/3efbba05-29a4-45bd-9b06-179ef984aaac>) and Utah Aspire Plus for grades 9 and 10. (<https://schools.utah.gov/file/f3ac14f2-42bf-42b5-84fc-545554ce7d09>)

Due to the impacts of COVID-19, interpret 2021 scores with extreme caution. Comparisons of 2021 scores to previous years or across student groups, schools, and districts are not advised.

HOW IS THIS SCHOOL PERFORMING IN EACH SUBJECT AREA?

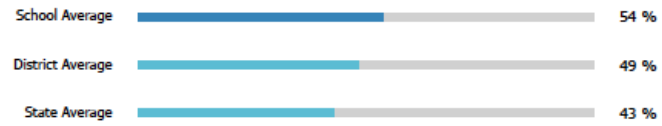
ENGLISH LANGUAGE ARTS	54.2%	NO no increase or decrease from 2020 score	View Details
MATHEMATICS	53.2%	NO no increase or decrease from 2020 score	View Details
SCIENCE	59.9%	NO no increase or decrease from 2020 score	View Details

NOTE: Times on this agenda are estimated as a courtesy only. Actual times may vary.

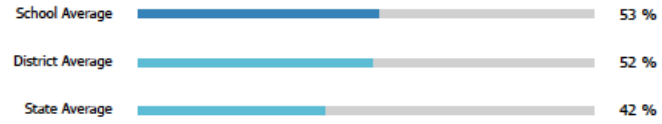
In compliance with the Americans with Disabilities Act, persons needing accommodations for this meeting should call (801) 444-9378 to make appropriate arrangements.

**HOW DID THE SCHOOL PERFORM
COMPARED TO DISTRICT AND STATE?**

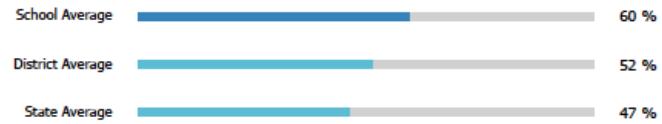
ENGLISH LANGUAGE ARTS



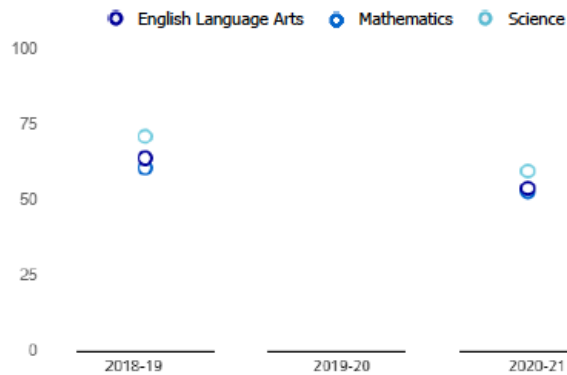
MATHEMATICS



SCIENCE



**HOW DID THE SCHOOL PERFORM OVER
TIME IN EACH SUBJECT?**



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SYRACUSE ARTS ACADEMY - NORTH

2018-2019 (<https://secure-utahschoolgrades.schools.utah.gov/Home/SchoolOverAllPerformance?SchoolID=186413&DistrictID=185793&SchoolNbr=110&SchoolLevel=K8&IsSplitSchool=0&schoolyearendyear=2019>) | 2019-2020 (<https://secure-utahschoolgrades.schools.utah.gov/Home/SchoolOverAllPerformance?SchoolID=186413&DistrictID=185793&SchoolNbr=110&SchoolLevel=K8&IsSplitSchool=0&schoolyearendyear=2020>) | **2020-2021**

OVERALL PERFORMANCE (K8)

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Due to the impacts of COVID-19, interpret 2021 scores with extreme caution. Comparisons of 2021 scores to previous years or across student groups, schools, and districts are not advised.

School Accountability

PARTICIPATION RATE: 100.0%



ACHIEVEMENT

English Language Arts
Mathematics
Science

[View Details](#)

([../home/SchoolAchievement/?StateID=99&SchoolID=186413&DistrictID=185793&SchoolNbr=110&SchoolLevel=K8&IsSplitSchool=0&schoolyearendyear=20](#)



ENGLISH LEARNER PROGRESS

English Learners' Adequate Progress ND
English Learners Reaching Proficiency N < 10



GROWTH

English Language Arts	ND	—
Mathematics	ND	—
Science	ND	—
Growth of Lowest 25%	ND	—



EARLY LITERACY

Students Reading on Grade Level
Students Making Typical or Better Progress

[View Details](#)

([../home/SchoolEarlyLiteracy/?StateID=99&SchoolID=186413&DistrictID=185793&SchoolNbr=110&SchoolLevel=K8&IsSplitSchool=0&schoolyearendyear=20](#)

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HOW IS THE SCHOOL PERFORMING ON OTHER MEASURES OF SCHOOL QUALITY? (UNSCORED)

SELF REPORTED INDICATORS

School Accountability

View Details (./home/SchoolSelfReported/?StateID=99&SchoolID=186413&DistrictID=185793&SchoolID=510819)


OTHER MEASURES (UNSCORED)

Consistent Attendance

View Details (./home/SchoolUnscored/?StateID=99&SchoolID=186413&DistrictID=185793&SchoolID=510819)

HOW ARE INDICATORS WEIGHTED IN THE ACCOUNTABILITY SYSTEM?

POINTS WEIGHTED TO OVERALL SCORE



- Achievement
- Growth
- English Learner Progress
- Growth of the Lowest 25%

View more info on the system >
(/Documents/SchoolAccountabilityInfographic2019.pdf)

View more info on the calculation >
(/Documents/AccountabilityTechnicalManual19_20.pdf)

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Syracuse Arts Academy Statement of Activities

Created on November 11, 2021
For Prior Month

Syracuse Arts Academy

	Annual June 30, 2022 Budget	Year-to-Date October 31, 2021 Actual	% of Budget
Net Income			
Income			
Revenue From Local Sources	498,000	294,737	59.2 %
Revenue From State Sources	15,403,899	5,176,350	33.6 %
Revenue From Federal Sources	613,725	302,583	49.3 %
Extraordinary Items	0	2,009,400	0.0 %
Total Income	16,515,624	7,783,070	47.1 %
Expenses			
Instruction/Salaries	7,897,235	2,119,426	26.8 %
Employee Benefits	2,871,382	669,407	23.3 %
Purchased Prof & Tech Serv	1,121,499	306,166	27.3 %
Purchased Property Services	405,500	160,653	39.6 %
Other Purchased Services	213,199	80,966	38.0 %
Supplies & Materials	1,135,979	954,983	84.1 %
Property	665,000	1,841,017	276.8 %
Debt Services & Miscellaneous	1,938,900	733,631	37.8 %
Total Expenses	16,248,694	6,866,249	42.3 %
Total Net Income	266,930	916,821	343.5 %

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**Syracuse Arts Academy
Statement of Financial Position
Created on November 11, 2021
For Prior Month**

	Period Ending 10/31/2021 <u>Actual</u>	Period Ending 10/31/2020 <u>Actual</u>
Assets & Other Debits		
Current Assets		
Operating Cash	4,170,452	7,141,589
Accounts Receivables	2,671,674	4,869
Other Current Assets	13,677	0
Total Current Assets	<u>6,855,803</u>	<u>7,146,458</u>
Restricted Cash	<u>2,677,249</u>	<u>2,649,464</u>
Net Assets		
Fixed Assets	38,167,528	33,887,035
Depreciation	(7,114,710)	(6,484,547)
Total Net Assets	<u>31,052,818</u>	<u>27,402,488</u>
Total Assets & Other Debits	<u>40,585,870</u>	<u>37,198,410</u>
Liabilities & Fund Equity		
Current Liabilities	<u>377,207</u>	<u>803,273</u>
Long-Term Liabilities	<u>29,341,957</u>	<u>29,654,117</u>
Fund Balance	<u>9,174,885</u>	<u>6,704,875</u>
Net income	<u>1,691,821</u>	<u>36,145</u>
Total Liabilities & Fund Equity	<u>40,585,870</u>	<u>37,198,410</u>

NOTE: Times on this agenda are estimated as a courtesy only. Actual times may vary.

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SAA Board of Directors Meeting Thursday, December 2, 2021

Consent Item: *New Hires*

Issue

The Board approves the hiring of all employees.

Background

The following people have been hired after the **OCTOBER** Board meeting:

NORTH CAMPUS

- Addison Rodriguez, Part Time Custodian
- Meredith Geilmann, Reading TA
- Amy Whitney, Reading TA
- Rhonda Roundy, Reading TA
- Holly Cruz, Reading TA
- Samantha Peterson, Math TA
- Camille Anderson, Math TA
- Jamie Davis, Math TA

ANTELOPE CAMPUS – Elementary

- Kayla Prusse, COVID Aide
- Salina Morales, SPED TA
- Janu Johnson, SPED TA

As always, each employee meets the minimum qualifications required by the state, and/or they have passed a background check.

Recommendation

It is recommended that the Board approve the new hires.

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In compliance with the Americans with Disabilities Act, persons needing accommodations for this meeting should call (801) 444-9378 to make appropriate arrangements.

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Syracuse Arts Academy Board Meeting Minutes Thursday, October 7, 2021

Place: SAA North Campus, 357 S 1550 W, Syracuse, UT 84075

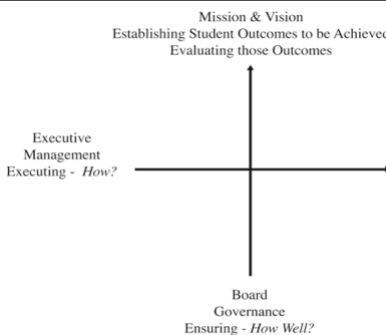


In Attendance: Rene Dreiling, Mary Johnston, Nate Schow, Bryan DeGrange (5:51 p.m. via Zoom)

Excused: Jerrad Pullum

Others in Attendance: Candice Dallin, Leigh Schwartz, Dale Pfister, Jane Ann Kammeyer, Dawn Kawaguchi, Judy Nixon, Brad Taylor, Janey Stoddard (via Zoom), Jon McQueary (6:08 p.m.)

The purpose of Syracuse Arts Academy is to develop respectful, confident citizens in a solid educational environment enriched by artistic expression.



Minutes

2021-2022 School Priorities

Schoolwide Unity, Cooperation & Collaboration

Expansion of Arts Integration

Maximize All Data Sources to Improve Student Instruction and Performance

5:38 PM – Call to Order

- Welcome by Nate Schow
- “Traditions” – The SAA Way
 - School Vision by Mary Johnston
 - Storytelling – Judy Nixon shared a story on what the teachers at the North Campus learned from last year due to COVID which included Zoom parent teacher conferences, excusing students early, learning CANVAS and their skills with technology, kids are resilient and online learning isn't as effective, increase the work of the teachers.

There was no PUBLIC COMMENT.

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In compliance with the Americans with Disabilities Act, persons needing accommodations for this meeting should call (801) 444-9378 to make appropriate arrangements.

REPORTS

➤ Administration

- State of the School – Dale Pfister reported on the staff for dealing with the ever-changing daily challenges which is currently getting food for our lunch program, employee spouse deaths, COVID counts, October 1 Count (1,744 students which was 25 students down from last year), increase in sub pay, and update on ring road. Veteran's Day program will be live streamed or pre-recorded.

➤ Board of Directors

- Financial Update – Rene Dreiling reviewed the statement of financial position and statement of activities including lag in the UDOT payment, revenue, expenditures, and percentages.

➤ Academica West

- AW Recap – Brad reviewed what has been going on at AW including October 1 count, AFR/APR, FY21 audit finalized, grant deadlines, meeting with the education appropriations committee, legal counsel and bond financing.

CONSENT ITEMS

- New Hires – Dale reviewed the new hires including assignment changes. We hired new aides using trust lands money.

- Deanna Gardner, North Math Aide
- Tatiana Czarnecki, North Math Aide
- Chereen Miyamoto, North Math Aide
- Lincoln Nutt, North Math Aide
- Alicia Lee, North Math Aide
- Shubhada Rampure, North Math Aide
- Bonni Mills, North Math Aide
- Shanda Deubler-Ortgiesen, North Kindergarten Teacher
- Deanna Steele, Antelope El 3rd Grade Teacher
- Janu Johnson, Antelope El SPED Aide

- September 9, 2021 Electronic Board Meeting Minutes – There was no further discussion.

- September 23, 2021 Electronic Board Meeting Minutes – There was no further discussion.

Rene Dreiling made a motion to approve the consent items. Mary Johnston seconded the motion. The votes were as follows:

Bryan DeGrange – Aye

Nate Schow – Aye

Rene Dreiling – Aye

Mary Johnston – Aye

Motion passed unanimously.

VOTING ITEMS

- Bond & Disclosure Counsel – Rene Dreiling stated that the financing committee met with the David Robertson (financial advisor) to discuss the bond & disclosure counsel, the borrowers counsel and the underwriter including the rationale why the committee chose

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Gilmore & Bell as the bond counsel, Dorsey & Whitney for borrowers counsel and DA Davidson for the underwriter.

- Borrower's Counsel – There was no further discussion. See above for discussion.
- Underwriter – There was no further discussion. See above for discussion.
- Jr. High Student Trip Expense – Dale Pfister reviewed the cost for the Jr. High student trip expenses. The total amount for the trip is estimated to be \$201k. However, the board has already approved the airfare (\$80k) back on September 23rd. The total amount he is recommending approving for the trip is \$121k. Candice Dallin has put this trip together and gave an overview of what the students will be doing. This will be a cash in cash out transaction. There was a discussion on the collection of fees and chaperones.
- Camera Upgrades – Dale Pfister reviewed the purchase of camera upgrades for both campuses including the research, features, covid mitigation, licensing, lead time. The installation will require an RFP due to them not being on state contract.
- LEA-Specific Educator Licenses – Dale Pfister reviewed the teachers that he is requesting the board approve three LEA specific license for and their rationale.
- Snow Removal – Dale Pfister stated that they have been removing our snow for years and have done a great job. We did receive a second bid which is hard to determine if the cost is better because they charge by the hour and not per push. We would like to stick with Extreme Green at the prices shown.
- Amended Enrollment & Lottery Policy – Dale Pfister reviewed the changes to the Enrollment & Lottery Policy with increases the lottery preferences the radius from ½ mile to 1 mile and preference be given to children of military servicemembers.

Rene Dreiling made a motion to

- **Approve Gilmore & Bell as the Bond & Disclosure Counsel;**
- **Approve Dorsey & Whitney as the Borrower's Counsel;**
- **Approve DA Davidson as the Underwriter;**
- **Approve the Junior High student trip expense not to exceed \$121,000;**
- **Approve the purchase and installation of a new camera and software system not to exceed \$220,000;**
- **Approve the request for an LEA-specific educator license for these individuals: Rebecca Nichols for an Earth Science 2 endorsement and Science Core (6-8) endorsement, Brittany Walker for a Visual Arts (k-12) endorsement and Shanda Deubler for an elementary license all for a period of three (3) years;**
- **Approve Extreme Green's snow removal rates of \$950 per push for the Antelope Campus and \$375 per push for the North Campus; and**
- **Approve the amended Enrollment & Lottery Policy.**

Mary Johnston seconded the motion. The votes were as follows:

Bryan DeGrange – Aye

Nate Schow – Aye

Rene Dreiling – Aye

Mary Johnston – Aye

Motion passed unanimously.

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DISCUSSION ITEMS

- **Calendaring Items – ALL**
 - **Holiday Social – November 4th**
 - **Next Pre-Board Meeting – November 18th**
 - **Next Board Meeting – December 2nd**
 - **NCSC22 Washington DC June 19-22**

6:32 PM – Rene Dreiling made a motion to ADJOURN. Mary Johnston seconded the motion.

The votes were as follows:

Bryan DeGrange – Aye

Nate Schow – Aye

Rene Dreiling – Aye

Mary Johnston – Aye

Motion passed unanimously.

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In compliance with the Americans with Disabilities Act, persons needing accommodations for this meeting should call (801) 444-9378 to make appropriate arrangements.

SAA Board of Director's Meeting Thursday, December 2, 2021

Action Item: *Borrower Authorizing Resolution*

Issue:

In order to obtain the financing that the School is seeking, the Board needs to adopt an Authorizing Resolution.

Background:

The resolution authorizes the preparation of a financing application to the Utah Charter School Finance Authority in connection with the issuance of Charter School Revenue Bonds (Syracuse Arts Academy Project), Series 2022, in one or more taxable or tax-exempt series in an aggregate principal amount of not to exceed \$10,000,000, in order to finance certain costs associated with the expansion and improvement of the Antelope Campus and the North Campus. The resolution also authorizes a nonrefundable application deposit, the preparation of investor materials, preparation and execution of various financing documents, the adoption of bond-related policies and procedures related to federal tax and securities law requirements, and the preparation of certain remedial filings related to prior bonds.

With respect to the Post-Issuance Tax Compliance Policy and Procedures that are adopted under the Authorizing Resolution, there are a variety of IRS regulations governing whether bonds qualify for tax exempt status. Bond counsel gives an opinion on this qualification when the bonds are issued, but these requirements continue to apply post-issuance. Borrower's counsel has recommended that the school adopt policies and procedures that address continued compliance with the applicable tax requirements. The proposed policies and procedures outline and track the applicable IRS requirements.

Recommendation:

It is recommended that the board approve the Authorizing Resolution.

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**RESOLUTION OF THE BOARD OF DIRECTORS
SYRACUSE ARTS ACADEMY**

Adopted: December 2, 2021

WHEREAS, Syracuse Arts Academy, a Utah nonprofit corporation (the “Corporation”) owns and operates charter school facilities and related property located in Syracuse, Utah; and

WHEREAS, the Corporation has determined it is in the best interest of the Corporation to enter into a Second Amendment to Loan Agreement (the “Second Amendment to Loan Agreement”) between the Corporation and the Utah Charter School Finance Authority (the “Authority”) whereby the Corporation will borrow the proceeds of the Issuer’s Charter School Revenue Bonds (Syracuse Arts Academy – Antelope Campus Project), Series 2022, in one or more taxable or tax-exempt series in an aggregate principal amount of not to exceed \$10,000,000 (collectively, the “Bonds”) in order to (a) finance the costs of certain improvements to the Corporation’s charter school campuses located at 2893 West 1700 South in Syracuse, Utah (the “Antelope Campus”), and 357 South 1550 West, Syracuse, Utah (the “North Campus”), (b) reimburse the Corporation for a portion of the costs associated with the acquisition and improvement of the land adjacent to the Antelope Campus which the Corporation recently acquired and costs associated with the improvement of the North Campus, (c) fund a debt service reserve for the Bonds as set forth in the First Supplement to Trust Indenture (the “First Supplement to Trust Indenture”) between the Authority and U.S. Bank National Association, as trustee (the “Trustee”), (d) fund a capitalized interest account, if necessary, and (e) pay certain issuance expenses related to the Bonds.

WHEREAS, the issuance and sale of the Bonds and the loan of the proceeds thereof to the Corporation for the foregoing purposes are necessary and desirable and in the best interest of the Corporation; and

WHEREAS, the Board of Directors of the Corporation (the “Board”) is authorized to manage the business of the Corporation and to take such actions as are herein provided for in order to accomplish the foregoing; and it has been determined necessary and desirable that the Board approve the financing transaction described in this Resolution and take action to authorize, ratify, confirm and approve the execution and delivery of certain documents and certain other matters in connection with the transaction.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SYRACUSE ARTS ACADEMY, AS FOLLOWS:

Section 1. Approval of Issuance of Bonds. The Board approves the issuance and sale of the Bonds by the Authority and approves, ratifies and confirms the loan to the Corporation of the proceeds of the Bonds from the Authority pursuant to the Loan Agreement dated as of February 1, 2017 (the “Original Loan Agreement”), between the Corporation and the Authority, as amended by the First Amendment to Loan Agreement dated as of August 1, 2021 (the “First Amendment to Loan Agreement”), between the Corporation and the Authority, and the Second Amendment to Loan Agreement (collectively, the “Loan Agreement”) for the purposes described in the foregoing recitals. The Bonds will be issued under the Trust Indenture dated as of February 1, 2017 (the “Original Indenture”), between the Authority and the Trustee, as supplemented by the First Supplement to Trust Indenture (collectively, the “Indenture”), and an authorizing resolution of the Authority.

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Section 2. Approval of Financing Documents. The Board authorizes, approves, ratifies and confirms the execution and delivery by the Board Chair, Board Vice Chair, or Board Financial Coordinator of the Corporation (each, an “Authorized Officer”) of any agreements, documents, certificates and instruments relating to, providing the terms of, providing security for or otherwise required by the Authority, the Trustee, or another party to close the financing transactions described in the foregoing recitals and the Indenture and the Loan Agreement, including but not limited to the Loan Agreement, the Mortgage (whether one or more), the Promissory Note (whether one or more), the Bond Purchase Agreement (whether one or more), the Tax Compliance Agreement (whether one or more), the Continuing Disclosure Agreement and the Preliminary Official Statement relating to the Bonds (collectively, the “Financing Documents”), in such forms as the Authorized Officer executing the document shall deem appropriate, and as executed by the Authorized Officer (if applicable), and the execution of such documents to which the Corporation is a party by such officers shall constitute conclusive evidence of their approval and the Corporation’s approval thereof. Capitalized terms used herein and not otherwise defined have the meanings set forth in the Loan Agreement, the Indenture or the Preliminary Official Statement relating to the Bonds.

Section 4. Approval of Preliminary Official Statement. The preparation, distribution and use of a Preliminary Official Statement relating to the Bonds is hereby authorized, ratified, confirmed and approved. Any Authorized Officer is authorized to approve final form of the Preliminary Official Statement and to execute any documents relating to the completeness and accuracy thereof.

Section 5. Further Authority.

(a) Each Authorized Officer is hereby authorized and directed in accordance with the terms and provisions of this Resolution to determine and fix (i) the aggregate principal amount of the Bonds to be issued and the maturity of the Bonds; (ii) the amount and due date of principal and interest payments and prepayment terms of the Bonds; (iii) the tax status of interest on the Bonds; and (iv) the interest rate or rates to be carried by the Bonds. Each Authorized Officer and each member of the Board, as well as the officers of the Board and the Corporation and employees of the Corporation, as the case may be, are hereby authorized to make all other determinations and take all other actions required by the Authority, the Trustee or any other party with respect to the Bonds and the construction and completion of the improvement projects funded in whole or in part with proceeds of the Bonds. Any such determinations and actions heretofore taken on behalf of the Corporation, including but not limited to the execution and delivery of any agreements, instruments, certificates or other documents, in order to further the purposes described herein are hereby in all respects ratified, confirmed and approved.

(b) The Authorized Officers are authorized and directed to take such further action, make such determinations, and to execute and deliver such other agreements, instruments, certificates and documents and to pay all such fees, taxes and expenses as may in their discretion be necessary or desirable in order to carry out and comply with the intent of this Resolution and the terms and provisions of the Financing Documents. All of the acts of each Authorized Officer and each member of the Board, as well as the officers of the Board and the Corporation and employees of the Corporation which are in conformity with the intent and purposes of this Resolution and which are hereafter taken or done on behalf of the Corporation in order to comply with the terms of the Financing Documents and to fulfill the obligations of the Corporation thereunder, or to otherwise further the purposes described herein, are hereby in all respects authorized, ratified, confirmed and approved.

Section 6. Bond-Related Policies and Procedures. The Board hereby approves the Post-Issuance Tax Compliance Policy and Procedures attached hereto to as *Exhibit A* (the “*Tax Compliance*”).

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Procedures”) in order to assist the Corporation in complying with the federal income tax requirements with respect to the Bonds and any other tax-exempt bonds issued by the Corporation or for the benefit of the Corporation. Members of the Board, officers, and employees of the Corporation are hereby authorized and directed to perform all acts they may deem necessary or appropriate in order to implement and carry out the Tax Compliance Procedures. The Board hereby ratifies the prior approval of the Disclosure Policy and Procedures attached hereto to as *Exhibit B* (the “*Disclosure Procedures*”) in order to assist the Corporation in complying with its federal securities requirements with respect to the Bonds and any other bonds or other securities issued by the Corporation or for the benefit of the Corporation. Members of the Board, officers, and employees of the Corporation are hereby authorized and directed to perform all acts they may deem necessary or appropriate in order to implement and carry out the Disclosure Procedures.

Section 7. Authority Application and Deposit. The Board hereby authorizes, approves, ratifies and confirms the execution and delivery to the Authority of a financing application related to the Bonds and the making of a nonrefundable \$20,000 deposit to the Authority in connection therewith, all as required by the Authority.

Section 8. Remedial Action. The Board hereby authorizes, approves, ratifies and confirms the preparation, delivery and public dissemination of remedial filings and notice(s) of prior failures of the Corporation to provide information required to be disclosed to the public pursuant to prior continuing disclosure undertakings of the Corporation and Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934.

Section 9. Repeal of Conflicting Resolutions. All prior resolutions of the Board or any parts thereof in conflict with this Resolution are hereby repealed to the extent of such conflict.

Section 10. Effective Date. This Resolution shall take effect and be in full force immediately after its adoption by the Board.

ADOPTED AND APPROVED December 2, 2021.

BOARD OF DIRECTORS OF SYRACUSE ARTS
ACADEMY

By _____
Bryan DeGrange, Board Chair

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The following members of the Board, constituting a quorum, were present at the meeting of the Board held on December 2, 2021:

Name	Title

The foregoing Resolution was duly adopted at the meeting by the affirmative vote of _____ directors, and opposed by _____ directors, and has been duly recorded in the official book of minutes of the proceedings of the Board and is in full force and effect.

By _____
Mary Johnston, Board Secretary

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Syracuse Arts Academy

Disclosure Policy and Procedures



PURPOSE

These Disclosure Procedures are designed to (a) ensure the completeness and accuracy of the federal securities disclosure made by Syracuse Arts Academy (the “School”) and the School’s Board of Directors (the “Board”) (including the Board’s officers, and School’s staff and business manager in the exercise of their official duties) as well as their compliance with all applicable federal and state securities laws in connection with issuance and disclosure undertakings relating to outstanding bonds issued on its behalf and annual financial information filings, and (b) promote best practices regarding disclosures disseminated to investors and the municipal securities markets by the School.

DISCLOSURE

The controls and procedures set forth herein shall apply to all Disclosure disseminated or communicated by the School. “Disclosure” includes any information or communications reasonably likely to reach investors or the securities markets, such as preliminary and final official statements relating to bonds issued for the benefit of the School, filings made by the School with the Municipal Securities Rulemaking Board or the national repositories (whether required by contract or made voluntarily), press releases which could reasonably be construed as intended for the financial markets, investor calls, rating agency presentations and other communications, and certain postings on the School’s website.

Disclosure – Issuance of Bonds

- a. *Responsibilities of the Board Financial Coordinator.* The School’s Board Financial Coordinator or his or her designee (the “Oversight Officer”) shall be responsible for overseeing the compilation of both the preliminary official statement (“POS”) and the final Official Statement (individually referred to herein as an “Official Statement” and collectively, the “Official Statements”) to be used in connection with the offering and issuance of the associated bonds issued for the School’s benefit (the “Bonds”) and annual financial information filings and for review of other disclosure obligations of the School undertaken in connection with such bond issuance. In the carrying out of these responsibilities, the Oversight Officer shall coordinate with, and be provided with assistance from, among other professionals, Disclosure Counsel, the School’s Counsel and the financial advisor to the School. This oversight responsibility shall include the following:

- Develop a separate checklist or similar outline for the School’s Official Statements for each bond issuance benefitting the School. Each of these

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checklists shall list the categories of information in the applicable Official Statement and identify the person or persons (whether internal to the School or a third-party consultant to the School) who should be responsible for reviewing or contributing the information in each portion of such applicable Official Statement (a “Contributor”).

- Ensure that each Contributor receives a copy of each draft of the applicable Official Statement and the checklist indicating his or her responsibilities with sufficient time to permit such Contributor to perform a thoughtful and thorough review or preparation of information for the applicable portion of the Official Statement. Gather such applicable information and comments from each Contributor.
- Provide information and comments submitted by Contributors to Disclosure Counsel and coordinate with Disclosure Counsel to develop a draft POS for the Bond issue.
- Distribute applicable sections of such applicable Official Statement or annual financial information filing as revised to the respective Contributors for further review and comment. Document confirmation by each Contributor that the information provided by such Contributor has been properly incorporated in such applicable Official Statement draft and is accurate and complete as so incorporated. Contributor confirmation may be provided by means of indications on checklist.
- Schedule and conduct periodic internal and external meetings of Contributors, either in groups or individually, and Disclosure Counsel for the purpose of discussing the School’s financial status generally and its annual audited financial statements, its related programs, the related industries, and other issues affecting the School and the Bonds that may be material to investors.
- Review all continuing disclosure obligations in connection with the Bonds.

b. *Responsibilities of Contributors.* All Contributors to the School’s Official Statements shall be responsible for the following:

- Delivery and review of comments and information as requested (by means of a checklist or otherwise) for purposes of inclusion in the applicable Official Statement.
- Review of applicable portions of the revised applicable Official Statement and provide confirmation (which may be provided by means

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of indications on a checklist) that the information provided by such Contributor has been incorporated correctly and, as so incorporated, such portions of the applicable Official Statement present accurate and complete information to investors about the items so covered by such portions.

- Attend periodic meetings (as applicable) to discuss broad issues concerning the School and its Official Statements.
- In the case of third party or expert Contributors, provide certifications and opinions relating to their contributions to Official Statements as appropriate.

c. *Responsibilities of Disclosure Counsel.* Disclosure Counsel shall have the following responsibilities with respect to Disclosure by the School:

- Provide an initial draft POS to the School's Board Financial Coordinator for distribution to Contributors and, at the request of the School's Board Financial Coordinator, distribute drafts or sections to Contributors and draft timelines for review by the School's Board Financial Coordinator.
- Confirm that all steps required by the Disclosure Procedures have been followed in connection with preparation of a particular Official Statement. No Official Statement relating to the Bonds shall be submitted to the Board Financial Coordinator for approval or to the School's Board Financial Coordinator for certification until and unless Disclosure Counsel has completed this confirmation.
- Provide School packages to participants for review and confirm with participants that no issues have been raised regarding the draft Official Statement based on such review.
- Perform review and evaluation of the Disclosure Procedures as requested and confirm to the School whether changes to such Disclosure Procedures are recommended.
- Review and approve any continuing disclosure obligations or statements in connection with any Bond issuance.
- Cause an opinion to be provided regarding the necessity of filing a material event notice, where such an opinion is requested.

Disclosure in Connection with Outstanding Bonds.

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- a. *Continuing Disclosure Obligations.* The Oversight Officer shall be responsible for overseeing compliance by the School with its continuing disclosure obligations, including but not limited to the compilation and filing of all annual financial reports and filing of all annual financial statements of the School on EMMA, as applicable. The Oversight Officer shall also consult with its dissemination agent appointed in connection with the applicable Bond issue (the “Dissemination Agent”), Disclosure Counsel and the School’s Counsel to determine the materiality of any events and whether an event notice is required to be filed under the circumstances. If a determination is made that an event is material and a notice is required, the Oversight Officer shall work with the Dissemination Agent and Disclosure Counsel to prepare a draft of such notice in a timely manner and shall provide such draft notice to the School’s Counsel for review and comment. The Dissemination Agent shall be directed to file such notice in the required repositories once the notice has been approved by the School’s Board Financial Coordinator and the School’s Counsel.
- b. *Voluntary Filings.* The Oversight Officer, in consultation with Disclosure Counsel and the School’s Counsel, shall evaluate whether an event is appropriate for disclosure by the School on a voluntary basis, based on investor demand or otherwise. Upon a determination that a voluntary notice should be filed, the Oversight Officer shall work with the Dissemination Agent, Disclosure Counsel and the School’s Counsel to prepare a draft of such notice. The Dissemination Agent shall be directed to file such voluntary notice in the appropriate repositories once such notice has been approved by the School’s Board Financial Coordinator and the School’s Counsel.
- c. *Press Releases.* Press releases for the School are prepared in coordination with the Oversight Officer, who shall consult with Disclosure Counsel prior to approving such press release.
- d. *Investor Communications.* The Oversight Officer shall be responsible for overseeing the responses to all telephone, email and other inquiries from existing and potential investors in the Bonds. All School staff shall transfer such inquiries to the Oversight Officer (or delegated staff under his/her supervision). Investors shall be directed to information provided on the School’s website or shall be given a written response to any inquiry whenever practicable.
- e. *Rating Agency Communications.* All information provided by the School or for the School at its direction to any rating agency providing a rating for the Bonds shall be reviewed for accuracy and completeness and approved by the Oversight Officer.

Training.

The Oversight Officer, in consultation with Disclosure Counsel or the School’s Counsel, shall be responsible for coordinating training sessions for School staff and Board members about their obligations under the Federal securities laws and regulations and other Federal and state laws

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affecting the issuance of Bonds. Training shall be provided for general background and overview purposes and, as applicable, to update School staff and Board members concerning recent changes in applicable laws or regulations.

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SYRACUSE ARTS ACADEMY
QUALIFIED 501(C)(3) BONDS
POST-ISSUANCE TAX COMPLIANCE POLICY AND WRITTEN PROCEDURES

Adopted: _____

Last Updated: _____

This policy and the procedures set forth herein are adopted by Syracuse Arts Academy (“Borrower”), as conduit borrower, to ensure that interest on tax-exempt conduit bonds issued for the benefit of the Borrower (the “Bonds”) remains excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). The Borrower reserves the right to use its discretion as necessary and appropriate to make exceptions to these guidelines or adopt additional policies or procedures as facts and circumstances warrant.

I. Use of Bond Proceeds

A. Expenditure of Bond proceeds will be regularly reviewed by Academica West, LLC, as business manager for the Borrower, and the Lead Director of the Borrower, for consistency with the Bond documents, including any bond resolution, trust indenture, disbursement agreement or tax certificate (including any tax compliance agreement or similar document).

B. None of the proceeds of the Bonds will be used to reimburse the Borrower for costs paid prior to the date of issuance of the Bonds unless the Borrower shall have fully complied with Section 1.150-2 of the Treasury Regulations with respect to such reimbursed amounts, which section is summarized in Exhibit A hereto.

C. The amount of sale proceeds applied to finance issuance costs of any issue of Bonds shall not in any case exceed 2% of the sale proceeds of the Bonds.

D. Staff costs may be financed with Bond proceeds only to the extent that they are properly capitalized as a cost of a capital project under generally accepted accounting principles and federal tax law.

E. Requests for expenditures will be summarized in a “final allocation” of Bond proceeds to uses not later than 18 months after the in-service date of the Bond-financed property (and in any event not later than 5 years and 60 days after the issuance of the Bonds and not later than 60 days after earlier retirement of the issue) in a manner consistent with allocations made to determine compliance with the Code and Treasury Regulations and the applicable tax certificate.

F. Expenditure of proceeds of the Bonds will be measured against the Borrower’s expectation at issuance of the Bonds to (i) incur within 6 months a substantial binding obligation to a third party to expend at least 5% of the net sale proceeds of the Bonds on capital projects, (ii) allocate at least 85% of net sale proceeds to expenditures on the capital projects within 3 years, and (iii) proceed with due diligence to complete the capital projects and fully spend the net sale

and investment proceeds. In the event that exceptions under the Code are not met, annual calculations of rebate liability will be performed or caused to be performed by Lewis Young Robertson & Burningham.

G. If there are any Bond proceeds remaining other than in a reserve or debt service fund established pursuant to the bond resolution or trust indenture after completion of the projects, such proceeds shall be applied in a manner consistent with the applicable bond resolution, trust indenture, loan agreement and tax certificate or pursuant to advice from bond counsel.

II. Use of Bond-Financed Property

A. Records will be maintained by Academica West, LLC, as business manager for the Borrower, and the Lead Director of the Borrower, identifying the assets or portion of assets that are financed with Bond proceeds, including the average economic life of such Bond-financed property.

B. Upon issuance of Bonds, there shall be no expectation that the Bond-financed property will be sold or otherwise disposed of by the Borrower during the term of the Bonds.

C. Appropriate personnel will be trained regarding restrictions on the use of Bond proceeds and the facilities financed thereby, including unrelated business use (*i.e.*, use by the Borrower or another section 501(c)(3) organization that is not substantially related to the performance of that organization's tax-exempt purpose) and instructed to consult with Academica West, LLC, as business manager for the Borrower, and the Lead Director of the Borrower, regarding any (i) third-party contract concerning use of the facilities, including without limitation leases, use, management or service contracts, and research contracts and (ii) unrelated business use.

D. Agreements with third parties for lease, use, management, or any other service agreement or research contract with respect to, or non-governmental use in respect of, Bond-financed property must be approved prior to execution (or material modification) by Academica West, LLC, as business manager for the Borrower, and the Lead Director of the Borrower, who will be responsible for determining whether the proposed agreement results in private business use of the facilities (including in an unrelated trade or business), upon advice of bond counsel, as necessary. If applicable in making such determination, Academica West, LLC, as business manager for the Borrower, and the Lead Director of the Borrower, will determine, or consult with outside legal counsel to determine, whether the proposed agreement meets the compensation, term and other requirements of Revenue Procedure 2017-13, regarding service agreements (summarized in Exhibit B hereto), or the guidelines of Revenue Procedure 2007-47, regarding research sponsorship agreements (summarized in Exhibit C hereto).

E. Academica West, LLC, as business manager for the Borrower, and the Lead Director of the Borrower, will communicate at least annually with the appropriate personnel to identify and discuss any existing or planned private use (including unrelated business use) of Bond-financed facilities. Guidelines for measuring and allocating any such use are summarized in Exhibit D hereto.

F. No item of Bond-financed property will be sold or transferred by the Borrower without approval of the governing body of the Borrower who shall authorize and seek the advice of bond counsel to provide guidance as to “remedial action” that may be required under the applicable Treasury Regulations if Bonds financing such property remain outstanding as of the date of sale or transfer of such property. Remedial action is summarized in Exhibit E hereto.

III. Investments

A. If the issue price of the Bonds cannot be determined on or before the date the Bonds are issued, the Borrower will continue monitoring sales of Bonds until 10% of each maturity of Bonds has been sold to the public at a single price or until all of the Bonds are sold to the public. If, in such circumstances, all of the Bonds are sold, but no single price was agreed with respect to at least 10% of a maturity of the Bonds, the Borrower will consult with bond counsel to determine a reasonable method to establish the issue price of that maturity.

B. Investment of Bond proceeds in compliance with the arbitrage and rebate requirements of the Code and applicable Treasury Regulations will be managed by Academica West, LLC, as business manager for the Borrower, and the Lead Director of the Borrower, in compliance with the applicable bond resolution or trust indenture and the tax certificate.

C. Guaranteed investment contracts (“GICs”) and defeasance escrow securities will be purchased according to the fair market value provisions of applicable Treasury Regulations, including bid requirements and fee limitations. Certificates of deposit will be purchased only according to the fair market value provisions of applicable Treasury Regulations. Bond counsel will be consulted before purchasing any other, non-marketable securities and before depositing gross proceeds in any other bank account not explicitly authorized by the Bond documents.

D. Upon final expenditure of the gross proceeds of Bonds, and in any event promptly following the fifth anniversary of the date of issuance of the Bonds or earlier retirement of the Bonds, Academica West, LLC, as business manager for the Borrower, and the Lead Director of the Borrower, will prepare or cause to be prepared a spending exception report or an arbitrage rebate computation (as applicable) for the issue of Bonds. Rebate payments, if due, will be made with Form 8038-T no later than 60 days after (i) each fifth anniversary of the date of issuance of the Bonds and (ii) the final retirement of the Bond issue.

IV. Record Management and Retention

A. Management and retention of records related to Bond issues will be supervised by Academica West, LLC, as business manager for the Borrower, and the Lead Director of the Borrower.

B. Records for Bonds will be retained for not less than the life of the Bonds, plus any refunding bonds, plus three years. Such records may be in the form of documents or electronic copies of documents, appropriately indexed to specific Bond issues and compliance functions.

C. Retainable records pertaining to Bond issuance, use and investment of Bond proceeds and use of Bond-financed property shall include the following, which shall be retained by Academica West, LLC, as business manager for the Borrower, and the Lead Director of the Borrower:

- The Bond closing transcript and any amendments to Bond documents.
- Documents relating to any expenditure financed by Bond proceeds. Such documents will include requests for Bond proceeds, construction contracts, purchase orders, invoices, and payment records. Such documents will include documents relating to costs reimbursed with Bond proceeds.
- Records identifying the assets or portion of assets that are financed with Bond proceeds.
- All contracts and arrangements involving private use of the Bond-financed property, including third-party lease, use, management or service contracts, and research contracts.
- All reports relating to the allocation of Bond proceeds and private use of Bond-financed assets, including information on unrelated business use.
- Records of investments, GICs or other investment agreements, and records of investment activity sufficient to permit calculation of arbitrage rebate, or demonstration that no rebate is due; arbitrage reports; and copies of rebate calculations and records of payments, including Forms 8038-T.

V. Overall Responsibility

A. Overall administration and coordination of these guidelines and related staff training, as deemed necessary, are the responsibility of Academica West, LLC, as business manager for the Borrower, and the Lead Director of the Borrower.

B. Academica West, LLC, as business manager for the Borrower, and the Lead Director of the Borrower will coordinate an annual review process to investigate, monitor, assure and document compliance with these guidelines.

C. The Borrower understands that failure to comply with these policies and procedures could result in the retroactive loss of the exclusion of interest on Bonds from federal gross and Utah income and, thus, it would be advisable to consult with bond counsel in advance regarding deviations from the facts and expectations as set forth in the closing certifications relating to any issue of Bonds.

D. Any violations or potential violations of federal tax requirements shall promptly be reported to the governing body of the Borrower and, if necessary, the governing body shall direct Academica West, LLC, as business manager for the Borrower, and the Lead Director of the Borrower to engage qualified consultants and outside legal counsel to further investigate potential violations or undertake appropriate remedial actions. Any deviation or contemplated deviation from the facts and expectations set forth in the closing certifications relating to any issue of Bonds

should be reported promptly to bond counsel or appropriate staff, who normally will consult bond counsel for advice regarding such deviation.

EXHIBIT A

REIMBURSEMENT BOND SUMMARY

Following is a general summary of the requirements relating to bonds that are issued to reimburse expenditures that were paid prior to the date of issuance of bonds (“Reimbursement Bonds”).

Reimbursement Bond proceeds cannot be used to reimburse expenditures paid more than 60 days prior to the adoption of the declaration of official intent/reimbursement resolution, which must contain:

- a general functional description of the property to which the reimbursement relates or an identification of the fund or account from which the expenditure is to be paid and a general functional description of the purposes of such fund or account; and
- the maximum principal amount of debt to be issued.

Reimbursement Bonds must be issued not later than 18 months after the later of (i) the date on which the original expenditure is paid, or (ii) the date on which the property is placed in service, but in any case not more than three years after the date on which the original expenditure is paid. If possible, actual reimbursement should be made within 30 days of the date of issuance of the Reimbursement Bonds.

Note that there are exceptions for “de minimis” amounts (not in excess of the lesser of \$100,000 or 5% of proceeds of the issue) and for “preliminary expenditures” (such as architectural, engineering, surveying, soil testing and similar costs, and costs of issuance), so long as such preliminary expenditures do not exceed 20% of the aggregate issue price.

EXHIBIT B

SUMMARY OF REVENUE PROCEDURE 2017-13

Management contracts and other agreements with service providers with respect to property financed with proceeds of tax-exempt bonds may result in private business use of that property for purposes of § 141 of the Internal Revenue Code of 1986. Whether such an agreement results in private business use is generally based on all of the facts and circumstances but generally results in private business use if the contract provides for compensation based, in whole or in part, on a share of net profits from the operation of the facility. An agreement that results in a lease or ownership of the property by the service provider for federal income tax purposes generally is not considered a management contract for this purpose and generally results in private business use.

Revenue Procedure 2017-13 provides conditions under which a management contract does not result in private business use of the financed property.¹ The following is a summary of the Rev. Proc. 2017-13 requirements and safe harbors and should be used with care. Rev. Proc. 2017-13 and other relevant authority should be reviewed in connection with each proposed management or other service-provider agreement.

I. General Definitions

“Governmental person” means a state or local governmental unit as defined in Treas. Reg. § 1.103-1 or any instrumentality thereof. It does not include the United States or any agency or instrumentality thereof.

“Managed property” means the portion of a project with respect to which a service provider provides services.

“Management contract” means a management, service, or incentive payment contract between a qualified user and a service provider under which the service provider provides services for a managed property. A management contract does not include a contract or portion of a contract for the provision of services before a managed property is placed in service (for example, pre-operating services for construction design or construction management).

“Project” means one or more facilities or capital projects, including land, buildings, equipment, or other property, financed in whole or in part with proceeds of the bond issue.

“Qualified user” means, for projects financed with governmental bonds, any governmental person or, for projects financed with qualified 501(c)(3) bonds, any governmental person or any 501(c)(3) organization with respect to its activities which do not constitute an unrelated trade or business, determined by applying § 513(a).

“Related party” means, in reference to a governmental unit or a 501(c)(3) organization, any member of the same controlled group, and in reference to any person that is not a governmental unit or 501(c)(3) organization, a related person (as defined in § 144(a)(3) of the Code).

“Renewal option” means a provision under which either party has a legally enforceable right to renew the contract. Thus, for example, a provision under which a contract is automatically

¹ An issuer/borrower may continue to rely on Rev. Proc. 97-13, as modified by Rev. Proc. 2001-39 and amplified by Notice 2014-67, with respect to a management contract entered into before August 18, 2017 and that is not materially modified or extended on or after that date (except pursuant to certain renewal options).

renewed for one-year periods absent cancellation by either party is not a renewal option (even if it is expected to be renewed).

“*Service provider*” means any person other than a qualified user that provides services to, or for the benefit of, a qualified user under a management contract.

“*Unrelated parties*” means persons other than either: (1) a related party to the service provider or (2) a service provider’s employee.

Eligible Expense Reimbursement Arrangements

A management contract under which the only compensation consists of reimbursements of actual and direct expenses paid by the service provider to unrelated parties and reasonable related administrative overhead expenses of the service provider does not result in private business use.

Qualified Management Contracts

Management contracts that are not eligible expense reimbursement arrangements (as described above) do not result in private business use if the below requirements are met. Moreover, a service provider’s use that is functionally related and subordinate to its services provided under such a qualifying management contract (*e.g.*, use of storage areas to store equipment used to perform the services) does not result in private business use.

Term of the Contract

The term of the contract, including all renewal options, must not be greater than the lesser of 30 years or 80% of the weighted average reasonably expected economic life of the managed property, determined as of the beginning of the term of the contract.

Control of Managed Property

The qualified user must exercise a significant degree of control over the use of the managed property. This requirement is met if the contract requires the qualified user to approve:

- the annual budget;
- capital expenditures (*e.g.*, by approving an annual budget for capital expenditures described by functional purpose and specific maximum amounts);
- each disposition of property (as with capital expenditures);
- rates charged for use (*e.g.*, by expressly approving the rates or a general description of the rate-setting methodology (such as a method that establishes hotel room rates using specified revenue goals based on comparable properties), or by requiring that the rates be reasonable and customary as specifically determined by, or negotiated with, an independent third party (such as a medical insurance company)); and
- the general nature and type of use of the managed property.

Risk of Loss of the Managed Property

The qualified user must bear the risk of loss upon damage or destruction of the managed property (*e.g.*, due to *force majeure*). A qualified user may, however, insure against risk of loss and impose a penalty on the service provider for failure to operate the property in accordance with certain standards.

No Inconsistent Tax Position

The service provider must agree that it is not entitled to and will not take any tax position that is inconsistent with being a service provider with respect to the managed property. For example, the service provider must agree not to claim any depreciation or amortization, investment tax credit, or deduction for any payment as rent with respect to the managed property.

No Substantial Limitation of Rights

The service provider must not have any role or relationship with the qualified user that, in effect, substantially limits the qualified user's ability to exercise its rights under the contract, based on all the facts and circumstances. A service provider will not be treated as having such a prohibited role or relationship if:

- no more than 20% of the voting power of the governing body of the qualified user is vested in the directors, officers, shareholders, partners, members, and employees of the service provider (or its related parties) in the aggregate;
- the governing body of the qualified user does not include the CEO or other person with equivalent management responsibilities of the service provider (or any of its related parties) or other chairperson or equivalent executive of the service provider's governing body (or that of any of its related parties); and
- the CEO or equivalent of the service provider (or any of its related parties) is not the CEO or equivalent of the qualified user or any of the qualified user's related parties.

Compensation and Expenses

Reasonable Compensation

Payments to the service provider under the contract must be reasonable compensation for services rendered during the term of the contract. Compensation includes payments to reimburse actual and direct expenses and related administrative overhead expenses.

No Net Profits or Net Losses

The contract must not (i) provide to the service provider a share of net profits from the operation of the managed property or (ii) in substance, impose upon the service provider the burden of bearing any share of net losses from the operation of the managed property.

Compensation will not be treated as a share of net profits if *no element of the compensation*² takes into account, or is contingent upon, either net profits or both revenues and expenses (other than any reimbursements of actual and direct expenses paid to unrelated parties). Incentive compensation will not be treated as providing a share of net profits if the eligibility for the incentive compensation is determined by the service provider's performance in meeting standards for quality of service, performance, or productivity and the amount and timing of payment otherwise meet this requirement.

An arrangement will not be treated as requiring the service provider to bear a share of net losses if:

² For this purpose, the elements of compensation are: the *eligibility* for payment, the *amount* of payment, and the *timing* of payment.

- the amount of the service provider's compensation and the amount of expenses to be paid by the service provider (and not reimbursed), separately and collectively, do not take into account either net losses or both revenues and expenses, and
- the timing of the payment is not contingent upon net losses.

A service provider whose compensation is reduced by a stated dollar amount (or one of multiple stated dollar amounts) for failure to keep expenses below a specified target (or one of multiple specified targets) will not be treated as bearing a share of net losses as a result of this reduction

Payment Deferral

Deferral due to insufficient net cash flows from the operation of the managed property of the payment of compensation that does not otherwise provide a share of net profits or require the service provider to bear a share of net losses will not cause the deferred compensation to be treated as contingent upon net profits or net losses if the contract includes requirements that:

- the compensation is payable at least annually;
- the qualified user is subject to reasonable consequences for late payment, such as reasonable interest charges or late payment fees; and
- the qualified user will pay such deferred compensation (with interest or late payment fees) no later than the end of five years after the original due date of the payment.

Certain Compensation Arrangements

Without regard to whether the service provider pays expenses with respect to the operation of the managed property without reimbursement by the qualified user, compensation for services will not be treated as providing a share of net profits or requiring the service provider to bear a share of net losses if the compensation for services is: (a) based solely on a capitation fee, a periodic fixed fee, or a per-unit fee; (b) incentive compensation as described above; or (c) a combination of these types of compensation.

“Capitation fee” means a fixed periodic amount for each person for whom the service provider or the qualified user assumes the responsibility to provide all needed services for a specified period so long as the quantity and type of services actually provided to such persons varies substantially.³ A fixed periodic amount may include an automatic increase according to a specified, objective, external standard that is not linked to the output or efficiency of the managed property. A capitation fee may include a variable component of up to 20% of the total capitation fee designed to protect the service provider against risk such as risk of catastrophic loss.

“Periodic fixed fee” means a stated dollar amount for services rendered for a specified period of time.⁴ The stated dollar amount may automatically increase according to a specified, objective external standard that is not linked to the output or efficiency of the managed property. Capitation fees and per-unit fees are not periodic fixed fees.

³ For example, a capitation fee includes a fixed dollar amount payable per month to a medical service provider for each member of a health maintenance organization plan for whom the provider agrees to provide all needed medical services for a specified period.

⁴ For example, a stated dollar amount per month is a periodic fixed fee.

“*Per-unit fee*” means a fee based on a unit of service provided specified in the contract or otherwise specifically determined by an independent third party, such as the administrator of the Medicare program, or the qualified user.⁵ Separate billing arrangements between physicians and hospitals are treated as per-unit fee arrangements. A fee that is a stated dollar amount specified in the contract does not fail to be a per-unit fee as a result of a provision under which the fee may automatically increase according to a specified, objective, external standard that is not linked to the output or efficiency of the managed property.

The Consumer Price Index and similar external indices that track increases in prices in an area or increases in revenues or costs in an industry are examples of objective, external standards.

Contract Revisions

A contract that is materially modified with respect to any matter relevant to these requirements must be retested under these requirements as a new contract as of the date of the material modification.

⁵ For example, a stated dollar amount for each specified medical procedure performed, car parked, or passenger mile is a per-unit fee.

EXHIBIT C

SUMMARY OF REVENUE PROCEDURE 2007-47

If a research agreement is described in either section (1) or (2) below, the research agreement itself will not generally result in private business use.

(1) *Corporate-sponsored research.* A research agreement relating to property used for basic research (*i.e.*, any original investigation for the advancement of scientific knowledge not having a specific commercial objective) supported or sponsored by a sponsor is described in this section (1) if any license or other use of resulting technology by the sponsor is permitted only on the same terms as the recipient would permit that use by any unrelated, non-sponsoring party (that is, the sponsor must pay a competitive price for its use), and the price paid for that use must be determined at the time the license or other resulting technology is available for use. Although the recipient need not permit persons other than the sponsor to use any license or other resulting technology, the price paid by the sponsor must be no less than the price that would be paid by any non-sponsoring party for those same rights.

(2) *Industry or federally sponsored research agreements.* A research agreement relating to property used pursuant to an industry or federally sponsored research arrangement is described in this section (2) if the following requirements are met, taking into account the special rules set forth in section (3) in the case of federally sponsored research:

- A single sponsor agrees, or multiple sponsors agree, to fund governmentally performed basic research;
- The qualified user¹ determines the research to be performed and the manner in which it is to be performed (for example, selection of the personnel to perform the research);
- Title to any patent or other product incidentally resulting from the basic research lies exclusively with the qualified user; and
- The sponsor or sponsors are entitled to no more than a nonexclusive, royalty-free license to use the product of any of that research.

(3) *Federal Government rights under the Bayh-Dole Act.* In applying the operating guidelines on industry and federally sponsored research agreements under section (2) to federally sponsored research, the rights of the Federal Government and its agencies mandated by the Bayh-Dole Act will not cause a research agreement to fail to meet the requirements of section (2), provided that the requirements of sections second and third bullet points above are met, and the license granted to any party other than the qualified user to use the product of the research is no more than a nonexclusive, royalty-free license. Thus, to illustrate, the existence of march-in rights

¹ A “qualified user” of the financed property is a state or local governmental unit (or instrumentality thereof) or a 501(c)(3) organization if the financed property is not used in an unrelated trade or business under section 513(a) of the Internal Revenue Code.

or other special rights of the Federal Government or the sponsoring Federal agency mandated by the Bayh-Dole Act will not cause a research agreement to fail to meet the requirements of section (2), provided that the qualified user determines the subject and manner of the research in accordance with the second bullet point above, the qualified user retains exclusive title to any patent or other product of the research in accordance with the third bullet point above, and the nature of any license granted to the Federal Government or the sponsoring Federal agency (or to any third party nongovernmental person) to use the product of the research is no more than a nonexclusive, royalty-free license.

EXHIBIT D

SUMMARY OF PRIVATE USE MEASUREMENT AND ALLOCATION

Bonds will be considered “private activity bonds” if the issuer reasonably expects, as of the issue date of the bonds, that the issue of bonds either (i) meets the private business use test and the private security or payment test or (ii) meets the private loan financing test. Bonds will also be considered private activity bonds if the issuer takes a deliberate action, subsequent to the issue date, that causes the conditions of these tests to be met. For qualified 501(c)(3) bonds, the expectations and actions of the conduit borrower must also be considered.

Governmental bonds generally meet the private business use test if more than 10% of the proceeds of an issue of Bonds are used, directly or indirectly, in any activity that constitutes a trade or business of any person that is not a state or local governmental unit, or more than 5% of such proceeds are used, directly or indirectly, for (i) any use that is not related to any governmental use of the proceeds or (ii) any disproportionate related business use of the proceeds.

Qualified 501(c)(3) bonds will meet the private business use test if more than 5% of the proceeds of an issue (or \$15,000,000, if less) of bonds are used, directly or indirectly, (i) in any activity that constitutes (a) an unrelated trade or business activity of an organization described in section 501(c)(3) of the Code and exempt from tax under section 501(a) (a “501(c)(3) Organization”), determined by applying section 513(a) of the Code (without regard to whether the activity produces unrelated business taxable income), or (b) a trade or business of any person that is not a 501(c)(3) Organization or a state or local governmental unit (a “Non-Exempt Person”), or (ii) to pay costs of issuing the Bonds.

The following is a general summary of how private business use is measured and allocated to proceeds for purposes of the private business use test.

I. Private Use Measurement

Use of financed property is treated as direct use of the bond proceeds, and the use of proceeds by all nongovernmental persons is aggregated for purposes of the private business use test.

To calculate private business use, the percentage or amount of bond proceeds that is attributable to each discrete facility or portion thereof must first be determined by treating each portion as a separate facility. The allocation generally is based on the relative cost of each portion, but where different portions of a facility have similar costs per square foot (or where it would result in a conservative allocation), relative square footage often is used as a proxy for allocating costs. For this purpose, bond proceeds that are invested in a reserve or replacement fund, or paid as fees for a qualified guarantee or a qualified hedge, are allocated ratably among the other purposes for which the proceeds are used. As noted above, however, issuance costs (including amounts retained by an underwriter as compensation) are included in the costs subject to the 5% limitation for qualified 501(c)(3) bonds.

The amount of private business use is generally determined according to the average percentage of private business use of that facility (or portion thereof) during the applicable measurement period. The measurement period generally begins on the later of the issue date of the bonds or the date the property is placed in service and ends on the earlier of the last date of the reasonably expected economic life of the property or the latest maturity date of any bond of the issue financing the property (determined without regard to any optional redemption dates, but taking into account reasonably expected mandatory redemptions). A combined measurement period is used when bonds are refunded. The average percentage of private business use is the average of the percentages of private business use during the one-year periods within the measurement period, with appropriate adjustments for beginning and ending periods of less than one year. The amount of private business use resulting from ownership of a facility or portion thereof by a nongovernmental person (or, in the case of a qualified 501(c)(3) bond, a Non-Exempt Person) is the greatest percentage of private business use in any one-year period.

Where a facility (or discrete portion thereof) is entirely used for private business use, all of the proceeds allocable to that facility (or portion) are treated as allocable to private business use. The amount of private business use of common areas within a facility is based on a reasonable method that properly reflects the proportionate benefit to be derived by the users of the facility.

For a facility (or discrete portion thereof) in which non-private use and private business use occur simultaneously but on a different basis (for example, a lease or non-qualified management or service contract), the entire facility (or portion) is treated as having private business use.

If, however, there is private business use and actual exempt use on the same basis, the average amount of private business use may be determined on a reasonable basis that properly reflects the proportionate benefit to be derived by the various users of the facility (for example, reasonably expected fair market value of use). For example, in the case of a parking garage with unassigned spaces, the proportion of private use generally is based on the number of spaces used for private business use as a percentage of the total number of spaces.

For a facility (or discrete portion thereof) in which non-private use and private business use occur at different times (for example, different days), the average amount of private business use generally is based on the amount of time that the facility is used for private business use as a percentage of the total time for all actual use. In determining the total amount of actual use, periods during which the facility is not in use are disregarded.

Notwithstanding the foregoing, if private business use is reasonably expected as of the issue date of the bonds to have a significantly greater fair market value than the corresponding non-private use (because the times of use are more attractive, for example), the average amount of private business use must be determined according to the relative reasonably expected fair market values of use rather than another measure, such as average time of use, in order to properly reflect the proportionate benefit to be derived from the private business use.

II. Allocation of Financing Sources to Project Uses

Generally, if two or more sources of funding are allocated to capital expenditures for a single project with both exempt and private business use, those sources must be allocated to the different uses of the project. For this purpose, a “project” is one or more facilities or capital projects, including land, buildings, equipment, or other property, financed in whole or in part with bond proceeds.

General Allocation Rule. Under the general allocation rule, bond proceeds and other sources of funds are allocated ratably throughout the project in proportion to the relative amounts of proceeds and other funds spent on that project.

Undivided Portion Allocation Rule. The “undivided portion” allocation method may be applied to “eligible mixed-use projects.” An eligible mixed-use project is a project that is (i) financed with bond proceeds and qualified equity pursuant to the same plan of financing and (ii) wholly owned by one or more governmental persons (or 501(c)(3) Organizations, in the case of a project financed with qualified 501(c)(3) bonds). Under the undivided portion allocation method, qualified equity allocated to capital expenditures of the eligible mixed-use project is allocated first to the private business use of the project and then to the governmental or exempt use of the project. Conversely, bond proceeds allocated to capital expenditures of the eligible mixed-use project are allocated first to the governmental or exempt use of the project, and then to the private business use of the project. Thus, if the percentage of the eligible mixed-use project financed with qualified equity is less than the percentage of private business use of the project, all of the qualified equity is allocated to the private business use and bond proceeds are allocated to the balance of the private business use of the project. If proceeds of more than one issue finance the eligible mixed-use project, proceeds of each issue are allocated ratably to the uses to which proceeds are allocated in proportion to the relative amounts of the proceeds of such issues allocated to the project.

For purposes of these allocation rules, “qualified equity” means proceeds of bonds that are not tax-advantaged bonds and funds that are not derived from proceeds of a borrowing that are spent on the same eligible mixed-use project as the proceeds of the applicable bonds. Qualified equity finances a project pursuant to “the same plan of financing” as the applicable bonds if the qualified equity pays for capital expenditures of the project on a date that is no earlier than the date on which such expenditures would be eligible for reimbursement by proceeds of the bonds under the applicable reimbursement regulations and, except for a reasonable retainage, no later than the date on which the private business use measurement period for the bonds begins.

EXHIBIT E

REMEDIAL PROVISIONS APPLICABLE TO BONDS

The Borrower acknowledges that any deliberate action by the Borrower after Bond issuance that results in a satisfaction of the private business tests or the private loan test will result in private activity bond status unless one or more qualifying remedial actions are taken. Specifically, Treasury Regulations provide that actions are not treated as deliberate actions if (i) five conditional requirements are met, and (ii) one of three remedial actions is taken, with respect to the disposition proceeds and nonqualified bonds¹:

I. Conditional Requirements

A. *Reasonable Expectations* – The Borrower reasonably expected on the issue date that it would not meet the private business tests or the private loan test for the whole term of the bonds; and

B. *Reasonable Bond Maturity* – The term of the issue must not be unreasonably long; this requirement is met if the weighted average maturity of the bond issue is not greater than 120% of the expected economic life of the property financed; and

C. *Fair Market Value Consideration* – The terms of any agreement (relating to satisfaction of a private activity bond test) must be bona fide and at arm's-length, and the new user must pay a fair market value consideration for the use of the bond-financed property; and

D. *Disposition Proceeds Are Gross Proceeds* – The Borrower must treat any disposition proceeds as gross proceeds subject to arbitrage/rebate restrictions; and

E. *Proceeds Spent for Authorized Purpose* – Except as described with respect to redemption and defeasance options below, prior to deliberate actions, the affected proceeds must have been spent for the authorized purposes under the applicable bond documents.

II. Remedial Actions

A. *Redemption of Non-Qualified Bonds* – Under the general rule, all nonqualified bonds of the issue must be redeemed. Tax-exempt bond proceeds (i.e., refunding bond proceeds) cannot be used unless the tax-exempt bonds are qualified bonds, taking into account the purchaser's use of the facility. The bonds must be redeemed within 90 days of the date of the deliberate action or a defeasance escrow for the bonds must be established within such 90-day period. Special rules apply to transfers exclusively for cash and to defeasance escrows.

¹ "Nonqualified bonds" means the portion of the outstanding bonds in an amount that, if the remaining bonds were issued on the date on which the deliberate action occurs, the remaining bonds would not satisfy the private business use test or the private loan financing test, as applicable. The amount of private business use is the highest percentage of business use in any one-year period, commencing with the deliberate action.

B. *Alternative Use of Disposition Proceeds* – If the deliberate action is a disposition of the bond-financed property, the remedial action requirement may be satisfied through an alternative use of the proceeds of the disposition. To meet this requirement, all disposition proceeds must be in cash, the Borrower must reasonably expect to expend the proceeds within two years, the new use must not meet the private business tests or the private loan test (and the Borrower cannot take any action subsequent to the date of the deliberate action to cause the tests to be met), and any unused proceeds must satisfy the redemption requirement in the preceding paragraph. Certain eligible leases may be treated as dispositions of the bond-financed property for purposes of this remedial action.

C. *Alternative Use of Facility* – This remedial action is satisfied if the bond-financed property itself (as distinguished from the proceeds of the issue) is used in an alternative manner (e.g., for a different purpose or by a different person); the nonqualified bonds are treated as reissued on the date of the deliberate action and independently meet all of the requirements for tax exemption under Sections 141 through 150 of the Code, except the arbitrage and rebate rules of Section 148, for the remaining term of the nonqualified bonds; the deliberate action does not involve a transfer of the property to a purchaser that finances the acquisition with the proceeds of another issue of tax-exempt bonds; and any disposition proceeds, other than those arising from an agreement to provide services, resulting from the deliberate action are used to pay debt service on the bonds on the next available payment date or escrowed within 90 days of receipt and yield restricted to pay debt service on the next available payment date.

The above is only a brief summary of remedial actions, and additional special rules may be applicable. As provided in the Borrower's Post-Issuance Tax Compliance Policy & Written Procedures, the Borrower shall seek advice of bond counsel as necessary to provide guidance as to "remedial action" that may be required under the applicable Treasury Regulations.

The Commissioner of the IRS may, by publication, provide for additional remedial actions. In addition, the IRS provides a program in which issuers/borrowers which cannot meet a listed remedial action can enter into a closing agreement with the IRS to avoid private activity bond status. The closing agreement program includes several conditions, including providing for the redemption of the bonds and paying the IRS an amount based on an assumption that the non-qualified bonds are taxable from the date of the subsequent act until they are redeemed.

[Back to Agenda](#)



SAA Board of Directors' Meeting Thursday, December 2, 2021

Action Item: 2022-2023 School Calendar

Issue:

The SAA school calendar policy states that the executive board is required to approve the upcoming school calendar on an annual basis.

Background:

A draft school calendar for the 2022-23 school year has been created. The calendar shows all required school days totaling 180 days. The calendar includes school days, holidays, quality teaching days, professional learning days and beginning and ending dates for each term.

The attached calendar shows the first day of school beginning on Wednesday, August 17th and the last day of school on Thursday, May 25th. Winter break begins on December 19th through 30th. Spring break begins on April 3rd through 7th. This calendar corresponds very closely with Davis School District's 2022-23 DRAFT calendar.

Recommendation:

It is recommended that the board approve the 2022-2023 school calendar.

NOTE: Times on this agenda are estimated as a courtesy only. Actual times may vary.

In compliance with the Americans with Disabilities Act, persons needing accommodations for this meeting should call (801) 444-9378 to make appropriate arrangements.



Syracuse
ARTS ACADEMY

School Year 2022 - 2023

www.SyracuseArtsAcademy.org

***EARLY OUT EVERY FRIDAY**

Antelope Campus(K-9)

2893 W 1700 S Syracuse, UT 84075

801-779-2066 (K-6 Office) □ 801-784-5211 (7-9 Office)

801-779-2087 (K-6 Fax) □ 801-784-5209 (7-9 Fax)

AM Kinder Schedule: 8:15 AM -11:15 AM (* Early Out 8:15 AM - 10:15 AM)

PM Kinder Schedule: 12:30 PM -3:30 PM (* Early Out 10:45 AM -12:45 PM)

Grade 1-6 Schedule: 8:15 AM - 3:15 PM (* Early Out 8:15 AM -12:45 PM)

Jr. High Schedule: 8:10 AM - 3:10 PM (* Early Out 8:10 AM -12:40 PM)

North Campus(K-6)

357 S1550 W, Syracuse, UT 84075

801-827-0540 (Office)

801-774-9270 (Fax)

AM Kinder Schedule: 8:30 AM -11:30 AM (* Early Out 8:30 AM -10:30 AM)

PM Kinder Schedule: 12:30 PM -3:30 PM (* Early Out 11:00 AM -1:00 PM)

Grades 1-6 Schedule: 8:30 AM - 3:30 PM (* Early Out 8:30 AM - 1:00 PM)

2022-2023 CALENDAR

AUGUST 2022							SEPTEMBER 2022							OCTOBER 2022						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
	1	2	3	4	5	6						1	2	3						1
7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8
14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15
21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22
28	29	30	31				25	26	27	28	29	30		23	24	25	26	27	28	29
														30	31					
NOVEMBER 2022							DECEMBER 2022							JANUARY 2023						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
														1	2	3	4	5	6	7
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28
27	28	29	30				25	26	27	28	29	30	31	29	30	31				
FEBRUARY 2023							MARCH 2023							APRIL 2023						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
5	6	7	8	9	10	11	5	6	7	8	9	10	11	2	3	4	5	6	7	8
12	13	14	15	16	17	18	12	13	14	15	16	17	18	9	10	11	12	13	14	15
19	20	21	22	23	24	25	19	20	21	22	23	24	25	16	17	18	19	20	21	22
26	27	28					26	27	28	29	30	31		23	24	25	26	27	28	29
														30						
MAY 2023							JUNE 2023							JULY 2023						
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S
7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8
14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15
21	22	23	24	25	26	27	18	19	20	21	22	23	24	16	17	18	19	20	21	22
28	29	30	31				25	26	27	28	29	30		23	24	25	26	27	28	29
														30	31					

YEAR AT A GLANCE

August 9 - 15	Teacher Preparation Days - No School
August 11	Back to School Night
August 16	Teacher Professional Learning Day - No School
August 17	1st Day of School/ Term 1 Begins for Grades 1-9
August 17 - 19	Early Out
August 17 - 22	Kindergarten Testing (By Appointment Only)
August 23	1st Day of Kindergarten
September 5	Labor Day
September 21 - 22	Parent-Teacher Conference / Early Out
September 23	Teacher Comp Day / No School
October 12	Early Out
October 13 - 14	Fall Break
October 21	Term 1 Ends
October 24	Term 2 Begins
October 28	Teacher Professional Learning Day - No School
November 23 - 25	Thanksgiving Break
December 19 - 30	Winter Break
January 13	Term 2 Ends
January 16	Martin Luther King Jr. Day
January 17	Teacher Professional Learning Day - No School
January 18	Term 3 Begins
February 15 - 16	Parent-Teacher Conference / Early Out
February 17	Teacher Comp Day / No School
February 20	Presidents Day
March 16	Term 3 Ends
March 17	Teacher Professional Learning Day - No School
March 20	Term 4 Begins
April 3 - 7	Spring Break
April 19 - 20	Parent-Teacher Conference / Early Out
April 21	Teacher Comp Day / No School
May 25	Last Day of School / Term 4 Ends/ Early Out
May 26	Teacher Preparation Day - No School
May 29	Memorial Day

Board Approval Date:

Quarters	Days
Term 1: August 16 - October 21	46
Term 2: October 24 - January 13	47
Term 3: January 17 - March 17	43
Term 4: March 20 - May 25	44
Total School Days	180

NOTE: Times on this agenda are estimated as a courtesy only. Actual times may vary.

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SAA 2022-2023 SY Count - ELEMENTARY

Month	Student Days Per Month	Full Days	Early Release Days	Teacher Comp Days	Legislative PD Days	Teacher Work Days	Teacher Days Per Month
August	12	7	4		1	5	17
September	21	14	6	1			21
October	19	15	3	1			19
November	19	16	3				19
December	12	9	3				12
January	21	16	4		1		21
February	19	13	5	1			19
March	23	18	4		1		23
April	15	10	4	1			15
May	19	15	4			1	20
June	0						0
Total Days	180	133	40	4	3	6	186
Total Hours	1066.00	864.50	160.00	22.00	19.50	N/A	N/A

	Full Days	Early Release Days
Start	8:15 AM	8:15 AM
End	3:15 PM	12:45 PM
<i>Elapsed Time</i>	420.00	270.00
Passing Time	0	0
Lunch	30	30
Total min	390.00	240.00

EMPLOYEE AGREEMENT INFORMATION	
Teacher Start Date:	9-Aug
Teacher End Date:	26-May
Total Teacher Work Days:	186
2021-2022 Teacher Days:	186
Teacher Work Days Difference:	0

SAA 2022-2023 SY Count - JR HIGH

Month	Student Days Per Month	Full Days	Early Release Days	Teacher Comp Days	Legislative PD Days	Teacher Work Days	Teacher Days Per Month
August	12	7	4		1	5	17
September	21	14	6	1			21
October	19	15	3	1			19
November	19	16	3				19
December	12	9	3				12
January	21	16	4		1		21
February	19	13	5	1			19
March	23	18	4		1		23
April	15	10	4	1			15
May	19	15	4			1	20
June	0						0
Total Days	180	133	40	4	3	6	186
Total Hours	1015.20	824.60	150.00	22.00	18.60	N/A	N/A

	Full Days	Early Release Days
Start	8:10 AM	8:10 AM
End	3:10 PM	12:40 PM
<i>Elapsed Time</i>	420.00	270.00
Passing Time	18	15
Lunch	30	30
Total min	372.00	225.00

EMPLOYEE AGREEMENT INFORMATION	
Teacher Start Date:	9-Aug
Teacher End Date:	26-May
Total Teacher Work Days:	186
2021-2022 Teacher Days:	186
Teacher Work Days Difference:	0

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SAA Board of Director's Meeting Thursday, December 2, 2021

Action Item: *Sex Education Instruction Curriculum*

Issue

In accordance with the School's Sex Education Instruction Policy & Administrative Procedures, instructional materials used by the School in connection with sex education instruction or a maturation education program must be approved by the School's Board of Directors. These materials will comply with the requirements of applicable law and will be available for parents to review for a reasonable period of time prior to consideration for adoption by the Board of Directors.

Background

The Sex Education Curriculum Instruction committee has met on December 1, 2021. They have reviewed instructional materials to be used by the School in connection with sex education instruction (8th grade) education program. These materials comply with the requirements of applicable law and will be available for parents to review for a reasonable period. As a note, the school offers parents information for maturation on the website but does not have a program available for students.

Recommendation

It is recommended that the Board approve the sex education instruction materials and curriculum as presented.

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SAA Board of Directors Meeting Thursday, December 2, 2021

Action Item: *LEA-Specific Educator License*

Issue:

The School's administration is requesting that the following be candidate for an LEA-specific educator license:

1. Deanna Steele, Elementary Teacher

Background:

USBE recently revised the requirements for obtaining a teaching license in Utah. Previously, while an educator was completing the necessary requirements for a license in their area of expertise, an authorization letter was given so that the educator was considered "highly qualified" to teach while they completed their work. The new rules allow an LEA to grant an LEA Specific License during the time an educator is completing those requirements (replacing the authorization letter). SAA has several teachers who are completing work to obtain their Utah teaching license and who need an LEA Specific License.

Under the School's LEA-Specific Educator License Policy, the School's administration proposes to the Board of Directors individuals the administration feels are good candidates for an LEA-specific educator license. An LEA-specific educator license is a temporary license that teachers may teach under while they are in the process of completing the requirements for an associate or professional license. An LEA-specific educator license can be valid for one, two, or three years, with the possibility of a year four extension.

The School's administration has followed the processes and considered the criteria outlined in the Policy with respect to proposing the candidates named above to the Board, including vetting and interviewing the candidate. The School's administration has also provided the Board with an explanation and rationale for requesting an LEA-specific educator license for the candidate.

The Board believes that it is appropriate under the policy to approve the administration's request for an LEA-specific educator license for the candidate named above.

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Recommendation:

It is recommended that the Board approve the request for an LEA-specific educator license for these individual(s): Deanna Steele for an elementary license for a period of three (3) years.

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Effective 8/2021, the following are NOT allowed for LEA-S: Audiologist, Deaf Education, Preschool Special Ed., School Psychologist, School Social Worker, Special Ed (K-12), Speech Language Pathologist, Speech Language Therapist																
LEA (District or Charter) Name	Date LEA's Board Met	CACTUS ID	Last Name	First Name	Years Approved (1, 2, 3)	Is this a RENEWAL Request from SY20-21 (Y/N)	License Area 1	Endorsement 1	Endorsement 2	Endorsement 3	Has LEA Specific					
											Is Educator's Assignment in CACTUS? (Y/N)	Is Educator's Assignment in CACTUS? (Y/N)	Does Educator Have a current BACKGROUND check? (Y/N)	Does Educator Have a current ETHICS check? (Y/N)	Does Educator Have a current BACKGROUND check? (Y/N)	Does Educator Have a current ETHICS check? (Y/N)
Granite SD	1/5/21	999999	Example	Educator	3	N	Secondary	Math level 3	Chemistry		Educator is enrolling in EPP Fall 2021	Y	Y	Y	Y	
Syracuse Arts Academy	12/2/21	747428	Steele	Deanna		N	Elementary				Recently completed teaching program. Waiting for License.	Y		Y	Y	

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SAA Board of Directors Meeting Thursday, December 2, 2021

Action Item: *Amended Budgeting Policy*

Issue:

The USBE recently informed schools that receive Title I funds that they need to have a policy regarding Maintenance of Effort (MOE).

Background:

Schools are required to meet standards regarding MOE in connection with how they spend state funds in relation to federal funds. Recently, USBE Title I staff informed Title I recipient schools that they need to have a policy regarding MOE. MOE provisions have therefore been added to the School's existing Budgeting Policy.

Recommendation:

It is recommended that the board approve the amended Budgeting Policy.

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Syracuse Arts Academy Budgeting Policy



POLICY

Syracuse Arts Academy (the “School”) will comply with the budgeting requirements of Utah law, including but not limited to Utah Code Title 53G, [Chapter 7](#), Part [37](#).

The School’s Lead Director is appointed as the budget officer. Before June 1 of each year, the budget officer shall prepare a tentative budget, with supporting documentation, to be submitted to the Board of Directors.

The tentative budget and supporting documents shall include the following items:

- (a) the revenues and expenditures of the preceding fiscal year;
- (b) the estimated revenues and expenditures of the current fiscal year;
- (c) a detailed estimate of the essential expenditures for all purposes for the next succeeding fiscal year; and
- (d) the estimated financial condition of the School at the close of the current fiscal year.

The tentative budget shall be filed with the School’s Lead Director for public inspection at least (15) days before the date of the tentative budget's proposed adoption by the Board of Directors.

Before June 30 of each year, the Board of Directors will adopt a budget for the next fiscal year.

By the sooner of July 15 or (30) days of adopting a budget, the Board of Directors will file a copy of the adopted budget with the state auditor and the [Utah](#) State Board of Education (“[USBE](#)”).

Maintenance of Effort

Because the School receives federal funds, including Title I, Part A funds, the School is obligated to comply with certain maintenance of effort (“MOE”) requirements. The School adopts this policy in order to ensure that the School complies with MOE requirements.

The School will not use applicable federal funds to reduce the level of expenditures from state and/or local funds for the education of students below the level of those expenditures for the preceding fiscal year. Unless an exception applies or a waiver is granted and taking into account allowable reductions, the School will budget from state and/or local funds at least the same total spent for that purpose from the same state and/or local funds source(s) for the most recent prior year for which information is available.

The School acknowledges that if MOE requirements are not satisfied, then the USBE may penalize the School by reducing the School’s federal funding by a proportional amount the following year.

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SAA Board of Directors Meeting Thursday, December 2, 2021

Action Item: *Amended Parent Compact*

Issue:

Amending the School's Parent Compact to remove the reference to a specific number of parent volunteer hours.

Background:

The USBE is directing schools to amend any of their materials that require or request parents to volunteer for a specific number of hours at school. In a recent school fees training, the USBE said it's a violation of Utah Code and USBE school fee rules to require or even request/recommend a certain number of volunteer hours. The USBE could penalize schools (and already has penalized at least one) for not complying with this.

SAA's Parent Compact currently states that parents/guardians will volunteer "30 hours of time" at the School. In an effort to comply with the USBE's recent directive, the administration is recommending that the reference to a specific number of volunteer hours be removed from the Parent Compact and that the Parent Compact only refer generally to volunteering at the School.

Recommendation:

It is recommended that the Board approve the amended Parent Compact.

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Syracuse Arts Academy Title 1 Parent Compact



PARENT/~~GUARDIAN~~ ~~GUARIDAN~~ RESPONSIBILITIES

I want my child to achieve, therefore I will:

- ✓ Make sure my child attends school regularly and on time.
- ✓ See that my child is well-rested and has had a good breakfast each day.
- ✓ Set aside a specific time and location for homework with assistance if necessary.
- ✓ Attend at least 2 of the 3 parent teacher conferences.
- ✓ Communicate with my child's teacher(s) regularly to ~~insure~~ensure academic success.
- ✓ Support the school and staff in maintaining proper discipline.
- ✓ Read with your child 20 minutes every night, or have your child read 20 minutes nightly.
- ✓ Encourage positive attitudes towards school.
- ✓ Volunteer ~~30 hours of time~~ at Syracuse Arts Academy as appropriate.
- ✓ Review information and work sent home and respond as necessary.

STUDENT RESPONSIBILITIES

It is important that I learn, therefore I will:

- ✓ Attend school regularly and on time.
- ✓ Complete assignments and homework.
- ✓ Bring homework and supplies to school each day.
- ✓ Work to the best of my ability.
- ✓ Work cooperatively with my classmates, teachers and staff.
- ✓ Respect myself, other people, and my school.
- ✓ Follow all school rules.
- ✓ Accept responsibility for my own actions.

TEACHER RESPONSIBILITIES

It is important that my students achieve, therefore my child's teacher will:

- ✓ Hold expectations high for all students, believing that all students can learn.
- ✓ Provide high-quality instruction in a supportive and non-threatening environment.
- ✓ Provide high-quality instruction enriched by artistic expression.
- ✓ Provide meaningful homework.
- ✓ Communicate regularly with my students and their families through conferences, notes, phone calls, etc.
- ✓ Provide opportunities for parents to assist in the classroom in meaningful ways and to observe classroom activities.

PRINCIPAL RESPONSIBILITIES

Syracuse Arts Academy administration supports this compact, therefore will:

- ✓ Provide an equitable learning environment for all children.
- ✓ Encourage the staff to provide parents with the information about the total school program.
- ✓ Encourage our staff to provide avenues for positive and meaningful parent involvement.

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Parent/Guardian Signature

Date

Student Signature

Date

Teacher Signature

Date

Principal Signature

Date

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SAA Board of Directors Meeting Thursday, December 2, 2021

Consent Item: *Technology Purchase*

Issue

In accordance with the school's purchasing policy, all invoices that exceed \$25,000 must be approved by the Syracuse Arts Academy Board of Directors. This includes all purchases from a single vendor in a 30-day period.

Background

The Finance Committee has approved the idea of using current funds and PTIF funds to purchase technology equipment needed for the 2022-23 school year. By purchasing this equipment in the winter instead of waiting for 22-23 funding to become available on July 1, we will be able to have technology up and running when the teachers and students return to school in August 2022.

The school administration is asking the board to approve funding "not to exceed" in each listed area since we are still in the process of assessing needs and collecting bids. We should be able to determine needs, receive bids and place orders by February 1, 2022.

Syracuse Arts Academy Technology Purchases for 2022-2023 SPED and Regular Ed. Combined		
Quantity	Description	Estimated Cost
400	Student Chromebook Replacement	\$150,000.00
400	Chromebook Licenses/Configuration	\$24,000.00
40	Teacher Laptop Replacement/Configuration	\$80,000.00
70	Student/Teacher iPad Replacement	\$56,000.00
Misc.	Printers, Doc. Cameras, Misc. Hardware	\$30,000.00
Misc.	Software Licenses	\$85,000.00
TOTAL ESTIMATED COST		\$425,000.00

Recommendation

It is recommended that the board approve the technology purchase not to exceed \$425,000.

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SAA Board of Directors Meeting Thursday, December 2, 2021

Action Item: *401(k) Contract*

Issue:

Any contract that the School enters into that may exceed the Purchasing Policy threshold of \$25,000 over the terms of the contract, must be approved by the Board.

Background:

Helpside is pleased to provide participating employers with a 401(k) plan that assists employees as they plan for retirement. While Helpside makes every effort to minimize fees and administration associated with the plan, every six years the IRS requires that qualified 401(k) plans be completely amended and restated. In 2022, the Helpside Inc. 401(k) Retirement Plan will be amended and restated. Although the amended and restated agreement is identical to the existing agreement, the amended and restated agreement will need to be approved and signed by each participating employer.

This process includes a significant amount of work from the plan's third-party administrator, National Benefit Services (NBS), to comply with the IRS mandate. As a result, NBS charges a restatement fee of \$200 to each participating employer. You will see this charge on your Helpside payroll invoice for the first payroll following December 1st.

Even though the amended and restated agreement is identical to your existing agreement, this is probably something that should be approved by your board.

Recommendation:

It is recommended that the board approve the 401(k) Contract.

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