

Vista School Board Meeting
January 21, 2021 Agenda
Location: 585 East Center, Ivins, UT 84738 (virtually via zoom)

Board members present:

Others present:

5:00 PM- CALL TO ORDER: Welcome and Introductions

5:00 PM- APPROVAL OF PREVIOUS MINUTES

5:05 PM- PUBLIC COMMENTS

5:10 PM- COMMENTS FROM THE ADMINISTRATIVE TEAM

5:15 PM- BOARD CALENDAR

Next Board Meeting- Thursday, February 18 @ 5:00 pm

5:15 PM- REPORTS

Director's Report – Sam Gibbs

- Enrollment and Lottery Update
- Faculty/Staff Changes
- Student Performance Data
- Policy Updates
- Expansion Update
- COVID-19 update
- Mandatory Board Trainings

Financial Report – Troy Bradshaw

- Financials and Budget Review
- Report on compliance with bond covenants and state filing deadlines

5:40 PM - DISCUSSION/ACTION ITEMS

- FY SY Budget
- COVID related changes/actions
- Head Injury Protocol
- Fundraising
- At-risk learner definition
- COVID Leave Policy
- All-day Kindergarten

MISC COMMENTS

TABLED AGENDA ITEMS

6:00 PM – ADJOURN

CLOSED SESSION

To discuss the character or competence of an individual. Requires Roll call vote.

At-Risk Definition 2020/21

Vista School Defines At-risk students as those not on track to meet state and/or school specific requirements based on the following criteria:

- Carrying F's or D's in more than one class
- Below proficient on the RISE, DIBELS, ACT Aspire
- Demonstrating Chronic Absenteeism (15 days or more per semester)
- Is identified as a specific subgroup member on Utah State School Report Card

The CARES Act of 2020 and other subsequent legislative actions provided relief to workers and employers and empowered them through providing additional funds. Legislation authorizes employers to earmark up to 80 hours of paid time off specifically toward COVID-19 related leave. THE FOLLOWING POLICY IS IN PLACE UNTIL DECEMBER 31, 2020 Vista's COVID related leave applies as follows:

- Each employee may have up to 80 hours of paid leave per employment agreement designated as COVID Leave.
- 80 hours equates to 10 work days
- COVID leave includes:
 - Preventative/proactive quarantine--Employee experiences COVID-like symptoms and quarantines "just in case" until symptoms subside or a negative test result is generated.
 - Employee tests positive--Employee is required to quarantine. 14 calendar days or 10 calendar days depending on CDC recommendations.
 - Household members of employee tests positive and household members are required to quarantine 14 calendar days, 10 calendar days or 7 calendar days with a negative test depending on CDC recommendations.
 - Employees are exposed to community spread or at school spread and are required to quarantine 14 calendar days, 10 calendar days or 7 calendar days with a negative test depending on CDC recommendations.
 - Other formal or informal COVID quarantines as identified
- The first 80 hours of Covid identified leave will be debited from CARES designated leave and will not be counted against their personal leave totals.
- Once an employee has depleted the apportioned 80 COVID hours, personal PTO totals that have been accumulated will begin to be debited.
- Once all individual PTO has been depleted, UPTO will be applied as appropriate.
- Exceptions or exemptions to this policy may be applied on a case by case basis.

- All Vista employees are considered essential personnel. As EP, employees are NOT required to quarantine due to household exposure, community spread or at school exposure if the following circumstances exist:
 - The employee is non-symptomatic
 - There is a shortage of substitutes or qualified individuals to perform the duties as proscribed
 - The employee adheres to appropriate CDC guidelines for symptoms monitoring, and exposure prevention
 - The employee is not personally COVID positive
- Because they are EP, employees may return to work at any time during a formal quarantine if the above circumstances exist.
- Employees are allowed to refuse testing and self quarantine if he/she suspects COVID positivity or displays COVID symptoms. However, only 7 days (56 COVID hours) may be applied for non-test, non-identified days.

AFTER JANUARY 1, 2021, because revenue streams allocated for Covid related leave have terminated, Vista will return to its previous leave policy found in the teacher handbook. Several key elements include:

- Any sick/personal leave (Mandatory or Voluntary) will be debited from the employee's accrued sick leave balance (PTO) until that sick leave has depleted.
- After the employee's PTO balance has been depleted, unpaid time off (UPTO) will be applied for the remainder of the employee absence.

Head Strike/Potential Head Injury Policy

Vista has a thorough policy for identifying and treating symptoms of concussions and/or head injuries. When a student experiences a headstrike or demonstrates any signs, symptoms, or behaviors consistent with a concussion, he or she will be immediately relocated to the office/sick room for further evaluation. Parents or guardians will be immediately notified for consultation.

The following descriptions are indications of a potential medical emergency that shall require emergency vehicle transportation unless guardian indicates otherwise.

- Any student with a witnessed loss of consciousness for any duration of time.

- Any student who demonstrates any of the following symptoms of concussion, and who has not stabilized. (condition persists or declines)
 - Deterioration of Neurological Function
 - Decreased level of consciousness
 - Decrease in or irregularity in respiration
 - Signs indicating spine injury or skull fracture
 - Mental status changes:
 - Lethargy
 - Lack of alertness
 - Confusion
 - Agitation
 - Drowsiness
 - Seizure activity
 - Unequal or non-reactive pupils
 - Vomiting or nausea
 - Dizziness
 - Dysfunction of memory
 - Severe swelling or bruising

A student who is stable or at the request of parent/guardian may be transported by parents but is strongly recommended to seek medical attention by medical professionals before returning to school.

A student diagnosed with a concussion by a medical professional will follow the “return to play” guidelines as outlined by the Utah High School Athletic Association before/while being allowed to return to regular, active school participation.

A student experiencing a headstrike will remain under the supervision of a responsible adult who is capable of monitoring the student and of providing appropriate home/care instructions until the student is released to medical care or an individual designated by the parent/guardian.

A member of Vista staff will continue efforts to reach the parent/guardian until contact has been made.

If the student cannot be appropriately monitored or parent/guardian can not be notified in an appropriate amount of time, the student should be referred to emergency medical personnel. A member of Vista staff will accompany the student until the parent/guardian can arrive.

Vista employee with knowledge of the headstrike and subsequent actions taken will complete a Vista Accident Report Form. Parent/Guardian is entitled to a copy of the form if requested at a later date.

Vista will have at least one person on staff with Concussion/head injury certifications as provided by the Utah High School Athletic Association.

Vista School Board Meeting

November 19, 2020 Minutes

Location: 585 East Center, Ivins, UT 84738 (virtually via zoom)

<https://zonos.zoom.us/j/82838439545?pwd=YUxrVlhzcFINQUZLdHBYcHpFSkJ2dz09>

Board members present: Josh Aikens, Matt Middione (Board chair), Eli Milne, Michelle Walter, Jacqueline Powell, Dave Hunter

Others present: Sam Gibbs (Director), Troy Bradshaw (Tech/Finance Director), Britni Armstrong (Board secretary), Hillary Osness, Marie Ehlers (Counselor), Emily Caplin, Chris Barnum (VP),

5:07 PM- CALL TO ORDER: Welcome and Introductions- Josh Aikens- roll call.

5:08 PM- APPROVAL OF PREVIOUS MINUTES

Matt moves to approve October minutes. Michelle seconds. Josh says "Aye.", Dave says "Aye.", Matt says "Aye.", Eli says "Aye.", Jacqueline says "Aye.", Michelle says "Aye." Unanimously approved. Jacqueline moves to approve minutes from supplemental meeting on November 11, 2020. Michelle seconds. Josh says "Aye.", Dave says "Aye.", Matt says "Aye.", Eli says "Aye.", Jacqueline says "Aye.", Michelle says "Aye." Unanimously approved.

5:12 PM- PUBLIC COMMENTS

Emily would like today how much she appreciates Mr. Gibbs efforts and the way he handles all situations.

5:12 PM- COMMENTS FROM THE ADMINISTRATIVE TEAM

none

5:15 PM- BOARD CALENDAR

Next Board Meeting- Thursday, December 17 @ 5:00 pm

Eli moves to cancel December 2020 board meeting. Michelle seconds. Josh says "Aye.", Jacqueline says "Aye.", Matt says "Aye.", Eli says "Aye.", Michelle says "Aye." Unanimously approved.

5:14 PM- REPORTS

5:14- Director's Report – Sam Gibbs

5:18- Enrollment and Lottery Update

Some room for 7th graders to come off waitlist off of digital learning and move to in person. Numbers are pretty stable. Some change will come between Christmas and January with families relocating.

5:32- Faculty/Staff Changes

One person put in their resignation- Kelly Poling. She is relocating to Ohio after Christmas. We will fill it from within by condensing some administrative responsibility.

Michelle VanValkenburg has been battling cancer and working from home. She feels she needs to focus on recovery now. They agreed on a legal separation to help her have access to unemployment and COBRA.

- Student Performance Data

-Policy Updates

5:14- Expansion Update

Should have permit by Monday to Tuesday and should be able to dig as early as the middle of next week. No traditional ground breaking because of COVID. Josh asks about temporary fences- are they going to come in so the kids can still use the field? Sam says whenever there is not equipment on it, we will move them back and allow kids to play. PE classes may be shuttled down to the park if the field is closed off for too long.

5:21-COVID-19 update

Active cases as of yesterday: 4 adults, 5 students. Total of 9 in the building. 1 possible case of school spread. The rest of the cases have been a community spread. Total for the year (July 1) 9 adults and 10 students. Grand total of those who have quarantined at some time is at 353. Josh asks what it looks like will happen after Thanksgiving. Sam says what he sees from his communications with officials is that schools are expected to stay open. There is little school spread but a lot of community spread. Josh asks if lower quarantine number is because of masks being required in all classes at all time. Sam agrees. Moving to masks in dance & PE has cut the numbers substantially.

5:34 Financial Report – Troy Bradshaw

5:34- Financials and Budget Review

October income is at 41%. Numbers look good. Troy reviews what some of the categories are for. \$8,000-\$9,000 upside down in bussing but Troy and Sam feel it is worth it to get all the students to school. Building acquisition shows all of the expansion costs. Benefits started this week.

- Report on compliance with bond covenants and state filing deadlines

Bond covenants are due next few weeks. We may need to get it certified by a CPA. Troy is currently checking on that. U.S. Bank is figuring out how to use a digital signature and resolved it by sending Troy a document stating who is approved on the account. Troy needs to get some wet signatures from those who would be approved on the account. There is a new Fraud Risk Assessment that needs to be filled out and presented to the board. Troy is not a CPA so we did not get points for that. Troy went over each category and explained why he marked each one as he did. Troy wonders if we need a board member policy for #4, Sam mentioned that Dave created a board Code of Conduct and Ethics that was passed this summer, we could just add a signature line to it. Troy also notes that a member of management needs to receive at least 40 hours of formal training for us to get 20 points on #6. We do not have a formal internal audit function (#8), and we do not have a formal audit committee (#9). Those were each 20 points. Josh asks if we need to get 100% on this. Troy adds the score up to a 310 which gives us a moderate risk score. Josh agrees we can do a few things to gain some points and get us into low risk. Troy needs wet signature from some board members and Sam. Josh and Michelle say it looks good and they both support Troy.

6:13 PM - DISCUSSION/ACTION ITEMS

- FY SY Budget

none

- COVID related changes/actions

none

6:13- Learner Validated Attendance

Sam refers to news report about a month ago that state legislature indicated that Utah was losing learners due to kids not enrolling in school this year. They have asked that each school create a Lerner Validated Attendance Policy. A way for schools to prove that children not in school in person are still learning at school. Sam created a document to show how we are complying with this law. Vista students learning at a distance do need to use a Vista approved curriculum. If not, they will be considered homeschooled. If we cannot validate that a student is learning in one of our 3 ways (in person, distance, hybrid), we have to un-enroll them. Eli asks that we clarify school dates instead of calendar days. Eli moves to approve Learner Validated Attendance Policy with the "10 consecutive days" modified to "10 consecutive school days", Matt seconds. Josh says "Aye.", Dave says "Aye.", Matt says "Aye.", Eli says "Aye.", Jacqueline says "Aye.", Michelle says "Aye." Unanimously approved.

6:22-MISC COMMENTS

Sam would like to note that teachers, parents, and students are all doing a great job this year. Michelle would like to say that she agrees with Emily and appreciates him and all that he does for the school.

Jacqueline would like to ask Mr. Gibbs about the Dixie Direct Fundraiser and wondered why Vista was using Dixie Direct as their main fundraiser since the owner does not seem to be interested in diversity and inclusivity. She wonders if there was something else we could support as a fundraiser that is more inclusive. Sam mentions that it is a very easy fundraiser for the school. Jacqueline mentions that the Starving Student cards are similar and just as easy. Sam agrees he can look into it. If the board would like him to look elsewhere he is willing to. Michelle says she is ok with it, and that it was brought up last year. Josh mentioned that we did change some of the ways the fundraiser was used in the school. Jacqueline disagrees and feels that the school is not distancing themselves from Dixie Direct. She feels it is important to show inclusivity to the students and that Dixie Direct does not represent this. Dave asks what the issues are. Jacqueline says that the owner Tony Chambers has spoken out against the LGBTQ community. She has looked at his Facebook page and has seen him post negative comments about disabled individuals and social injustice initiatives. She feels there are other worthy causes in the community. Eli agrees that it is a legitimate concern. Sam says we can take some positive steps as a board and an organization to move forward with this in the future. The fundraiser ends in a few weeks anyway. Sam agrees that there has been quite a bit more going since the last conversation. Eli asks for it to be placed on the next agenda. Eli would like more information from Jacqueline about the issues and Sam has offered to look for a replacement. Sam feels we financially would be ok to not even pursue a fundraiser.

CLOSED SESSION

To discuss the character or competence of an individual. Requires Roll call vote.

TABLED AGENDA ITEMS

6:34 PM – ADJOURN

Eli moves to adjourn, Jacqueline seconds. Josh says "Aye.", Dave says "Aye.", Matt says "Aye.", Eli says "Aye.", Jacqueline says "Aye.", Michelle says "Aye." Unanimously approved.

Vista School
Profit & Loss Budget Overview
July through December 2020

	<u>Jul - Dec 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
1000 · Local Revenue	781,925.63	1,088,611.01	-306,685.38	71.83%
3000 · State Revenue	4,161,245.77	7,048,766.26	-2,887,520.49	59.04%
4000 · Federal Revenue	53,544.64	415,855.64	-362,311.00	12.88%
5100 · Bond Proceeds	30,743,290.20			
Total Income	<u>35,740,006.24</u>	<u>8,553,232.91</u>	<u>27,186,773.33</u>	<u>417.85%</u>
Gross Profit	35,740,006.24	8,553,232.91	27,186,773.33	417.85%
Expense				
10 · INSTRUCTION	1,849,153.61	4,080,940.89	-2,231,787.28	45.31%
21 · STUDENT SUPPORT SERVICES	136,197.37	348,892.57	-212,695.20	39.04%
22 · SUPPORT SERV. INSTR. STAFF	27,952.58	118,206.91	-90,254.33	23.65%
23 · SUPPORT SERVICES-BOARD	0.00	900.00	-900.00	0.0%
24 · SUPPORT SERV. ADMINISTRATION	231,156.40	585,550.16	-354,393.76	39.48%
25 · SUPPORT SERV. CENTRAL	170,460.18	392,272.31	-221,812.13	43.46%
26 · SUPPORT SERV. OPER. & MAINT.	180,696.56	395,355.67	-214,659.11	45.71%
27 · STUDENT TRANSPORTATION	40,087.32	57,200.00	-17,112.68	70.08%
31 · FOOD SERVICES LUNCH	131,683.56	285,317.07	-153,633.51	46.15%
33 · After School Program	22,178.06	58,990.25	-36,812.19	37.6%
45 · BLDG AQUISITION & CONSTRUCTION	1,583,121.20	170,900.58	1,412,220.62	926.34%
51 · Debt Service	14,007,606.55	1,313,260.00	12,694,346.55	1,066.63%
Total Expense	<u>18,380,293.39</u>	<u>7,807,786.41</u>	<u>10,572,506.98</u>	<u>235.41%</u>
Net Ordinary Income	<u>17,359,712.85</u>	<u>745,446.50</u>	<u>16,614,266.35</u>	<u>2,328.77%</u>
Net Income	<u><u>17,359,712.85</u></u>	<u><u>745,446.50</u></u>	<u><u>16,614,266.35</u></u>	<u><u>2,328.77%</u></u>

Less Bond Construction

July through December 2020

	Jul - Dec 20	Jul - Dec 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
1000 · Local Revenue	781,925.63	178,858.00	1,088,611.01	-909,753.01	71.83%
3000 · State Revenue	4,161,245.77	4,161,245.77	7,048,766.26	-2,887,520.49	59.04%
4000 · Federal Revenue	53,544.64	53,544.64	415,855.64	-362,311.00	12.88%
5100 · Bond Proceeds	30,743,290.20				
Total Income	35,740,006.24	4,393,648.41	8,553,232.91	-4,159,584.50	417.85%
Gross Profit	35,740,006.24	4,393,648.41	8,553,232.91	-4,159,584.50	417.85%
Expense					
10 · INSTRUCTION	1,849,153.61	1,849,153.61	4,080,940.89	-2,231,787.28	45.31%
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31 · FOOD SERVICES LUNCH	131,683.56	131,683.56	285,317.07	-153,633.51	46.15%
33 · After School Program	22,178.06	22,178.06	58,990.25	-36,812.19	37.6%
45 · BLDG AQUISITION & CONSTRUCTION	1,583,121.20	397,939.54	170,900.58	227,038.96	926.34%
51 · Debt Service	14,007,606.55	619,737.50	1,313,260.00	-693,522.50	1,066.63%
Total Expense	18,380,293.39	3,807,242.68	7,807,786.41	-4,000,543.73	235.41%
Net Ordinary Income	17,359,712.85	586,405.73	745,446.50	-159,040.77	2,328.77%
Net Income	17,359,712.85	586,405.73	745,446.50	-159,040.77	2,328.77%

**VISTA AT ENTRADA SCHOOL OF
PERFORMING ARTS & TECHNOLOGY**

**FINANCIAL STATEMENTS
AND OTHER REPORTS**

Year Ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Vista at Entrada School of Performing Arts & Technology

Report on the Financial Statements

We have audited the accompanying financial statements of Vista at Entrada School of Performing Arts & Technology (the School) (a nonprofit organization) which comprise the statement of financial position as of June 30, 2020, the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

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 an opinion 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vista at Entrada School of Performing Arts & Technology as of June 30, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited Vista at Entrada School of Performing Arts & Technology's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 27, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2020 on our consideration of Vista at Entrada School of Performing Arts & Technology's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Vista at Entrada School of Performing Arts & Technology's internal control over financial reporting and compliance.



Orem, Utah
November 25, 2020

VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS & TECHNOLOGY
STATEMENT OF FINANCIAL POSITION

June 30, 2020 with Comparative Totals for 2019

	2020	2019
Assets:		
Cash and cash equivalents	\$ 3,869,206	\$ 3,066,576
Restricted for debt service:		
Cash	85,356	85,549
Investments	1,688,877	1,678,591
Receivables:		
Local	845	194
State	13,548	72,268
Federal	44,743	230,377
Capital assets:		
Land and construction in progress	1,735,362	955,939
Building and other depreciable assets, net of accumulated depreciation	<u>9,463,213</u>	<u>9,729,905</u>
Total assets	16,901,150	15,819,399
Liabilities:		
Accounts payable	46,288	19,522
Payroll and related benefits payable	389,683	307,130
Unearned revenue:		
Local	26,122	25,314
State	245,292	345,603
Accrued interest	358,074	361,833
Long-term liabilities:		
Portion due or payable within one year	554,989	247,038
Portion due or payable after one year	<u>12,253,046</u>	<u>11,781,731</u>
Total liabilities	13,873,494	13,088,171
Net Assets Without Donor Restrictions	<u><u>\$ 3,027,656</u></u>	<u><u>\$ 2,731,228</u></u>

The accompanying notes are an integral part of this financial statement.

VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS & TECHNOLOGY
STATEMENT OF ACTIVITIES

Year Ended June 30, 2020 with Comparative Totals for 2019

	2020	2019
Net Assets Without Donor Restrictions:		
Revenues and support:		
Local:		
Tuition and fees	\$ 205,552	\$ 208,682
Food sales	65,152	79,918
Investment return	68,886	98,757
Contributions	4,158	4,930
Fundraising activities	36,880	80,135
Other	70,367	84,069
State	7,078,872	6,338,653
Federal	444,888	451,275
Total revenues and support	<u>7,974,755</u>	<u>7,346,419</u>
Expenses:		
Program services:		
School	5,983,704	5,459,997
Non school programs	108,363	130,581
Food services	366,210	323,675
Total program services	<u>6,458,277</u>	<u>5,914,253</u>
Supporting services:		
General	1,144,706	463,528
Fundraising	75,344	113,058
Total supporting services	<u>1,220,050</u>	<u>576,586</u>
Total expenses	<u>7,678,327</u>	<u>6,490,839</u>
Change in Net Assets	296,428	855,580
Net Assets at Beginning of Year	<u>2,731,228</u>	<u>1,875,648</u>
Net Assets at End of Year	<u><u>\$ 3,027,656</u></u>	<u><u>\$ 2,731,228</u></u>

The accompanying notes are an integral part of this financial statement.

VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS & TECHNOLOGY
STATEMENT OF CASH FLOWS

Year Ended June 30, 2020 with Comparative Totals for 2019

	2020	2019
Cash Flows from Operating Activities:		
Change in net assets	\$ 296,428	\$ 855,580
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation of capital assets	495,591	468,469
Loss on disposal of capital assets	2,556	3,069
Amortization of bond discount	4,437	4,436
Amortization of bond issuance costs	12,842	12,843
Changes in operating assets and liabilities:		
Receivables	243,703	(271,044)
Prepaid expenses	-	2,215
Accounts payable	26,766	(14,437)
Payroll and related benefits payable	82,553	(45,760)
Unearned revenue	(99,503)	(4,624)
Accrued interest	(3,759)	(5,840)
Total adjustments	<u>765,186</u>	<u>149,327</u>
Net cash provided by operating activities	1,061,614	1,004,907
Cash Flows from Investing Activities:		
Purchases of capital assets	(783,953)	(234,324)
Net sales (purchases) of investments	<u>(10,286)</u>	<u>(15,277)</u>
Net cash used by investing activities	(794,239)	(249,601)
Cash Flows from Financing Activities:		
Repayment of bonds payable	(220,000)	(205,000)
Repayment of obligations under capital lease	(27,038)	(25,753)
Proceeds from note payable	<u>782,100</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>535,062</u>	<u>(230,753)</u>
Net Change in Cash and Cash Equivalents	802,437	524,553
Cash and Cash Equivalents at Beginning of Year	<u>3,152,125</u>	<u>2,627,572</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,954,562</u>	<u>\$ 3,152,125</u>
As displayed on the statement of financial position:		
Cash and cash equivalents	\$ 3,869,206	\$ 3,066,576
Cash restricted for debt service	<u>85,356</u>	<u>85,549</u>
	<u>\$ 3,954,562</u>	<u>\$ 3,152,125</u>

The accompanying notes are an integral part of this financial statement.

VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS & TECHNOLOGY
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2020 with Comparative Totals for 2019

	Program Services			Supporting Services		Totals	
	School	Non School Programs	Food Services	General	Fundraising	2020	2019
Salaries	\$ 2,696,530	\$ 74,523	\$ 121,552	\$ 548,578	\$ 1,010	\$ 3,442,193	\$ 3,185,917
Employee benefits	1,339,459	490	48,135	268,074	341	1,656,499	1,063,584
Professional and technical services	76,493	-	-	27,881	-	104,374	112,053
Purchased property services	108,979	1,539	5,795	16,263	1,070	133,646	83,804
Other purchased services	31,043	455	1,537	30,827	316	64,178	79,991
Supplies	382,087	12,636	123,114	44,690	59,590	622,117	561,485
Property	303,794	12	2,703	129	9	306,647	92,304
Other	34,171	397	1,490	14,827	276	51,161	30,207
Interest	624,935	11,317	38,247	119,553	7,869	801,921	813,025
Depreciation	386,213	6,994	23,637	73,884	4,863	495,591	468,469
Total expenses	<u>\$ 5,983,704</u>	<u>\$ 108,363</u>	<u>\$ 366,210</u>	<u>\$ 1,144,706</u>	<u>\$ 75,344</u>	<u>\$ 7,678,327</u>	<u>\$ 6,490,839</u>

The accompanying notes are an integral part of this financial statement.

VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS & TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Vista at Entrada School of Performing Arts & Technology (the School) was incorporated in the state of Utah on November 29, 2007 as a nonprofit organization involved in public education. The School operates a public charter school in Ivins, Utah, and serves students from kindergarten through grade eight. The School provides the following program services: *school* (instruction and related services), *non-school programs* (after school programs), and *food services*. Supporting services include *general* (Board-related costs and central services) and *fundraising* (sponsoring special events and soliciting contributions).

Basis of Accounting

These financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, capital assets, payables, debt, and other liabilities in accordance with generally accepted accounting principles promulgated in the United States of America for nonprofit organizations. Expenses are recorded when incurred.

Financial Statement Presentation

The School reports information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions – Resources that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization are classified as net assets without donor restrictions. These net assets may be used at the discretion of the School’s management and board of trustees.

Net Assets With Donor Restrictions – Resources subject to stipulations imposed by donors and grantors are classified as net assets with donor restrictions.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions.

Summarized Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the School’s financial statements for the year ended June 30, 2019, from which the summarized information was derived.

VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS & TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

Tax Status

The School is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the School are tax deductible to donors under Section 170 of the IRC. The School is not classified as a private foundation.

Cash Equivalents

Cash equivalents are short-term, interest-bearing, highly-liquid investments with maturities of three months or less when acquired, unless the investments are held for meeting restrictions of a capital or debt service nature. Unrestricted amounts invested in the Utah Public Treasurers' Investment Fund are classified as cash equivalents (see Note 4).

Cash and Investments Restricted for Debt Service

Resources have been set aside in bond funds for annual debt service, debt service reserves, and building repairs. Deposits to and withdrawals from these bond funds are governed by the bond agreement. These bond funds are presented as restricted cash and investments and are measured at fair value (see Notes 3 and 4).

Accounts Receivable

Accounts receivable are primarily unsecured amounts due from federal and state sources on cost-reimbursement or performance grants. Management believes that all outstanding accounts receivable are collectible in full; therefore, no allowance for uncollectible receivables has been provided.

Prepaid Expenses

The School has made payments for deposits and purchased services that will be received, consumed, or used in a future period. These items are recorded at cost.

Capital Assets

Capital assets are recorded at cost, if purchased, and at estimated fair value at the date of donation, if donated. Capital assets valued at \$500 or more are capitalized and depreciated, using the straight-line depreciation method, over the estimated useful lives of the assets as follows:

<u>Asset Class</u>	<u>Depreciable Lives (Years)</u>
Land improvements	40
Buildings	40
Building improvements	20
Equipment	5
Furniture and fixtures	10
Vehicles	10

Repairs and maintenance that do not significantly increase the useful life of the asset are charged to expense as incurred.

VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS & TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

Capital assets are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Bond Issuance Costs and Bond Discount

The School has deferred certain costs associated with the issuance of its bonds payable. Also, the bonds were issued at a discount. These costs and discount are being amortized on a straight-line basis over the 30-year life of the bonds. The unamortized issuance costs and discount are netted against the bond payable (see Note 7).

Donated Services

No amounts have been reflected in the financial statements for donated services. However, many individuals volunteer their time and perform a variety of tasks that assist the School with specific programs, administration, fundraising, and Board assignments.

Revenue Recognition

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

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

Federal and state grants are subject to review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the School's management believes that costs ultimately disallowed, if any, would not significantly affect the financial position of the School.

Expense Recognition and Allocation

The cost of providing the School's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions (such as facilities costs, depreciation, and interest expense) have been allocated among the various functions benefited based on direct costs.

General expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the School.

Fundraising costs are charged to expense as incurred, even though they may result in contributions received in future years.

Additionally, advertising costs are charged to expense as incurred.

VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS & TECHNOLOGY

NOTES TO THE FINANCIAL STATEMENTS

New Accounting Pronouncement

FASB issued Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (Topic 958) – *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU assists entities in evaluating whether a transaction is a contribution (nonreciprocal) or an exchange (reciprocal) transaction and in determining when a contribution is conditional. The ASU has two implementation dates; for transactions where the organization is a recipient of resources the ASU is effective for reporting periods beginning after December 15, 2018 and for transactions where the organization is a provider of resources the ASU is effective for reporting periods after December 31, 2019.

The School has implemented this ASU for transactions in which it is a recipient of resources during the year ended June 30, 2020. The ASU has not been applied retrospectively to transactions occurring prior to the ASU's implementation.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and support and expenses during the reporting period. On an ongoing basis, the School's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The School's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Budgetary Information

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

VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – AVAILABILITY AND LIQUIDITY

The following represents the School’s financial assets at June 30, 2020:

Financial assets:	
Cash and cash equivalents	\$ 3,869,206
Receivables:	
Local	845
State	13,548
Federal	44,743
Total financial assets	<u>3,928,342</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 3,928,342</u></u>

The School’s goal is generally to maintain financial assets to meet 90 days of normal operating expenditures (approximately \$1,790,000). Operating expenses are defined by the School as total expenses less depreciation and amortization. As part of the School’s liquidity plan, excess cash is invested (see Note 4).

NOTE 3 – FAIR VALUE MEASUREMENTS

The School reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability’s measurement within the fair market hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices for identical assets or liabilities in active markets to which the School has access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets in markets that are not active.

Level 3 – Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure fair value if observable inputs are not available.

During 2020, no changes in valuation techniques and related inputs have occurred. Whenever available, the School measures fair values using level 1 inputs because they generally provide the most reliable evidence of fair value.

The primary uses of fair value measures in the School’s financial statements are as follows:

Initial measurement of noncash gifts.

Recurring measurement of investments (see Note 4).

VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 – CONCENTRATIONS OF RISK

Cash and Cash Equivalents

Amounts held in financial institutions are significantly in excess of the Federal Deposit Insurance Corporation limit of \$250,000. The School deposits its unrestricted cash with high-quality financial institutions, and management believes it is not exposed to significant credit risk on those amounts.

At June 30, 2020, the School has invested unrestricted resources of \$2,169,228 in the Utah Public Treasurers’ Investment Fund (PTIF).

Restricted Cash and Investments

In accordance with bond requirements, the School has deposited funds in cash and bond investment accounts which are restricted and consist of the following positions at June 30, 2020:

	<u>Cash</u>	<u>Invested in PTIF</u>	<u>Total</u>
Principal and interest fund	\$ 84,123	\$ 546,620	\$ 630,743
Debt service reserve fund	-	1,012,579	1,012,579
Tax and insurance escrow fund	1,000	25,947	26,947
Expense fund	233	3,731	3,964
Repair and replacement fund	-	100,000	100,000
Total	<u>\$ 85,356</u>	<u>\$ 1,688,877</u>	<u>\$ 1,774,233</u>

Public Treasurers’ Investment Fund

The PTIF is an external local government investment pool managed by the Utah State Treasurer. The PTIF is authorized and makes investments in accordance with the Utah State Money Management Act. Participant accounts with the PTIF are not insured or otherwise guaranteed by the state. Participants in the PTIF share proportionately in the income, costs, gains, and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio, which consists of debt securities held by the state or in the state’s name by the state’s custodial banks, primarily consisting of corporate bonds and notes. The portfolio has a weighted average maturity of 90 days or less. The majority of the PTIF’s corporate bonds and notes are variable-rate securities, which reset every three months to prevailing market interest rates. The PTIF has no debt securities with more than 5% of its total investments in a single issuer. The PTIF is not rated. The School’s investment in the PTIF is valued using the fair value factor applied to the School’s position in the Fund (Level 2). The School has a total of \$3,858,105 invested in the PTIF at June 30, 2020.

Revenue and Support

The majority of the School’s revenue and support comes from the U.S. Department of Education (passed through the Utah State Board of Education) and the state of Utah. Federal and state revenues represented 94% of total revenue and support for the year ended June 30, 2020.

VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – CAPITAL ASSETS

For the year ended June 30, 2020, capital asset activity was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 955,939	\$ -	\$ -	\$ 955,939
Construction in progress	-	779,423	-	779,423
Total capital assets not being depreciated	955,939	779,423	-	1,735,362
Capital assets being depreciated:				
Land improvements	550,076	-	-	550,076
Buildings	10,853,156	-	-	10,853,156
Building improvements	561,487	79,931	-	641,418
Equipment	1,047,102	135,563	(17,314)	1,165,351
Furniture and fixtures	109,227	15,961	-	125,188
Vehicles	12,000	-	-	12,000
Total capital assets being depreciated	13,133,048	231,455	(17,314)	13,347,189
Accumulated depreciation for:				
Land improvements	(66,468)	(13,752)	-	(80,220)
Buildings	(2,526,303)	(276,771)	-	(2,803,074)
Building improvements	(101,327)	(32,470)	-	(133,797)
Equipment	(657,331)	(157,512)	14,758	(800,085)
Furniture and fixtures	(50,314)	(13,886)	-	(64,200)
Vehicles	(1,400)	(1,200)	-	(2,600)
Total accumulated depreciation	(3,403,143)	(495,591)	14,758	(3,883,976)
Total capital assets being depreciated, net	9,729,905	(264,136)	(2,556)	9,463,213
Total capital assets, net	\$ 10,685,844	\$ 515,287	\$ (2,556)	\$ 11,198,575

Depreciation expense of \$495,591 for the year ended June 30, 2020 was allocated to program and supporting services, primarily school program services.

NOTE 6 – RETIREMENT PLANS

The School participates in deferred compensation retirement plans – under Internal Revenue Code Section 401(k) and 403(b) – that covers all full-time employees. School matching contributions to the plan were \$320,357 for the year ended June 30, 2020. Plan assets are held by a third party administrator.

VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 – LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2020 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	\$ 12,365,000	\$ -	\$ (220,000)	\$ 12,145,000	\$ 230,000
Unamortized discount	(100,565)	-	4,437	(96,128)	-
Unamortized costs of issuance	(291,092)	-	12,842	(278,250)	-
Net bonds payable	11,973,343	-	(202,721)	11,770,622	230,000
Note payable	-	782,100	-	782,100	272,230
Obligations under capital lease	55,426	226,925	(27,038)	255,313	52,759
Total long-term liabilities	<u>\$ 12,028,769</u>	<u>\$ 1,009,025</u>	<u>\$ (229,759)</u>	<u>\$ 12,808,035</u>	<u>\$ 554,989</u>

Bonds Payable

The School purchased its facilities by issuing \$13,310,000 of Series 2012 Charter School Revenue Bonds on March 1, 2012. The bonds were issued through Utah State Charter School Finance Authority (the Authority). The bonds are not debt of the state of Utah or the Authority but are obligations payable solely from School funds; the Authority does not guarantee the bonds. The average interest rate on the bonds is 6.15%.

Bond proceeds of \$1,012,579 were placed in a debt service reserve fund. This fund along with all interest earnings will be used for the payment of principal and interest in the event other resources are insufficient to make such payments when due.

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

Year Ending June 30,	Principal	Interest	Total
2021	\$ 230,000	\$ 773,000	\$ 1,003,000
2022	245,000	759,679	1,004,679
2023	255,000	745,676	1,000,676
2024	270,000	730,020	1,000,020
2025	290,000	712,400	1,002,400
2026 - 2030	1,745,000	3,254,863	4,999,863
2031 - 2035	2,365,000	2,609,872	4,974,872
2036 - 2040	3,235,000	1,704,640	4,939,640
2041 - 2045	3,510,000	417,342	3,927,342
	<u>\$ 12,145,000</u>	<u>\$ 11,707,492</u>	<u>\$ 23,852,492</u>

The bonds were issued at a discount of \$133,100. Amortization expense relating to the bond discount was \$4,437 for the year ended June 30, 2020. Accumulated amortization was \$36,972 at June 30, 2020.

VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS

In conjunction with the bonds, the School incurred issuance costs of \$385,270. Amortization expense relating to issuance costs was \$12,842 for the year ended June 30, 2020. Accumulated amortization was \$107,020 at June 30, 2020.

The Series 2012 bond agreement requires the School to maintain 60 days of cash on hand and net income (as defined by the bond agreement) available for debt service of at least 110% of the School's maximum annual debt service. These covenants remain in effect until the bonds are retired. The School has 197 days cash on hand at June 30, 2020. Net income available for debt service was 153% of the School's maximum annual debt service for the year ended June 30, 2020.

Note Payable

The School received loan proceeds of \$782,100 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, provides for loans to qualifying businesses. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes (including payroll, benefits, rent, and utilities) and maintains its payroll levels.

The School intends to use the loan proceeds for purposes consistent with the PPP and believes that the School's use of the loan proceeds will meet the conditions for forgiveness of the loan. Any unforgiven portion of the loan bears interest at a rate of 1 percent. Should any portion of the PPP loan be deemed unforgiven, the School has two years to retire the loan. Principal payments required should the entire amount not be forgiven would be \$272,230 and \$509,870 for the years ended June 30, 2020 and 2019, respectively.

Obligations Under Capital Lease

On July 16, 2016, the School entered into an equipment lease agreement. The lease expires November 2020 and bears interest at 5.0%.

On June 19, 2020, the School entered into a modular classroom lease agreement. The lease expires June 2027 and bears interest at 9.0%.

Amortization of assets held under capital leases is included with depreciation expense. Amortization is calculated using the straight-line method over the estimated useful lives of the assets. Amortization expense for the equipment for the year ended June 30, 2020 totaled \$27,103.

The following is a summary of leased capital assets at June 30, 2020:

Equipment	\$ 429,625
Accumulated amortization	<u>(108,410)</u>
	<u>\$ 321,215</u>

VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS

Future minimum payments under these capital lease obligations, together with its present value as of June 30, 2020, are summarized as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2021	\$ 73,628
2022	43,824
2023	43,824
2024	43,824
2025	43,824
Thereafter	<u>87,649</u>
Total minimum lease payments	336,573
Amount representing interest	<u>(81,260)</u>
Present value of minimum lease payments	<u>\$ 255,313</u>

NOTE 8 – RISK MANAGEMENT

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

NOTE 9 – COMMITMENTS

School Resource Officer Agreement

The School has entered into a school resource officer agreement with Ivins City whereby the School and Ivins City would share equally the cost (\$40,000 annually) for an officer to be present during school hours. The School paid \$20,000 under the agreement for the year ended June 30, 2020. The term of this agreement is indefinite and may be cancelled by either party.

Operating Lease

The School entered a non-cancelable operating lease agreement for equipment; the agreement expires November 2020. Monthly lease payments are \$686. Lease payments for the period ending June 30, 2020 were \$8,236. Future minimum payments due under this lease are \$4,118 for the year ended June 30, 2021.

VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS & TECHNOLOGY
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 – STUDENT FALL ENROLLMENT

Student fall enrollment is measured each October 1. Fall enrollments for the most recent five counts are summarized as follows:

<u>Year Ended June 30,</u>	<u>October 1 Enrollment</u>
2021	1,034
2020	935
2019	905
2018	908
2017	877

NOTE 11 – CASH FLOW INFORMATION

The following cash flow information is provided to supplement the statement of cash flows for the year ended June 30, 2020:

Cash paid for interest was \$788,401.

Asset acquired by issuance of a capital lease obligation was \$226,925.

Subsequent Events

On July 2, 2020, the School issued Series 2020 bonds totaling \$28,785,000 to refund the outstanding balance of its Series 2012 bonds totaling \$12,145,000 and to finance the construction of additional facilities. The Series 2020 bond agreement requires the School to maintain 30 days of cash on hand and net income (as defined by the bond agreement) available for debt service of at least 110% of the School's maximum annual debt service. These covenants remain in effect until the bonds are retired.

Subsequent events have been evaluated through November 25, 2020, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.



Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Board of Directors
Vista at Entrada School of Performing Arts & Technology

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vista at Entrada School of Performing Arts & Technology (the School), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated November 25, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Squire & Company, PC

Orem, Utah
November 25, 2020



Independent Auditor's Report on Compliance
and Report on Internal Control over Compliance
Required by the *State Compliance Audit Guide*

Board of Directors
Vista at Entrada School of Performing Arts & Technology

Report on Compliance

We have audited the compliance of Vista at Entrada School of Performing Arts & Technology (the District) with the following applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2020.

- Budgetary Compliance
- Fund Balance
- Open and Public Meetings Act
- Fraud Risk Assessment
- Cash Management
- Minimum School Program – Unrestricted Programs
- Minimum School Program – Restricted Programs: Special Education and Teacher and Student Success Act
- School Fees

Management's Responsibility

Management is responsible for compliance with the state compliance 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, Vista at Entrada School of Performing Arts & Technology complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described below. Our opinion on compliance is not modified with respect to these matters.

Minimum School Program – Unrestricted Programs and Minimum School Program – Special Education and Teacher and Student Success Act – Utah Administrative Code R277-113-6, *Required LEA Fiscal Policies*, states that “LEA fiscal policies shall include...establishment of internal controls and procedures to record transactions when they occur in the proper program...” Certain program costs occurring near the end of the 2019-2020 school year were identified and recorded subsequent to the end of the year. This was the result of hiring a new business manager near year end; training and applying required fiscal policies was delayed.

Views of Responsible Officials – Fiscal policies for program costs is under review by School management. The new business manager has obtained training; management will monitor compliance.

The School’s response to the noncompliance finding identified in our audit is described above. The School’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School’s internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 over 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.

Squire & Company, PC

Orem, Utah
November 25, 2020