

Arizona State Board for Charter Schools

1700 W. Washington St., Room 164, Phoenix, AZ 85007

(602) 364-3080 Fax (602) 364-3089

www.asbcs.az.gov

USFRCS EXCEPTION AMENDMENT REQUEST

REC'D

MAR 07 2011

(Charter Holder Name) Foothills Academy (CTDS) 07-86-28-000

(Charter Holder Mailing Address) 7191 E Ashler Hills Drive

(City, State) Scottsdale (Zip) 85266

(Charter Representative's Name) Don Senneville

(Phone Number) 480-488-5583 x301 (Fax Number) 480-488-6902

Failure to submit all required documentation will result in the Amendment Request being returned without being processed. Faxed copies will not be accepted. Please send originals.

* Exception to the USFRCS -- (This exception will not be granted to State Board of Education sponsored charter schools)

Included are the following:

- > Board minutes approving the change (If the body is subject to Open Meeting Law, minutes must comply with ARS §38-431.01)
- > Complete policy for accounting (sample policy available on the ASBCS website)

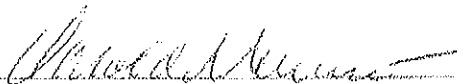
All exceptions to the USFRCS will include:

- > Charter Holder must utilize Generally Accepted Accounting Principles
- > The Charter Holder is **NOT** exempt from filing the Annual Financial Report, the school report card data, annual auditing requirements, or any financial report request from the Arizona State Board for Charter Schools, the Auditor General, and the Arizona Department of Education
- > The Charter Holder is responsible for any "cross-walks" necessary to complete reporting requirements

The Arizona State Board for Charter Schools and Foothills Academy Charter Holder, herein agree to amend the terms of the charter contract as follows:

see attached policy

In witness whereof, Charter Holder has signed this contract amendment as of this 7th day of March, 2011, and the State Board for Charter Schools has signed this contract amendment as of this _____ day of _____, 20____, to take effect at such time as it is signed by both parties.


Charter Representative Signature

Representative Signature for the Arizona State Board for Charter Schools

Foothills Academy
CTDS #07-86-28-000

Accounting Policy

FOOTHILLS ACADEMY charter school will follow accounting policies and procedures that comply with generally accepted accounting principles (GAAP). This includes using an accounting system that provides for the proper recording and reporting of financial data and following standard internal control procedures. The school will utilize a chart of accounts that has been developed to align with the chart of accounts found in the Uniform System of Financial Records for Charter Schools (USFRCS) for the purposes of complying with budgeting and annual financial reporting. Revisions will be made periodically for changes in laws, regulations and accounting pronouncements that cover charter school accounting, financial reporting and compliance with state and federal laws.

Foothills Academy
7151 E. Ashler Hills Drive
Scottsdale, AZ 85266

Board Meeting Minutes
March 3, 2011 Room 198

In Attendance: Bobb Glendon, Joan McGregor, Kathy Radtke, Don Sempleville, Pam Smith

1. **COB to the resolution**
Sallyann, Tom Bell, and Carol Ullmer were in the audience.
2. **Review of minutes from December 2, 2010 Meeting**
The December 2nd meeting minutes were reviewed for accuracy. Joan McGregor moved to approve the December 2nd meeting minutes. The motion to approve was seconded by Kathy Radtke.
3. **Welcome guests**
The Guests were introduced as the Board, Pam Smith-aka Accounting, Tom Bell 2001 FACT Candidate, AZ Department of Social Services, Carol Ullmer-Rexnax Executive, Bobb Glendon is the co-member of the Board representing FACTPO and FAEPPO, Angela Kaplan was unable to attend. Pam Smith will act as the school's Business Manager at Board meetings. Tom Bell and Carol Ullmer have indicated they have an interest in becoming Board members.
4. **Auction Report**
The final tally for the Auction held February 25 should be complete after his week. The auction made in the neighborhood of \$13,000.00 created an enjoyable evening, and brought new families into the fold.
5. **Revision of Fixed Asset Criteria**
The current criteria used for fixed assets are items that are over \$500.00 that have a life span over 1 year. Joan Smith recommended the board revise the criteria for fixed assets to include items valued at \$1000.00 or more with an expected life span over 1 year. Kathy Radtke moved to accept the revision to the fixed asset criteria. Joan McGregor seconded the motion, the remaining Board members were in agreement with the motion.

6. Board consideration of amendment to the charter contract to make an exception the USFRCS Policy described in the attached document. (Attachment 1)

The proposed change is to switch to Generally Accepted Accounting Principles (GAAP) instead of using the Uniform System of Financial Records for Charter Schools (USFRCS). This change will allow Foothills Academy accounting to operate within guidelines and chart of accounts that are more appropriate to the school's size. This will also reduce expenses related to our yearly audit and relax the audit criteria while maintaining the same accountability. Beth Giardina moved to amend Foothills Academy's Charter contract to institute the policy described in Attachment 1. Kathy Radina seconded the motion and a member vote was 100% in favor of the amendment to the Charter.

7. Board consideration of amendment to the charter contract to make an exception to Procurement Laws as described in the attached document (Attachment 2). This amendment will allow Procurement to follow the GAAP practices which is more in alignment with the size of the school as well as maintain good business practices in the purchasing department. Beth Giardina moved to amend the charter contract to make exception to the current procurement laws as laid in the charter contract and use GAAP practices. The motion was seconded by Joan Viscio Regan. The vote was unanimous. The required resolutions and Board minutes will be sent to the state for revision.

8. Proposal to use tax credit donation funds to cover extra-curricular expenses listed in Attachment 2 and support fee payments for student needing financial assistance.

Attachment 2 indicates the items both companies will use Tax Credit funds for in the 2010-2011 school year. Kathy Radina moved to approve the items listed in attachment 2 for Tax Credit funds. Beth Giardina seconded the motion to approve.

9. Adjournment:

Beth Giardina moved to adjourn the meeting. Kathy Radina seconded the motion.

The meeting adjourned at 3:10 pm.

Next Meeting: June, 2011. Exact date, time, and location TBD

RECEIVED

MAR 07 2011

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PROCUREMENT LAWS EXCEPTION AMENDMENT REQUEST

(Charter Holder Name) Foothills Academy (CTDS) 07-86-28-000

(Charter Holder Mailing Address) 7191 E Ashler Hills Drive

(City, State) Scottsdale (Zip) 85266

(Charter Representative's Name) Don Senneville

(Phone Number) 480-488-5583 x301 (Fax Number) 480-488-6902

Failure to submit all required documentation will result in the Amendment Request being returned without being processed. Faxed copies will not be accepted. Please send originals.

* Exception to the Procurement Laws -- (This exception will not be granted to State Board of Education sponsored charter schools)

Included are the following:

- Board minutes approving the change (If the body is subject to Open Meeting Law, minutes must comply with ARS §38-431.01)
- Complete policy for procuring goods and services (sample policy available on the ASBCS website)

PLEASE NOTE: Charter operators granted an exception to local and state procurement regulations under A.R.S. §15-183(E)(6) are still required to satisfy the federal procurement requirements as a condition to the receipt of certain federal funds.

The Arizona State Board for Charter Schools and Foothills Academy (Charter Holder), herein agree to amend the terms of the charter contract as follows:

See attached policy

In witness whereof, Charter Holder has signed this contract amendment as of this 7th day of March, 2011, and the State Board for Charter Schools has signed this contract amendment as of this _____ day of _____, 20____, to take effect at such time as it is signed by both parties.

Don Senneville

Charter Representative Signature

Representative Signature for the Arizona State Board for Charter Schools

Foothills Academy
CTDS #07-86-28-000

Procurement Policy

FOOTHILLS ACADEMY charter school will follow accounting policies and procedures that comply with

generally accepted accounting principles (GAAP). Any procurement of goods and services shall be made by the procurement officer/authorized agent, in the best interest of the school, upon considering the totality of the circumstances surrounding the procurement, which may include but not be limited to, price, quality, availability, timelines, reputation and prior dealings.

FOOTHILLS ACADEMY charter school shall not purchase any goods or services from any member of the

governing board, an immediate family member of any member of the governing board nor from any entity in which any member of the governing board or an immediate family member of a governing board member may benefit from such a procurement, unless authorized by the governing board after a full disclosure of the potential benefits, and after the consideration set forth in paragraph 1 above.

FOOTHILLS ACADEMY charter school understands that the policy cited above applies to purchases made using

non-federal funds. As a condition of the receipt of certain federal funds, federal procurement requirements still apply.

Foothills Academy
7191 E. Ashler Hills Drive
Scottsdale, AZ 85260

Board Meeting Minutes
March 3, 2011 Room 198

In Attendance: Beth Gaudine, John McGregor, Kirby Radina, Don Scoville, Pam Smith

1. Call to the audience
5:51 pm Tom Bell and Carol Elliot were in the audience.
2. Review of minutes from December 3, 2010 Meeting
The December 3rd meeting minutes were reviewed for accuracy. John McGregor moved to approve the December 3rd meeting minutes. The motion to approve was seconded by Kirby Radina.
3. Welcome guests
The Guests were introduced to the Board: Pam Smith-acc Accounting; Tom Bell (2001 FACP Graduate, AZ Department of Social Services); Carol Elliott-Kumar Executive; Beth Gaudine is the co-member of the Board representing FACP/CO and FAD/CO. Angela Kaplan was unable to attend. Pam Smith will act as the school's Business Manager at board meeting. Tom Bell and Carol Elliott have indicated they have an interest in becoming board members.
4. Auction Report
The final tally for the Auction held February 25 should be complete later this week. The auction made to the neighborhood of \$1,000,000 created an enjoyable evening, and brought new families into the field.
5. Revision of Fixed Asset Criteria
The current criteria used for fixed assets are items that are over \$100,000 that have a life span over 1 year. Pam Smith recommended the Board revise the criteria for fixed assets to a slight item valued at \$100,000 or more with an expected life span over 1 year. Kirby Radina moved to accept the revision to the fixed asset criteria. John McGregor seconded the motion. The remaining Board members were in agreement with the motion.

6. **Board consideration of amendment to the charter contract to make an exception the UNFCS Policy described in the attached document (Attachment 1)**
The proposed change is to switch to Generally Accepted Accounting Principles (GAAP) instead of using the Uniform System of Financial Records for Charter Schools (USFRS). This change will allow Foothills Academy accounting to operate within guidelines and chart of accounts that are more appropriate to the school's size. This will also reduce expenses related to our yearly audit and relax the audit criteria while maintaining the same accountability. Beth Giardina moved to amend Foothills Academy's Charter contract to institute the policy described in Attachment 1. Kathy Radtka seconded the motion and a member vote was 100% in favor of the amendment to the Charter.

7. **Board consideration of amendment to the charter contract to make an exception to Procurement Laws as described in the attached document (Attachment 1).**
This amendment will allow Procurement to follow the GAAP practices which is more in alignment with the size of the school as well as maintain good business practices in the purchasing department. Beth Giardina moved to amend the charter contract to make exception to the current procurement laws as list in the charter contract and use GAAP practices. The motion was seconded by Joan MacGregor. The vote was unanimous. The required documents and Board minutes will be sent to the state for revision

8. *Proposal to use tax credit donation funds to cover extra-curricular expenses listed in Attachment 2 and support fee payments for student needing financial assistance.*
Attachment 2 indicates the items both campuses will use Tax Credit funds for in the 2010/2011 school year. Kathy Radtka moved to approve the items listed in attachment 2 for Tax Credit funds. Beth Giardina seconded the motion to approve.

9. **Adjournment**
Beth Giardina moved to adjourn the meeting. Kathy Radtka seconded the motion.
The meeting adjourned at two pm.

Next Meeting: June, 2011. Exact date, time, and location TBD