

# MOUNTAIN HEIGHTS ACADEMY BOARD OF TRUSTEES MEETING



## EXECUTIVE SUMMARY

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### BOARD MEMBER ROLES AND ELECTED OFFICERS

The governing board is composed of 5–9 members. Member may serve up to three consecutive three-year terms. Quinn Sutton will be stepping off the Board, and the Board has been in the process of identifying and appointing a new member to fill the open seat.

**Action:** *Board vote needed*

### AUDIT PRESENTATION & TRAINING

Eide Bailly has completed the annual independent audit of the School's financial statements and compliance for the fiscal year ending June 30. Their audit was conducted in accordance with required standards, and they found that the financial statements fairly represent the School's financial position and activity. They met with the Board to review the audit results, including the financial statements, compliance testing, and this year's required communications.

**Action:** *No action needed*

### DIRECTORS REPORT

See board meeting documentation folder for the most up to date report.

**Action:** *No action needed*

### SCHEDULE A CHARTER AGREEMENT

The Charter Agreement is a shared contract between your school's board and Utah State Charter School Board. It reflects how both boards work together and share accountability for the school's success. This amendment is designed to make updates more collaborative and transparent with both boards involved throughout the process.

**Action:** *Board vote needed*

### SCHOOL YEAR CALENDAR

Approving the 2027–2028 school year calendar in advance will allow our teachers more time to complete prep work throughout the year, rather than having to wait.

**Action:** *Board vote needed*

### TUITION REIMBURSEMENT

Tuition reimbursement is needed for Julie Crisp to pursue job-related courses that will strengthen her professional competence and further benefit the students she serves. Julie will be working on two courses (EDUC 6410 - Social Foundations of Education and EDUC 6030 - Principles of Practitioner Research). The tuition reimbursement is \$816.75 per course totaling \$1,633.50.

**Action:** *Board vote needed*

### NWEA INVOICE

This is the invoice for our NWEA Measures of Academic Progress testing platform, for a total cost of \$23,212.50. Due to the high opt-out rate of the state tests (Rise and Aspire,) Mountain Heights administers the MAP test in the fall and the spring to ensure that we have

valid and reliable data on student performance. The School Land Trust team has earmarked a portion of the trust lands funding to purchase the MAP platform.

**Action:** Board vote needed

### **GENIUS SIS INVOICE**

Genius is our Student Information System that connects with our Learning Management System. Genius helps us track student progress in a more consumable format. The amount for this invoice is: \$23,226.50.

**Action:** Board vote needed

### **SCHOOL VALUES**

Over the past several months, Mountain Heights has worked through the process of updating the school's values. With guidance from our Assessment 2 Achievement consultant, Todd Henderson, MHA completed a series of activities that helped narrow more than 30 initial ideas down to five key values: Integrity, Belonging, Audacious, Curious, and Adaptable. Feedback shows strong support for Integrity and Belonging, while Adaptability received the lowest support. This brings us to two options for the board to consider as we prepare to finalize our updated school values in December.

**Action:** Board vote needed

### **POLICIES**

*Amended Instructional Materials Policy*

HB 21 from the 2025 legislative session renumbered various parts of the criminal code, including the definitions of “objective sensitive material” and “subjective sensitive material.” Those definitions are included in the school’s Instructional Materials Policy and the USBE has asked schools to update their policies with the correct/updated code citations. The proposed revisions to the policy include only the updated code citations. No other changes have been made to the policy.

**Action:** Board vote needed

# Mountain Heights Academy

School Year 2027-2028

[www.mountainheightsacademy.org](http://www.mountainheightsacademy.org)

AUGUST 2027							SEPTEMBER 2027							OCTOBER 2027							YEAR AT A GLANCE		
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S			
										1	2	3	4						1	2	August 16	First Day for Faculty/Staff	
1	2	3	4	5	6	7	5	6	7	8	9	10	11	3	4	5	6	7	8	9	August 25	School Starts for Students	First Day of School and Q1
8	9	10	11	12	13	14	12	13	14	15	16	17	18	10	11	12	13	14	15	16	Sept 6	No School	Labor Day
15	16	17	18	19	20	21	19	20	21	22	23	24	25	17	18	19	20	21	22	23	October 14-15	No School	Fall Break
22	23	24	25	26	27	28	26	27	28	29	30			24	25	26	27	28	29	30	October 29		Last Day of Q1 (46 days)
29	30	31				5							21	31						19	November 1	No School for Students	Leg PD 1
NOVEMBER 2027							DECEMBER 2027							JANUARY 2028							November 2		First Day of Q2
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	November 24-26	No School	Thanksgiving Recess
	1	2	3	4	5	6				1	2	3	4							1	December 20-December 31	No School	Winter Recess
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8	January 17	No School	Martin Luther King Jr. Day
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15	January 21		Last Day of Q2 (46 days)
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22	January 24	No School for Students	Leg PD 2
28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29	January 25	First Day of Q3	
					1	18							13	30	31				15	5	February 14	No School	Presidents' Day
FEBRUARY 2028							MARCH 2028							APRIL 2028							March 24		Last Day of Q3 (44 days)
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	March 27-March 31	No School	Spring Break + PT Conf Make Up Day
		1	2	3	4	5				1	2	3	4							1	April 3	No School for Students	Leg PD 3
6	7	8	9	10	11	12	5	6	7	8	9	10	11	2	3	4	5	6	7	8	April 4	First Day of Q4	
13	14	15	16	17	18	19	12	13	14	15	16	17	18	9	10	11	12	13	14	15	May 29	No School	Memorial Day
20	21	22	23	24	25	26	19	20	21	22	23	24	25	16	17	18	19	20	21	22	June 2	School Ends	Last Day of School (44 days)
27	28	29					26	27	28	29	30	31		23	24	25	26	27	28		June 5	No School for Students	Leg PD 4
						20							18						1	19	June 7		Last Day for Teachers
MAY 2028							JUNE 2027							JULY 2027							180 Days		
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			
						22							3	30	31					0			

Board Approved Date



**Mountain Heights Academy**  
LEADERS IN DIGITAL EDUCATION

# Executive Director's Report December 2025



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## VISION

Mountain Heights Academy is the leader in digital education.

## MISSION

To develop connected and successful learners.

## VALUES

Problem solvers  
Audacious  
Communicative  
Personal responsibility  
Open & flexible  
Service learning  
Student-centered  
Innovative

## STUDENT ACHIEVEMENT & ACTIVITY

### Generation Volunteer Summit Report:

"I'm pleased to share that the CE Team's second annual Generation Volunteer Summit was a great success! We will send out an official impact report later, but I wanted to highlight a few key results.

#### Total Attendance:

- 180 conference attendees — a 30% increase from 2024
- 81 navigators (adult mentors, volunteers, or presenters)

Attendees were inspired by an engaging program featuring keynote speakers Colby and Makenzie Bauer from Thread Wallets and the Carry On Foundation. We also heard inspiring remarks from Reid Simmons from Mountain Heights Academy (Volunteer for Good) and Amy Adams from SUU (UServeUtah College Community Engagement Council member). Participants engaged in breakout sessions, interactive table talks, and networking opportunities at the Impact Expo. We concluded the day with a service project benefiting five nonprofit organizations."

Mountain Heights Academy had a few students and faculty attend this event. One of our students, Reid Simmons, even presented in the main session to attendees about the spark and connection that volunteering with others provides.





Nov. 6th Volunteer for Good hosting NGA folks





## SCSB Newsletter - Highlight Mountain Heights student, Reid Simmons



### CONGRATULATIONS REID SIMMONS

Reid Simmons was appointed to the Utah State Board of Education Student Advisory Committee for the 2025-2026 school year. He will be representing District 9. Reid attends Mountain Heights Academy.



## LEADERSHIP



## THANKS FOR YOUR SUPPORT



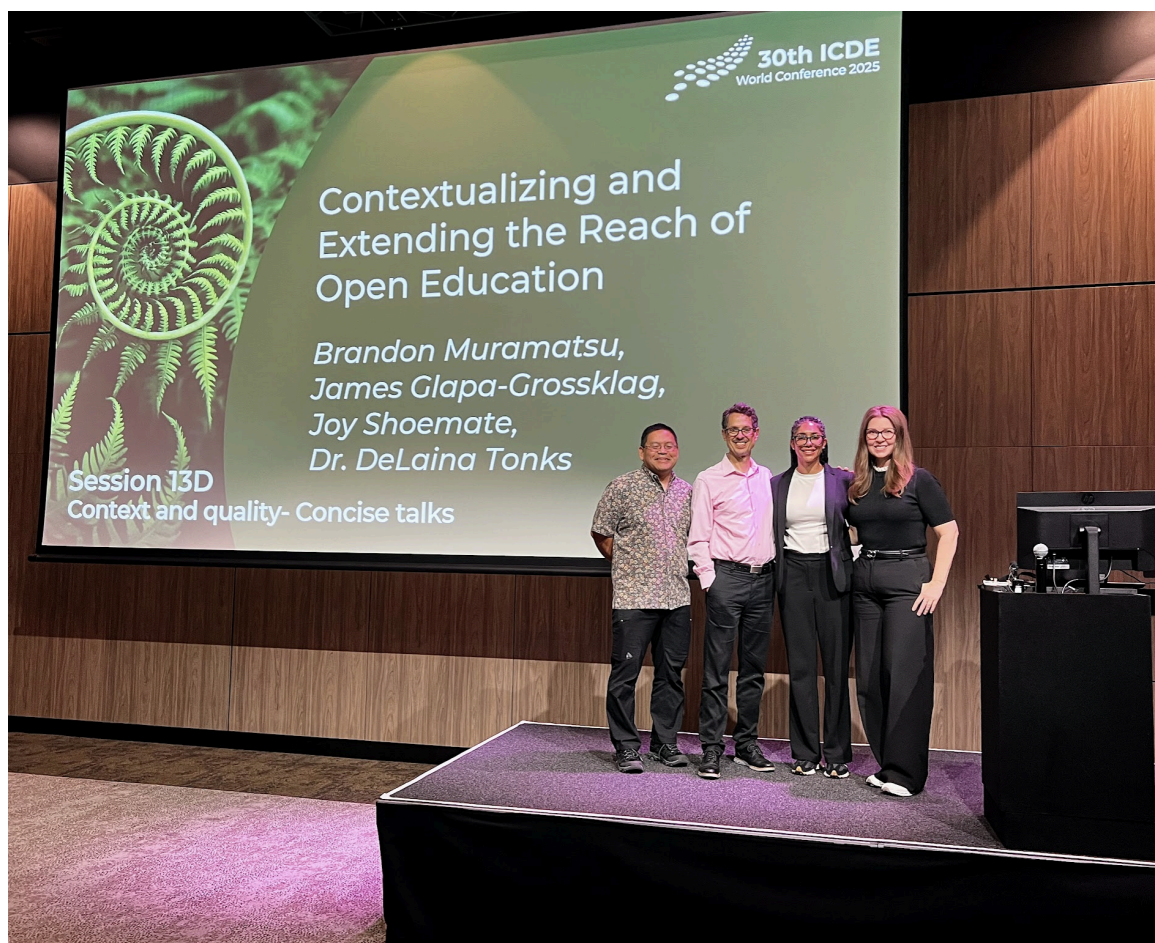
### Thanks for your YES vote on **HB 247** in 2024!

Now that Statewide Online Education Program (SOEP) students can access Concurrent Enrollment (CE) courses online, **127 additional students** are taking CE classes this year at Mountain Heights Academy, an online public charter school. Students registered for **375 credits**, which equals **\$85,128.75 in savings** for Utah families.

Students from all over Utah now have access to college courses that fit into their busy schedules.

We wanted to make sure legislators saw the water getting to the end of the row with 2024 legislation to allow part-time SOEP students to access concurrent enrollment classes. I texted and emailed this graphic to 104 legislators and received 47 responses back.

I attended the ICDE Conference in Wellington, NZ and presented with MIT and College of the Canyons on the AI/OER impact in university, community college, and secondary settings. The presentation was well-received and we got a lot of follow-up questions.



Here are some additional takeaways from the conference and the networking:

An invitation to the Western Interstate Commission for Higher Education's OERWest Network Conference in SLC in April. One of my co-presenters is attending and recommended we discuss the secondary through higher ed pipeline. The fact that we were the first to do OER in a secondary setting gives us some credibility to speak to this conference. We have some ideas for collaboration that could be interesting, exciting, and advance our new Goal #3.

AI is THE big topic here. How to harness it? What if students don't want to use it? Founder of D2L had some good insights about AI facilitating the future.

What gap can we fill in the OER world? How to? Lessons learned? A roadmap to follow like what TJ and I published? MHA has taken OER and turned it into a highly successful digital learning institution. It's no longer just OER, but the hiring practices, evaluation processes, vision/mission/values/goals work, based on self-determination theory. So many other countries are struggling to support their learners. Are there opportunities to replicate in English-speaking countries? We supported the school in Belize, but there may be space to replicate the philosophy and processes along with the content.

CA Community Colleges big takeaway is no longer linking OUT to resources but bringing them into their own LMS. (MHA has been doing this for 15 years. Universal design principles are how we have leveled up and included accessibility.)

## DATA & REPORTS

### UPDATED ITEMS: No December updates

State Charter School Board 5-year Review SWOT Report and Results (updated 10/2025) (emailed to board w/packet)

[Marketing Report](#) (updated 10/2025)

[2025 Graduation Status Report](#) (updated 10/2025)

DATA REPORT: [Grad Rate \(Longitudinal/Comparative, State Test Scores, ACT Scores\)](#) (updated 10/2025)

[Statewide Online Education Program Audit Results](#) (updated 3/2025)

[Mountain Heights Academy's final Annual Performance Determination \(APD\) report](#) (updated 4/2025)

[2024-25 MAP Data Report](#) (updated 6/2025)

[Annual Behavior Report](#) (updated 6/2025)

[Student Performance Spreadsheet](#) (updated 6/2025)

[Statewide Online Education Program \(SOEP\) Report](#) (updated 6/2025)



[Concurrent Enrollment Growth Report](#) (updated 6/2025)

[End of Year Marketing Report](#) (updated 6/2025)

[Math Competency Report](#) (updated 06/2025)

[Summer School Report](#) (updated 8/2025)

[Intrepid Marketing Analysis](#) (updated 8/2025)

## LOTTERY

1. [Lottery Numbers Tracking](#) (see 2025-2026 tab)
  - a. Our SOEP numbers increased significantly, from 499 last August to 727, due in part to the addition of Concurrent Enrollment options available through SOEP now and a targeted marketing campaign. We have 127 SOEP students taking CE courses. Our brand and reputation with Utah Tech and our families continues to be stellar.
  - b. After a thorough review of student performance data in 2023-2024, we determined that accepting students at Q2 and Q4 was not working well for students or faculty or staff. Beginning in 2024-2025, we will accept 7-12 grade students for Q1 and 7-10 grade students for Q3.

### 2025-2026 Enrollment Status

Date 2025-2026	Total enrolled	New, Enrollment Completed	In queue	SOEP	Total Number of FT & PT Students
June 11, 2025	738	105 (new) +633 (returning)	97	116	951
August 27, 2025	916	358 (new) +603 (returning)	0	727	1643
October 24, 2025	888	310 (new) +578 (returning)	48	720	1608
December 10, 2025	910		50	849	1759

## FACULTY/STAFF

**Evaluation Process:** Each employee sets a personal goal for the Personal Professional Learning Plan, a department goal that supports the school goal of improving student success. Each administrator meets with the employees they oversee to review their goals, make adjustments, and provide support in meeting their goals. We are including a video submission of teachers/paras working with students as part of their evaluation this year.

I have standing meetings twice a month with the Assistant Directors, where we discuss goals, progress, and support, in addition to issues and solutions.

## STRATEGIC PLAN PROGRESS



## School Vision, Mission, Values, Goals, Objectives, and Metrics

### School Goals 2022-2026: [LINK](#)

We are in the process of revamping our objectives and metrics to meet our accreditation goals as we prepare for our mid-year review in November. Once those are ready, I will submit them to the board for discussion and review.

#### 1. **GOAL: Improve student success**

**DEFINITION:** to help students know where they are academically and to help them progress and succeed

Course Section CTTs: Meet weekly to review content, student outcomes, and engagement in each course with more than one section. This is a data-rich, collaborative addition.

Gradeband CTTs: Meet monthly to look at student performance data for each gradeband, identify various strategies to try to increase engagement, make tiering cohesive, and ensure students are well-served.

Selected for Assessment 2 Achievement Data Training by USBE 2023-2027

**Common Learning Challenge:** Evaluate & integrate information presented in diverse formats

**Action plan:** Students are deliberate in setting audacious goals for continuous growth and are striving for individualized excellence.

Assessment protocols for state testing and NWEA MAP testing to include motivation and stronger Rationale

**Student Academic Portfolios** will begin rollout on October 30, 2025 and will conclude with all students having a SAP by January, 2026. This is a goal we have been working toward for a couple of years, that included tech and logistics barriers. We are so glad we found a solution so students and parents have access to their performance records.

#### 2. **GOAL: Develop a robust, connected community**

SLC is hosting the National Governors Association (NGA) annual meeting in November. As part of the Lt. Governor's Service Learning initiative, Mountain Heights will be co-hosting a two-hour event at Olympus HS. One of our students is a featured speaker and we will have 12-15 students on site to assist with the hands-on service project with the governors and their staff.

Dr. Tonks was confirmed by Gov. Cox as a member of the Utah Commission on Service and Volunteerism on October 16. She now has the opportunity to work with other commissioners who sit on the Utah System of Higher Ed, work in state agencies, and those who are leaders in service across the state. This is a benefit to MHA. [DeLaina Tonks. Appointment Letter.pdf](#)

UPDATE: We are a certified Kindness School as of August 19, 2025!

In process of becoming a certified Kindness School by partnering with one Kind Act a Day. We introduced the concept in Aug 2024 and included info at orientation for students, then invited faculty and students to take the Kindness Pledge. This is from Curtis Bennett, CEO of OKAAD:

*I just wanted to tell you that your team is incredible. I am getting 3-5 pledges from Mountain Height a day (sometimes more). It appears your team is VERY engaged and doing great things.*

*Thank you, thank you for advocating this so strongly, we deeply appreciate this relationship.*

*All the very best! Curtis*

Participating in Lt. Governor Henderson's Service Learning Pilot Program that started in January 2025

Parent Ambassador Team to support other parents at activities like the Back to School Carnival, Charter Day at the Capitol, and Orientation.

Expanded family activities such as the Back to School Carnival, Charter Day on the Hill, and targeted grade-level and subject-matter activities such as the Adventure Day ropes course activity, Hogle Zoo

activity, and This Is the Place State Park activity, plus more.

Check out our MHA Photo album to see the latest activity pictures.

### **3. GOAL: Increase our Individual, community, and societal impact\***

\*Under review for updates to match the newly approved goal.

ICDE presentation accepted for 2025: The intersection of AI and OER through the university, community college, and secondary lens, with MIT, College of the Canyons, and Mountain Heights Academy.

We built two additional courses for the 2025-2026 school year: Baking & Pastry and Secondary Math Readiness

OE Global presentation in November 2024 on the outcomes of the MIT/MHA/Itz'At STEAM School (Belize) partnership.

Dr. David Wiley was the keynote at our PD in 2024. He gave an overview of where we came from (origin story) and painted a picture of where we are going with generative AI. OER for OER's sake is the wrong approach. Leveraging existing technology to improve access is the goal. We cannot maintain our place as the leaders in digital education without seriously considering generative AI and leveraging it to improve education.

Exploring the intersection between OER and generative AI with an Action Research Committee.

Expanding cross-curricular OER options by including OER in service learning lessons.

David Wiley booked for our Opening PD in August 2024 to inspire the masses with the origin story of OER and MHA; also to explore options for OER/AI evolution in the future.

Teacher interview (Katie Hackett) with Oregon Department of Education published in their monthly newsletter.

Concluding OER project with MIT and the STEAM Lab School in Belize, which is now open and working toward using more OER. Presented at a global conference on the outcomes of the MIT/MHA/Itz'At STEAM School partnership. Accepted to present at another global conference in November 2025.

## CALENDAR ITEMS



Genius SIS, LLC  
14359 Miramar Pkwy #376  
Miramar, FL 33027  
+19546677747  
accounting@geniussis.com  
http://www.geniussis.com

Invoice 9034

BILL TO	SHIP TO	DATE	PLEASE PAY	DUE DATE
Mountain Heights Academy 290 North Flint Street Kaysville, UT 84403	Mountain Heights Academy 290 N FLINT ST KAYSVILLE, UT 84037-2469 US	11/04/2025	\$23,226.50	12/04/2025

DESCRIPTION	QTY	RATE	AMOUNT
Full Time Active Students - August 2025 - July 2026	902	25.75	23,226.50
Sales Tax calculated by AvaTax for 39790-V2 at Tue Nov 4 06:32:21 UTC 2025	1	0.00	0.00

Wire or ACH Instructions:	SUBTOTAL	23,226.50
Account Name: Genius SIS, LLC	TAX	0.00
Bank Name: BMO Harris NA	TOTAL	23,226.50
Account Number:***5776		
Routing Number: 071000288		
SWIFT Number: HATRUS44		
Please quote invoice number in payment details.	TOTAL DUE	\$23,226.50

THANK YOU.

**Mountain Heights Academy  
Tuition Reimbursement Policy  
Adopted: October 11, 2019**

**PURPOSE**

Mountain Heights Academy (the “School”) believes that the School and its students benefit when employees develop and improve their knowledge and skills. Obtaining additional education can increase teaching abilities and professional competence. The School therefore desires to identify the conditions upon which the School is willing to reimburse School employees for tuition paid in order to obtain education that will improve their ability to serve the School and its students.

**POLICY**

The School may reimburse tuition for School employees if the following conditions are satisfied:

- (1) The employee has been employed by the School for at least one (1) year.
- (2) The tuition is for courses that are either (a) job related, meaning the course will result in increased knowledge and skill, is aimed primarily at improving the employee’s performance in his/her present job or will enable the employee to remain current with changes or developments in their field or (b) an elective that is part of a degree program that is job related.
- (3) The courses are taken at either (a) a fully accredited college or university; or (b) a school providing training or instruction that is approved by the State Board of Education.
- (4) Courses may be for credit or not.
- (5) Except in unusual circumstances and as approved by the Director, courses must be taken outside of regularly scheduled work hours.
- (6) Reimbursement will only be provided when the following conditions are met:
  - (a) The Director must give initial approval to the employee’s request for reimbursement.
  - (b) The request will be submitted to the Board of Directors for final approval of the Tuition Reimbursement Agreement. The form of Tuition Reimbursement Agreement to be used is attached to this Policy.
  - (c) The Director must give approval for each course for which reimbursement will be sought before the employee enrolls in the course.
- (7) The employee must agree to work at the School for a minimum of three (3) years following reimbursement of tuition. In the event the employee’s employment with the School is terminated, voluntarily or involuntarily, for any reason, before the completion of three (3) years,

the prorated portion of the reimbursed tuition must be repaid to the School based on the number of years worked for the School since the most recent reimbursement.

(8) Reimbursement is limited to a maximum of nine (9) credit hours per school year, up to a total of thirty-six (36) credit hours total, at a rate not to exceed \$400 per credit hour.

(9) Reimbursement will be paid when the employee:

- (a) Provides evidence of completion of the course with a passing mark of B or better.
- (b) Provides an itemized receipt of the payment of tuition.
- (c) Passes any applicable Praxis exam.

(10) The amount of tuition reimbursed to an employee is at the sole discretion of the Director but will not exceed the lesser of 75% of an employee's tuition or a maximum of \$5,000 per employee, per degree.

(11) Total tuition reimbursement payments from the annual School budget will not exceed \$20,000 per year. The Director will work with employees to plan the timing of reimbursement payments in order to comply with this annual cap.

## TUITION REIMBURSEMENT AGREEMENT

**This Tuition Reimbursement Agreement** (the “**Agreement**”) is entered into this 12<sup>th</sup> day of December, 2025, between **Mountain Heights Academy**, a Utah nonprofit corporation (the “**School**”), and \_\_\_\_\_, an individual (the “**Teacher**”).

### Recitals

A. The School operates a charter school in West Jordan, Salt Lake, Utah.

B. The Teacher is currently employed with the School as a Math Teacher.

C. The Teacher desires the School’s financial assistance to obtain the following additional education in order to improve the Teacher’s skill and professional competence:

EDUC 6410 - Social Foundations of Education and EDUC 6030 - Principles of Practitioner Research [[clearly specify the course(s), program, degree, certification, as applicable, and the institution]] (the “**Coursework**”).

D. The School desires to reimburse the Teacher’s tuition and, in connection therewith, to provide an incentive for the Teacher to continue to work at the School thereafter.

E. The School and the Teacher desire to enter into this Agreement in order to carry out that intent.

### Agreement

Now, therefore, in consideration of the foregoing and the mutual covenants and promises of the parties hereto, the School and the Teacher agree as follows:

1. The Teacher will satisfactorily complete the requirements associated with the Coursework within **four months** from the date of this Agreement.

Anticipated start date	Anticipated completion date
January 2026    January 2026	February 2026    April 2026

2. The Director must approve each course for which the teacher will seek reimbursement to ensure that it is job related or an elective required for a degree program.

Course Name	Number of Credits	Cost

EDUC 6030 - Principles of Practitioner Research	3	\$1089 (\$816.75 reimbursed)
EDUC 6410 - Social Foundations of Education	3	\$1089 (\$816.75 reimbursed)

3. The School will reimburse the Teacher's tuition for the Coursework when the Teacher:

- (a) Provides evidence of completion of the course with a passing mark of B or better.
- (b) Provides an itemized receipt of the payment of tuition.
- (c) Passes the \_\_\_\_\_ Praxis exam. **[[include this if applicable]]**

4. If the Teacher's employment at the School is terminated (voluntarily or involuntarily) for any reason within three (3) years following the most recent reimbursement of tuition or the Teacher fails to satisfactorily complete the Coursework within the required time frame set forth in Section 1, above, the Teacher must repay the tuition paid by the School pro rata based on the number of years worked for the School from the most recent reimbursement. The Teacher consents that any such amounts that are owed to the School under this Agreement may be deducted from the Teacher's final paycheck.

5. The Teacher acknowledges that this Agreement does not guarantee the Teacher employment with the School.

The Parties have executed this Agreement as of the date first set forth above.

**The School:**

*DeLaina Tonks*

\_\_\_\_\_  
Director

**The Teacher:**

*Julie Crisp*

\_\_\_\_\_

SIGNATURE CERTIFICATE



REFERENCE NUMBER  
E7152CAA-723D-4E35-B020-E26941931C83

TRANSACTION DETAILS

**Reference Number**  
E7152CAA-723D-4E35-B020-E26941931C83

**Transaction Type**  
Signature Request

**Sent At**  
11/10/2025 05:09:40 PM EST

**Executed At**  
11/10/2025 10:02:24 PM EST

**Identity Method**  
email

**Distribution Method**  
email

**Signed Checksum**  
3b62cbd37f6d8a4340e35e9d658dddee8a622a3125fcd76e922fcd77eb02b6c8

**Signer Sequencing**  
Enabled

**Document Passcode**  
Disabled

DOCUMENT DETAILS

**Document Name**  
Julie Crisp Nov 2025 Tuition Reimbursement -

**Filename**  
Julie\_Crisp\_Nov\_2025\_Tuition\_Reimbursement\_-.pdf



**Pages**  
4 pages

**Content Type**  
application/pdf

**File Size**  
58.7 KB

**Original Checksum**  
730b6f94ba1173fd89290625e0bb2f8337e56618ec4435cc9e68a0a00a282f44

SIGNERS

SIGNER	E-SIGNATURE	EVENTS
<b>Name</b> DeLaina Tonks	<b>Status</b> signed	<b>Viewed At</b> 11/10/2025 10:02:01 PM EST
<b>Email</b> dtonks@mountainheightsacademy.org	<b>Multi-factor Digital Fingerprint Checksum</b> 4f53cda18c2baa0c0354bb5f9a3ecbe5ed12ab4d8e11ba873c2f11161202b945	<b>Identity Authenticated At</b> 11/10/2025 10:02:24 PM EST
<b>Signer Sequence</b> 1	<b>IP Address</b> 192.94.236.159	<b>Signed At</b> 11/10/2025 10:02:24 PM EST
<b>Components</b> 1	<b>Device</b> Chrome via Mac	
	<b>Typed Signature</b> 	
	<b>Signature Reference ID</b> 3C9234BF	
<b>Name</b> Julie Crisp	<b>Status</b> signed	<b>Viewed At</b> 11/10/2025 08:43:12 PM EST
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Financial Statements  
June 30, 2025

# Mountain Heights Academy

DRAFT

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## **Independent Auditor's Report**

The Board of Directors  
Mountain Heights Academy  
West Jordan, Utah

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and the major fund of Mountain Heights Academy (the School) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the School, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of revenue, expenditures, and changes in fund balance – budget and actual – general fund and notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

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

Ogden, Utah

DATE

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

## **FINANCIAL HIGHLIGHTS**

Year after year, the School continues to have a strong foundation with a strong online presence. Since its inception, students and parents have chosen the School for its well-established reputation in online education and fiscal year 2025 was no exception. Although enrollment declined slightly once again during fiscal year 2025, it remains higher than pre-COVID-19 levels. The School also continues to see steady growth in its Statewide Online Education Program (SOEP) enrollment. As SOEP funding is based on courses completed, this ongoing increase has resulted in another record year of SOEP-related revenue.

During fiscal year 2025, the School benefited from additional increases in both the Weighted Pupil Unit (WPU) and Local Replacement Funding (LRF), which helped support employee compensation adjustments. The School also continued to benefit from strong interest rates within the Public Treasurer's Investment Fund (PTIF). With a solid PTIF balance, investment earnings contributed significantly to overall financial performance.

The primary focus for fiscal year 2025 was enhancing employee compensation to retain highly qualified staff and ensure the School's continued operational excellence. The Executive Director and Board of Directors remain committed to prudent financial oversight, carefully monitoring resources and expenditures amid ongoing uncertainty surrounding future enrollment trends, inflation, and other economic factors.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis serves as an introduction to the School's basic financial statements. These financial statements include three primary components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

The basic financial statements consist of two kinds of statements that present different views of the School's financial activities.

### **Government-Wide Financial Statements (GWFS)**

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

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

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

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

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

In the GWFS, the School's activities are all classified as governmental activities. Governmental activities include all regular and special education, all educational support activities, administration, custodial, and maintenance. Most of these activities are supported by the State of Utah Minimum School Program. The GWFS can be found on pages 9-10 of this report.

### **Fund Financial Statements**

Funds are accounting devices the School uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements. Fund financial statements focus on individual parts of the School. Fund statements generally report operations in more detail than the government-wide statements. This statement focuses on its most significant or "major" funds and not on the School as a whole.

The School establishes other funds, as necessary, to control and manage money for particular purposes or to show that it is properly using certain revenue.

### **Governmental Funds**

Governmental funds account for nearly the same functions as the governmental activities. However, unlike the GWFS, governmental funds focus on near-term inflows and outflows as well as the balances left at year-end that are available for funding future basic services.

It is useful to compare information found in the governmental funds with that of the governmental activities. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions.

The basic governmental funds financial statements can be found on pages 11-14 of this report.

### **Notes**

The notes to the financial statements starting on page 15 provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the School's financial activities and position.

Required supplementary information further explains and supports the financial statements by including a comparison of the School's budget data for the year.



### Government-Wide Financial Analysis

Net position may serve as a useful indicator of an organization's financial position. For the School it is a positive indicator since the School is in a strong financial position.

	2025	2024
<b>Assets</b>		
Current and other assets	\$ 14,098,555	\$ 12,805,962
Capital assets	642,323	889,244
<b>Total assets</b>	<u>\$ 14,740,878</u>	<u>\$ 13,695,206</u>
<b>Liabilities</b>		
Current liabilities	\$ 963,697	\$ 928,404
Long-term liabilities	571,114	768,115
<b>Total liabilities</b>	<u>1,534,811</u>	<u>1,696,519</u>
<b>Net Position</b>		
Net investment in capital assets	71,209	121,129
Restricted	37,092	-
Unrestricted	13,097,766	11,877,558
<b>Total net position</b>	<u>\$ 13,206,067</u>	<u>\$ 11,998,687</u>

A portion of the School's net position is the investments in capital assets (i.e., furniture and equipment, computer hardware, capital improvements, and right-to-use leased office space) 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 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 2025 and 2024. The School relies on state and federal support for 95% of its governmental activities for the year ended June 30, 2025. The School had total revenue of \$13,346,079 and total expenses of \$12,138,699, during the year ended June 30, 2025. The School had an increase in net position of \$1,207,380 during the year ended June 30, 2025. Although enrollment declined slightly in fiscal year 2025, the School ended the year with a strong increase in its net position. This increase was largely due to additional funding from the Statewide Online Education Program (SOEP), as more students enrolled in online courses through the School. It also reflects the careful budgeting and responsible financial management of the Executive Director and Board of Directors.

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Revenue			
Program revenue			
State and federal aid	\$ 12,654,874	\$ 11,865,680	\$ 789,194
Operating grants and contributions	37,054	603	36,451
Earnings on investments	588,264	596,410	(8,146)
Other local revenue	65,887	91,727	(25,840)
Total revenue	<u>13,346,079</u>	<u>12,554,420</u>	<u>791,659</u>
Expenses			
Instructional	8,074,630	7,607,670	466,960
Support services			
Students	1,286,809	1,255,551	31,258
Staff assistance	366,533	208,536	157,997
General	15,080	14,300	780
School administration	1,408,426	1,214,296	194,130
Central services	678,347	710,415	(32,068)
Operation and maintenance of facilities	276,736	250,247	26,489
Transportation	1,565	-	1,565
Interest and other costs	30,573	10,213	20,360
Total expenses	<u>12,138,699</u>	<u>11,271,228</u>	<u>867,471</u>
Change in Net Position	<u>\$ 1,207,380</u>	<u>\$ 1,283,192</u>	<u>\$ (75,812)</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 \$13,134,858, which is an increase of \$1,257,300 from the prior year. While the School's Board and administration budgeted for an adequate surplus in fiscal year 2025, most areas were under budgeted amounts, and revenues exceeded projections as a result of the conservative budget.

Expenditures for general School purposes totaled \$12,088,779, which is an increase of \$93,020 from the prior year. The increase in expenditures for fiscal year 2025 was due primarily to salary increases for personnel. Also, costs for supplies and materials and educational services increased, some of which is related to inflation.

General fund salaries totaled \$7,575,661, while the associated fringe benefits of retirement, social security, unemployment, workers compensation, health, dental, and vision added \$2,352,285 to arrive at 82% 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 \$424,150 less than the amended budget. This resulted from careful monitoring during the budget amendment process, while allowing flexibility for any unforeseen expenses.

### **Capital Assets**

The School has invested \$1,534,747 in a wide range of capital assets, but primarily in right-to-use leased office space. The total accumulated depreciation and amortization on these assets amounts to \$892,424. There were no capital asset additions during fiscal year 2025. 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 lease liability for leased office space. See Note 4 to the basic financial statements for more information about long-term debt.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School at 9067 S 1300 W #204, West Jordan, UT 84088, or by phone at 801-721-6329.

Mountain Heights Academy  
Statement of Net Position  
June 30, 2025

	<u>Governmental Activities</u>
Assets	
Cash and investments	\$ 13,835,911
State receivables	89,216
Federal receivables	126,851
Other receivables	6,864
Prepaid expenses	39,713
Capital assets (net of accumulated depreciation and amortization)	<u>642,323</u>
Total assets	<u>14,740,878</u>
Liabilities	
Accounts payable	36,594
Accrued liabilities	927,103
Long-term liabilities	
Due within one year - lease liability	214,190
Due in more than one year - lease liability	<u>356,924</u>
Total liabilities	<u>1,534,811</u>
Net Position	
Net investment in capital assets	71,209
Restricted for	
Educator professional time	37,092
Unrestricted	<u>13,097,766</u>
Total net position	<u><u>\$ 13,206,067</u></u>

# Mountain Heights Academy

## Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenue		Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<i>Governmental activities</i>				
Instructional	\$ 8,074,630	\$ -	\$ 7,006,491	\$ (1,068,139)
Support services				
Students	1,286,809	-	-	(1,286,809)
Staff assistance	366,533	-	-	(366,533)
General	15,080	-	-	(15,080)
School administration	1,408,426	-	-	(1,408,426)
Central services	678,347	-	-	(678,347)
Operation and maintenance of facilities	276,736	-	-	(276,736)
Transportation	1,565	-	-	(1,565)
Interest and other costs	30,573	-	-	(30,573)
<b>Total Governmental Activities</b>	<b>\$12,138,699</b>	<b>\$ -</b>	<b>\$ 7,006,491</b>	<b>(5,132,208)</b>
General Revenue				
Grants and contributions not restricted to specific programs				
State aid				5,685,437
Local revenue				65,887
Earnings on investments				588,264
<b>Total general revenue</b>				<b>6,339,588</b>
Change in Net Position				1,207,380
Net Position, Beginning of Year				11,998,687
Net Position, End of Year				<b>\$ 13,206,067</b>

Mountain Heights Academy  
Balance Sheet – Governmental Funds  
June 30, 2025

	<u>General</u>
Assets	
Cash and investments	\$ 13,835,911
State receivables	89,216
Federal receivables	126,851
Other receivables	6,864
Prepaid expenses	<u>39,713</u>
Total assets	<u><u>\$ 14,098,555</u></u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 36,594
Accrued liabilities	<u>927,103</u>
Total liabilities	<u>963,697</u>
Fund Balance	
Nonspendable	
Prepaid expenses	39,713
Restricted for	
Educator professional time	37,092
Unassigned	<u>13,058,053</u>
Total fund balance	<u>13,134,858</u>
	<u><u>\$ 14,098,555</u></u>

Mountain Heights Academy  
Reconciliation for Governmental Funds Balance Sheet to the Statement of Net Position  
June 30, 2025

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Total Fund Balance - Governmental Funds \$ 13,134,858

The cost of capital assets (furniture and equipment, computer hardware, capital improvements, and right-to-use leased office space) 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 and amortization expense) to the various programs reported as governmental activities in the statement of activities. Because depreciation and amortization expense does not affect financial resources, it is not reported in government funds.

Costs of capital assets	1,534,747	
Depreciation and amortization expense to date	<u>(892,424)</u>	
		642,323

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		
Lease liability		<u>(571,114)</u>

Net Position		<u><u>\$ 13,206,067</u></u>
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**Mountain Heights Academy**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance – Governmental Funds**  
**Year Ended June 30, 2025**

	<u>General</u>
Revenue	
State aid	\$ 12,520,950
Federal aid	133,924
Earnings on investments	588,264
Tuition	6,000
Other local sources	96,941
Total revenue	<u>13,346,079</u>
Expenditures	
Instructional	<u>8,074,630</u>
Support services	
Students	1,286,809
Staff assistance	366,533
General	15,080
School administration	1,408,426
Central services	678,347
Operation and maintenance of facilities	29,815
Transportation	1,565
Total support services	<u>3,786,575</u>
Debt service	
Principal	197,001
Interest and other costs	30,573
Total debt service	<u>227,574</u>
Total expenditures	<u>12,088,779</u>
Net Change in Fund Balance	1,257,300
Fund Balance, Beginning of Year	<u>11,877,558</u>
Fund Balance, End of Year	<u><u>\$ 13,134,858</u></u>



**Mountain Heights Academy**  
Reconciliation of Governmental Funds Statement of Revenue, Expenditures,  
and Changes in Fund Balance to the Statement of Activities  
Year Ended June 30, 2025

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Total Net Change in Fund Balance - Governmental Funds \$ 1,257,300

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlay is 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 and amortization expense. This is the amount by which depreciation and amortization expense exceeded capital outlay during the fiscal year:

Depreciation and amortization expense (246,921)

The governmental funds report repayment of long-term liability payments as expenditures and the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental activities when it is due. In the statement of activities, interest expense is recognized as it accrues regardless of when it is due. The net effect of these differences in the treatment of bonds and related items is as follows:

Repayment of lease liability principal 197,001

Change in Net Position of Governmental Activities \$ 1,207,380

**Note 1 - Summary of Significant Accounting Policies**

Mountain Heights Academy (the School), formerly known as Open High School of Utah, Inc., was formed in 2008 and is a nonprofit institution which was organized under the nonprofit corporation laws of the State of Utah. The School was established by a group of parents, teachers, and community leaders in West Jordan, Utah, that was not governed by the local school district. The School provides educational opportunities for students that offers more flexibility and utilizes, to the extent possible, open-source curriculum.

The School provides the following activities: education, encompassing instruction, student and staff support activities, and facilities maintenance and operation. Supporting services include general and administrative services which are overall entity-related administrative costs.

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

**Financial Reporting Entity**

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

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

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

**Governmental Funds**

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

The general fund is considered a major fund. Governmental funds include:

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

**Measurement Focus and Basis of Accounting****Government-Wide Financial Statements (GWFS)**

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

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

**Program Revenue**

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

**Fund Financial Statements****Governmental Funds**

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

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

**Revenue**

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

Other receipts become measurable and available (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**

Expenditures are generally recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds. The School has employees who do not work year-round, but receive salary payments on a monthly basis; salaries earned, but unpaid, have been accrued as of June 30, 2025.

**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, 2025.

**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. The School's capitalization threshold is \$5,000. The cost of normal maintenance and repairs not adding to the value of the asset or materially extending asset lives are not capitalized.

Straight-line depreciation is used based on the following estimated useful lives:

Furniture and equipment	7 years
Computer hardware	5 years
Capital improvements	15 years

Right-to-use leased assets are recognized at the lease commencement date and represent the School's right to use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period is consistent with the lease period of the office space lease.

### Leases

The School is a lessee for a noncancellable lease of office space. The School recognizes a lease liability and an intangible right-to-use lease asset in the GWFS.

At the commencement of a lease, the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease assets is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The School uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School generally uses its estimated incremental borrowing rate as the discount rate for leases
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School is reasonably certain to exercise.

The School monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**Restricted Net Position**

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use is either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

It is the School's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

**Fund Balances of Fund Financial Statements**

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

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

**Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the general obligations and are restricted through debt covenants.

**Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action by the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed.

**Assigned:** This classification includes amounts that are constrained by the Board's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or by the Board delegating this responsibility to the 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 has a policy to use restricted fund balances first, followed by committed resources and then 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 and expenses are incurred and, in the governmental funds, when the revenue meets the availability criterion.

**Note 2 - Cash and Investments**

At June 30, 2025, the School's cash and investments consisted of the following:

Cash			
Insured		\$	250,000
Uninsured and not collateralized			<u>1,526,177</u>
Total balance of deposits		\$	<u><u>1,776,177</u></u>
Investments	Rating	Fair Value	Investment Maturities
PTIF	Unrated	<u>\$ 12,059,734</u>	Less than 1 year
Total cash and investments		<u><u>\$ 13,835,911</u></u>	

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act (the Act) that relate to the deposit and investment of public funds.

The School follows the requirements of the Act (Utah Code, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of School funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Act defines the types of securities authorized as appropriate investments for the School's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

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

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

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

#### *Fair Value of Investments*

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

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

The investments consist only of PTIF funds which are classified as Level 2. The PTIF funds use the application of the June 30, 2025, 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, 2025				
PTIF	<u>\$ 12,059,734</u>	<u>\$ -</u>	<u>\$ 12,059,734</u>	<u>\$ -</u>



**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, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025</u>
Capital assets being depreciated and amortized				
Furniture and equipment	\$ 29,855	\$ -	\$ -	\$ 29,855
Computer hardware	62,544	-	-	62,544
Capital improvements	66,816	-	-	66,816
Right-to-use leased office space	<u>1,375,532</u>	<u>-</u>	<u>-</u>	<u>1,375,532</u>
Total capital assets, subject to depreciation and amortization	<u>1,534,747</u>	<u>-</u>	<u>-</u>	<u>1,534,747</u>
Less accumulated depreciation and amortization				
Furniture and equipment	(10,437)	(4,265)	-	(14,702)
Computer hardware	(8,749)	(20,429)	-	(29,178)
Capital improvements	(12,991)	(4,454)	-	(17,445)
Right-to-use leased office	<u>(613,326)</u>	<u>(217,773)</u>	<u>-</u>	<u>(831,099)</u>
Total accumulated depreciation/amortization	<u>(645,503)</u>	<u>(246,921)</u>	<u>-</u>	<u>(892,424)</u>
Total capital assets, net	<u>\$ 889,244</u>	<u>\$ (246,921)</u>	<u>\$ -</u>	<u>\$ 642,323</u>

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

**Note 4 - Leases**

In fiscal year 2019, the School entered into an agreement to lease office space for 45 months and was amended in June 2024 to extend the lease maturity date through December 2027. An initial lease liability was recorded in the amount of \$715,546 and was modified in June 2024 for an additional \$659,987 of lease liability. As of June 30, 2025, the value of the lease liability was \$571,114. Under the terms of the lease, the School pays a monthly base fee of \$18,684, increasing 3.0% annually on the anniversary of the agreement. The right-to-use asset is being amortized over a period of 42 months. The value of the right-to-use asset as of June 30, 2025, was \$1,375,532 and had accumulated amortization of \$831,099. The School used a discount of 4.50%, based on an estimated incremental borrowing rate.

Remaining obligations associated with this lease are as follows:

Years Ending June 30,	Principal	Interest	Total
2026	\$ 214,190	\$ 21,370	\$ 235,560
2027	233,650	11,336	244,986
2028	123,274	1,623	124,897
	<u>\$ 571,114</u>	<u>\$ 34,329</u>	<u>\$ 605,443</u>

#### **Note 5 - Concentrations**

The School's principal source of support is state and federal-based support revenue. For the year ended June 30, 2025, this funding source accounted for approximately 95% 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 up to 3% of the employee's salary and an additional 50% of employee contributions up to an additional 2% of the employee's salary. For the year ended June 30, 2025, the School made matching contributions of \$302,050.

Required Supplementary Information  
June 30, 2025

## Mountain Heights Academy

DRAFT

# Mountain Heights Academy

## Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenue				
State aid	\$ 11,907,622	\$ 11,907,622	\$ 12,520,950	\$ 613,328
Federal aid	136,629	136,629	133,924	(2,705)
Earnings on investments	300,000	500,000	588,264	88,264
Tuition	-	-	6,000	6,000
Other local sources	26,000	45,000	96,941	51,941
Total revenue	12,370,251	12,589,251	13,346,079	756,828
Expenditures				
Instructional	8,358,499	8,348,499	8,074,630	273,869
Support services				
Students	1,286,267	1,456,267	1,286,809	169,458
Staff assistance	343,641	355,300	366,533	(11,233)
General	15,000	15,000	15,080	(80)
School administration	1,326,436	1,329,777	1,408,426	(78,649)
Central services	711,076	738,076	678,347	59,729
Operation and maintenance of facilities	270,010	270,010	29,815	240,195
Transportation	-	-	1,565	(1,565)
Total support services	3,952,430	4,164,430	3,786,575	377,855
Debt service				
Principal	-	-	197,001	(197,001)
Interest and other costs	-	-	30,573	(30,573)
Total debt service	-	-	227,574	(227,574)
Total expenditures	12,310,929	12,512,929	12,088,779	424,150
Net Change in Fund Balance	\$ 59,322	\$ 76,322	\$ 1,257,300	\$ 1,180,978

**Note 1 - Basis of Budgeting**

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

1. The School's Executive 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.
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 Executive Director for public inspection at least 15 days before the date of the tentative budget's proposed adoption by the Board.
4. Before June 30 of each year, the Board will adopt a budget for the next fiscal year.
5. By the sooner of July 15 or 30 days of adopting a budget, the Board will file a copy of the adopted budget with the state auditor and the State Board of Education.

Supplementary Information  
June 30, 2025

Mountain Heights Academy

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**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  
Mountain Heights Academy  
West Jordan, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and the major fund of Mountain Heights Academy (the School), as of and for the year ended June 30, 2025, 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 DATE.

**Report on Internal Control Over Financial Reporting**

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

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

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



## Report on Compliance and Other Matters

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

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ogden, Utah

DATE

DRAFT

**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  
Mountain Heights Academy  
West Jordan, Utah

**Report on Compliance**

We have audited Mountain Heights Academy's (the School) compliance with the 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, 2025.

State compliance requirements were tested for the year ended June 30, 2025, in the following areas:

- Budgetary Compliance
- Fraud Risk Assessment
- Crime Insurance for Public Treasurers
- Internal Control Systems
- Public Education Programs

**Opinion on Compliance**

In our opinion, the School complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2025.

**Basis for Opinion**

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

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

## Responsibilities of Management for Compliance

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

## Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

## Report on Internal Control over Compliance

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

deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

#### **Purpose of this Report**

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 Guide. Accordingly, this report is not suitable for any other purpose. However, pursuant to *Utah Code* Title 63G, Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

Ogden, Utah

DATE

# **MOUNTAIN HEIGHTS ACADEMY**

## **BOARD MEMBER TERMS & ELECTED OFFICERS**

### **Board terms:**

1. Kari Malkovich (Vice Chair)
  - a. Term End: 6-2027
2. Royce Kimmons (Financial Coordinator)
  - a. Term End: 6-2025
3. Wade Glathar (Board Member)
  - a. Term End: 6-2027
4. Quinn Sutton (Board Member)
  - a. Term End: 6-2027
5. Jen Robison (Board Member)
  - a. Term End: 6-2027



# FINANCIAL CERTIFICATION

## OFFICE OF THE STATE AUDITOR

### Mountain Heights Academy

Under penalty of perjury, I, Dr. DeLaina Tonks and Jen Robison, certify that the annual financial report of Mountain Heights Academy for the year ended June 30, 2025 fairly presents in all material respects the financial condition and results of operation of Mountain Heights Academy.

Signature: \_\_\_\_\_  
Dr. DeLaina Tonks, Director

Signature: \_\_\_\_\_  
Jen Robison, Board Finance

#### Notes:

- a. This certification is to be submitted with the annual financial report to the Office of the Utah State Auditor.
- b. *Utah Code* 11-50-202 designates the **chief administrative officer** as the individual appointed as the chief administrative officer of the political subdivision in accordance with statute; or if a chief administrative officer is not appointed in accordance with statute, the individual designated as the chief administrative officer by the governing body of the political subdivision. In designating a chief administrative officer, the governing body shall designate the individual who holds a managerial or similar position to perform administrative duties or functions for the political subdivision.
- c. *Utah Code* 11-50-202 designates the **chief financial officer** as the individual appointed as the chief financial officer of the political subdivision in accordance with statute; or if a chief financial officer is not appointed in accordance with statute, the individual designated as the chief financial officer by the governing body of the political subdivision. In designating a chief financial officer, the governing body shall designate the individual who has primary responsibility for preparing the annual financial report.



## COST PROPOSAL

Mountain Heights Academy - Renewal 2026 - 2027

**Proposal Date:** 10/27/2025

**Proposal #:** 00131036

### Prepared For

**Account Name:** Mountain Heights Academy

**Agency Code:** 17428

**Primary Contact:** Whisper Rood

**Email:** wwood@mountainheightsacademy.org

#### Customer Information

Mountain Heights Academy  
9067 S 1300 W Ste 204  
West Jordan, UT 84088-5582  
United States

#### Bill-To Information

Mountain Heights Academy  
9067 S 1300 W Suite 204  
West Jordan, UT 84088  
United States

### NWEA Sales Point of Contact

Jennifer Thompson

jennifer.thompson@nwea.org

503-548-5090

### Products & Services

**Start Date:** 07/01/2026

**End Date:** 06/30/2027

Product	Catalog Price	Sales Price	Quantity	Total Price	Item Discount
MAP Growth Science (Add-On)	\$2.75	\$2.75	950	\$2,612.50	-\$0.00
MAP Growth K-12	\$14.50	\$14.00	1,400	\$19,600.00	-\$700.00
MAP Growth Foundations Online Annual License	\$1,100.00	\$1,000.00	1	\$1,000.00	-\$100.00

Discount -\$800.00

Subtotal \$23,212.50

Estimated Tax \$0.00

**Grand Total \$23,212.50**

### Purchase Instructions

This is a non-binding proposal presented by NWEA, a division of Houghton Mifflin Harcourt Publishing Company.

To proceed with the purchase of products or services, please request a Sales Order from your NWEA Sales Point of Contact. The Sales Order is a binding document that requires a signature from an authorized signatory. The Sales Order includes an itemized list of products and services to be delivered, contract start and end dates, and legal terms and conditions.



Once the Sales Order is signed, NWEA, a division of Houghton Mifflin Harcourt Publishing Company, will issue an invoice that includes instructions for remittance of payment.







November 20, 2025

To the Board of Directors  
Mountain Heights Academy  
West Jordan, Utah

We have audited the financial statements of Mountain Heights Academy as of and for the year ended June 30, 2025, and have issued our report thereon dated November 20, 2025. 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 20, 2025, 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 your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system 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 system of internal control of Mountain Heights 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 20, 2025.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Mountain Heights 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 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Accounting Estimates and Related Disclosures*

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

### *Financial Statement Disclosures*

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

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Mountain Heights Academy's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report:

## **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated November 20, 2025.

## **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 Mountain Heights Academy, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Mountain Heights Academy's auditors.

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

The signature is written in a cursive, handwritten style. It reads "Eide Bailly LLP". The "E" is large and loops around the "ide". "Bailly" is written in a fluid cursive, and "LLP" is in a slightly more formal, but still cursive, script.

Ogden, Utah

Financial Statements  
June 30, 2025

## Mountain Heights Academy

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## **Independent Auditor's Report**

The Board of Directors  
Mountain Heights Academy  
West Jordan, Utah

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and the major fund of Mountain Heights Academy (the School) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the School, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of revenue, expenditures, and changes in fund balance – budget and actual – general fund and notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2025, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

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

Ogden, Utah  
November 20, 2025



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

## **FINANCIAL HIGHLIGHTS**

Year after year, the School continues to have a strong foundation with a strong online presence. Since its inception, students and parents have chosen the School for its well-established reputation in online education and fiscal year 2025 was no exception. Although enrollment declined slightly once again during fiscal year 2025, it remains higher than pre-COVID-19 levels. The School also continues to see steady growth in its Statewide Online Education Program (SOEP) enrollment. As SOEP funding is based on courses completed, this ongoing increase has resulted in another record year of SOEP-related revenue.

During fiscal year 2025, the School benefited from additional increases in both the Weighted Pupil Unit (WPU) and Local Replacement Funding (LRF), which helped support employee compensation adjustments. The School also continued to benefit from strong interest rates within the Public Treasurer's Investment Fund (PTIF). With a solid PTIF balance, investment earnings contributed significantly to overall financial performance.

The primary focus for fiscal year 2025 was enhancing employee compensation to retain highly qualified staff and ensure the School's continued operational excellence. The Executive Director and Board of Directors remain committed to prudent financial oversight, carefully monitoring resources and expenditures amid ongoing uncertainty surrounding future enrollment trends, inflation, and other economic factors.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis serves as an introduction to the School's basic financial statements. These financial statements include three primary components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

The basic financial statements consist of two kinds of statements that present different views of the School's financial activities.

### **Government-Wide Financial Statements (GWFS)**

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

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

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

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

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

In the GWFS, the School's activities are all classified as governmental activities. Governmental activities include all regular and special education, all educational support activities, administration, custodial, and maintenance. Most of these activities are supported by the State of Utah Minimum School Program. The GWFS can be found on pages 9-10 of this report.

### **Fund Financial Statements**

Funds are accounting devices the School uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements. Fund financial statements focus on individual parts of the School. Fund statements generally report operations in more detail than the government-wide statements. This statement focuses on its most significant or "major" funds and not on the School as a whole.

The School establishes other funds, as necessary, to control and manage money for particular purposes or to show that it is properly using certain revenue.

### **Governmental Funds**

Governmental funds account for nearly the same functions as the governmental activities. However, unlike the GWFS, governmental funds focus on near-term inflows and outflows as well as the balances left at year-end that are available for funding future basic services.

It is useful to compare information found in the governmental funds with that of the governmental activities. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions.

The basic governmental funds financial statements can be found on pages 11-14 of this report.

### **Notes**

The notes to the financial statements starting on page 15 provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the School's financial activities and position.

Required supplementary information further explains and supports the financial statements by including a comparison of the School's budget data for the year.

### Government-Wide Financial Analysis

Net position may serve as a useful indicator of an organization's financial position. For the School it is a positive indicator since the School is in a strong financial position.

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Current and other assets	\$ 14,098,555	\$ 12,805,962
Capital assets	<u>642,323</u>	<u>889,244</u>
Total assets	<u><u>\$ 14,740,878</u></u>	<u><u>\$ 13,695,206</u></u>
<b>Liabilities</b>		
Current liabilities	\$ 963,697	\$ 928,404
Long-term liabilities	<u>571,114</u>	<u>768,115</u>
Total liabilities	<u>1,534,811</u>	<u>1,696,519</u>
<b>Net Position</b>		
Net investment in capital assets	71,209	121,129
Restricted	37,092	-
Unrestricted	<u>13,097,766</u>	<u>11,877,558</u>
Total net position	<u><u>\$ 13,206,067</u></u>	<u><u>\$ 11,998,687</u></u>

A portion of the School's net position is the investments in capital assets (i.e., furniture and equipment, computer hardware, capital improvements, and right-to-use leased office space) 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 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 2025 and 2024. The School relies on state and federal support for 95% of its governmental activities for the year ended June 30, 2025. The School had total revenue of \$13,346,079 and total expenses of \$12,138,699, during the year ended June 30, 2025. The School had an increase in net position of \$1,207,380 during the year ended June 30, 2025. Although enrollment declined slightly in fiscal year 2025, the School ended the year with a strong increase in its net position. This increase was largely due to additional funding from the Statewide Online Education Program (SOEP), as more students enrolled in online courses through the School. It also reflects the careful budgeting and responsible financial management of the Executive Director and Board of Directors.

**Mountain Heights Academy**  
**Management's Discussion and Analysis**  
**June 30, 2025**

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Revenue			
Program revenue			
State and federal aid	\$ 12,654,874	\$ 11,865,680	\$ 789,194
Operating grants and contributions	37,054	603	36,451
Earnings on investments	588,264	596,410	(8,146)
Other local revenue	65,887	91,727	(25,840)
Total revenue	<u>13,346,079</u>	<u>12,554,420</u>	<u>791,659</u>
Expenses			
Instructional	8,074,630	7,607,670	466,960
Support services			
Students	1,286,809	1,255,551	31,258
Staff assistance	366,533	208,536	157,997
General	15,080	14,300	780
School administration	1,408,426	1,214,296	194,130
Central services	678,347	710,415	(32,068)
Operation and maintenance of facilities	276,736	250,247	26,489
Transportation	1,565	-	1,565
Interest and other costs	30,573	10,213	20,360
Total expenses	<u>12,138,699</u>	<u>11,271,228</u>	<u>867,471</u>
Change in Net Position	<u>\$ 1,207,380</u>	<u>\$ 1,283,192</u>	<u>\$ (75,812)</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 \$13,134,858, which is an increase of \$1,257,300 from the prior year. While the School's Board and administration budgeted for an adequate surplus in fiscal year 2025, most areas were under budgeted amounts, and revenues exceeded projections as a result of the conservative budget.

Expenditures for general School purposes totaled \$12,088,779, which is an increase of \$93,020 from the prior year. The increase in expenditures for fiscal year 2025 was due primarily to salary increases for personnel. Also, costs for supplies and materials and educational services increased, some of which is related to inflation.

General fund salaries totaled \$7,575,661, while the associated fringe benefits of retirement, social security, unemployment, workers compensation, health, dental, and vision added \$2,352,285 to arrive at 82% 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 \$424,150 less than the amended budget. This resulted from careful monitoring during the budget amendment process, while allowing flexibility for any unforeseen expenses.

### **Capital Assets**

The School has invested \$1,534,747 in a wide range of capital assets, but primarily in right-to-use leased office space. The total accumulated depreciation and amortization on these assets amounts to \$892,424. There were no capital asset additions during fiscal year 2025. 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 lease liability for leased office space. See Note 4 to the basic financial statements for more information about long-term debt.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School at 9067 S 1300 W #204, West Jordan, UT 84088, or by phone at 801-721-6329.

Mountain Heights Academy  
Statement of Net Position  
June 30, 2025

	<u>Governmental Activities</u>
Assets	
Cash and investments	\$ 13,835,911
State receivables	89,216
Federal receivables	126,851
Other receivables	6,864
Prepaid expenses	39,713
Capital assets (net of accumulated depreciation and amortization)	<u>642,323</u>
Total assets	<u>14,740,878</u>
Liabilities	
Accounts payable	36,594
Accrued liabilities	927,103
Long-term liabilities	
Due within one year - lease liability	214,190
Due in more than one year - lease liability	<u>356,924</u>
Total liabilities	<u>1,534,811</u>
Net Position	
Net investment in capital assets	71,209
Restricted for	
Educator professional time	37,092
Unrestricted	<u>13,097,766</u>
Total net position	<u><u>\$ 13,206,067</u></u>

# Mountain Heights Academy

## Statement of Activities

Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenue		Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<i>Governmental activities</i>				
Instructional	\$ 8,074,630	\$ -	\$ 7,006,491	\$ (1,068,139)
Support services				
Students	1,286,809	-	-	(1,286,809)
Staff assistance	366,533	-	-	(366,533)
General	15,080	-	-	(15,080)
School administration	1,408,426	-	-	(1,408,426)
Central services	678,347	-	-	(678,347)
Operation and maintenance of facilities	276,736	-	-	(276,736)
Transportation	1,565	-	-	(1,565)
Interest and other costs	30,573	-	-	(30,573)
<b>Total Governmental Activities</b>	<b>\$12,138,699</b>	<b>\$ -</b>	<b>\$ 7,006,491</b>	<b>(5,132,208)</b>
General Revenue				
Grants and contributions not restricted to specific programs				
State aid				5,685,437
Local revenue				65,887
Earnings on investments				588,264
<b>Total general revenue</b>				<b>6,339,588</b>
Change in Net Position				1,207,380
Net Position, Beginning of Year				11,998,687
Net Position, End of Year				<b>\$ 13,206,067</b>

Mountain Heights Academy  
Balance Sheet – Governmental Funds  
June 30, 2025

	<u>General</u>
Assets	
Cash and investments	\$ 13,835,911
State receivables	89,216
Federal receivables	126,851
Other receivables	6,864
Prepaid expenses	<u>39,713</u>
Total assets	<u><u>\$ 14,098,555</u></u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 36,594
Accrued liabilities	<u>927,103</u>
Total liabilities	<u>963,697</u>
Fund Balance	
Nonspendable	
Prepaid expenses	39,713
Restricted for	
Educator professional time	37,092
Unassigned	<u>13,058,053</u>
Total fund balance	<u>13,134,858</u>
	<u><u>\$ 14,098,555</u></u>



Mountain Heights Academy  
Reconciliation for Governmental Funds Balance Sheet to the Statement of Net Position  
June 30, 2025

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Total Fund Balance - Governmental Funds	\$	13,134,858
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The cost of capital assets (furniture and equipment, computer hardware, capital improvements, and right-to-use leased office space) 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 and amortization expense) to the various programs reported as governmental activities in the statement of activities. Because depreciation and amortization expense does not affect financial resources, it is not reported in government funds.

Costs of capital assets	1,534,747		
Depreciation and amortization expense to date	<u>(892,424)</u>		642,323

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			
Lease liability		<u>(571,114)</u>	

Net Position	\$	<u><u>13,206,067</u></u>
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**Mountain Heights Academy**  
Statement of Revenue, Expenditures, and Changes in Fund Balance – Governmental Funds  
Year Ended June 30, 2025

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	<u>General</u>
Revenue	
State aid	\$ 12,520,950
Federal aid	133,924
Earnings on investments	588,264
Tuition	6,000
Other local sources	<u>96,941</u>
Total revenue	<u>13,346,079</u>
Expenditures	
Instructional	<u>8,074,630</u>
Support services	
Students	1,286,809
Staff assistance	366,533
General	15,080
School administration	1,408,426
Central services	678,347
Operation and maintenance of facilities	29,815
Transportation	<u>1,565</u>
Total support services	<u>3,786,575</u>
Debt service	
Principal	197,001
Interest and other costs	<u>30,573</u>
Total debt service	<u>227,574</u>
Total expenditures	<u>12,088,779</u>
Net Change in Fund Balance	1,257,300
Fund Balance, Beginning of Year	<u>11,877,558</u>
Fund Balance, End of Year	<u><u>\$ 13,134,858</u></u>

**Mountain Heights Academy**  
Reconciliation of Governmental Funds Statement of Revenue, Expenditures,  
and Changes in Fund Balance to the Statement of Activities  
Year Ended June 30, 2025

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Total Net Change in Fund Balance - Governmental Funds	\$ 1,257,300
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlay is 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 and amortization expense. This is the amount by which depreciation and amortization expense exceeded capital outlay during the fiscal year:

Depreciation and amortization expense	(246,921)
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The governmental funds report repayment of long-term liability payments as expenditures and the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental activities when it is due. In the statement of activities, interest expense is recognized as it accrues regardless of when it is due. The net effect of these differences in the treatment of bonds and related items is as follows:

Repayment of lease liability principal	<u>197,001</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 1,207,380</u></u>
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## **Note 1 - Summary of Significant Accounting Policies**

Mountain Heights Academy (the School), formerly known as Open High School of Utah, Inc., was formed in 2008 and is a nonprofit institution which was organized under the nonprofit corporation laws of the State of Utah. The School was established by a group of parents, teachers, and community leaders in West Jordan, Utah, that was not governed by the local school district. The School provides educational opportunities for students that offers more flexibility and utilizes, to the extent possible, open-source curriculum.

The School provides the following activities: education, encompassing instruction, student and staff support activities, and facilities maintenance and operation. Supporting services include general and administrative services which are overall entity-related administrative costs.

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

### **Financial Reporting Entity**

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

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

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

### **Governmental Funds**

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

The general fund is considered a major fund. Governmental funds include:

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

## **Measurement Focus and Basis of Accounting**

### **Government-Wide Financial Statements (GWFS)**

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

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

### **Program Revenue**

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

## **Fund Financial Statements**

### **Governmental Funds**

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

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

**Revenue**

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

Other receipts become measurable and available (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**

Expenditures are generally recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds. The School has employees who do not work year-round, but receive salary payments on a monthly basis; salaries earned, but unpaid, have been accrued as of June 30, 2025.

**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, 2025.

**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. The School's capitalization threshold is \$5,000. The cost of normal maintenance and repairs not adding to the value of the asset or materially extending asset lives are not capitalized.

Straight-line depreciation is used based on the following estimated useful lives:

Furniture and equipment	7 years
Computer hardware	5 years
Capital improvements	15 years

Right-to-use leased assets are recognized at the lease commencement date and represent the School's right to use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period is consistent with the lease period of the office space lease.

### Leases

The School is a lessee for a noncancellable lease of office space. The School recognizes a lease liability and an intangible right-to-use lease asset in the GWFS.

At the commencement of a lease, the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease assets is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The School uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School generally uses its estimated incremental borrowing rate as the discount rate for leases
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School is reasonably certain to exercise.

The School monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with capital assets and lease liabilities are reported with long-term debt on the statement of net position.

### **Restricted Net Position**

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use is either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

It is the School's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

### **Fund Balances of Fund Financial Statements**

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

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

**Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the general obligations and are restricted through debt covenants.

**Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action by the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed.

**Assigned:** This classification includes amounts that are constrained by the Board's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or by the Board delegating this responsibility to the 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 has a policy to use restricted fund balances first, followed by committed resources and then 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 and expenses are incurred and, in the governmental funds, when the revenue meets the availability criterion.

**Note 2 - Cash and Investments**

At June 30, 2025, the School's cash and investments consisted of the following:

Cash			
Insured		\$ 250,000	
Uninsured and not collateralized		<u>1,526,177</u>	
Total balance of deposits		<u>\$ 1,776,177</u>	
	<u>Rating</u>	<u>Fair Value</u>	<u>Investment Maturities</u>
Investments			
PTIF	Unrated	<u>\$ 12,059,734</u>	Less than 1 year
Total cash and investments		<u>\$ 13,835,911</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, 2025, 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, 2025				
PTIF	<u>\$ 12,059,734</u>	<u>\$ -</u>	<u>\$ 12,059,734</u>	<u>\$ -</u>

**Custodial Credit Risk**

For deposits and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside party. The School's policy for managing custodial credit risk is to adhere to the Act. The Act requires all deposits of the School to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School's policy for reducing its exposure to credit risk is to comply with the Act, as previously discussed.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the School's investment in a single issuer. The School's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed-rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the state to five years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three years.

**Note 3 - Capital Assets**

A summary of activity in the capital assets is as follows:

	June 30, 2024	Additions	Deletions	June 30, 2025
Capital assets being depreciated and amortized				
Furniture and equipment	\$ 29,855	\$ -	\$ -	\$ 29,855
Computer hardware	62,544	-	-	62,544
Capital improvements	66,816	-	-	66,816
Right-to-use leased office space	1,375,532	-	-	1,375,532
Total capital assets, subject to depreciation and amortization	1,534,747	-	-	1,534,747
Less accumulated depreciation and amortization				
Furniture and equipment	(10,437)	(4,265)	-	(14,702)
Computer hardware	(8,749)	(20,429)	-	(29,178)
Capital improvements	(12,991)	(4,454)	-	(17,445)
Right-to-use leased office	(613,326)	(217,773)	-	(831,099)
Total accumulated depreciation/amortization	(645,503)	(246,921)	-	(892,424)
Total capital assets, net	\$ 889,244	\$ (246,921)	\$ -	\$ 642,323

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

**Note 4 - Leases**

In fiscal year 2019, the School entered into an agreement to lease office space for 45 months and was amended in June 2024 to extend the lease maturity date through December 2027. An initial lease liability was recorded in the amount of \$715,546 and was modified in June 2024 for an additional \$659,987 of lease liability. As of June 30, 2025, the value of the lease liability was \$571,114. Under the terms of the lease, the School pays a monthly base fee of \$18,684, increasing 3.0% annually on the anniversary of the agreement. The right-to-use asset is being amortized over a period of 42 months. The value of the right-to-use asset as of June 30, 2025, was \$1,375,532 and had accumulated amortization of \$831,099. The School used a discount of 4.50%, based on an estimated incremental borrowing rate.

Remaining obligations associated with this lease are as follows:

Years Ending June 30,	Principal	Interest	Total
2026	\$ 214,190	\$ 21,370	\$ 235,560
2027	233,650	11,336	244,986
2028	123,274	1,623	124,897
	<u>\$ 571,114</u>	<u>\$ 34,329</u>	<u>\$ 605,443</u>

**Note 5 - Concentrations**

The School's principal source of support is state and federal-based support revenue. For the year ended June 30, 2025, this funding source accounted for approximately 95% 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 up to 3% of the employee's salary and an additional 50% of employee contributions up to an additional 2% of the employee's salary. For the year ended June 30, 2025, the School made matching contributions of \$302,050.

Required Supplementary Information  
June 30, 2025

## Mountain Heights Academy

# Mountain Heights Academy

## Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenue				
State aid	\$ 11,907,622	\$ 11,907,622	\$ 12,520,950	\$ 613,328
Federal aid	136,629	136,629	133,924	(2,705)
Earnings on investments	300,000	500,000	588,264	88,264
Tuition	-	-	6,000	6,000
Other local sources	26,000	45,000	96,941	51,941
Total revenue	12,370,251	12,589,251	13,346,079	756,828
Expenditures				
Instructional	8,358,499	8,348,499	8,074,630	273,869
Support services				
Students	1,286,267	1,456,267	1,286,809	169,458
Staff assistance	343,641	355,300	366,533	(11,233)
General	15,000	15,000	15,080	(80)
School administration	1,326,436	1,329,777	1,408,426	(78,649)
Central services	711,076	738,076	678,347	59,729
Operation and maintenance of facilities	270,010	270,010	29,815	240,195
Transportation	-	-	1,565	(1,565)
Total support services	3,952,430	4,164,430	3,786,575	377,855
Debt service				
Principal	-	-	197,001	(197,001)
Interest and other costs	-	-	30,573	(30,573)
Total debt service	-	-	227,574	(227,574)
Total expenditures	12,310,929	12,512,929	12,088,779	424,150
Net Change in Fund Balance	\$ 59,322	\$ 76,322	\$ 1,257,300	\$ 1,180,978

**Note 1 - Basis of Budgeting**

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

1. The School's Executive 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.
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 Executive Director for public inspection at least 15 days before the date of the tentative budget's proposed adoption by the Board.
4. Before June 30 of each year, the Board will adopt a budget for the next fiscal year.
5. By the sooner of July 15 or 30 days of adopting a budget, the Board will file a copy of the adopted budget with the state auditor and the State Board of Education.



Supplementary Information  
June 30, 2025

## Mountain Heights 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  
Mountain Heights Academy  
West Jordan, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities and the major fund of Mountain Heights Academy (the School), as of and for the year ended June 30, 2025, 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 20, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Ogden, Utah  
November 20, 2025



**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  
Mountain Heights Academy  
West Jordan, Utah

**Report on Compliance**

We have audited Mountain Heights Academy's (the School) compliance with the 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, 2025.

State compliance requirements were tested for the year ended June 30, 2025, in the following areas:

- Budgetary Compliance
- Fraud Risk Assessment
- Crime Insurance for Public Treasurers
- Internal Control Systems
- Public Education Programs

**Opinion on Compliance**

In our opinion, the School complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2025.

**Basis for Opinion**

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

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

## **Responsibilities of Management for Compliance**

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

## **Auditor's Responsibilities for the Audit of Compliance**

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

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

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

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

## **Report on Internal Control over Compliance**

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

deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

#### **Purpose of this Report**

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 Guide. Accordingly, this report is not suitable for any other purpose. However, pursuant to *Utah Code* Title 63G, Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

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

Ogden, Utah  
November 20, 2025

## Values Update Process and Proposal

Process:

June 2025

We began the process of updating our values after discussing with the board during the update of goal #3. As a board and administrative team, we were concerned that there were too many values to remember, rendering them less useful than we would like. Our Assessment 2 Achievement consultant, Todd Henderson, led the administrators through a values-setting activity.

August 2025

Each administrator and department team lead selected their top three personal values and created a hexagon display at the leadership retreat to communicate those values. All faculty and staff members completed this same exercise at our Opening Day PD and those values have been added to the Personal Professional Learning Plan for each employee.

At the Opening Day PD, Dr. Tonks asked for volunteers to serve on a values committee to explore which values best connect with all stakeholders at Mountain Heights.

September 2025

The values committee was comprised of teachers, staff, paras, and administrators. Each committee member sent their top three school values to Dr. Tonks, who compiled them into one document. Todd lead us through the process of refining the 30+ values and distilling them into five:

Adaptability  
Audacious  
Belonging  
Curiosity  
Integrity

Dr. Tonks enlisted the help of the Student Advisory Board and NHS advisors in gathering student input, and the School Land Trust Committee for parent input.

October 2025

The board will walk through the same process as the other stakeholder groups, in selecting their top three personal values and create their own hexagon for display

Here are the results of the last four months of work on our values in rank order:

**Integrity (3.4)**

Trailblazers do things the right way.

**Belonging (3.36)**

Every student and employee has a place to belong at Mountain Heights; in their grade level, course, and department.

**Audacious (2.96)**

We take calculated, innovative risks to support our vision of being the leader in digital education.

**Curious (2.92)**

We have the time to explore and learn. We are proactive rather than reactive.

**Adaptable (2.32)**

There are many ways to solve problems. Trailblazers are adept at figuring things out.

Trailblazers are audacious, curious, and adaptable. We have integrity and we foster a sense of belonging for every Trailblazer.

Data

	COMMITTEE n=7	STUDENTS n=14	PARENTS n=5	TOTAL
<b>Integrity</b>	3.57	3.64	3	<b>3.4</b>
<b>Audacious</b>	3.42	2.28	3.2	<b>2.96</b>
<b>Belonging</b>	3.14	3.35	3.6	<b>3.36</b>
<b>Curiosity</b>	2.85	2.92	3	<b>2.92</b>
<b>Adaptability</b>	2	2.78	2.2	<b>2.32</b>

Observations

**Integrity** is a strong candidate across all three groups (3.57, 3.64, 3).

**Belonging** is highly supported by parents (3.6), students (3.35), and the committee (3.14).



**Audacious** is well-supported by the adults (3.42, 3.2), less so by the students (2.28).

**Curiosity** is supported by parents, students, and the committee, just to a lesser degree than the other three.

**Adaptability** is the least supported value by parents and the committee and the second-least supported by students.

Proposal Options
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**Option 1:**

Drop adaptable and keep the other four as pillars to support the vision and mission.

**Option 2:**

Drop adaptable and debate whether to keep audacious or curious.

November 2025
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Consider all the options.

December 2025
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The board will vote on the final school values.