

# Hawthorn Academy

## Board of Directors Meeting

**Date:** January 14, 2026

**Time:** 8:45AM

**Location:** 1437 W 11400 S, South Jordan UT 84095



Our mission is to provide an exciting and enabling learning environment where students will develop a desire to explore and understand the world around them; be inspired to set and reach personal goals and become lifelong seekers of knowledge. We will provide challenging academics utilizing a proven methodology that will foster students who are responsible citizens, intellectually capable, and competitive in every aspect of society. Students will develop self-respect and self-discipline in a safe and supportive environment.

## AGENDA

### CALL TO ORDER – 8:45AM

### AUDIT PRESENTATION AND TRAINING – 8:45-9:00

### PUBLIC COMMENT – 9:00AM – 9:05AM

### CONSENT ITEMS – 9:05AM – 9:10AM

- 11.12.2025 Board Meeting and Closed Session Minutes

### REPORTS – 9:10AM – 9:25AM

- Director's Report
- Finance Report

### VOTING ITEMS & DISCUSSION ITEMS – 9:25AM – 10:00AM

- Middle School Schedule
- Policies:
  - Electronic Resource Policy
  - Dress Code Policy
  - Instructional Materials Policy
  - Paid Parental & Postpartum Recovery Leave Policy
- Employee Handbook Update

**CLOSED SESSION** - closed session for the sole purpose of discussing the character, professional competence, or physical or mental health of an individual in accordance with Utah Code Ann. 52-4-2(1)(a). – 10:00AM – 10:45AM

### CALENDARING

- Next Meeting February 11, 2026—West Jordan Campus

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

**ADJOURN – 10:45AM**

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

# Hawthorn Academy

## Board of Directors Meeting

**Date:** November 12, 2025

**Location:** 1437 W. 11400 S. West Jordan, UT 84095

**In Attendance:** Tori Williams, Donald McNeill, Tammi Wright, Meggen

Pettit, Jamie Dickinson, Heidi Scott

**Excused Board Members:** Janielle Edwards

**Others In Attendance:** Floyd Stensrud, Priscilla Stringfellow, Kim McVey, Hannah Dorius, Kim Oliver, Tricia Force



### MINUTES

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#### CALL TO ORDER

Meggen Pettit called the meeting to order at 8:49AM.

#### PUBLIC COMMENT

There were no public comments.

#### CONSENT ITEMS

- 10.08.2025 Board Meeting Minutes

Meggen Pettit made a motion to approve the 10.08.2025 Board Meeting Minutes with a correction as discussed. Tammi Wright seconded. Motion passed unanimously. Votes were as follows: Tori Williams, Aye; Donald McNeill, Aye; Tammi Wright, Aye; Jamie Dickinson, Aye; Meggen Pettit, Aye; Heidi Scott, Aye.

#### REPORTS

- Director Report  
Floyd Stensrud presented the Director Report to the board. A meeting with parents was conducted last night to discuss the Junior High schedule. SIP and Title 1 information will be reviewed as a school later in the week.
- Finance Report  
Kim McVey presented the Finance Report to the board. The budget is presented in a new format to see a clear breakdown of the month end report. The Federal Revenues are negative and that is expected and nearing positive numbers. Overall, everything else is in great shape and the budget is on track for this point in the year.

#### VOTING AND DISCUSSION ITEMS

- Skyward  
Floyd Stensrud presented the Skyward topic to the board. The board discussed that moving to Skyward would need to also move to Revtrak/Vanco in the future. This has been an ongoing discussion and the board is now ready to move forward with Skyward.

*Meggen Pettit made a motion to approve Skyward and Vanco contracts. Jamie Dickinson seconded. Motion passed unanimously. Votes were as follows: Tori Williams, Aye; Donald McNeill, Aye; Tammi Wright, Aye; Jamie Dickinson, Aye; Heidi Scott, Aye; Janielle Edwards, Aye; Meggen Pettit, Aye.*

- **Snow Removal Contract**

*Tammi Wright explained the suggested contract with Greenmaster in detail. This company continues to provide the best bid. The school is happy with their work in the past and is excited to work with them in the future.*

*Meggen Pettit made a motion to award the Snow Removal Contract to Green Master. Tammi Wright seconded. Motion passed unanimously. Votes were as follows: Tori Williams, Aye; Donald McNeill, Aye; Tammi Wright, Aye; Jamie Dickinson, Aye; Heidi Scott, Aye; Meggen Pettit, Aye.*

- **LEA License**

*Liliana Martinez is applying for an LEA License. Liliana was an intern at Hawthorn Academy and now she is going to teach Kindergarten. Floyd Stensrud expressed that she has done an amazing job.*

*Meggen Pettit made a motion to approve an LEA License for Liliana Martinez. Tammi Wright seconded. Motion passed unanimously. Votes were as follows: Tori Williams, Aye; Donald McNeill, Aye; Tammi Wright, Aye; Jamie Dickinson, Aye; Heidi Scott, Aye; Meggen Pettit, Aye.*

- **2026/2027 School Calendar**

*Floyd Stensrud presented the calendar and highlighted the changes from the previous years. The key to the calendar was provided to the board.*

*Meggen Pettit made a motion to approve the 2026/2027 calendar. Donald McNeill seconded. Motion passed unanimously. Votes were as follows: Tori Williams, Aye; Donald McNeill, Aye; Tammi Wright, Aye; Jamie Dickinson, Aye; Heidi Scott, Aye; Meggen Pettit, Aye.*

Tricia Force and Kim Oliver left the meeting at 9:54AM.

**CLOSED SESSION** – closed session for the sole purpose of discussing the character, professional competence, or physical or mental health of an individual in accordance with Utah Code Ann. 52-4-2(1)(a).

*At 9:55AM. Meggen Pettit made a motion to move into closed session for the sole purpose of discussing the character, professional competence, or physical or mental health of an individual in accordance with Utah Code Ann. 52-4-2(1)(a) at Hawthorn Academy West Jordan Campus.*

*Tori Williams seconded. Motion passed unanimously. Votes were as follows: Tori Williams, Aye; Donald McNeill, Aye; Tammi Wright, Aye; Jamie Dickinson, Aye; Heidi Scott, Aye; Meggen Pettit, Aye.*

At 10:23AM. Tammi Wright made a motion to move into open session. Heidi Scott seconded. Motion passed unanimously. Votes were as follows: Tori Williams, Aye; Donald McNeill, Aye; Tammi Wright, Aye; Jamie Dickinson, Aye; Heidi Scott, Aye; Meggen Pettit, Aye.

## CALENDARING

- Next Meeting January 14, 2026—South Jordan Campus

## ADJOURN

At 10:26AM Tori Williams made a motion to adjourn. Tammi Wright seconded. Motion passed unanimously. Votes were as follows: Tori Williams, Aye; Donald McNeill, Aye; Tammi Wright, Aye; Jamie Dickinson, Aye; Heidi Scott, Aye; Meggen Pettit, Aye.

### **Hawthorn Academy Closed Session Statement**

**Meeting Date:** 11.12.2025

**Location:** 9062 S 2200 W  
West Jordan, UT 84088



#### **CLOSED SESSION SWORN STATEMENT:**

At a duly noticed public meeting held on the date listed above, the board of directors for Hawthorn Academy entered into a closed session for the sole purpose of discussing the character, professional competence, or physical or mental health of an individual in accordance with Utah Code Ann. 52-4-2(1)(a).

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

Signed on the 12<sup>th</sup> day of November, 2025, at Hawthorn Academy West Jordan Campus, Utah.

  
Tori Williams (Nov 12, 2025 09:43:00 MST)

Tori Williams, Board Chair



## EXECUTIVE SUMMARY

### **AUDIT PRESENTATION**

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***

### **FINANCE REPORT**

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

***Action: No action needed***

### **MIDDLE SCHOOL SCHEDULE**

Administration will present a proposed adjustment to the middle school schedule intended to better align instructional time, student needs, and operational efficiency.

***Action: Board vote needed***

### **ELECTRONIC RESOURCES POLICY**

Administration would like to propose a few clarifying changes to the electronic resources policy regarding cell phone usage of middle schoolers.

***Action: Board vote may be needed***

### **DRESS CODE POLICY**

Administration wants to address the potential inclusion of certain coats and jackets in the dress code policy. This change ensures students maintain a professional and cohesive look.

***Action: Board vote may be needed***

### **INSTRUCTIONAL MATERIALS POLICY**

This policy is being updated solely to reflect revised code citations resulting from HB 21 (2025 Legislative Session). Definitions of "objective sensitive material" and "subjective

sensitive materials" were added to the policy. There were no substantive changes to policy content are proposed.

*Action: Board vote needed*

#### **PAID POSTPARTUM AND RECOVERY LEAVE POLICY**

The policy is being revised to clarify leave limits and administration, including a maximum of 15 contract days for paid postpartum recovery leave and 3 calendar weeks for paid parental leave, as well as how non-contracted workdays are counted within each leave period.

*Action: Board vote needed*

#### **EMPLOYEE HANDBOOK UPDATE**

The employee handbook is proposed for update to reflect revisions to the Paid Parental and Postpartum Recovery Leave Policy and to clarify how these benefits interact with paid FMLA leave, ensuring consistency and compliance.

*Action: Board vote needed*

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June 30, 2025  
**Hawthorn Academy**

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## Independent Auditor's Report

The Board of Directors  
Hawthorn Academy  
South 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 Hawthorn Academy, Inc. (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, 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 24, 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 "Eddie Sallay LCP". The signature is fluid and cursive, with "Eddie" and "Sallay" being the most prominent parts.

Ogden, Utah  
November 24, 2025

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

## **FINANCIAL HIGHLIGHTS**

During fiscal year 2025, the School remained financially strong, even with a modest enrollment decrease of 38 students—a 2.7% decline from October 1, 2023, to October 1, 2024. This change was balanced by a 6% increase in both the Weighted Pupil Unit (WPU) and Local Replacement Funding (LRF). Thoughtful stewardship and careful budgeting allowed the School to maintain a strong balance in its Public Treasurer's Investment Fund (PTIF), supported by favorable interest rates and responsible financial planning. The School's strong fiscal position reflects the dedication of an engaged Director, a prudent Board of Directors, and a community that values stability and wise use of resources—all contributing to another year of financial success.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

In the GWFS, the School's activities are all classified as governmental activities. Governmental activities include all regular and special education, all educational support activities, administration, custodial, maintenance, transportation, and food services. Most of these activities are supported by the State of Utah Minimum School Program. The GWFS can be found on pages 10-11 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 12-16 of this report.

### **Notes**

The notes to the financial statements starting on page 17 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. The School's total net position increased by approximately \$1.8 million, from approximately \$14.3 million in fiscal year 2024 to approximately \$16.2 million in fiscal year 2025, reflecting continued financial stability and effective resource management. The increase was primarily due to growth in the unrestricted net position, which rose by approximately \$1.6 million as a result of strong operating performance and prudent budgeting. Restricted net position declined slightly due to the timing of restricted fund use, while the net investment in capital assets improved modestly. Overall, the School's financial position remains strong, supported by sound fiscal oversight and responsible stewardship of public funds.

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Current and other assets	\$ 20,907,753	\$ 22,229,219
Capital assets	<u>22,487,751</u>	<u>22,926,738</u>
Total assets	<u>\$ 43,395,504</u>	<u>\$ 45,155,957</u>
<b>Liabilities</b>		
Current and other liabilities	\$ 1,651,411	\$ 4,543,254
Long-term liabilities	<u>25,574,107</u>	<u>26,291,016</u>
Total liabilities	<u>27,225,518</u>	<u>30,834,270</u>
<b>Net Position</b>		
Net investment in capital assets	(3,086,356)	(3,364,278)
Restricted	4,699,658	4,736,678
Unrestricted	<u>14,556,684</u>	<u>12,949,287</u>
Total net position	<u>\$ 16,169,986</u>	<u>\$ 14,321,687</u>

A portion of the School's net position is the investments in capital assets (i.e., buildings, land, furniture and equipment, computer hardware, capital improvements, and construction in progress) and the related debt used to acquire those assets still outstanding. These capital assets provide services to students; consequently, these assets are not available for future spending. The negative net investment in capital assets is due to cumulative depreciation of the respective capital assets exceeding the cumulative principal repayments on the related long-term debt. Restricted net position is restricted for debt service and program restrictions. The remaining portion of the School's net position is unrestricted.

### **Governmental Activities**

Changes in Net Position – The table below shows the changes in net position for the fiscal years 2025 and 2024. The School relies on state and federal support for 92% of its governmental activities for the year ended June 30, 2025. The School had total revenue of \$18,435,299 and total expenses of \$16,587,000 during the year ended June 30, 2025. The School had an increase in net position of \$1,848,299 during the year ended June 30, 2025. The increase in the School's net position was attributable to several factors, including strategic alignment of student service expenditures with current enrollment levels, increases in both the Weighted Pupil Unit (WPU) and Local Replacement Funding (LRF), and the prudent budgeting and financial oversight provided by the Director and Board of Directors. These measures contributed to efficient use of resources and sustained financial strength.

	<u>2025</u>	<u>2024</u>	<u>Change</u>
<b>Revenue</b>			
Program revenue			
State and federal aid	\$ 16,886,891	\$ 15,655,518	\$ 1,231,373
Charges for services	270,380	244,727	25,653
Operating grants and contributions	165,638	74,080	91,558
Other local revenue	177,446	269,499	(92,053)
Insurance proceeds	22,455	-	22,455
Earnings on investments	<u>912,489</u>	<u>999,724</u>	<u>(87,235)</u>
 Total revenue	 <u>18,435,299</u>	 <u>17,243,548</u>	 <u>1,191,751</u>
 <b>Expenses</b>			
Instructional	9,753,584	9,507,657	245,927
Support services			
Students	795,900	893,607	(97,707)
Staff assistance	298,408	214,415	83,993
General	61,764	27,287	34,477
School administration	1,366,950	1,209,569	157,381
Central services	798,234	707,200	91,034
Operation and maintenance of facilities	1,585,810	1,415,504	170,306
Transportation	35,534	19,600	15,934
Facilities acquisition and construction	12,400	-	12,400
School food services	769,598	772,491	(2,893)
Interest and other costs	<u>1,108,818</u>	<u>1,084,720</u>	<u>24,098</u>
 Total expenses	 <u>16,587,000</u>	 <u>15,852,050</u>	 <u>734,950</u>
 Change in Net Position	 <u>\$ 1,848,299</u>	 <u>\$ 1,391,498</u>	 <u>\$ 456,801</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 \$19,527,676, which is an increase of \$1,563,419 from the prior year. The increase in the general fund balance is primarily attributable to higher revenues from the WPU and LRF, as well as the other contributing factors noted above. The School continues to strategically leverage available funding opportunities to support its educational mission. Fiscal performance is closely monitored through responsible budgeting and monthly financial reviews conducted by the Director and Board of Directors, ensuring the continued effective management of public resources.

Expenditures for general School purposes totaled \$16,871,880, which is an increase of \$549,219 from the prior year. The rise in current-year expenditures is primarily the result of compensation adjustments and benefit cost increases, combined with the hiring of additional personnel to meet instructional and operational needs.

General fund salaries totaled \$9,084,900, while the associated fringe benefits of retirement, social security, unemployment, workers compensation, health, dental, and vision added \$2,629,688 to arrive at 69% 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 \$745,954 less than the amended budget. The amended budget was developed using a conservative approach to both revenue projections and year-end expenditures, resulting in actual expenditures falling below budgeted amounts.

### **Capital Assets**

The School has invested \$29,483,563 in a wide range of capital assets, but primarily in land, buildings and capital improvements. The total accumulated depreciation on these assets amounts to \$6,995,812. There were capital asset additions of \$437,518 for 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 \$14,720,000 in bonds payable, with a financial institution as trustee, that bear a variable interest rate ranging from 2.00% to 5.00% that mature in October 2046. The School also has bonds with the same financial institution as trustee of \$9,905,000 that bear a variable interest rate ranging from 2.25% to 5.00% that mature in October 2046. The combined bond premium on these bonds totaled \$949,107 at June 30, 2025. The School is required to meet certain covenants, including debt coverage and cash available under both bond series. 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 the School's 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 9062 2200 W, West Jordan, UT 84088, or by phone at 801-282-9066.

Hawthorn Academy  
Statement of Net Position  
June 30, 2025

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	<u>Governmental Activities</u>
<b>Assets</b>	
Cash and investments	\$ 15,958,350
Restricted cash and investments	4,346,085
State receivables	186,524
Federal receivables	361,033
Other receivables	4,929
Prepaid expenses	50,832
Capital assets (not subject to depreciation)	5,111,955
Capital assets (net of accumulated depreciation)	<u>17,375,796</u>
<b>Total assets</b>	<u>43,395,504</u>
<b>Liabilities</b>	
Accounts payable	206,053
Accrued liabilities	1,174,024
Accrued interest	271,334
Long-term liabilities	
Due within one year - bonds payable	665,000
Due in more than one year - bonds payable	<u>24,909,107</u>
<b>Total liabilities</b>	<u>27,225,518</u>
<b>Net Position</b>	
Net investment in capital assets	(3,086,356)
Restricted for	
Special education	24,234
Food service	146,666
Professional learning	10,468
Educator professional time	172,205
Debt service	4,346,085
Unrestricted	<u>14,556,684</u>
<b>Total net position</b>	<u>\$ 16,169,986</u>

**Hawthorn Academy**  
**Statement of Activities**  
**Year Ended June 30, 2025**

Functions/Programs	Program Revenue			Net Revenue (Expense) and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions		
<i>Governmental activities</i>					
Instructional Support services					
Students	\$ 9,753,584	\$ -	\$ 9,884,415	\$ 130,831	
Staff assistance	298,408	-	-	(298,408)	
General	61,764	-	-	(61,764)	
School administration	1,366,950	-	-	(1,366,950)	
Central services	798,234	-	-	(798,234)	
Operation and maintenance of facilities	1,585,810	-	-	(1,585,810)	
Transportation	35,534	-	-	(35,534)	
Facilities acquisition and construction	12,400	-	-	(12,400)	
School food services	769,598	270,380	295,213	(204,005)	
Interest and other costs	1,108,818	-	-	(1,108,818)	
<b>Total governmental activities</b>	<b>\$16,587,000</b>	<b>\$ 270,380</b>	<b>\$ 10,179,628</b>	<b>(6,136,992)</b>	
General Revenue					
Grants and contributions not restricted to specific programs					
State aid				6,872,901	
Local revenue				177,446	
Earnings on investments				912,489	
Insurance proceeds				22,455	
<b>Total general revenue</b>				<b>7,985,291</b>	
<b>Change in Net Position</b>				<b>1,848,299</b>	
<b>Net Position, Beginning of Year</b>				<b>14,321,687</b>	
<b>Net Position, End of Year</b>				<b>\$ 16,169,986</b>	

**Hawthorn Academy**  
 Balance Sheet – Governmental Funds  
 June 30, 2025

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<b>Assets</b>	
Cash and investments	\$ 15,958,350
Restricted cash and investments	4,346,085
State receivables	186,524
Federal receivables	361,033
Other receivables	4,929
Prepaid expenses	<u>50,832</u>
 Total assets	 <u>\$ 20,907,753</u>
 <b>Liabilities and Fund Balance</b>	
 <b>Liabilities</b>	
Accounts payable	\$ 206,053
Accrued liabilities	<u>1,174,024</u>
 Total liabilities	 <u>1,380,077</u>
 <b>Fund Balance</b>	
Nonspendable	
Prepaid expenses	50,832
Restricted for	
Special education	24,234
Food service	146,666
Professional learning	10,468
Educator professional time	172,205
Debt service	4,346,085
Unassigned	<u>14,777,186</u>
 Total fund balance	 <u>19,527,676</u>
	 <u>\$ 20,907,753</u>

## Hawthorn 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	\$ 19,527,676
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The cost of capital assets (land, buildings, furniture and equipment, computer hardware, capital improvements, and construction in progress) purchased or constructed is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the School as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the statement of activities. Because depreciation expense does not affect financial resources, it is not reported in government funds.

Costs of capital assets	29,483,563
Depreciation expense to date	<u>(6,995,812)</u>
	22,487,751

Long-term liabilities applicable to governmental activities are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

Balances at year end are:

Long-term liabilities	
Bonds payable and bond premium	(25,574,107)
Accrued interest	<u>(271,334)</u>
	<u>(25,845,441)</u>
Net Position	\$ <u><u>16,169,986</u></u>

**Hawthorn Academy**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance – Governmental Funds**  
**Year Ended June 30, 2025**

---

	<u>General</u>
Revenue	
State aid	\$ 16,036,638
Federal aid	850,253
Earnings on investments	912,489
School fees	38,908
School lunch sales	270,380
Other local sources	<u>304,176</u>
Total revenue	<u>18,412,844</u>
Expenditures	
Instructional	<u>9,753,584</u>
Support services	
Students	795,900
Staff assistance	298,408
General	61,764
School administration	1,366,950
Central services	798,234
Operation and maintenance of facilities	709,305
Transportation	35,534
Facilities acquisition and construction	<u>12,400</u>
Total support services	<u>4,078,495</u>
Non-instructional	
School food services program	769,598
Capital outlay	<u>437,518</u>
Total non-instructional	<u>1,207,116</u>
Debt service	
Principal	640,000
Interest and other costs	<u>1,192,685</u>
Total debt service	<u>1,832,685</u>
Total expenditures	<u>16,871,880</u>

Hawthorn Academy  
Statement of Revenue, Expenditures, and Changes in Fund Balance – Governmental Funds  
Year Ended June 30, 2025

---

	<u>General</u>
Excess of revenue over expenditures	1,540,964
Other Financing Sources	
Proceeds from insurance	<u>22,455</u>
Net Change in Fund Balance	<u>1,563,419</u>
Fund Balance, Beginning of Year	<u>17,964,257</u>
Fund Balance, End of Year	<u><u>\$ 19,527,676</u></u>

**Hawthorn 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 \$ 1,563,419

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

Capital outlay	437,518
Depreciation expense	<u>(876,505)</u>
	(438,987)

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

Repayment of bonds payable principal	640,000
Amortization of bond premium	76,909
Change in accrued interest	<u>6,958</u>
	723,867
Change in Net Position of Governmental Activities	<u>\$ 1,848,299</u>

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

Hawthorn Academy (the School) was formed in 2009 and is a nonprofit institution which was organized under the nonprofit corporation laws of the State of Utah. The School operates two campuses; one is K-6 and the other is K-9. The School was organized by a group of parents, teachers, and business professionals to provide an educational opportunity that is not governed by the local school district. The School was founded to offer a continuum of high-quality education that encourages international mindedness and a positive attitude towards learning. 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 fund and agencies of the primary government whose budgets are controlled or whose boards are appointed by the School's Board of Directors (the Board).

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

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

### **Governmental Funds**

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

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

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

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

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

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

### **Program Revenue**

Program revenue included in the statement of activities derives 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.

**Restricted Cash and Investments**

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

**Investments**

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

**Receivables**

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

Buildings	39 years
Furniture and equipment	7 years
Computer hardware	5 years
Capital improvements	20 years

## **Long-Term Liabilities**

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

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

## **Restricted Net Position**

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

### **Fund Balance 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			
			Investment Maturities
	Rating	Fair Value	
Insured		\$ 250,000	
Uninsured and not collateralized		<u>1,715,484</u>	
 Total balance of deposits		 <u>\$ 1,965,484</u>	
 Investments			
PTIF	Unrated	<u>\$ 18,338,951</u>	Less than 1 year
 Total cash and investments		 <u>\$ 20,304,435</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 the 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:

	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Total			
June 30, 2025			
PTIF	\$ 18,338,951	\$ -	\$ 18,338,951

#### **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	Transfers	June 30, 2025
<b>Capital assets, not subject to depreciation</b>					
Land - West Jordan	\$ 2,708,333	\$ -	\$ -	\$ -	\$ 2,708,333
Land - South Jordan	2,393,622	-	-	-	2,393,622
Construction in progress	200,000	10,000	-	(200,000)	10,000
<b>Total capital assets not subject to depreciation</b>	<b>5,301,955</b>	<b>10,000</b>	<b>-</b>	<b>(200,000)</b>	<b>5,111,955</b>
 <b>Capital assets being depreciated</b>					
West Jordan buildings	9,362,187	-	-	-	9,362,187
South Jordan buildings	9,536,378	-	-	-	9,536,378
Furniture and equipment	513,186	37,165	(28,650)	-	521,701
Computer hardware	289,046	124,803	-	-	413,849
Capital improvements	4,071,943	265,550	-	200,000	4,537,493
<b>Total capital assets being depreciated</b>	<b>23,772,740</b>	<b>427,518</b>	<b>(28,650)</b>	<b>200,000</b>	<b>24,371,608</b>
 Less accumulated depreciation for					
West Jordan buildings	(3,242,564)	(240,056)	-	-	(3,482,620)
South Jordan buildings	(1,833,919)	(244,523)	-	-	(2,078,442)
Furniture and equipment	(187,584)	(67,774)	28,650	-	(226,708)
Computer hardware	(67,807)	(99,265)	-	-	(167,072)
Capital improvements	(816,083)	(224,887)	-	-	(1,040,970)
<b>Total accumulated depreciation</b>	<b>(6,147,957)</b>	<b>(876,505)</b>	<b>28,650</b>	<b>-</b>	<b>(6,995,812)</b>
<b>Total capital assets, subject to depreciation</b>	<b>17,624,783</b>	<b>(448,987)</b>	<b>-</b>	<b>200,000</b>	<b>17,375,796</b>
<b>Total capital assets, net</b>	<b>\$22,926,738</b>	<b>\$ (438,987)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$22,487,751</b>

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

**Note 4 - Long-Term Liabilities**

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

	Balance at June 30, 2024	Additions	Retirements	Balance at June 30, 2025	Due Within One Year
Bonds payable	\$ 25,265,000	\$ -	\$ (640,000)	\$ 24,625,000	\$ 665,000
Bond premium	<u>1,026,016</u>	<u>-</u>	<u>(76,909)</u>	<u>949,107</u>	<u>-</u>
	<u><b>\$ 26,291,016</b></u>	<u><b>\$ -</b></u>	<u><b>\$ (716,909)</b></u>	<u><b>\$ 25,574,107</b></u>	<u><b>\$ 665,000</b></u>

Long-term liabilities as of June 30, 2025, consist of the following:

Series 2014 Bonds have rates between 2.00% - 5.00%, and were issued during fiscal year 2015 for \$17,685,000. The bonds require annual principal and semi-annual interest payments through October 2046. The bonds were sold at a premium which is being amortized using the straight-line method over the life of the bonds. The proceeds were used to purchase a school building. The School is required to meet certain covenants including debt coverage and cash available as defined by the bonds payable agreement.

\$ 14,720,000

Series 2016 Bonds have rates between 2.25% - 5.00%, and were issued during fiscal year 2017 for \$11,730,000. The bonds require annual principal and semi-annual interest payments through October 2046. The bonds were sold at a premium which is being amortized using the straight-line method over the life of the bonds. The proceeds were used to purchase a school building. The School is required to meet certain covenants including debt coverage and cash available as defined by the bonds payable agreement.

9,905,000

Bonds payable outstanding

24,625,000

Bond premium, net

949,107

**\$ 25,574,107**

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

Years Ending June 30,	Principal	Interest	Total
2026	\$ 665,000	\$ 1,090,958	\$ 1,755,958
2027	695,000	1,062,809	1,757,809
2028	725,000	1,034,718	1,759,718
2029	755,000	1,001,373	1,756,373
2030	795,000	965,262	1,760,262
2031-2035	4,570,000	4,238,436	8,808,436
2036-2040	5,760,000	5,338,045	11,098,045
2041-2045	7,250,000	4,497,503	11,747,503
2046-2047	3,410,000	1,527,682	4,937,682
 Total	 \$ 24,625,000	 \$ 20,756,786	 \$ 45,381,786

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

The School's principal source of support is state and federal-based support revenue. For the year ended June 30, 2025, these funding sources accounted for approximately 92% 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 the first 3% of the employee's salary and then 50% of the next 2% of the employee's salary. For the year ended June 30, 2025, the School made matching contributions of \$175,198.

Required Supplementary Information  
June 30, 2025

**Hawthorn Academy**

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

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	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget-Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenue</b>				
State aid	\$ 15,668,417	\$ 15,989,359	\$ 16,036,638	\$ 47,279
Federal aid	484,173	807,170	850,253	43,083
Earnings on investments	250,000	798,760	912,489	113,729
School fees	27,000	36,145	38,908	2,763
School lunch sales	201,000	251,600	270,380	18,780
Other local sources	53,500	249,099	304,176	55,077
<b>Total revenue</b>	<b>16,684,090</b>	<b>18,132,133</b>	<b>18,412,844</b>	<b>280,711</b>
<b>Expenditures</b>				
Instructional	9,753,126	10,294,100	9,753,584	540,516
Support services				
Students	843,781	744,009	795,900	(51,891)
Staff assistance	135,190	270,783	298,408	(27,625)
General	8,700	57,900	61,764	(3,864)
School administration	1,267,383	1,506,787	1,366,950	139,837
Central services	721,560	837,021	798,234	38,787
Operation and maintenance of facilities	776,663	606,993	709,305	(102,312)
Transportation	11,775	12,175	35,534	(23,359)
Facilities acquisition and construction services	163,350	-	12,400	(12,400)
<b>Total support services</b>	<b>3,928,402</b>	<b>4,035,668</b>	<b>4,078,495</b>	<b>(42,827)</b>
Non-instructional				
School food services program	839,288	965,607	769,598	196,009
Capital outlay	-	437,517	437,518	(1)
<b>Total non-instructional</b>	<b>839,288</b>	<b>1,403,124</b>	<b>1,207,116</b>	<b>196,008</b>
Debt service				
Principal	630,000	640,000	640,000	-
Interest and other costs	1,244,942	1,244,942	1,192,685	52,257
<b>Total debt service</b>	<b>1,874,942</b>	<b>1,884,942</b>	<b>1,832,685</b>	<b>52,257</b>
<b>Total expenditures</b>	<b>16,395,758</b>	<b>17,617,834</b>	<b>16,871,880</b>	<b>745,954</b>

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

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Excess of Revenues Over Expenditures	288,332	514,299	1,540,964	1,026,665
Other Financing Sources				
Insurance proceeds	-	-	22,455	22,455
Net Change in Fund Balance	<u>\$ 288,332</u>	<u>\$ 514,299</u>	<u>\$ 1,563,419</u>	<u>\$ 1,049,120</u>

### **Note 1 - Basis of Budgeting**

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

1. The School's 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 Director for public inspection at least 15 days before the date of the tenant 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 Utah State Board of Education.

Supplementary Information  
June 30, 2025  
**Hawthorn 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  
Hawthorn Academy  
South 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 Hawthorn 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 have issued our report thereon dated November 24, 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 "Eric Sallay LLP". The signature is fluid and cursive, with "Eric" and "Sallay" connected, and "LLP" in a smaller, separate section.

Ogden, Utah  
November 24, 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  
Hawthorn Academy  
South Jordan, Utah

**Report on Compliance**

We have audited Hawthorn 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 "Eric Baully LLP". The signature is fluid and cursive, with "Eric" and "Baully" connected and "LLP" in a smaller, separate section.

Ogden, Utah  
November 24, 2025

## Month End Report (Prior vs Current)

Account	Category Type	Prior YTD	Current YTD	Budget	% of Budget	Forecast	% of Forecast
<b>Revenue - 1000 Local Revenue 55% (11 Account records)</b>							
1510 Interest on Investments	Revenue	448,760	392,152	700,000	56%	700,000	56%
1610 Sales to Students	Revenue	114,641	118,540	250,000	47%	250,000	47%
1620 Sales to Adults	Revenue	708	320	1,600	20%	1,600	20%
1743 Curricular Activity Fees	Revenue	9,165	5,580	7,000	80%	7,000	80%
1747 Extra-Curricular Activity Fees	Revenue	15,149	15,722	25,000	63%	25,000	63%
1760 Fines	Revenue	5	2	0	0%	0	0%
1910 Rentals	Revenue	54,909	50,965	90,000	57%	90,000	57%
1920 Contributions and Donations From Private Sources	Revenue	73,896	5,545	25,000	22%	25,000	22%
1960 Misc. Revenue from Other Local Governments	Revenue	26,600		0	0%	0	0%
1990 Miscellaneous	Revenue	11,639	30,649	15,000	204%	36,750	83%
1990-001 Field Trips	Revenue	896	697	37,000	2%	2,000	35%
<b>TOT</b>		<b>756,369</b>	<b>620,170</b>	<b>1,150,600</b>		<b>1,137,350</b>	
<b>Revenue - 3000 State Revenue 51% (9 Account records)</b>							
3005 Regular School Programs K	Revenue	338,052	336,131	664,195	51%	672,261	50%
3010 Regular School Programs 1-12	Revenue	2,088,024	2,554,415	5,109,725	50%	5,109,542	50%
3020 Professional Staff	Revenue	167,854		0	0%	0	0%
3100 Restricted Basic School Programs	Revenue	1,134,956	1,392,577	2,834,278	49%	2,692,774	52%
3200 Related to the Basic Programs	Revenue	1,988,083	2,799,081	5,656,828	49%	5,564,235	50%
3400 Other Programs	Revenue	633,342	906,646	1,426,121	64%	1,527,693	59%
3500 One-time Funding	Revenue	371,267	494,206	825,738	60%	987,543	50%
3800 Non-MSP State Revenues (via USBE)	Revenue	39,269	61,365	0	0%	361,414	17%
3990 REVENUE OTHER STATE AGENCIES	Revenue		66,792	0	0%	0	0%
<b>TOT</b>		<b>6,760,847</b>	<b>8,611,212</b>	<b>16,516,885</b>		<b>16,915,462</b>	
<b>Revenue - 4000 Federal Revenue 20% (5 Account records)</b>							
4200 Unrestricted Revenue Received From Federal Government Through The State	Revenue	0		194,008	0%	0	0%
4522 IDEA - B -- Pre-School Disabled (Sec 619)	Revenue		0	4,963	0%	4,899	0%
4524 IDEA - B -- Disabled (PL 101-476)	Revenue	0	0	240,939	0%	240,939	0%
4560 Federal Child Nutrition Programs	Revenue	87,379	126,828	200,000	63%	200,000	63%
4800 Federal No Child Left Behind	Revenue		-10,000	151,829	-7%	151,829	-7%
<b>TOT</b>		<b>87,379</b>	<b>116,828</b>	<b>791,740</b>		<b>597,667</b>	
<b>Revenue - 5000 Other Financing Sources 0% (1 Account)</b>							
5600 Insurance Recoveries	Revenue		21,332	0	0%	0	0%
<b>TOT</b>		<b>21,332</b>	<b>0</b>			<b>0</b>	
<b>Expense - 100 Salaries 43% (13 Account records)</b>							
0121 Salaries - Principals and Assistants	Expense	-268,862	-358,497	-691,404	52%	-691,404	52%
0131 Salaries - Teachers	Expense	-1,759,978	-2,685,943	-6,545,085	41%	-6,527,057	41%
0132 Salaries - Substitute Teachers	Expense	-571	-607	-15,000	4%	-15,000	4%
0141 Salaries - Attendance and Social Work Personnel	Expense	-15,264	-21,590	-53,380	40%	-53,380	40%
0142 Salaries - Guidance Personnel	Expense	-64,965	-88,512	-217,250	41%	-217,250	41%
0144 Salaries - Psychological Personnel	Expense	-18,086	-17,938	-63,960	28%	-63,960	28%
0151 Salaries - Professional Office Personnel	Expense		-25,781	-62,290	41%	-62,290	41%
0152 Salaries - Secretarial and Clerical Personnel	Expense	-105,308	-141,126	-269,900	52%	-269,900	52%
0161 Salaries - Teacher Aides and Para-Professionals	Expense	-332,606	-539,507	-1,232,650	44%	-1,232,650	44%
0162 Salaries - Media Personnel - Non-Licensed	Expense	-14,364	-26,003	-52,800	49%	-52,800	49%
0182 Salaries - Custodial & Maintenance Personnel	Expense	-35,596	-55,455	-130,260	43%	-130,260	43%
0184 Salaries - Administrative Technology Personnel	Expense	-13,646	-26,100	-67,470	39%	-67,470	39%
0191 Salaries - Food Services Personnel	Expense	-113,709	-209,191	-476,000	44%	-476,000	44%

Account	Category Type	Prior YTD	Current YTD	Budget	% of Budget	Forecast	% of Forecast	
<b>TOT</b>		<b>-2,742,955</b>	<b>-4,196,251</b>	<b>-9,877,449</b>		<b>-9,859,421</b>		
<b>Expense - 200 Employee Benefits 43% (7 Account records)</b>								
0220 Social Security	Expense	-232,846	-350,422	-839,583	42%	-839,511	42%	
0230 Local Retirement	Expense	-52,266	-70,019	-175,000	40%	-174,997	40%	
0240 Group Insurance	Expense	-171,348	-220,466	-500,000	44%	-500,000	44%	
0250 Tuition Reimbursement	Expense		-48	0	0%	0	0%	
0270 Industrial Insurance	Expense	-11,058	-14,999	-35,000	43%	-35,000	43%	
0280 Unemployment Insurance	Expense	-12,602	-27,179	-90,000	30%	-89,999	30%	
0290 Other Employee Benefits	Expense	-382,683	-505,049	-1,200,000	42%	-1,200,000	42%	
<b>TOT</b>		<b>-862,802</b>	<b>-1,188,182</b>	<b>-2,839,583</b>		<b>-2,839,507</b>		
<b>Expense - 300 Professional &amp; Tech Services 40% (7 Account records)</b>								
0320 Professional - Educational Services	Expense	-113,408	-171,287	-550,000	31%	-544,338	31%	
0330 Professional Employee Training and Development	Expense	-11,127	-58,258	-70,000	83%	-70,000	83%	
0340 Other Professional Services	Expense	-7,446	-29,139	-87,000	33%	-87,000	33%	
0345 Business Services	Expense	-279,475	-275,144	-580,000	47%	-580,000	47%	
0349 Purchased Legal Services	Expense	-7,118		-20,000	0%	-20,000	0%	
0350 Technical Services	Expense	-36,966	-80,824	-95,000	85%	-113,000	72%	
0353 School Resource Officer and Other Police Personnel	Expense			-113,000	0%	-113,000	0%	
<b>TOT</b>		<b>-455,539</b>	<b>-614,652</b>	<b>-1,515,000</b>		<b>-1,527,338</b>		
<b>Expense - 400 Property Services 50% (9 Account records)</b>								
0410 Utility Services	Expense	-22,535	-135	0	0%	0	0%	
0411 Water/Sewage	Expense		-22,759	-35,500	64%	-35,500	64%	
0412 Disposal Service	Expense		-7,857	-13,000	60%	-13,000	60%	
0423 Custodial Services	Expense	-2,946	-1,521	-5,000	30%	-5,000	30%	
0424 Lawn Care Services	Expense	-19,125	-34,607	-60,000	58%	-60,000	58%	
0430 Repairs & Maintenance Services	Expense	-25,668	-28,956	-100,000	29%	-100,000	29%	
0442 Rental of Equipment & Vehicles	Expense		-168	-3,000	6%	-3,000	6%	
0450 Construction Services	Expense	-12,400	-35,045	-20,000	175%	-44,600	79%	
0490 Other Purchased Property Services	Expense	-1,160	-7,205	-5,000	144%	-17,500	41%	
<b>TOT</b>		<b>-83,834</b>	<b>-138,252</b>	<b>-241,500</b>		<b>-278,600</b>		
<b>Expense - 500 Other Services 52% (8 Account records)</b>								
0513 Student Transportation Services - Commercial	Expense	-4,980	-10,261	-15,000	68%	-15,000	68%	
0517 Student Overnight Trips/Field Trips	Expense	-1,125	-1,530	-75,000	2%	-4,000	38%	
0518 Student Day Trips/Field Trips (includes Admission Charges)	Expense	-891	-1,272	-15,000	8%	-15,000	8%	
0521 Property Insurance	Expense	-59,189	-64,854	-66,000	98%	-66,000	98%	
0522 Liability Insurance	Expense	-3,867	-14,090	-4,500	313%	-14,100	100%	
0530 Communication (Telephone & Other)	Expense	-5,951	-8,374	-22,000	38%	-22,000	38%	
0540 Advertising	Expense	-7,545	-9,106	-20,000	46%	-20,000	46%	
0580 Travel/Per Diem	Expense	-27,578	-35,621	-125,000	28%	-124,000	29%	
<b>TOT</b>		<b>-111,126</b>	<b>-145,108</b>	<b>-342,500</b>		<b>-280,100</b>		
<b>Expense - 600 Supplies &amp; Materials 58% (12 Account records)</b>								
0610 General Supplies	Expense	-122,123	-130,122	-300,000	43%	-300,000	43%	
0610-001 Furniture and Fixtures (not capitalized)	Expense	-11,221	-21,293	-20,000	106%	-20,000	106%	
0610-002 Other Food Purchases	Expense	-645	-27,889	-20,000	139%	-40,000	70%	
0621 Natural Gas	Expense	-2,674	-5,535	-30,000	18%	-30,000	18%	
0622 Electricity	Expense	-45,312	-46,801	-95,000	49%	-95,000	49%	
0630 Food	Expense	-131,698	-155,042	-325,000	48%	-325,000	48%	
0641 Textbooks	Expense	-10,364	-38,529	-30,000	128%	-60,500	64%	
0642 E-Textbooks / Online Curriculum	Expense	-66,513	-196,227	-105,000	187%	-217,000	90%	
0644 Library Books	Expense	-3,552	-3,480	-7,000	50%	-7,000	50%	
0650 Supplies - Technology Related	Expense	-8,490	-40,107	-130,000	31%	-130,000	31%	
0670 Software	Expense	-83,830	-67,229	-100,000	67%	-177,514	38%	
0680 Maintenance Supplies and Materials	Expense	-17,048	-22,654	-50,000	45%	-50,000	45%	
<b>TOT</b>		<b>-503,471</b>	<b>-754,909</b>	<b>-1,212,000</b>		<b>-1,452,014</b>		
<b>Expense - 700 Property 76% (2 Account records)</b>								
0730 Equipment	Expense	-174,250	-259,156	-290,000	89%	-333,400	78%	

Account	Category Type	Prior YTD	Current YTD	Budget	% of Budget	Forecast	% of Forecast
0733 Capitalized Furniture and Fixtures	Expense	-5,433		-5,500	0%	-5,500	0%
<b>TOT</b>		<b>-179,683</b>	<b>-259,156</b>	<b>-295,500</b>		<b>-338,900</b>	
<b>Expense - 800 Debt Service and Misc. 68% (4 Account records)</b>							
0810 Dues and Fees	Expense	-85,907	<b>-70,486</b>	-120,000	59%	-120,000	59%
0820 Judgments Against the LEA	Expense			-10,000	0%	-10,000	0%
0830 Interest	Expense	-571,928	<b>-557,828</b>	-1,100,000	51%	-1,100,000	51%
0840 Redemption of Principal	Expense	-640,000	<b>-665,000</b>	-680,000	98%	-680,000	98%
<b>TOT</b>		<b>-1,297,835</b>	<b>-1,293,314</b>	<b>-1,910,000</b>		<b>-1,910,000</b>	
<b>TOT</b>		<b>1,367,350</b>	<b>779,719</b>	<b>225,693</b>		<b>164,599</b>	



## Budget Summary

12/31/2025

50% of the Year

### Month End Report

Category	Type	YTD Actual	Budget	% of Budget	Forecast	% of Forecast
<b>Revenue (4 Category records)</b>						
1000 Local Revenue	Revenue	<u>620,170</u>	1,150,600	54%	1,137,350	55%
3000 State Revenue	Revenue	<u>8,611,212</u>	16,516,885	52%	16,915,462	51%
4000 Federal Revenue	Revenue	<u>116,828</u>	791,740	15%	597,667	20%
5000 Other Financing Sources	Revenue	<u>21,332</u>	0	0	0	0%
<b>TOT</b>		<b>9,369,543</b>	<b>18,459,225</b>		<b>18,650,479</b>	
<b>Expense (8 Category records)</b>						
100 Salaries	Expense	<u>-4,196,251</u>	-9,877,449	42%	-9,859,421	43%
200 Employee Benefits	Expense	<u>-1,188,182</u>	-2,839,583	42%	-2,839,507	42%
300 Professional & Tech Services	Expense	<u>-614,652</u>	-1,515,000	41%	-1,527,338	40%
400 Property Services	Expense	<u>-138,252</u>	-241,500	57%	-278,600	50%
500 Other Services	Expense	<u>-145,108</u>	-342,500	42%	-280,100	52%
600 Supplies & Materials	Expense	<u>-754,909</u>	-1,212,000	62%	-1,452,014	52%
700 Property	Expense	<u>-259,156</u>	-295,500	88%	-338,900	76%
800 Debt Service and Misc.	Expense	<u>-1,293,314</u>	-1,910,000	68%	-1,910,000	68%
<b>TOT</b>		<b>-8,589,824</b>	<b>-18,233,532</b>		<b>-18,485,880</b>	
<b>TOT</b>		<b>779,719</b>	<b>225,693</b>		<b>164,599</b>	

### Financial Ratios

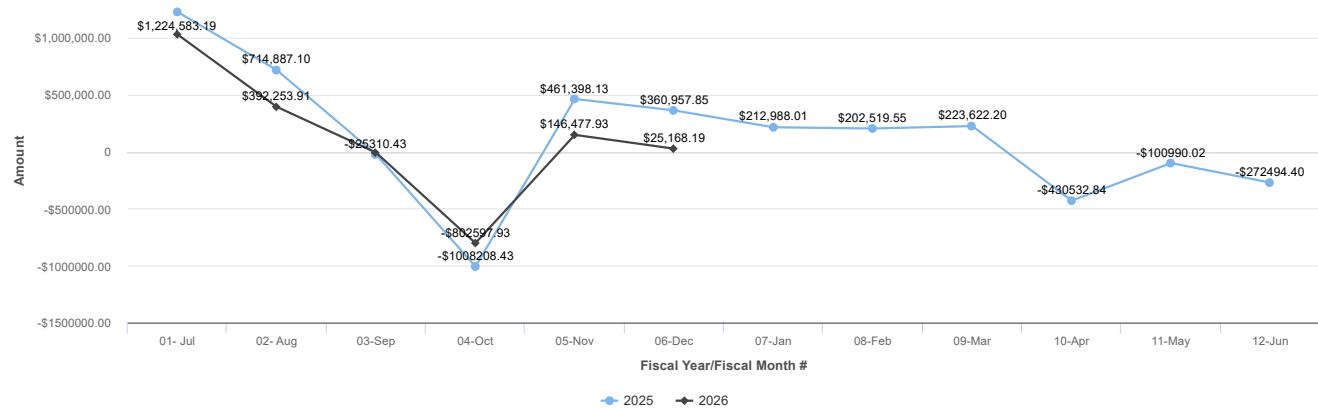
Bond Ratio	Covenant	Forecast
Debt Service Ratio	>1.10	1.31
Days Cash	>30 Days	323

### Budget Analysis

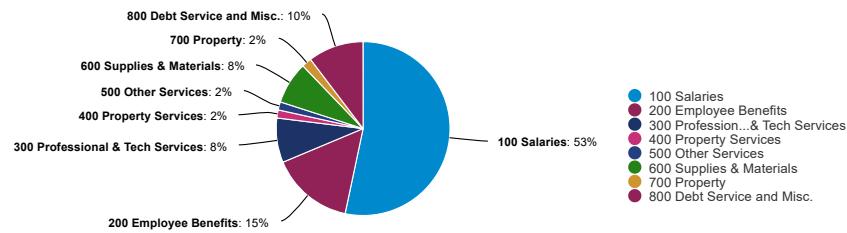
Accounts above/below elapsed time

1. Local Revenue and Overnight Field Trip - WorldStrides trip cancelled
2. State Revenue - Forecast adjusted to reflect new allotments.
3. Special Education Revenue - Formula correction
4. 350 - Technical Services - Frog Tummy, Cabling
5. Construction, Property, Equipment and Repair accounts updated later
6. Other Services - Liability and Property Insurance
7. 670 - Software - Skyward

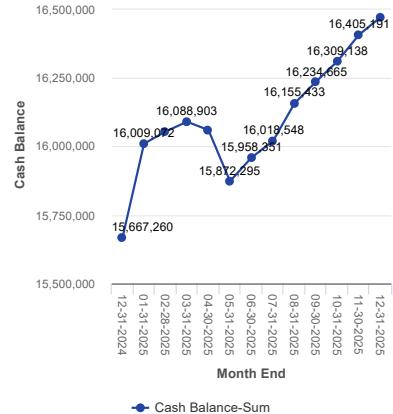
### Monthly Change in Net Position



### Forecast by Category



### Unrestricted Cash Balance



position or a position with equivalent status, pay, benefits and other employment terms. The position will be the same or one which is virtually identical in terms of pay, benefits and working conditions. The School may choose to exempt certain key employees from this requirement and not return them to the same or similar position.

G. Use of Paid and Unpaid Leave

An employee who is approved to take FMLA leave will receive paid FMLA leave for up to 12 weeks (60 workdays) of the employee's FMLA leave. Paid FMLA leave is separate from an employee's regular personal time off ("PTO"). An employee who is taking FMLA leave must use all of the employee's available PTO prior to being eligible for and receiving paid FMLA leave. Eligible employees will, after their PTO is exhausted, receive paid FMLA leave as follows:

- 1) Teachers: 60% of the employee's regular salary;
- 2) Non-Teachers and Non-Administration Employees: 60% of the employee's regular salary; and
- 3) Administration Employees: 70% of the employee's regular salary.

In addition, an employee who is taking FMLA leave must use all of the employee's PTO and paid FMLA leave prior to being eligible for and receiving any unpaid FMLA leave (e.g., for circumstances where an employee's FMLA leave extends beyond 12 weeks). PTO used during FMLA leave will run concurrently with FMLA leave.

To the extent applicable, disability leave for the birth of the child and for an employee's serious health condition, including workers' compensation leave (to the extent that it qualifies), will be designated as FMLA leave and will run concurrently with FMLA. For example, if the School elects to provide six weeks of pregnancy disability leave, the six weeks will be designated as FMLA leave and counted toward the employee's 12-week entitlement.

An employee is not eligible for paid FMLA leave if the employee's approved FMLA leave is during summer break, unless the employee is required by the School to start work for the new school year fewer than 12 weeks from the date of the employee's first day of FMLA leave. In such circumstances, the employee would be eligible for paid FMLA leave from the date the employee is required by the School to start work for the new school year up to the date that is 12 weeks from the date of the employee's first day of FMLA leave.

Leave granted to an employee under the School's Paid Parental and Postpartum Recovery Leave Policy will run concurrently with any FMLA leave taken during the same time period. Therefore, if an employee is eligible for both paid parental and/or postpartum recovery leave and paid FMLA leave, the total amount of paid leave received by the employee shall not exceed the employee's regular salary.

H. Intermittent Leave or a Reduced Work Schedule

The employee may take FMLA leave in 12 consecutive weeks, may use the leave intermittently (take a day periodically when needed over the year) or, under certain circumstances, may use the leave to reduce the workweek or workday, resulting in a reduced hour schedule. In all cases, the leave may not exceed a total of 12 workweeks (or 26 workweeks to care for an injured or ill servicemember over a 12-month period).

**Hawthorn Academy**  
**Policy: Instructional Materials Policy**  
**Approved: March 8, 2023**  
**Amended: November 10, 2025**



**Purpose**

The purpose of this policy is to establish the parameters by which Hawthorn Academy (the "School") will select, approve, and purchase instructional materials. The purpose of this policy and accompanying procedures is to also set forth the School's process for reviewing challenges to instructional materials.

**Definitions**

"Instructional materials" are the resources used by educators to deliver curriculum or support student learning. These materials may be commercially available or School-created and include such materials as textbooks, reading materials, videos, digital materials, websites, online applications, and live presentations. "Instructional materials" do not include learning material used in a concurrent enrollment, advanced placement, or international baccalaureate program or class, or another class with required instructional material that is not subject to selection by the School.

"Sensitive material" means an instructional material that constitutes objective sensitive material or subjective sensitive material. "Sensitive material" does not include the instructional material outlined in Utah Code § 53G-10-103(1)(h)(ii).

"Objective sensitive material" means an instructional material that constitutes pornographic or indecent material, as that term is defined in Utah Code §76-5c-208, under the non-discretionary standards described in Utah Code § 76-5c-207(1)(a)(i), or (ii), or (iii).

"Subjective sensitive material" means an instructional material that constitutes pornographic or indecent material, as that term is defined in Utah Code §76-5c-208, under the following factor-balancing standards:

- (a) material that is harmful to minors under Utah Code §76-5c-101;
- (b) material that is pornographic under Utah Code §76-5c-101; or
- (c) material that includes certain fondling or other erotic touching under Utah Code §76-5c-207(1)(a)(i)(C)-(D).

"School community parent" means a parent who has a student currently attending the School, or will have a student enrolled in the School within one year, where the challenged instructional material is being reviewed in accordance with this policy and Utah Code § 53G-10-103(4).

"School setting" means the School's classrooms, library, and property. "School setting" also includes School-sponsored or required activities, including assemblies, guest lectures, live presentations, or other events.

"Stakeholder" for purposes of this policy means:

- (a) an employee of the School;
- (b) a student who is enrolled in the School;
- (c) a parent of a child who is enrolled in the School; or

- (d) a member of the School's Board of Directors.

## **Policy**

The School shall comply with the requirements of Utah law and Utah State Board of Education ("USBE") rule regarding the selection, approval, purchase, and review of instructional materials, including but not limited to Utah Administrative Code R277-468 and R277-469, Utah Code § 53G-10-103 and, when applicable, Utah Code § 53G-5-404.

The School's purpose in managing the selection, approval, purchase, and review of instructional materials is to implement, enrich, and support the School's educational program. It is also to prioritize protecting students from the harmful effects of illicit pornography over other considerations in evaluating instructional materials.

### Criteria for Instructional Materials

Instructional materials should contribute to the intellectual development and positive character of students. Instructional materials used by the School shall:

- (a) be consistent with the Utah Core standards;
- (b) be consistent with the principles of individual freedom as defined in Utah Code § 53G-10-206;
- (c) not constitute sensitive material as defined in Utah Code § 53G-10-103;
- (d) not be prohibited discriminatory practice as described in Utah Code § 53B-1-118; and
- (e) comply with all other applicable state laws and USBE rules.

### Selection and Approval of Instructional Materials by the Lead Director

The Board of Directors (the "Board") delegates to the School Lead Director the authority and responsibility to select and approve instructional materials for the School, except under circumstances where the Board is specifically required by law or a different School policy to approve instructional materials.

The Lead Director shall select and approve instructional materials that meet the criteria set forth in this policy. When considering instructional materials, the Lead Director may review the USBE's recommended instructional materials (RIMs), but the Lead Director is not required to select RIMs if there are other instructional materials available that meet the criteria set forth in this policy.

The Lead Director shall involve School community parents and instructional staff in the consideration of instructional materials. The Lead Director has discretion as to how to involve such parents and instructional staff in this process.

### Selection and Approval of Instructional Materials by the Board

If the Board is required by law or School policy to approve instructional materials for use in the classroom, the Board shall do the following (in order) prior to approving the instructional materials:

- (a) post the recommended instructional materials online to allow for public review or, for copyrighted material, make the instructional materials available at the School for public review; and
- (b) hold at least two Board meetings where the recommended instructional materials is on the agenda and allow an opportunity at those Board meetings for School educators and parents of students enrolled in the School to express views and opinions on the recommended instructional material.

The Board may approve the recommended instructional materials in an open and regular Board meeting after the requirements above have been satisfied. The vote to approve the recommended instructional materials may occur at the second of the two Board meetings described in subsection (b) above.

In accordance with Utah Code § 53G-5-404(13), the requirements in this section apply only if the Board is approving instructional materials. The requirements do not apply if the Board is not approving instructional materials and instead only the Lead Director is selecting and approving instructional materials (which Utah Code § 53G-5-404(13) refers to as “learning material”). In addition, the requirements in this section do not apply to educators’ selection of supplemental materials or resources.

Any instructional materials approved by the Board shall meet the criteria set forth in this policy.

#### Purchase of Instructional Materials

The School shall follow its Purchasing and Disbursement Policy in connection with the purchase of any instructional materials, regardless of whether the instructional materials are selected and approved by the Lead Director or by the Board. The School shall identify all costs associated with instructional materials prior to purchasing the instructional materials, including any implementation and professional development costs.

#### Educator Selection of Additional Supplemental Materials or Resources

Despite the foregoing, educators at the School may select and use supplemental materials or resources in their classroom to augment instructional materials already selected and approved by the Lead Director or the Board so long as each of the following are satisfied:

- (a) the educator has reviewed the supplemental materials or resources in their entirety prior to using them in the classroom;
- (b) the supplemental materials or resources meet the criteria set forth in this policy; and
- (c) the supplemental materials or resources have not previously been prohibited by the Lead Director or the Board.

#### Contract Requirements

If the School contracts with a third party to provide online or digital materials, the School shall include in the contract a requirement that the provider give notice to the School any time that the provider makes a material change to the content of the online or digital materials, excluding regular informational updates on current events. The School shall also comply with applicable requirements in R277-469 related to School contracts with publishers for instructional materials.

### **Sensitive Material Review Procedures**

Sensitive materials are prohibited in the School setting. In accordance with Utah law, USBE rule, and the School's administrative procedures, stakeholders may initiate a sensitive material review by the School if they feel an instructional material used by the School constitutes sensitive material.

The Lead Director shall establish administrative procedures that set forth how stakeholders may initiate a sensitive material review by the School and the review process the School will follow. The administrative procedures shall comply with applicable Utah law and USBE rule.

## **Administrative Procedures** **Sensitive Material Review**

These procedures are established in accordance with the Instructional Materials Policy adopted by the School's Board of Directors.

### **Sensitive Material Review Process**

Stakeholders may initiate a sensitive material review by the School if they feel an instructional material used by the School constitutes sensitive material.

However, notwithstanding the foregoing, if a stakeholder makes three unsuccessful challenges during a given academic year, that individual may not trigger a sensitive material review during the remainder of the given school year. An “unsuccessful challenge” means an allegation that a given instructional material constitutes sensitive material that the School concludes to be erroneous, either on direct review or on appeal to the Board, resulting in the retention of the given instructional material.

Stakeholders may allege that an instructional material used by the School constitutes sensitive material by submitting the Sensitive Material Review Request Form accompanying these procedures. Upon receipt of the completed form by a stakeholder, the School shall:

#### **Step One – Initial Review**

- (a)(i) Make an initial determination as to whether the allegation presents a plausible claim that the challenged instructional material constitutes sensitive material, including whether the allegation includes excerpts and other evidence to support the allegation. The Lead Director or Campus Principal shall designate two or more School employees to make this initial determination for the School (the Lead Director or Campus Principal can be one of the two employees if he/she desires); and
- (ii) If the School's initial determination is that the allegation presents a plausible claim that the challenged instructional material constitutes sensitive material as described above, the School shall immediately remove the challenged material until the School completes the School's full review of the challenged material as set forth below;

#### **Step Two – Objective Sensitive Material Standards Review (if necessary)**

- (b)(i) If the School's initial determination is that the allegation presents a plausible claim that the challenged instructional material constitutes sensitive material, engage in a review of the allegations and the challenged instructional material using the objective sensitive material standards. The Lead Director or Campus Principal shall designate three or more individuals to conduct this review, one of which must be a School community parent (the School employees who conducted the initial review may also be designated to conduct this review); and
- (ii) If the School determines that the challenged instructional material constitutes objective sensitive material, the School shall ensure that the material remains inaccessible to students in any School setting;

#### **Step Three - Subjective Sensitive Material Standards Review (if necessary)**

- (c) If, and only if, the School determines that the challenged instructional material does not constitute objective sensitive material, the School shall:

- (i) Review the allegations and the challenged instructional material under the subjective material standards to determine if an instructional material is subjective sensitive material. The Lead Director or Campus Principal shall designate three or more individuals to conduct this review, but at least two of the individuals must be School community parents (the individuals who conducted the objective sensitive material standards review may also be designated to conduct this review, but at least two of the individuals must be School community parents);
- (ii) Allow student access to the challenged instructional material during the School's subjective sensitive material review if the student's parent gives consent regarding the specific challenged instructional material; and
- (iii) If the School determines that the challenged instructional material constitutes subjective sensitive material, ensure that the material is inaccessible to students in any School setting, including the termination of the parent consent option described above.

#### Miscellaneous Review Rules

Neither the individuals responsible for procurement of the challenged instructional materials nor the stakeholder who is challenging the instructional materials may serve on any of the review committees described in the steps above.

If the School requires a School employee to participate on a sensitive materials review committee requiring engagement outside of contract hours, the School shall compensate the employee for the employee's time participating on the committee.

#### Communication

Soon after the completion of a sensitive material review, the School shall communicate its final determination (regardless of in which step the final determination comes) in writing to the stakeholder who requested the review.

The School shall also communicate to the USBE each stakeholder sensitive material review request, the final determination by the School on each request, and the School's rationale for its final determination on each request. The Lead Director or Campus Principal shall communicate this information to the USBE on behalf of the School using the form provided by the USBE:

- (a) within 30 school days of the final determination; or
- (b) if an appeal is in process, at the conclusion of the appeal.

#### Appeal

A stakeholder may appeal the School's decision to the Board regarding a sensitive material review by submitting to the Board President the Sensitive Material Appeal Request Form within fourteen days of receiving the School's decision. A stakeholder may file such an appeal regardless of whether the School removed or retained the challenged instructional material. The Board shall vote in a public board meeting to decide the outcome of a sensitive material review appeal. In the board meeting, the Board shall clearly identify:

- (a) the Board's rational for its decision; and

- (b) the Board's determination on each component of the statutory and any additional policy standards used by the Board to reach the Board's conclusion.

## **Removing Instructional Materials That Constitute Sensitive Material**

### Removing Instructional Material if State Threshold is Met

In accordance with Utah Code § 53G-10-103(7), the School shall remove instructional material from student access upon being notified by the USBE that the following number of LEAs in the state have determined that the instructional material constitutes objective sensitive material:

- (a) at least three school districts; or
- (b) at least two school districts and five charter schools.

However, removal from student access under these circumstances is subject to the USBE voting to overturn the application of the statewide removal requirement with respect to the instructional material. If the USBE votes to overturn the application of the statewide removal requirement with respect to the instructional material, the statewide removal requirement no longer applies and the School may choose to return access to the instructional material to its students.

### Removing Instructional Material After Sensitive Material Review

The School shall follow the applicable removal requirements described in Steps One through Three of the School's sensitive material review process. In addition, if at the completion of the sensitive material review process the School makes a final determination that an instructional material constitutes sensitive material, the School shall remove the instructional material.

### Disposal of Instructional Material

When removing instructional material because it constitutes sensitive material, the School shall:

- (a) physically remove the sensitive material from the School;
- (b) remove all access by students to the sensitive material;
- (c) communicate with the relevant vendors and publishers regarding the School's decision;
- (d) legally dispose of the sensitive material; and
- (e) not sell or distribute the sensitive material.

# Sensitive Material Review Request Form

Information about Instructional Material Requested to be Reviewed:

- 1) Title:
- 2) Author:
- 3) Publisher:
- 4) School campus where this instructional material is used or can be accessed:
- 5) Do you believe this instructional material constitutes sensitive material as that term is defined in Utah Code § 53G-10-103? Yes No

#### Information about Requestor:

1) Name: \_\_\_\_\_

2) Phone: \_\_\_\_\_

3) Address: \_\_\_\_\_

4) Email: \_\_\_\_\_

5) Are you a student of Hawthorn Academy? Yes \_\_\_\_\_ No \_\_\_\_\_

6) Are you a parent of a student of Hawthorn Academy? Yes \_\_\_\_\_ No \_\_\_\_\_

7) Are you an employee of Hawthorn Academy? Yes \_\_\_\_\_ No \_\_\_\_\_

8) Are you a board member of Hawthorn Academy? Yes \_\_\_\_\_ No \_\_\_\_\_

### Information about Review Request:

- 1) Was this instructional material recommended, assigned, used, or made available through the school? If so, please explain.
  
- 2) In your opinion, how does this instructional material constitute sensitive material? Please provide examples, page numbers, links, or other information to help in locating or identifying the content you believe qualifies as sensitive material. Please attach any images or other corroborating evidence. You may attach additional pages as needed.

Requestor's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*After you submit this Form, you will receive an acknowledgment of receipt and an estimated timeline for when a decision will be made by the School. The School generally completes its review and makes its final decision between thirty to sixty (30-60) days after its receipt of a request for review.*

Board Approved:

# Sensitive Material Appeal Request Form

## Instructions:

A requestor must submit this Form along with a copy of the School's written decision on the sensitive material review request within fourteen (14) days of receiving the School's written decision.

## Information about Requestor:

- 1) Name:
- 2) Phone:
- 3) Address:
- 4) Email:
- 5) Date you received the School's written decision on your sensitive material review request:  
\_\_\_\_\_

- 6) Are you a student of Hawthorn Academy? Yes No
- 7) Are you a parent of a student of Hawthorn Academy? Yes No
- 8) Are you an employee of Hawthorn Academy? Yes No
- 9) Are you a board member of Hawthorn Academy? Yes No

## Information about Challenged Instructional Material:

- 1) Title:
- 2) Author:
- 3) Publisher:
- 4) School campus where this instructional material is used or can be accessed:
- 5) Please provide a written statement setting forth your rationale for appealing the School's decision regarding the challenged instructional material (attach additional pages as needed).

Requestor's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*After you submit this Form, you will receive an acknowledgment of receipt and an estimated timeline for when a decision will be made by the Board in a public board meeting. The Board generally tries to make its decision at a public board meeting between thirty to sixty (30-60) days after its receipt of an appeal.*

## **Paid Parental and Postpartum Recovery Leave**

In accordance with Utah Code § 53G-11-209, the School offers qualified employees paid parental and postpartum recovery leave to enable employees to care for and bond with their new child and to recover from childbirth. This policy is effective July 1, 2025.

### **Definitions**

For purposes of this policy:

“Parental leave” means leave hours the School provides to a parental leave eligible employee.

“Parental leave eligible employee” means a School employee who receives regular paid personal time off (PTO) benefits from the School and is:

- (a) a birth parent as defined in Utah Code § 78B-6-103;
- (b) legally adopting a minor child, unless the individual is the spouse of the pre-existing parent;
- (c) the intended parent of a child born under a validated gestational agreement in accordance with Title 81, Chapter 5, Part 8, Gestational Agreement;
- (d) appointed the legal guardian of a minor child or incapacitated adult; or
- (e) a foster parent of a minor child.

“Postpartum recovery leave” means leave hours the School provides to a postpartum recovery leave eligible employee to recover from childbirth that occurs at 20 weeks or greater gestation.

“Postpartum recovery leave eligible employee” means an employee:

- (a) who receives regular paid personal time off (PTO) benefits from the School; and
- (b) who gives birth to a child.

“Qualified employee” means:

- (a) a parental leave eligible employee; or
- (b) a postpartum recovery leave eligible employee.

“Retaliatory action” means to do any of the following regarding an employee:

- (a) dismiss the employee;
- (b) reduce the employee’s compensation;
- (c) fail to increase the employee’s compensation by an amount to which the employee is otherwise entitled to or was promised;
- (d) fail to promote the employee if the employee would have otherwise been promoted; or
- (e) threaten to take an action described immediately above.

### **Paid Parental Leave**

The School allows a parental leave eligible employee to use up to three calendar weeks of paid parental leave for:

- (a) the birth of the parental leave eligible employee’s child;
- (b) the adoption of a child;
- (c) the appointment of legal guardianship of a child or incapacitated adult; or

- (d) the placement of a foster child in the parental leave eligible employee's care.

Parental leave as described above:

- (a) may not be used before the day on which:
  - (1) the parental leave eligible employee's child is born;
  - (2) the parental leave eligible employee adopts a child;
  - (3) the parental leave eligible employee is appointed legal guardian of a child or incapacitated adult; or
  - (4) a foster child is placed in the parental leave eligible employee's care;
- (b) may not be used more than six months after the date described immediately above;
- (c) shall be used in a single continuous period, unless:
  - (1) by mutual written agreement between the School and the parental leave eligible employee; or
  - (2) a health care provider certifies that intermittent leave is medically necessary due to a serious health condition of the child;
- (d) runs concurrently with FMLA leave, if applicable to the parental leave eligible employee; and
- (e) runs consecutively to postpartum recovery leave, if applicable to the parental leave eligible employee.

A parental leave eligible employee's paid parental leave does not increase if the parental leave eligible employee:

- (a) has more than one child born from the same pregnancy;
- (b) adopts more than one child;
- (c) has more than one foster child placed in the parental leave eligible employee's care; or
- (d) is appointed legal guardian of more than one child or incapacitated adult.

A parental leave eligible employee may not use more than three calendar weeks of paid parental leave within a single 12-month period, regardless of whether during that 12-month period the parental leave eligible employee:

- (a) becomes the parent of more than one child;
- (b) adopts more than one child;
- (c) has more than one foster child placed in the parental leave eligible employee's care; or
- (d) is appointed legal guardian of more than one child or incapacitated adult.

### **Paid Postpartum Recovery Leave**

The School allows a postpartum recovery leave eligible employee to use up to three calendar weeks of paid postpartum recovery leave for recovery from childbirth that occurs at 20 weeks or greater gestation.

Postpartum recovery leave as described above:

- (a) shall be used starting on the day on which the postpartum recovery leave eligible employee gives birth, unless a health care provider certifies that an earlier start date is medically necessary;
- (b) shall be used in a single continuous period, unless otherwise authorized in writing by the Lead Director;

- (c) runs concurrently with FMLA leave, if applicable to the postpartum recovery leave eligible employee; and
- (d) runs consecutively to parental leave.

A postpartum recovery leave eligible employee's paid postpartum recovery leave does not increase if the postpartum recovery leave eligible employee has more than one child born from the same pregnancy.

### **Leave Period**

The maximum amount of paid postpartum recovery leave available to qualified employees under this policy is three calendar weeks.

The maximum amount of paid parental leave available to qualified employees under this policy is three calendar weeks.

Any non-contracted workdays (such as holidays, days during summer break, etc.) that occur during a qualified employee's paid parental leave or paid postpartum recovery leave count toward the applicable three-calendar week leave period.

### **Notice of Plan to Take Leave**

Qualified employees shall give the Campus Principal or Lead Director notice at least 30 days before the day on which the qualified employee plans to:

- (a) begin using parental leave or postpartum recovery leave; and
- (b) stop using postpartum recovery leave.

If circumstances beyond the qualified employee's control prevent the qualified employee from giving notice as described above, the qualified employee shall give the School each notice described above as soon as reasonably practicable.

All such notices shall be reviewed by the Campus Principal and Lead Director. If the employee providing notice does not meet the definition of a qualified employee under this policy (and is therefore not entitled to paid parental or postpartum recovery leave), the Campus Principal or Lead Director shall inform the employee. Employees may be required to provide documentation supporting the need for parental or postpartum recovery leave.

### **Other Leave**

Except with respect to FMLA leave, the School may not charge parental leave or postpartum recovery leave against a qualified employee's regular paid personal time off (PTO) or any other leave a qualified employee is entitled to under the School's leave policies.

If a qualified employee is eligible to receive paid parental leave and/or postpartum recovery leave under this policy and simultaneously is eligible to receive paid FMLA leave from the School, the total amount of the paid leave received by the employee shall not exceed the employee's regular salary.

## **Employee Benefits During Leave**

During the time a qualified employee uses parental leave or postpartum recovery leave, the qualified employee shall continue to receive all employment related benefits and payments at the same level that the qualified employee received immediately before beginning the parental leave or postpartum recovery leave, provided that the qualified employee pays any required employee contributions.

## **Employee Position after Leave**

Following the expiration of a qualified employee's parental leave or postpartum recovery leave, the School shall ensure that the qualified employee may return to:

- (a) the position that the qualified employee held before using parental leave or postpartum recovery leave; or
- (b) a position within the School that is equivalent in seniority, status, benefits, and pay to the position that the qualified employee held before using parental leave or postpartum recovery leave.

Despite the foregoing, if during the time a qualified employee uses parental leave or postpartum recovery leave the School experiences a reduction in force and, as part of the reduction in force, the qualified employee's employment would have been terminated had the qualified employee not been using the parental leave or postpartum recovery leave, the School may terminate the qualified employee's employment in accordance with any applicable process or procedure as if the qualified employee were not using the parental leave or postpartum recovery leave. In addition, upon termination of a qualified employee's employment (for any reason), the employee is not entitled to be paid for any unused parental leave or postpartum recovery leave.

## **Retaliatory Action**

The School may not interfere with or otherwise restrain a qualified employee from using parental leave or postpartum recovery leave in accordance with this policy. In addition, the School may not take retaliatory action against a qualified employee for using parental leave or postpartum recovery leave in accordance with Utah Code § 53G-11-209.

## **Part-Time Qualified Employees**

In the event a qualified employee of the School is also a part-time employee, the employee shall be allowed to use the amount of parental leave or postpartum recovery leave available to the qualified employee under this policy on a pro rata basis.