

# MOUNTAIN HEIGHTS ACADEMY BOARD OF TRUSTEES MEETING



**Date:** Friday, December 16, 2022

**Time:** 9:30 AM

**Location:** 9067 S. 1300 W. #204; West Jordan, UT 84088

**Teleconference:** <https://us02web.zoom.us/j/81759525723>

*VISION: We are the leader in digital education.  
MISSION: To develop connected and successful learners.*

## AGENDA

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### CALL TO ORDER

### CONSENT ITEMS

- October 28, 2022 Board Meeting Minutes

### PUBLIC COMMENT (comments will be limited to three minutes)

- 2023-2024 Fee Schedule and Fee Waiver Policy

### AUDIT PRESENTATION

### REPORTS

- Finance Report
- Director Report

### VOTING ITEMS

- 2023-2024 Calendar
- Public Education Materials Development Policy
- Employee Handbook

### CALENDARING

- Board Meeting February 17, 2023 at 9:30 AM

### ADJOURN

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.

## **EXECUTIVE SUMMARY**

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### **2023-2024 FEE SCHEDULE AND FEE WAIVER POLICY**

No changes from last year. The board has always been supportive of free access to public education and demonstrates that by not charging any fees for enrollment, including for the use of a Chromebook. The only fees are for materials for concurrent enrollment.

### **2023-2024 CALENDAR**

Each year, the school is required to submit its next year's calendar for review and approval prior to being sent to the state. The administrative team and key staff collaborated to design the 2023-2024 calendar, which meets all the state criteria, administrative rules, and state statute.

### **PUBLIC EDUCATION MATERIALS DEVELOPMENT POLICY**

LEAs are required to develop and maintain a policy regarding public education materials that are developed with the LEA's funds. This policy explains how MHA's curriculum is built from open educational resources and outlines how such resources and other public education materials developed with the school's funds are shared with third parties, including by way of a CC-BY license. The policy describes how a CC-BY license works, how third parties must give proper attribution to the school and author(s) when using their materials, and how the school may not charge third parties for using their materials under a CC-BY license. This policy also specifies that school employees may not develop "sensitive materials" with school funds, and it sets forth the rules related to employees developing public education materials without school funds.

### **EMPLOYEE HANDBOOK**

Employee Handbook: At the board chair's request, Gabe reviewed portions of the handbook specific to employee location and updated them to match historical practice and procedures for employees who move out of state.

# MOUNTAIN HEIGHTS ACADEMY BOARD OF TRUSTEES MEETING



**Date:** Friday, October 28, 2022

**Location:** 9067 S. 1300 W. #204; West Jordan, UT 84088

**Board Members in Attendance:** Gavin Hutchinson, Kari Malkovich, Wade Glathar, Quinn Sutton, Royce Kimmons

**Others in Attendance:** Dr. DeLaina Tonks, Gabe Clark, Kara Finley, Cathie Hurst, Stacey Phillips, Mike Boss, Shannon Greer

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## MINUTES

### CALL TO ORDER

- Gavin Hutchinson called the board meeting to order at 9:33 AM.

### CONSENT ITEMS

- August 25, 2022 Board Meeting Minutes**  
*Wade Glathar made a motion to approve the August 25, 2022 Board Meeting Minutes; Quinn Sutton seconded. Motion passed; the votes were as follows:*
  - Gavin Hutchinson – AYE
  - Wade Glathar – AYE
  - Quinn Sutton – AYE
  - Royce Kimmons – AYE

### PUBLIC COMMENT

- The school recognized Mike Boss who has served on the School LAND Trust Committee for the last two years.  
*Kari Malkovich joined the meeting at 9:37 AM.*
- A letter was read to the board from Sara Scholes who expressed gratitude for the tuition-reimbursement program.

### REPORTS

- Finance Report**  
Cathie Hurst reviewed the current financial statements, including revenue based on enrollment and expenses, noting the revenue from local sources. The balance sheet is as anticipated and there is good cash flow.
- Director Report**  
DeLaina Tonks provided an update on the current state of the school, including concurrent

enrollment courses being offered, school achievement, and enrollment. Back to school photos of the watermelon rubber band competition were discussed.

## **VOTING ITEMS**

- **LEA-Specific Licenses**

The candidate has submitted an endorsement application to become qualified and the school is waiting for the state to approve.

*Kari Malkovich made a motion to approve the LEA-Specific License for Sandy Wall; Wade Glathar seconded. Motion passed; the votes were as follows:*

- *Gavin Hutchinson – AYE*
- *Kari Malkovich – AYE*
- *Wade Glathar – AYE*
- *Quinn Sutton – AYE*
- *Royce Kimmons – AYE*

- **Tuition Reimbursement Agreements**

Melissa Hesterman will be working on her master's degree through WGU. The teacher has been with the school for over a decade.

*Wade Glathar made a motion to approve the tuition reimbursement agreement with Melissa Hesterman; Quinn Sutton seconded. Motion passed; the votes were as follows:*

- *Gavin Hutchinson – AYE*
- *Kari Malkovich – AYE*
- *Wade Glathar – AYE*
- *Quinn Sutton – AYE*
- *Royce Kimmons – AYE*

- **Genius SIS**

Genius SIS is the student information system being utilized and allows the school to track enrollment, student information, grades, and more.

- **Global Teletherapy/Presence Learning Addendum**

Global Teletherapy is now Presence Learning, and they provide online related services for special education.

- **Research Proposal**

Ms. Arnesen would like to survey students about self-regulation skills in the online setting, then do some follow up interviews. The administrative team has reviewed and supports this research. Parent permission will be requested to participate in the study.

- **Parent and Student Handbook**

The handbook has been updated to include a dress code for students attending school-sponsored activities.

*Shannon Greer joined the meeting at 9:59 AM.*

- **Amended Bullying and Hazing Policy**

The policy has been updated based on recent legislation and now includes the definition of a volunteer, training requirements, and the appointment of someone to oversee responsibilities at the school. The potential for cyber bullying was discussed.



- **Amended Electronic Meetings Policy**

Electronic meetings will now require board participants to be able to hear and verbally participate to be considered present. Voting during an electronic meeting was considered.

- **Amended Parent Involvement Policy**

The policy has been amended to include English Language Learners. The school is looking at how information is provided to families and the mode of communication.

*Kari Malkovich made a motion to approve the Genius SIS, the Global Teletherapy/Presence Learning Addendum, the research request from Karen Arnesen, the updated Parent and Student Handbook, the amended Bullying and Hazing Policy, the amended Electronic Meetings Policy, and the amended Parent Involvement Policy; Wade Glathar seconded. Motion passed; the votes were as follows:*

- *Gavin Hutchinson – AYE*
- *Kari Malkovich – AYE*
- *Wade Glathar – AYE*
- *Quinn Sutton – AYE*
- *Royce Kimmons – AYE*

## **TRAINING**

- **Accountability Report Card**

Stacey Phillips reviewed the background of the school accountability report card and how the information is accessed. Mountain Heights Academy is in the commendable category and the indicators weighted to the overall score were provided. The 2018-2019 report card was compared to the 2021-2022 report card.

## **CALENDARING**

- The next board meeting is scheduled for December 16, 2022 at 9:30 AM.

## **ADJOURN**

- *Quinn Sutton made a motion to adjourn the board meeting; Kari Malkovich seconded. Board meeting adjourned at 10:22 AM.*



**Fee Schedule  
2023-2024**

<b>Optional</b> Course-Specific Fee	\$85.00 - \$100.00	Concurrent Enrollment (CE) College Course Testing fee: Fee for students enrolled in CE courses with required course testing
<b>Optional</b> Course-Specific Fee	\$85.00 - \$100.00	Concurrent Enrollment (CE) College Course Textbook fee: Fee for students enrolled in CE courses with required textbooks

**Per Student Annual Maximum Fee Amount for School Year:**

Required: \$0.00

Optional Course-specific: +/- \$100.00

**Total: +/- \$100.00**

**Notice to Parents:** Your student may be eligible to have one or more of their fees waived. For information on fees and fee waivers, please contact an administrator at Mountain Heights Academy and/or review the school fees and fee waiver materials on the School's website: [www.mountainheightsacademy.org](http://www.mountainheightsacademy.org). If your student files a fee waiver request with the School and the request is denied, you may appeal the School's decision.

Please note that charges related to any loss of or damage to School property are not subject to fee waiver requirements. The current laptop replacement/damage cost is \$300.00. The cost to recover a laptop that is not returned to the office is \$25.00. Fees that are left unpaid will be assessed a \$10.00 per month late fee.

**Mountain Heights Academy**  
**Fee Waiver Policy**  
**Adopted: October 14, 2009**  
**Amended: October 5, 2018**  
**Amended: February 14, 2020**  
**Amended: August 28, 2020**  
**Reapproved: December 18, 2020**  
**Reapproved: February 11, 2022**

**Purpose**

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

**Policy**

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

**Definitions**

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

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

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

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

"Extracurricular activity"

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

"Fee" means something of monetary value requested or required by the School as a condition to a student's participation in an activity, class, or program provided, sponsored, or supported by the School. This includes money or something of monetary value raised by a student or the student's family through fundraising.

“Instructional equipment”

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

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

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

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

- (a) is a personal discretionary charge or purchase, including:
  - (i) a charge for insurance, unless the insurance is required for a student to participate in an activity, class, or program;
  - (ii) a charge for college credit related to the successful completion of:
    - (A) a concurrent enrollment class; or
    - (B) an advanced placement examination; or

- (iii) except when requested or required by the School, a charge for a personal consumable item such as a yearbook, class ring, letterman jacket or sweater, or other similar item;
- (b) is subject to sales tax as described in Utah State Tax Commission Publication 35, Sales Tax Information for Public and Private Elementary and Secondary Schools; or
- (c) by Utah Code, federal law, or State Board of Education rule is designated not to be a fee, including:
  - (i) a school uniform as provided in Utah Code § 53G-7-801;
  - (ii) a school lunch; or
  - (iii) a charge for a replacement for damaged or lost School equipment or supplies.

"Provided, sponsored, or supported by the School"

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

"Provision in lieu of fee waiver"

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

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

- (a) fully participate in school or in a School activity, class, or program;
- (b) successfully complete a School class for the highest grade; or
- (c) avoid a direct or indirect limitation on full participation in a School activity, class, or program, including limitations created by:

- (i) peer pressure, shaming, stigmatizing, bullying, or the like; or
- (ii) withholding or curtailing any privilege that is otherwise provided to any other student.

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

"Something of monetary value"

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

(b) includes:

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

“Textbook”

(a) means instructional material necessary for participation in an activity, course, or program, regardless of the format of the material;

(b) includes:

- (i) a hardcopy book or printed pages of instructional material, including a consumable workbook; or
- (ii) computer hardware, software, or digital content.

(c) does not include instructional equipment or instructional supplies.

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

### **General School Fees Provisions**

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

Beginning with the 2021-2022 school year:

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

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

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

### **Fees for Classes & Activities During the Regular School Day**

Fees may be charged in grades 7-12 in connection with an activity, class, or program provided, sponsored, or supported by the School that takes place during the regular school day if the fee is approved as provided in this policy and state law. All such fees are subject to waiver. In addition, if an established or approved class requires payment of fees or purchase of items (i.e., tickets to events, etc.) in order for students to fully participate and to have the opportunity to acquire all skills and knowledge required for full credit and highest grades, the fees or costs for the class are subject to waiver.

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

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

### **Fees for Optional Projects**

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

avoid allowing high cost additional projects, particularly when authorizing an additional discretionary project results in pressure on a student by teachers or peers to also complete a similar high cost project.

### **Fees for Activities Outside of the Regular School Day**

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

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

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

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

### **Fee Schedule**

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

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

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



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

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

### **Maximum Fee Amounts**

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

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

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

### **Notice to Parents**

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

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

## **Donations**

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

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

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

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

## **Fee Collection**

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

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

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

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

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

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

### **Fee Refunds**

Student fees are non-refundable.

### **Budgeting and Spending Revenue Collected Through Fees**

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

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

### **School Fee Collections & Accounting Procedures**

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

Fees must be received and deposited in a timely manner.

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

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

### **Fee Waiver Provisions**

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

All fees are subject to waiver.

Non-waivable charges are not subject to waiver.

### **Fee Waiver Administration**

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

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

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

### **Fee Waiver Eligibility**

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

- (a) In accordance with Utah Code § 53G-7-504(4), family income falls within levels established annually by the State Superintendent and published on the Utah State Board of Education website;
- (b) The student to whom the fee applies receives Supplemental Security Income (SSI). If a student receives SSI, the School may require a benefit verification letter from the Social Security Administration;

- (c) The family receives TANF funding. If a student's family receives TANF, the School may require a letter of decision covering the period for which the fee waiver is sought from the Utah Department of Workforce Services; or
- (d) The student is in foster care through the Division of Child and Family Services or is in state custody. If a student is in state custody or foster care, the School may rely on the youth in care required intake form or school enrollment letter provided by a caseworker from the Utah Division of Child and Family Services or the Utah Juvenile Justice Department.

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

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

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

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

### **Fee Waiver Approval Process**

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

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

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

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

### **Appeal Process**

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

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

### **Alternatives to Fees and Fee Waivers**

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

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

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

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

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

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

### **Annual Review, Approval, and Training**

The Board will review and approve this policy annually.

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



November 15, 2022

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

We have audited the financial statements of Mountain Heights Academy as of and for the year ended June 30, 2022, and have issued our report thereon dated November 15, 2022. Professional standards require that we advise you of the following matters relating to our audit.

#### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our letter dated May 3, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

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

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

We have provided our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards dated November 15, 2022.

#### **Planned Scope and Timing of the Audit**

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



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

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

## **Significant Risks Identified**

As stated in our auditor's report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks." We have identified the following as significant risks:

- **Management Override of Controls** – Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we identified as a significant risk that management of the organization may have the ability to override controls that the organization has implemented. Management may override the organization's controls in order to modify the financial records with the intent of manipulating the financial statements to overstate the organization's financial performance or with the intent of concealing fraudulent transactions.
- **Revenue Recognition** – We identified revenue recognition as a significant risk due to financial and operational incentives for the organization to overstate revenues.

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

### *Significant Accounting Policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School are described in Note 1 to the financial statements. As described in Note 1, the School changed accounting policies related to accounting for leases to adopt the provisions of GASB Statement No. 87, Leases. Accordingly, the accounting change has been retrospectively applied to the financial statements beginning July 1, 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

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

### *Financial Statement Disclosures*

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

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

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

## **Uncorrected and Corrected Misstatements**

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

## **Disagreements with Management**

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

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

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

## **Representations Requested from Management**

We have requested certain written representations from management that are included in the management representation letter dated November 15, 2022.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings, or Issues**

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

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

*Eide Bailly LLP*

Ogden, Utah



Financial Statements  
June 30, 2022

# Mountain Heights Academy

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## Independent Auditor's Report

The Board of Directors  
Mountain Heights Academy  
West Jordan, Utah

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities and the major fund of Mountain Heights Academy (the School) as of and for the year ended June 30, 2022, 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, 2022, 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.

#### *Adoption of New Accounting Standard*

As discussed in Note 7 to the financial statements, the School has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2021, to restate beginning net position. Our opinions are not modified with respect to this matter.

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

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

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

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

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of revenue, expenditures, and changes in fund balance – budget and actual – general fund and notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 15, 2022, 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 dark ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Ogden, Utah  
November 15, 2022



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

## **FINANCIAL HIGHLIGHTS**

Many students and parents have historically chosen the School since it has been online since inception and is well known for their online teaching approach. Therefore, during fiscal year 2021, the School substantially increased in enrollment due to the nature of the COVID-19 pandemic as parents and students leaned toward online learning options. During fiscal year 2022, however, enrollment dipped back down closer to pre-pandemic numbers.

There was an increase in the Weighted Pupil Unit (WPU) of about 6% for fiscal year 2022, which helped offset employee raises. The Director and Board of Directors (Board) continue to monitor spending wisely since it is still unknown what the future of the pandemic, enrollment, and other factors will look like going forward.

## **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) provide readers with a broad overview of the School's finances. The government-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies.

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

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

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

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

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

### **Fund Financial Statements (FFS)**

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

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

### **Governmental Funds**

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

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

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

### **Notes**

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

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

### Government-Wide Financial Analysis

Net position may serve as a useful indicator of an organization's financial position. For the School it is a positive indicator since it is strong and continues to increase year after year.

	2022	2021
Assets		
Current and other assets	\$ 10,314,541	\$ 9,016,520
Capital assets	590,625	41,627
Total assets	<u>\$ 10,905,166</u>	<u>\$ 9,058,147</u>
Liabilities		
Current liabilities	\$ 807,141	\$ 745,379
Long-term liabilities	525,225	-
Total liabilities	<u>1,332,366</u>	<u>745,379</u>
Net Position		
Net investment in capital assets	65,400	41,627
Restricted	30,273	32,852
Unrestricted	<u>9,477,127</u>	<u>8,238,289</u>
Total net position	<u>\$ 9,572,800</u>	<u>\$ 8,312,768</u>

A portion of the School's net position is the investments in capital assets (i.e., furniture and equipment, computer hardware, capital improvements, and right-to-use leased office space) and the related debt used to acquire those assets still outstanding. These capital assets provide services to students; consequently, these assets are not available for future spending. Restricted net position is restricted for program restrictions. The remaining portion of the School's net position is unrestricted.

### Governmental Activities

Changes in Net Position – The table below shows the changes in net position for the fiscal years 2022 and 2021. The School relies on state and federal support for 99% of its governmental activities for the year ended June 30, 2022. The School had total revenue of \$11,327,247 and total expenses of \$10,067,215, during the year ended June 30, 2022. The School had an increase in net position of \$1,260,032 during the year ended June 30, 2022. Although there was lower enrollment in fiscal year 2022, the School still ended the year with a healthy change in net position. This is in part, due to the efficient and effective monitoring of the budget and finances by the Director and Board.

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Revenue			
Program revenue			
State and federal aid	\$ 11,228,141	\$ 12,195,054	\$ (966,913)
Operating grants and contributions	2,783	8,415	(5,632)
Other local revenue	<u>96,323</u>	<u>143,360</u>	<u>(47,037)</u>
Total revenue	<u>11,327,247</u>	<u>12,346,829</u>	<u>(1,019,582)</u>
Expenses			
Instructional	6,485,786	6,246,061	239,725
Support services			
Students	1,230,807	1,435,981	(205,174)
Staff assistance	159,648	55,007	104,641
School administration	1,249,220	1,433,546	(184,326)
Central services	669,273	481,066	188,207
Operation and maintenance of facilities	244,144	252,224	(8,080)
Interest and other costs	<u>28,337</u>	<u>-</u>	<u>28,337</u>
Total expenses	<u>10,067,215</u>	<u>9,903,885</u>	<u>163,330</u>
Change in Net Position	<u>\$ 1,260,032</u>	<u>\$ 2,442,944</u>	<u>\$ (1,182,912)</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 \$9,507,400, which is an increase of \$1,236,259 from the prior year. The School's Board and administration budgeted for a small surplus in fiscal year 2022. However, salaries and benefits came in well under budget, along with supplies. Good fiscal responsibility and monitoring is also a factor that can help to maintain an increase going forward.

Expenditures for general School purposes totaled \$10,090,988, which is an increase of \$180,362 from the prior year. The most significant part of the increase in expenditures for fiscal year 2022 was due to purchased services, including a Board approved field trip to Washington DC for some students (new in fiscal year 2022) and increased professional development for teacher and salary increases.

General fund salaries totaled \$5,807,574, while the associated fringe benefits of retirement, social security, unemployment, workers compensation, health, dental, and vision added \$2,180,451 to arrive at 79% 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 \$530,327 less than the amended budget. The amended budget was prepared with a conservative approach, which included some budgeted year-end expenditures that were a lesser amount or were not made in fiscal year 2022.

### **Capital Assets**

The School has invested \$828,705 in a wide range of capital assets, but primarily in right-to-use leased office space. The total accumulated depreciation and amortization on these assets amounts to \$238,080. There were capital asset additions of \$47,956 for fiscal year 2022. 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 a lease payable for leased office space. See Note 4 to the financial statements for more information about long-term debt.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board Chair, Gavin Hutchinson, at Mountain Heights Academy, 9067 S 1300 W #204, West Jordan, UT 84088, or by email at [gavin.hutchinson@mountainheightsacademy.org](mailto:gavin.hutchinson@mountainheightsacademy.org).

Mountain Heights Academy  
Statement of Net Position  
June 30, 2022

	<u>Governmental Activities</u>
Assets	
Cash and investments	\$ 10,125,010
State receivables	80,801
Federal receivables	94,624
Other receivables	2,571
Prepaid expenses	11,535
Capital assets (net of accumulated depreciation and amortization)	<u>590,625</u>
Total assets	<u>10,905,166</u>
Liabilities	
Accounts payable	75,017
Accrued liabilities	731,124
Unearned revenue	1,000
Long-term liabilities	
Due within one year - lease payable	201,956
Due in more than one year - lease payable	<u>323,269</u>
Total liabilities	<u>1,332,366</u>
Net Position	
Net investment in capital assets	65,400
Restricted for	
Special education	30,273
Unrestricted	<u>9,477,127</u>
Total net position	<u><u>\$ 9,572,800</u></u>

# Mountain Heights Academy

## Statement of Activities

Year Ended June 30, 2022

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	\$ 6,485,786	\$ -	\$ 4,598,516	\$ (1,887,270)
Support services				
Students	1,230,807	-	-	(1,230,807)
Staff assistance	159,648	-	-	(159,648)
School administration	1,249,220	-	-	(1,249,220)
Central services	669,273	-	-	(669,273)
Operation and maintenance of facilities	244,144	-	-	(244,144)
Interest and other costs	28,337	-	-	(28,337)
Total Governmental Activities	<u>\$ 10,067,215</u>	<u>\$ -</u>	<u>\$ 4,598,516</u>	<u>(5,468,699)</u>
General Revenue				
Grants and contributions not restricted to specific programs				
State aid				6,632,408
Local revenue				27,023
Interest earnings				36,522
Miscellaneous				<u>32,778</u>
Total general revenue				<u>6,728,731</u>
Change in Net Position				1,260,032
Net Position, Beginning of Year				<u>8,312,768</u>
Net Position, End of Year				<u>\$ 9,572,800</u>

Mountain Heights Academy  
Balance Sheet – Governmental Funds  
June 30, 2022

	<u>General</u>
Assets	
Cash and investments	\$ 10,125,010
State receivables	80,801
Federal receivables	94,624
Other receivables	2,571
Prepaid expenses	<u>11,535</u>
Total assets	<u><u>\$ 10,314,541</u></u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 75,017
Accrued liabilities	731,124
Unearned revenue	<u>1,000</u>
Total liabilities	<u>807,141</u>
Fund Balance	
Nonspendable	
Prepaid expenses	11,535
Restricted for	
Special education	30,273
Unassigned	<u>9,465,592</u>
Total fund balance	<u>9,507,400</u>
	<u><u>\$ 10,314,541</u></u>



Mountain Heights Academy  
Reconciliation for Governmental Funds Balance Sheet to the Statement of Net Position  
June 30, 2022

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Total Fund Balance - Governmental Funds	\$	9,507,400
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The cost of capital assets (furniture and equipment, computer hardware, capital improvements, and right-to-use leased office space) purchased or constructed is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the School as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation and amortization expense) to the various programs reported as governmental activities in the statement of activities. Because depreciation and amortization expense does not affect financial resources, it is not reported in government funds.

Costs of capital assets	828,705		
Depreciation and amortization expense to date	<u>(238,080)</u>		
			590,625

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

Long-term liabilities			
Lease payable	<u>(525,225)</u>		
			<u>(525,225)</u>

Net Position	\$	<u><u>9,572,800</u></u>
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**Mountain Heights Academy**  
**Statement of Revenue, Expenditures, and Changes in Fund Balance – Governmental Funds**  
**Year Ended June 30, 2022**

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	<u>General</u>
Revenue	
State aid	\$ 10,925,498
Federal aid	302,648
Earnings on investments	36,522
School fees	22,548
Other local sources	40,031
	<u>11,327,247</u>
Total revenue	
Expenditures	
Instructional	<u>6,485,786</u>
Support services	
Students	1,230,807
Staff assistance	159,648
School administration	1,249,220
Central services	669,273
Operation and maintenance of facilities	<u>29,640</u>
Total support services	<u>3,338,588</u>
Non instructional	
Capital outlay	<u>47,956</u>
Debt service	
Principal	190,321
Interest and other costs	<u>28,337</u>
Total debt service	<u>218,658</u>
Total expenditures	<u>10,090,988</u>
Net Change in Fund Balance	1,236,259
Fund Balance, Beginning of Year	<u>8,271,141</u>
Fund Balance, End of Year	<u><u>\$ 9,507,400</u></u>

**Mountain Heights Academy**  
Reconciliation of Governmental Funds Statement of Revenue, Expenditures,  
and Changes in Fund Balance to the Statement of Activities  
Year Ended June 30, 2022

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Total Net Change in Fund Balance - Governmental Funds	\$	1,236,259
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which depreciation and amortization expense exceeded capital outlays during the fiscal year:

Capital outlay	47,956		
Depreciation and amortization expense	<u>(214,504)</u>		(166,548)

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

Repayment of lease payable principal	<u>190,321</u>		<u>190,321</u>
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Change in Net Position of Governmental Activities	\$	<u><u>1,260,032</u></u>
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## **Note 1 - Summary of Significant Accounting Policies**

Mountain Heights Academy (the School), formerly known as Open High School of Utah, Inc., was formed in 2008 and is nonprofit institution, which was organized under the nonprofit corporation laws of the State of Utah. The School was established by a group of parents, teachers, and community leaders in West Jordan, Utah, that was not governed by the local school district. The School provides educational opportunities for students that offers more flexibility and utilizes, to the extent possible, open-source curriculum. The School provides the following activities: education, encompassing instruction, student, and staff support activities and facilities maintenance and operation. Supporting services include general and administrative services which are overall entity-related administrative costs.

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

### **Financial Reporting Entity**

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

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

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

### **Governmental Funds**

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

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

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

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

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

**Program Revenue**

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

**Fund Financial Statements (FFS)****Governmental Funds**

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

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

**Revenue**

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

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

**Expenditures**

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

**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, 2022.

**Estimates**

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

**Capital Assets**

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated acquisition value at the date of donation. Estimated useful lives are management's estimate of how long the asset is expected to meet service demands.

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

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

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.

### **Leases**

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

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

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

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

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

### **Restricted Net Position**

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

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

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

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

**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 would typically use restricted fund balances first, followed by committed resources, and the assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

### **Grants and Other Intergovernmental Revenue**

Federal and state reimbursement-type grants are recorded as intergovernmental revenue when the related expenditures/expenses are incurred and, in the governmental funds, when the revenue meets the availability criterion.



## Implementation of GASB Statement No. 87

As of June 30, 2022, the School adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position is disclosed in Note 7 and the additional disclosures required by this standard is included in Note 4.

## Note 2 - Cash and Investments

At June 30, 2022, the School's cash and investments consisted of the following:

Cash			
Insured		\$ 250,000	
Uninsured and not collateralized		<u>1,671,028</u>	
Total bank balance of deposits		<u><u>\$ 1,921,028</u></u>	
	<u>Rating</u>	<u>Fair Value</u>	<u>Investment Maturities</u>
Investments			
PTIF	Unrated	<u><u>\$ 8,203,982</u></u>	Less than 1 year
Total cash and investments		<u><u>\$ 10,125,010</u></u>	

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

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

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

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

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

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

#### *Fair Value of Investments*

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

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

The investments consist only of PTIF funds which are classified as Level 2. The PTIF funds use the application of the June 30, 2022, fair value as calculated by the Utah State Treasurer, to the School's average daily balance in the Fund. The School currently has no assets that qualify for Level 1 or 3 investments. The following table illustrates the investments by the appropriate levels for the School:

	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
June 30, 2022				
PTIF	\$ 8,203,982	\$ -	\$ 8,203,982	\$ -

**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, 2021	Additions	Deletions	June 30, 2022
Governmental activities				
Capital assets				
Furniture and equipment	\$ 38,000	\$ -	\$ -	\$ 38,000
Computer hardware	231,771	-	(223,428)	8,343
Capital improvements	18,860	47,956	-	66,816
Right-to-use lease office	715,546	-	-	715,546
Total capital assets	<u>1,004,177</u>	<u>47,956</u>	<u>(223,428)</u>	<u>828,705</u>
Less accumulated depreciation/amortization for				
Furniture and equipment	(18,635)	(4,310)	-	(22,945)
Computer hardware	(228,369)	(1,669)	223,428	(6,610)
Capital improvements	-	(4,083)	-	(4,083)
Right-to-use lease office	-	(204,442)	-	(204,442)
Total accumulated depreciation/amortization	<u>(247,004)</u>	<u>(214,504)</u>	<u>223,428</u>	<u>(238,080)</u>
Total capital assets, subject to depreciation/amortization	<u>757,173</u>	<u>(166,548)</u>	<u>-</u>	<u>590,625</u>
Total capital assets, net	<u>\$ 757,173</u>	<u>\$ (166,548)</u>	<u>\$ -</u>	<u>\$ 590,625</u>

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

### Note 4 - Leases

In 2019, the School entered into an agreement to lease office space for 45 months and was amended in August 2020 to add another 24 months. An initial lease liability was recorded in the amount of \$715,546. As of June 30, 2022, the value of the lease liability was \$525,225. Under the terms of the lease, the School pays a monthly base fee of \$17,988, increasing 3.0% annually on the anniversary of the agreement. The right-to-use asset is being amortized over a period of 42 months, the remaining life of the lease as of July 1, 2021. The value of the right-to-use asset as of June 30, 2022, was \$715,546 and had accumulated amortization of \$204,442. The School used a discount of 4.50%, based on an estimated incremental borrowing rate.

Remaining obligations associated with this lease is as follows:

<u>Years ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 201,956	\$ 19,504	\$ 221,460
2024	212,621	10,213	222,834
2025	110,648	1,456	112,104
Total	<u>\$ 525,225</u>	<u>\$ 31,173</u>	<u>\$ 556,398</u>

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

The School's principal source of support is state and federal-based support revenue. For the year ended June 30, 2022, this funding source accounted for approximately 99% of all revenue.

#### **Note 6 - Benefit Plan**

The School has a defined contribution retirement plan covering all full-time, salaried employees. The plan is administered by Helpside, an outsourcing company that the School has contracted with to perform its payroll and retirement functions. Eligible employees may contribute into an account at their option and discretion. The School matches up to 100% of employee contributions up to 3% of the employee's salary and an additional 50% of employee contributions up to an additional 2% of the employee's salary. For the year ended June 30, 2022, the School matched \$249,245.

#### **Note 7 - Adoption of New Standard**

As of July 1, 2021, the School adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Beginning net position was restated to adopt the provisions of GASB Statement No. 87 as follows:

	<u>Governmental Activities</u>
Net position at June 30, 2021, as previously reported	\$ 8,312,768
Add right-to-use intangible asset, net of amortization under GASB Statement No. 87 at July 1, 2021	715,546
Less lease liability under GASB Statement No. 87 at July 1, 2021	<u>(715,546)</u>
Net position at July 1, 2021, as adjusted	<u><u>\$ 8,312,768</u></u>



Required Supplementary Information  
June 30, 2022

## Mountain Heights Academy

# Mountain Heights Academy

## Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget- Positive (Negative)
Revenue				
State aid	\$ 10,558,393	\$ 10,558,393	\$ 10,925,498	\$ 367,105
Federal aid	215,837	215,837	302,648	86,811
Earnings on investments	20,000	25,000	36,522	11,522
School fees	50,000	25,000	22,548	(2,452)
Other local sources	20,000	20,000	40,031	20,031
Total revenue	10,864,230	10,844,230	11,327,247	483,017
Expenditures				
Instructional	7,150,190	7,399,323	6,485,786	913,537
Support services				
Students	828,249	1,015,041	1,230,807	(215,766)
Staff assistance	139,671	165,371	159,648	5,723
School administration	1,151,262	1,320,080	1,249,220	70,860
Central services	327,000	315,000	669,273	(354,273)
Operation and maintenance of facilities	354,100	310,544	29,640	280,904
Facilities acquisition	-	48,000	-	48,000
Total support services	2,800,282	3,174,036	3,338,588	(164,552)
Non instructional				
Capital outlay	-	47,956	47,956	-
Debt service				
Principal	-	-	190,321	(190,321)
Interest	-	-	28,337	(28,337)
Total debt service	-	-	218,658	(218,658)
Total expenditures	9,950,472	10,621,315	10,090,988	530,327
Net Change in Fund Balance	\$ 913,758	\$ 222,915	\$ 1,236,259	\$ 1,013,344



**Note 1 - Basis of Budgeting**

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

1. The School's Principal is appointed as the budget officer. Before June 1 of each year, the budget officer shall prepare a tentative budget, with supporting documentation, to be submitted to the Board.
2. The tentative budget and supporting documents shall include the following items:
  - a. The revenue and expenditures of the preceding fiscal year
  - b. The estimated revenue and expenditures of the current fiscal year
  - c. A detailed estimate of the essential expenditures for all the purposes for the next succeeding fiscal year, and
  - d. The estimated financial condition of the School at the close of the fiscal year
3. The tentative budget shall be filed with the School's Principal for public inspection at least 15 days before the date of the tentative budget's proposed adoption by the Board.
4. Before June 30 of each year, the Board of Directors will adopt a budget for the next fiscal year.
5. By the sooner of July 15 or 30 days of adopting a budget, the Board will file a copy of the adopted budget with the state auditor and the State Board of Education.



Compliance Reports  
June 30, 2022

## Mountain Heights Academy



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

The Board of Directors  
Mountain Heights Academy  
West Jordan, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of Mountain Heights Academy (the School), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and the related notes to the financial statements and have issued our report thereon dated November 15, 2022.

**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 may exist that have not been 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 "Eide Sautley LLP". The signature is written in a cursive, flowing style.

Ogden, Utah  
November 15, 2022



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

The Board of Directors  
Mountain Heights Academy  
West Jordan, Utah

**Report on Compliance**

We have audited Mountain Heights Academy's (the School) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended June 30, 2022.

State compliance requirements were tested for the year ended June 30, 2022, in the following areas:

Budgetary Compliance  
Fraud Risk Assessment  
Public Treasurer's Bond  
Internal Control Systems  
Public Education Programs

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

## Opinion on Compliance

In our opinion, the School complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2022.

## Report on Internal Control over Compliance

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

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

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

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



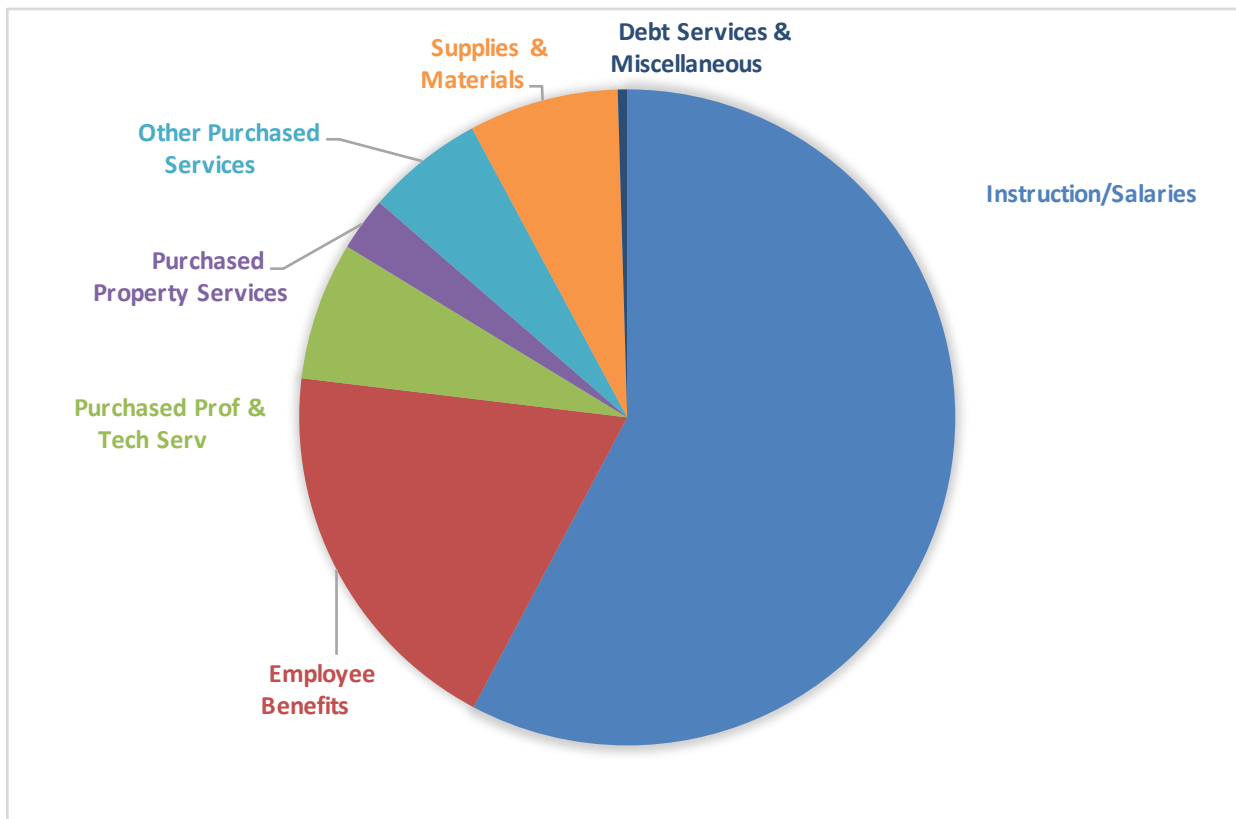
Ogden, Utah  
November 15, 2022

# Mountain Heights Academy

## Board Profit and Loss

### 7/1/2022 - 11/30/2022

	Annual June 30, 2023	Year-to-Date November 30, 2022	
	Budget	Actual	% of Budget
<b>Net Income</b>			
Income			
Revenue From Local Sources	65,000	110,173	169.5 %
Revenue From State Sources	10,195,857	4,790,937	47.0 %
Revenue From Federal Sources	276,087	0	0.0 %
<b>Total Income</b>	<b>10,536,944</b>	<b>4,901,110</b>	<b>46.5 %</b>
Expenses			
Instruction/Salaries	6,225,588	2,035,764	32.7 %
Employee Benefits	2,202,104	674,577	30.6 %
Purchased Prof & Tech Serv	677,000	240,118	35.5 %
Purchased Property Services	317,499	93,481	29.4 %
Other Purchased Services	410,290	203,992	49.7 %
Supplies & Materials	527,688	260,063	49.3 %
Debt Services & Miscellaneous	26,000	16,307	62.7 %
<b>Total Expenses</b>	<b>10,386,169</b>	<b>3,524,302</b>	<b>33.9 %</b>
<b>Total Net Income</b>	<b>150,775</b>	<b>1,376,808</b>	<b>913.2 %</b>



**Mountain Heights Academy**  
**Board Balance Sheet**  
**As of 11/30/2022**

	Period Ending 11/30/2022	Period Ending 11/30/2021
	Actual	Actual
<b>Assets &amp; Other Debits</b>		
Current Assets		
Operating Cash		
Cash	1,097,762	4,468,196
Investments	9,794,728	5,174,770
Operating Cash	10,892,490	9,642,966
Accounts Receivables	4,750	3,512
Total Current Assets	10,897,240	9,646,478
Net Assets		
Fixed Assets	828,703	288,631
Depreciation	(238,079)	(247,004)
Total Net Assets	590,624	41,627
<b>Total Assets &amp; Other Debits</b>	<b>11,487,864</b>	<b>9,688,105</b>
<b>Liabilities &amp; Fund Equity</b>		
Current Liabilities	13,786	13,729
Long-Term Liabilities	525,225	0
Fund Balance	9,572,801	8,312,768
Net Income	1,376,052	1,361,608
<b>Total Liabilities &amp; Fund Equity</b>	<b>11,487,864</b>	<b>9,688,105</b>





**Mountain Heights Academy**  
LEADERS IN DIGITAL EDUCATION

# Executive Director's Report December 2022

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## VISION

Mountain Heights Academy is the leader in digital education.

## MISSION

To develop connected and successful learners.

## STUDENT ACHIEVEMENT & ACTIVITY

From Dr. William Evans, staff for the State Charter School Board:

Dear Kimari Perng, I am thrilled to tell you that your piece “Beautifully Broken” was selected as the winner of this year’s Student Art Competition. The results were announced last Thursday at the State Charter School Board’s December Meeting, and your piece will be put on the cover of this year’s SCSB Annual Report.

Congratulations! Your piece was truly exceptional, and we’re thrilled that we can highlight such a talented artist.





**Sensory Bottles and Kindness Rocks 10/4/22:**

Students participated in a service learning project while having fun and using their creativity! The first project they focused on helped Mountain Heights Academy donate 36 sensory bottles to multiple preschool classrooms located in Cache Valley. These bottles help preschool students calm themselves and refocus while also aligning with the curriculum they learn that week by incorporating themes (the color yellow, dinosaurs, etc.). The second project goal was to spread happiness and hope by painting "Kindness Rocks" to place throughout students' neighborhoods and parks. Students enjoyed being able to pay it forward to their local communities!

**Middle School Adventure Day 10/10/22:**

In October, MHA organized a Middle School Adventure at the CLAS Ropes Course in Provo. CLAS group leaders lead our grade-level groups on multiple adventures. We spent the first part of the day doing low ropes course activities and group games that required communication, leadership, collaboration, and creative thinking. After lunch the groups participated in the high swing, zip line, high ropes course, and other amazing activities. This was a "challenge by choice" opportunity and all of the participants—students and staff—stepped out of their comfort zones and tried hard things.

**Halloween Escape Rooms 10/26/22:**

For Halloween this year, we hosted 2 escape rooms and divided our students up into Middle and High School to see if they had what it takes to escape! Our Middle Schoolers were spies racing against the clock to take down the W.A.R.

facilities while our High School students had to fight a horde of zombies to save the last pizza on earth. Both groups escaped in the nick of time and enjoyed yummy Halloween treats after.

#### **Hogle Zoo Field Trip 11/10/22:**

It was a chilly day at the Hogle Zoo but the animals didn't mind. Thirty STEM Club students braved the cold and ventured out to the zoo to see animals from all over the world. Two favorites were the baby zebra named "Corkey" and the new red panda exhibit. The best part of all was seeing all of the new student friendships that were created because of this fun outing.



#### **This is the Place Field Trip 11/14/22:**

During the This is the Place Heritage Park field trip students experienced what school was like for young pioneer children in Utah and some of the difficulties of pulling and pushing a handcart. Students learned the tricks of the trade from a real blacksmith! The tour ended with an educational ride on the train as students viewed other buildings and moments of the park. This visit to the park coincided with the pioneer unit in the English 7/Utah Studies course, allowing students to better understand the people they are learning about in class.





## STUDENT PERFORMANCE

### UPDATES FOR THIS SECTION: #1, #3

1. [Student Performance Spreadsheet](#) (2022-2023 Q1, **updated 11/2022**)
2. [2021-2022 Statewide Online Education Program Year-End Report](#) (2021-2022, updated 6/2022)
3. [2023 Graduation Status Report](#) (**updated 11/2022**)
4. [Concurrent Enrollment Growth Report](#) (updated 6/2022)
5. [Longitudinal Grad Data](#) (updated 11/2021)
6. [Comparative Graduation Rate Data for Like Schools in Utah 2017-2021](#) (12/2021)
7. [Math Competency Report for 2022](#) (updated 09/2022)
8. [Online School Test Score Comparison 2021-2022](#) (updated 10/2022)
9. School Report Card 2022 (See October Executive Director's Report) School Grade 202-2022: B

## LOTTERY

1. [Lottery Numbers Tracking 2021-2022](#) (see 2022-2023 tab)

Date	Total enrolled	New, Enrollment Completed	In queue
Q1 count/10.01.2022	984	35	60
Q2 count	1055	102 (accounts for WD + net new)	52
Q3 count			
Q4 count			

## FACULTY/STAFF

## STRATEGIC PLAN PROGRESS

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

#### School Goals 2022-2025: [LINK](#)

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

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

Development of Student Academic Portfolios (SAP) PLC

Implementation of SAP (who is responsible for data/updates to which sections, counselors to review in each CCR meeting, link sent to parents/students so they can better track academic Progress.)

Development of Differentiated Student Identification Plan for Engagement

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

##### 2. GOAL: Build a robust, connected community

Expanded family activities such as the Back to School Carnival.

Targeted grade-level and subject-matter activities such as the Middle School ropes course activity, Hogle Zoo activity, and This Is the Place State Park activity above.

##### 3. GOAL: Increase Open Educational Resource (OER) Impact

Partnership with MIT to work with secondary school in Belize on OER policy and curriculum training. (6/2022-6/2023)

Sharing OER best practice ideas at the Learning Accelerator convening (11/2022)

Sharing best practices in SPED, which includes a lot of OER, in the CAST/CITES newsletter and studies. (7/2022-12/2022)

Sharing process and benefits of OER in Dr. Kimmons class at BYU (10/2022)

## CALENDAR ITEMS

Feb 1, 2023 Accreditation Review Paperwork completed

March/April 2023 Accreditation Visit



# Mountain Heights Academy

School Year 2023-2024

AUGUST 2023							SEPTEMBER 2023							OCTOBER 2023							YEAR AT A GLANCE			
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S				
			1	2	3	4	5						1	2	1	2	3	4	5	6	7	August 14	No Students	Contract Start Date
																						August 14-22	No Students	Faculty Preparation (7 Days)
6	7	8	9	10	11	12		3	4	5	6	7	8	9	8	9	10	11	12	13	14	August 23	No Students	Professional Learning (Legislative PL Day)
13	14	15	16	17	18	19		10	11	12	13	14	15	16	15	16	17	18	19	20	21	August 24	School Starts	First Day of School (Q1 Start)
20	21	22	23	24	25	26		17	18	19	20	21	22	23	22	23	24	25	26	27	28	September 4	No School	Labor Day
27	28	29	30	31				24	25	26	27	28	29	30	29	30	31					October 12-13	No School	Fall Break
																						October 27	Q1	Quarter 1 ends (44 days)
NOVEMBER 2023							DECEMBER 2023							JANUARY 2024							October 30	No Students	Professional Learning (Legislative PL Day)	
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	October 31	Q2	Quarter 2 Starts	
			1	2	3	4						1	2		1	2	3	4	5	6	November 22-24	No School	Thanksgiving Recess	
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13	December 20 - January 1	No School	Winter Recess	
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20	January 12	Q2	Last Day of Quarter 2 (43 Days)	
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27	January 15	No School	Martin Luther King Jr. Day	
26	27	28	29	30			24	25	26	27	28	29	30	28	29	30	31				January 16	No Students	Professional Learning (Legislative PL Day)	
							31														January 17	Q3	First Day of Quarter 3	
FEBRUARY 2024							MARCH 2024							APRIL 2024							February 19	No School	Presidents' Day	
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	March 15	Q3	Last Day of Quarter 3 (43 days)	
				1	2	3						1	2		1	2	3	4	5	6	March 18	No Students	Professional Learning (Legislative PL Day)	
4	5	6	7	8	9	10	3	4	5	6	7	8	9	7	8	9	10	11	12	13	March 19	Q4	First Day of Quarter 4	
11	12	13	14	15	16	17	10	11	12	13	14	15	16	14	15	16	17	18	19	20	April 1-5	No School	Spring Break	
18	19	20	21	22	23	24	17	18	19	20	21	22	23	21	22	23	24	25	26	27	May 27	No School	Memorial Day	
25	26	27	28	29			24	25	26	27	28	29	30	28	29	30					May 31	School Ends	Last Day of School (50 Days)	
							31														June 3-5	No Students	Faculty Preparation (3 Days)	
MAY 2024							JUNE 2024							JULY 2024										
S	M	T	W	Th	F	S	S	M	T	W	Th	F	S	S	M	T	W	Th	F	S				
			1	2	3	4							1		1	2	3	4	5	6				
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13				
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20				
19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27				
26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31							
							30																	
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**Mountain Heights Academy**  
**Policy: Public Education Materials Development Policy**  
**Adopted:**

**Background**

The curriculum of Mountain Heights Academy (the “School”) is built from open educational resources (“OER”), including OER developed by School employees. The School’s curriculum aligns with the Utah Core Standards to ensure the highest quality educational experience for its students. The School is committed to sharing the curriculum and other public education materials it develops as an OER, making them useable by anyone at any time free of charge. Such sharing helps the School achieve its mission and provides free and open access to educational opportunities for students everywhere.

**Purpose**

The purpose of this policy is to establish rules related to the sharing of public education materials developed with School funds. The School intends for this policy to comply with the requirements of Utah Administrative Code Rule R277-120.

**Policy**

Public Education Materials Developed with School Funds

All public education materials developed by School employees in whole or in part with School funds shall, upon review and approval of the School, be licensed and subsequently shared under a Creative Commons attribution license (“CC-BY license”). This applies regardless of whether the public education materials are developed on or off contract time or as part of or not part of a work assignment.

The CC-BY license covering such public education materials shall include the name of the School and the author(s). Third parties who use the public education materials shall (1) provide proper attribution to the School and author(s); (2) provide a link to the CC-BY license; and (3) indicate if any changes were made to the materials.

All public education materials developed by School employees in whole or in part with School funds shall be the property of the School, subject to the CC-BY licensing described above.

The School shall not charge third parties for using its public education materials pursuant to a CC-BY license. The School shall also not charge an educator in a Utah public school for using public education materials developed in whole or in part with School funds. Moreover, in no event shall a School employee sell, for personal gain,

public education materials developed in whole or in part with funds from the School or the Utah State Board of Education. School employees who violate this may be in violation of the Utah Public Officers' and Employees' Ethics Act. School employees are prohibited from developing sensitive materials with School funds. For purposes of this policy, "sensitive materials" means the same as that term is defined in Utah Code § 53G-10-103.

#### Public Education Materials Developed Without School Funds

School personnel may develop public education materials using their own personal time and resources, and they may share such materials through a CC-BY license or otherwise without permission from the School. However, Utah licensed educators (1) may only share public education materials that are consistent with the Utah Professional Educator Standards contained in Utah Administrative Code Rule R277-217; and (2) may not share materials that advocate illegal activities or materials that are inconsistent with the educator's legal and role model responsibilities.

#### Review and Approval Process

The School's Director shall establish administrative procedures governing the School's process for review and approval of public education materials developed by School employees with School funds or on contract time.

## EMPLOYEE LOCATION

The expectation is that all faculty reside within the state of Utah because the school is a public charter school funded with taxpayer dollars. From time to time, there may be extenuating circumstances where teachers currently living in Utah move out of state. Pending administrative discussion and approval, an employee may retain employment in Utah after moving out of state under the following conditions:

1. The administration determines it would be detrimental to students to not have access to a particular teacher or subject
2. No other viable solution is available
3. The faculty member is employed full-time (to warrant the additional back office employment and taxes paperwork that needs to be filed in the state they live in)
4. The move is temporary and there are firm plans to return to Utah
5. The faculty member will arrange to attend all PD meetings in person
6. The teacher will adjust office hours based on Utah time, not the time zone in which they reside, if it is different.

If all conditions are met and the administration decides to continue employment, the position will be reviewed annually to make sure all conditions continue to be met.