

Mountain View Academy

Financial Statements and Required Supplementary Information as of and for the Year Ended June 30, 2026, and Independent Auditor's Reports

NATIONAL HERITAGE ACADEMIES™

Mountain View Academy

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Independent Auditor's Report

To the Board of Directors
Mountain View Academy

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Mountain View Academy (the "Academy") as of and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise Mountain View Academy'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 each major fund of Mountain View Academy as of June 30, 2026 and the respective changes in its 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. 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 Academy and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for 12 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.

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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 Academy'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 Academy'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 the budgetary comparison schedules 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, which 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 October 27, 2026 on our consideration of Mountain View Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Mountain View Academy'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 Mountain View Academy's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 27, 2026

This section of the annual financial report for Mountain View Academy (the "Academy") provides an overview of the Academy's financial activities as of and for the fiscal year ended June 30, 2026. It should be read in conjunction with the financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Academy financially as a whole. The academy-wide financial statements provide information about the activities of the whole Academy, presenting both an aggregate view of the Academy's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term and what remains for future spending. The fund financial statements look at the Academy's operations in more detail than the academy-wide financial statements by providing information about the Academy's most significant funds, the General Fund and the Grant Fund.

Management's Discussion and Analysis (MD&A)
(Required Supplementary Information)

Basic Financial Statements

Academy-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplementary Information

Budgetary Comparison Schedule - General Fund

Budgetary Comparison Schedule - Grant Fund

Note to Required Supplementary Information

Reporting the Academy as a Whole - Academy-wide Financial Statements

One of the most important questions asked about the Academy is, "As a whole, what is the Academy's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the Academy's financial statements, report information on the Academy as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account, regardless of when the cash is received or paid.

The Academy's statement of net position - the difference between assets and liabilities, as reported in the statement of net position - is one way to measure the Academy's financial position. The relationship between revenue and expenses is the Academy's operating results. The Academy's goal is to provide services to our students, not to generate profits as private sector companies do. One must consider nonfinancial factors, such as the quality of the education provided and the safety of the Academy, to assess the overall health of the Academy.

The statement of net position and the statement of activities report the activities of the Academy, all of which are classified as governmental. These activities encompass all the Academy's services, including instruction and support services. Per pupil operating revenue and property taxes passed through the Falcon School District D49 (the "District") and state and federal grants finance most of these activities. The Academy has entered into a services agreement (the "agreement") with National Heritage Academies, Inc. (NHA), which requires NHA to provide administration; strategic planning; and all labor, materials, equipment, and supervision necessary for the provision of educational services to students. As part of the consideration received under the agreement, NHA also provides the facility in which the Academy operates. Under the terms of the agreement, NHA receives as remuneration for its services an amount equal to the total revenue received by the Academy from all revenue sources.

Reporting the Academy's Fund Financial Statements

The Academy's fund financial statements provide detailed information about the most significant funds - not the Academy as a whole. Some funds are required to be established by state law. However, the Academy establishes other funds to help it control and manage money for particular purposes or as required by state law (the Grant Fund is an example). The governmental funds of the Academy use the following accounting approach:

Governmental Funds

All of the Academy's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting. Only the revenue that is measurable and currently available is reported. Liabilities are recognized when incurred. The governmental fund statements provide a short-term view of the operations of the Academy and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Academy's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliations presented as part of the statements.

The Academy as a Whole

Recall that the statement of net position provides the perspective of the Academy as a whole. The following table below provides a summary of the Academy's net position as of June 30:

	Governmental Activities	
	2026	2025
	(in thousands)	
Assets - Current	$ 1,836.6	$ 2,120.4
Liabilities - Current	1,527.6	1,802.6
Net Position		
Restricted	203.6	201.9
Unrestricted	105.4	115.9
Total net position	**$ 309.0**	**$ 317.8**

The restricted net position of governmental activities represents the reserve required under the Taxpayer's Bill of Rights (TABOR). The results of the current year operations for the Academy as a whole are reported in the statement of activities, which shows the change in net position.

The results of this year's summarized operations for the Academy as a whole are reported in the summarized statement of activities below, which shows the changes in net position for the fiscal years ended June 30:

	Governmental Activities	
	2026	2025
	(in thousands)	
Revenue		
Program revenue:		
Charges for services	$ 40.8	$ 30.3
Operating grants	77.3	205.1
Capital grants	146.9	-
General revenue:		
Per pupil operating levy	4,097.5	4,205.3
Other state and other sources	359.8	162.1
Private source - NHA	2,066.5	2,138.1
Total revenue	6,788.8	6,740.9
Expenses		
Instruction	2,652.3	2,546.9
Support services	4,145.3	4,170.0
Food services	-	11.3
Total expenses	6,797.6	6,728.2
Change in Net Position	(8.8)	12.7
Net Position - Beginning of year	317.8	305.1
Net Position - End of year	**$ 309.0**	**$ 317.8**

As reported in the statement of activities, the cost of governmental activities was $6,797.6 thousand. These activities were primarily funded by the the Academy's state aid (based on student count) and governments and organizations that subsidized certain programs with other grants. Capital construction revenue is funds required to be set aside from state aid to provide for facilities, which are included in operating grants, and the Academy utilized these funds for a portion of the facility lease expense. Revenue - private source - NHA also represents a contribution granted by NHA for excess of academy expenditures over public revenue available. Per the Academy's management agreement with NHA, at its sole discretion, NHA may make contributions to the Academy in the event that the academy expenditures are in excess of revenue. The term of the management agreement coincides with the charter agreement, which, as described in Note 1 to the financial statements, expires on June 30, 2030 and is subject to renewal. Management believes the charter will be renewed in the ordinary course of business.

The Academy experienced a decrease in net position of $8.8 thousand in 2026. The primary reason for the change in net position is the timing of the discretionary expenditures. Under the terms of the agreement with NHA, NHA provides a spending account to the board of directors for discretionary expenditures.

A reconciliation of the statement of revenue, expenditures, and changes in fund balances of governmental funds to the statement of activities appears on page 12.

Fund Financial Statements

As we noted earlier, the Academy uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Looking at funds helps the reader consider whether the Academy is being accountable for the resources that the State and others provide to it and may provide more insight into the Academy's overall financial health.

The Academy's instruction and support services activities are reported in the General Fund. The Grant Fund represents federal grant activities. The Academy's fund balances for the General Fund and the Grant Fund were $308,976 and $0, respectively, at June 30, 2026.

A reconciliation of the balance sheet of governmental funds to the statement of net position appears on page 10.

Currently Known Facts, Decisions, and Conditions

In November 2000, voters in Colorado approved a provision to the constitution providing that K-12 funding would increase at pupil growth, plus inflation, plus 1 percent for 10 years and thereafter. This provision stabilizes and removes funding from the political process. As a result of this provision, the single most important factor in projecting the revenue is estimated future inflation.

Contacting the Academy's Management

The financial report is designed to provide users of the report with a general overview of the Academy's finances and to demonstrate the Academy's accountability for the money it receives. If you have questions about this report, contact the chief financial officer of National Heritage Academies, Inc. at 3850 Broadmoor SE, Grand Rapids, MI 49512.

Mountain View Academy

Statement of Net Position

June 30, 2026

	Governmental Activities
Assets	
Cash	$ 1,607,327
Due from governmental revenue sources	229,242
Total assets	1,836,569
Liabilities	
Accounts payable	1,698
Contracted service fee payable	1,463,240
Unearned revenue	62,655
Total liabilities	1,527,593
Net Position	
Restricted	203,621
Unrestricted	105,355
Total net position	**$ 308,976**

Mountain View Academy

Statement of Activities

Year Ended June 30, 2026

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Governmental Activities: Net (Expense) Revenue and Changes in Net Position
Functions/Programs					
Primary government - Governmental activities:					
Instruction	$ 2,652,320	$ -	$ 77,322	$ -	$ (2,574,998)
Support services	4,145,281	40,756	-	146,920	(3,957,605)
Total primary government	**$ 6,797,601**	**$ 40,756**	**$ 77,322**	**$ 146,920**	(6,532,603)
General revenue:					
Per pupil operating levy					4,097,508
Other state sources					340,894
Other sources					18,933
Private source - NHA					2,066,452
Total general revenue					6,523,787
Change in Net Position					(8,816)
Net Position - Beginning of year					317,792
Net Position - End of year					**$ 308,976**

See notes to financial statements.

Mountain View Academy

Governmental Funds
Balance Sheet

June 30, 2026

	General Fund
Assets	
Cash	$ 1,607,327
Due from governmental revenue sources	229,242
Total assets	**$ 1,836,569**
Liabilities	
Accounts payable	$ 1,698
Contracted service fee payable	1,233,998
Unearned revenue	62,655
Total liabilities	1,298,351
Deferred Inflows of Resources - Unavailable revenue	229,242
Total liabilities and deferred inflows of resources	1,527,593
Fund Balances	
Restricted	203,621
Committed	2,974
Unassigned	102,381
Total fund balances	308,976
Total liabilities, deferred inflows of resources, and fund balances	**$ 1,836,569**

Mountain View Academy

Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position

	June 30, 2026
Fund Balances Reported in Governmental Funds	$ 308,976
Amounts reported for governmental activities in the statement of net position are different because:	
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	229,242
Contracted service fee payable is not due and payable in the current period and is not reported in the funds	(229,242)
Net Position of Governmental Activities	**$ 308,976**

Mountain View Academy

Governmental Funds
Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2026

	General Fund	Grant Fund	Total Governmental Funds
Revenue			
Federal sources	$ -	$ 77,322	$ 77,322
Per pupil operating levy	4,097,508	-	4,097,508
Other state sources	304,950	-	304,950
Other sources	57,194	-	57,194
Private source - NHA	2,066,452	-	2,066,452
Total revenue	6,526,104	77,322	6,603,426
Expenditures			
Current:			
Instruction	2,574,998	77,322	2,652,320
Support services	3,959,922	-	3,959,922
Total expenditures	6,534,920	77,322	6,612,242
Net Change in Fund Balances	(8,816)	-	(8,816)
Fund Balances - Beginning of year	317,792	-	317,792
Fund Balances - End of year	**$ 308,976**	**$ -**	**$ 308,976**

See notes to financial statements.

Mountain View Academy

Governmental Funds
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2026

Net Change in Fund Balances Reported in Governmental Funds	$	(8,816)
Amounts reported for governmental activities in the statement of activities are different because:		
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available		229,242
Revenue reported in the governmental funds as available and measurable - Reported in the statement of activities in prior years		(43,883)
Contracted service fee recognized consistent with the revenue policy		(185,359)
Change in Net Position of Governmental Activities	**$**	**(8,816)**

Note 1 - Nature of Operations

Mountain View Academy (the “Academy”) was incorporated on March 13, 2019 and began operations on July 1, 2020. The Academy is a component of the Falcon School District D49 of the State of Colorado (the “District”), which provides education based on rigorous teaching methods, parental involvement, student responsibility, and basic moral values. The Academy provides education, at no cost to the parents, to students in kindergarten through eighth grade. Enrollment is open to all appropriately aged children without regard to gender, ethnic background, disability, and/or religious affiliation. The Academy operates under a charter approved by the District, which is responsible for oversight of the Academy’s operations. The charter expires on June 30, 2030. The total administrative fee for the year ended June 30, 2026, paid to the District, was $65,280.

The Academy is organized as a public school pursuant to C.R.S. 22-30,5-101 et. seq., which authorizes the formation of charter schools. The Academy operates as an organization exempt from federal income tax as a governmental entity pursuant to Colorado laws applicable to Colorado public schools.

The majority of the Academy’s funding is provided by the State of Colorado and passed through the District.

The board of directors of the Academy has entered into a services agreement (the “agreement”) with National Heritage Academies, Inc. (NHA), which requires NHA to provide administration; strategic planning; and all labor, materials, equipment, and supervision necessary for the provision of educational services to students. As part of the consideration received under the agreement, NHA also provides the facility in which the Academy operates. The agreement will continue until termination of the charter contract, unless at least 90 days' written notice of intent to terminate or renegotiate is given by either the Academy or NHA. The management agreement’s term coincides with the charter agreement, which expires on June 30, 2030.

Under the terms of the agreement, NHA receives as remuneration for its services an amount equal to substantially all revenue received by the Academy from all revenue sources.

Revenue - Private source - NHA represents a contribution granted by NHA for the excess of academy expenditures over revenue available. Per the Academy’s management agreement with NHA, although not always required, NHA may make contributions to the Academy in the event that academy expenditures are in excess of revenue.

Note 2 - Summary of Significant Accounting Policies

Academy-wide and Fund Financial Statements

The academy-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All the Academy's government-wide activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenue not classified as program revenue is reported instead as general purpose revenue.

Note 2 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Academy-wide Statements

The academy-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The effect of interfund activity has been eliminated from the academy-wide financial statements.

When an expense is incurred for purposes for which both restricted and unrestricted net position or fund balance are available, the Academy's policy is to first apply restricted resources. When an expense is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the Academy's policy to spend funds in this order: committed, assigned, and unassigned.

Fund-based Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Academy considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Revenue not meeting this definition is classified as a deferred inflow of resources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. The contracted service fee to NHA is recorded consistent with the recognition of revenue.

Fund Classification

The financial activities of the Academy are organized on the basis of funds. The operation of each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenue, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

General Fund

The General Fund is used to account for the general educational programs of the Academy. Its revenue is derived primarily from the State of Colorado and passed through the District. The General Fund is considered to be a major fund.

Grant Fund

The Grant Fund is a special revenue fund used to account for the educational programs of the Academy. Its revenue is derived from federal grants. The Grant Fund is considered to be a major fund.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, and expenditures during the reporting period. Actual results could differ from those estimates.

Cash

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral determined by the PDPA.

Note 2 - Summary of Significant Accounting Policies (Continued)

At June 30, 2026, the Academy had deposits with a carrying amount and bank balance of $1,607,327, of which $1,357,327 was uninsured and uncollateralized by federal depository insurance.

Unavailable and Unearned Revenue

Unavailable revenue is reported in connection with receivables for revenue that is not considered available and measurable to liquidate liabilities of the current period. Unearned revenue is reported in connection with funds that have been received for services that have not been performed and is, therefore, not yet earned. As of June 30, 2026, a deferred inflow for unavailable revenue was recognized for $229,242 and a liability for unearned revenue was recognized for $62,655.

Contracted Service Fee Payable

Contracted service fee payable as of June 30, 2026 represents a timing difference between funds received from governmental sources and amounts paid to NHA in accordance with the agreement.

Net Position

Net position may be classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of assets restricted under the Taxpayer's Bill of Rights (TABOR) reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Fund Balance

Fund balances may be classified as nonspendable, committed, restricted, assigned, or unassigned. The terms nonspendable and restricted are used either to indicate that certain assets do not represent spendable resources available for general educational programs or to earmark a portion of fund balance as legally segregated for a specific future use. The term committed represents amounts that can be used only for the specific purpose determined by a formal resolution of the board. The term assigned is used to classify the fund balance intended to be used by the board but does not meet the criteria to be restricted or committed. The term unassigned is used for amounts that have not been restricted, committed, or otherwise assigned for future uses. At June 30, 2026, the Academy had $2,974 in committed fund balance, $203,621 in restricted fund balance, and $102,381 in unassigned fund balance. The committed fund balance has been committed by the board of directors primarily for board development.

Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the “Amendment”), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. The Amendment is complex and subject to judicial interpretation. The Academy believes it is in compliance with the requirements of the Amendment. The Amendment requires state and local governments to establish an emergency reserve, representing 3 percent of qualifying expenditures. At June 30, 2026, the Academy’s fund balance of $203,621 was reported as restricted fund balance in the General Fund.

Budgetary Information

Annual budgets are required by Colorado state statutes for all funds and are adopted on a basis consistent with generally accepted accounting principles and state law in the United States of America for the General and Grant funds.

Note 2 - Summary of Significant Accounting Policies (Continued)

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the Academy to have its budget in place by June 30. The budgets can be amended by the board of directors as considered necessary prior to January 31. The budgets were amended to increase budgeted revenue and expenditures for the General Fund by $86,570. The Grant Fund budget was amended to increase budgeted revenue and expenditures by $685.

Under the terms of the agreement with NHA, NHA provides a spending account to the board of directors for discretionary expenditures. The primary reason for the change in net position is the timing of these discretionary expenditures.

During the year ended June 30, 2026, the Academy incurred expenditures within the General Fund and the Grant Fund that exceeded appropriations at the fund level by $52,603 and $11,656, respectively. This overage was funded by revenue in excess of amounts budgeted of $43,787 and $11,656, respectively, and any remaining difference was funded by the beginning of year fund balance.

During the year ended June 30, 2026, the Academy incurred expenditures within the General Fund that were significantly in excess of amounts budgeted for basic programs with a final budget and actual amount of $1,769,563 and $2,001,464, respectively. The Academy also incurred expenditures within the General Fund that were significantly in excess of amounts budgeted for added needs with a final budget and actual amount of $441,050 and $573,534, respectively.

During the year ended June 30, 2026, the Academy incurred expenditures within the Grant Fund that were significantly in excess of amounts budgeted for added needs with a final budget and actual amount of $65,666 and $77,322, respectively.

The Academy adheres to the following procedures in establishing budgetary data reflected in the financial statements:

- Prior to June 30, management submits to the board of directors a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means for financing them. All budgets lapse at year end.
- By June 30, the budget is adopted by the board of directors.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the board of directors.

The board of directors adopted the 2026-2027 budget on May 6, 2026.

Adoption of New Accounting Pronouncement

During the current year, the Academy adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. The new accounting standard impacted the organization and disclosure requirements of management's discussion and analysis and budgetary comparison disclosures in the required supplementary information. The implementation of this standard did not have significant impact to the Academy’s financial statements.

Upcoming Accounting Pronouncements

In December 2025, the Government Accounting Standards Board issued Statement No. 105, *Subsequent Events*, which improves financial reporting requirements for subsequent events by clarifying the subsequent events time frame and the distinction between recognized and nonrecognized events. This statement also establishes specific note disclosure requirements and requires disclosure of the date through which subsequent events have been evaluated. The provisions of this statement are effective for the Academy's financial statements for the year ending June 30, 2027.

Note 3 - Due from Governmental Revenue Sources

Receivables as of June 30, 2026 for the Academy included $226,747 in state grants receivable and $2,495 in other receivables. The Academy considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Note 4 - Risk Management

The Academy is exposed to various risks of loss related to general liability. Commercial insurance policies to cover certain risks of loss have been obtained. There have been no significant reductions in insurance coverage during fiscal year 2026, and claims did not exceed coverage less retained risk deductible amounts in the past three fiscal years.

Note 5 - Contingencies

The Academy has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

Note 6 - Operating Lease

The Academy has entered into a sublease agreement with NHA for a facility to house the Academy. The lease term is from July 1, 2025 through June 30, 2026. Annual rental payments required by the lease are $1,572,480, payable in 12 monthly payments of $131,040. This lease is automatically renewed on a year-to-year basis unless a notice of nonrenewal is provided by either the Academy or NHA. The lease agreement can be canceled upon termination of the NHA services agreement.

The Academy is not a party to any leasing arrangements that meet the criteria for recognition of lease assets or liabilities under GASB Statement No. 87, *Leases*, based on the noncancelable period being less than 12 months and applicability of the short-term lease exception for the facility lease agreement.

The Academy subsequently renewed the sublease with NHA for the period from July 1, 2026 through June 30, 2027 at the same rental rate.

Required Supplementary Information

Mountain View Academy

Required Supplementary Information
Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2026

	Original Budget	Final Budget	Variance with Original Budget - (Under) Over Final Budget	Actual	Variance with Final Budget - Over (Under) Actual Amounts
Revenue					
Per pupil operating levy	$ 4,690,657	$ 4,069,120	$ (621,537)	$ 4,097,508	$ 28,388
Other state sources	286,570	292,060	5,490	304,950	12,890
Other sources	34,740	77,030	42,290	57,194	(19,836)
Private source - NHA	1,383,780	2,044,107	660,327	2,066,452	22,345
Total revenue	6,395,747	6,482,317	86,570	6,526,104	43,787
Expenditures					
Current:					
Instruction:					
Basic programs	1,833,110	1,769,563	(63,547)	2,001,464	231,901
Added needs	313,334	441,050	127,716	573,534	132,484
Support services:					
Pupil	444,669	366,325	(78,344)	388,329	22,004
Instructional staff	497,908	504,387	6,479	329,719	(174,668)
General administration	271,730	261,733	(9,997)	245,227	(16,506)
School administration	633,067	748,263	115,196	762,945	14,682
Business	108,397	105,227	(3,170)	111,403	6,176
Operations and maintenance	2,078,989	2,078,356	(633)	2,011,692	(66,664)
Pupil transportation services	11,300	10,815	(485)	3,321	(7,494)
Central	201,843	196,598	(5,245)	107,286	(89,312)
Community services	1,400	-	(1,400)	-	-
Total expenditures	6,395,747	6,482,317	86,570	6,534,920	52,603
Net Change in Fund Balance	-	-	-	(8,816)	(8,816)
Fund Balance - Beginning of year	317,792	317,792	-	317,792	-
Fund Balance - End of year	**$ 317,792**	**$ 317,792**	**$ -**	**$ 308,976**	**$ (8,816)**

See note to required supplementary information.

Mountain View Academy

Required Supplementary Information
Budgetary Comparison Schedule - Grant Fund

Year Ended June 30, 2026

	Original Budget	Final Budget	Variance with Original Budget - Over Final Budget	Actual	Variance with Final Budget - Over Actual Amounts
Revenue - Federal sources	$ 64,981	$ 65,666	$ 685	$ 77,322	$ 11,656
Expenditures - Added needs	64,981	65,666	685	77,322	11,656
Net Change in Fund Balance	-	-	-	-	-
Fund Balance - Beginning of year	-	-	-	-	-
Fund Balance - End of year	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

See note to required supplementary information.

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds, except that operating transfers and debt proceeds have been included in the revenue and expenditures categories, rather than as other financing sources (uses). All annual appropriations lapse at fiscal year end.

The budget document presents information by fund, and function. The legal level of budgetary control adopted by the governing body is the department level (i.e., the level at which expenditures may not legally exceed appropriations).

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as restrictions, commitments, or assignments of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

During the year, there were significant variances between the Academy's original and amended budget as follows:

	Original Budget	Amended Budget	Variance
General Fund - Per pupil operating levy	$ 4,690,657	$ 4,069,120	$ (621,537)
General Fund - Private source - NHA	1,383,780	2,044,107	660,327
General Fund - Added needs	313,334	441,050	127,716
General Fund - School administration	633,067	748,263	115,196

Budgeted revenue from per pupil operating levies decreased as a result of decreased enrollment expectations and assumed per pupil rate. As a result of the decreased revenue expectations in the amended budget, a larger contribution was budgeted to fund the school's budgeted expenses. The increase in budgeted added needs and school administration expenditures was driven by an additional special education teacher and higher projected marketing expenditures, respectively.

During the year, there were significant variances between the Academy's amended budget and actual results as follows:

	Amended Budget	Actual	Variance
General Fund - Basic programs	$ 1,769,563	$ 2,001,464	$ 231,901
General Fund - Added needs	441,050	573,534	132,484
General Fund - Instructional staff	504,387	329,719	(174,668)
Grant Fund - Federal sources	65,666	77,322	11,656
Grant Fund - Added needs	65,666	77,322	11,656

General Fund

The increase in actual basic programs and added need expenditures were driven by teacher retention incentives that were paid out using the mill levy operating revenue that was not anticipated in the amended budget and higher special education costs relating to additional full-time positions and contracted special education services, respectively. The decrease in actual instructional staff expenditures was driven by a change in the shared services allocation between the Academy and NHA.

Grant Fund

The increase in actual revenue for federal sources was driven by additional funding received from the Impact Aid award. The increase in actual added need expenditures was driven by higher special education costs relating to additional full-time positions and contracted special education services.

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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*

Independent Auditor's Report

To Management and the Board of Directors
Mountain View Academy

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the basic financial statements of the governmental activities and the major funds of Mountain View Academy (the "Academy"), as of and for the year ended June 30, 2026 and the related notes to the basic financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated October 27, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy'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 Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy'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 Academy's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

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To Management and the Board of Directors
Mountain View Academy

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy'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 Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

October 27, 2026