

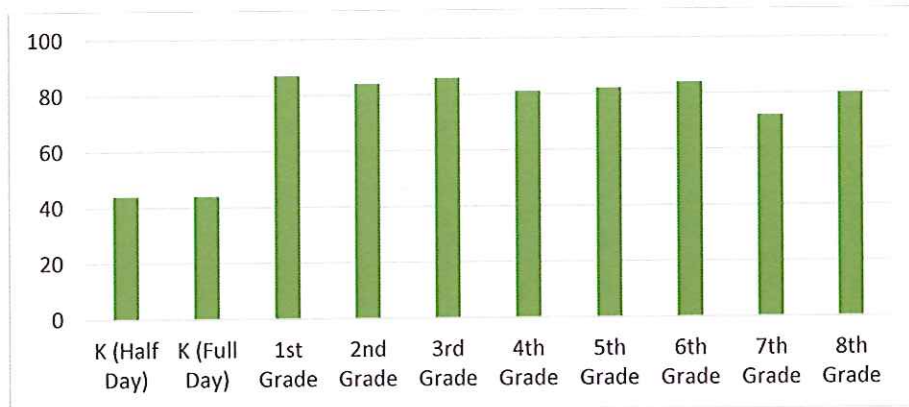


Landmark Academy

Matt Carlton – Principal

Charter School Board of Directors

President	Timothy Gallagher	tng63@live.com
Vice President	Keith McCann	keith.mccann@sheahomes.com
Treasurer	Melissa Cyrus	teamcyrus.mc@gmail.com
Director	Bill Cox	billcox3900@sbcglobal.net
Director	Scott Rolfs	scott.rolfs@ihs.com
Director	Michelle Rogers	mrogers120@gmail.com
Director	Lenna Gregory	lenna.gregory@gmail.com



	October	Current	Projected	Waitlisted	Offered Seats
K (Half Day)	44	44	44	37	44
K (Full Day)	44	44	44	74	44
1st Grade	88	87	86	82	84
2nd Grade	84	84	87	74	84
3rd Grade	86	86	83	57	84
4th Grade	84	81	85	36	84
5th Grade	85	82	81	33	81
6th Grade	85	84	80	48	81
7th Grade	71	72	84	26	81
8th Grade	86	80	72	0	81
Total	757	744	746	467	748

Current Staff	
Teachers	32
New Teachers	1
Additional Support Staff	12
Admin	4

Previous Years Suspensions	57
Previous Years Expulsions	0
Current Years Suspensions	17
Current Year Expulsions	0

LANDMARK ACADEMY AT REUNION
BOARD OF DIRECTORS

2014-2015 BOARD CALENDAR

The Board shall meet at 9 a.m. at
Landmark Academy
10566 Memphis Street
Commerce City, CO 80022
303-287-2901*

on the following dates:

Tuesday, August 12, 2014

Tuesday, September 9, 2014

Tuesday, October 14, 2014

Tuesday, November 11, 2014 at 6:30 p.m.

Tuesday, January 13, 2015

Tuesday, February 10, 2015 at 6:30 p.m.

Tuesday, March 10, 2015

Tuesday, April 14, 2015

****Tuesday, May 12, 2015 at 6:30 p.m.**

Tuesday, June 9, 2015

***NOTE: THE BOARD WILL MEET AT 6:30 P.M. ONCE PER QUARTER**

****NOTE: ANNUAL MEETING INCLUDING DISCUSSION AND APPROVAL OF BUDGET**

Created by Jeff Henders on March 14, 2014 at 1:35 p.m.

Posted at Landmark Academy by Matt Cowton on 6/24/14
at 10:00 AM.

Submitted to Brighton District 27J on 6/24/14 at 10:00 AM.

Official Minutes of the Landmark Academy Board are available at the following locations:
3850 Broadmoor SE, Suite 201, Grand Rapids, MI 49512
10566 Memphis Street, Commerce City, CO 80022

Any person with a disability who needs accommodation to participate in a meeting should contact the Principal of Landmark Academy at 303-287-2901 at least 5 days in advance of the meeting to request assistance.

School Performance Framework 2014 - PRELIMINARY DRAFT FOR DISTRICT REVIEW

District: SCHOOL DISTRICT 27J - 0040 (1 Year¹)

School: LANDMARK ACADEMY AT REUNION - 4950

Performance

This is the plan type the school is required to adopt and implement, based on the 1 Year School Performance Framework. Schools are assigned a plan type based on the overall percent of points earned for the official year. The official percent of points earned is matched to the scoring guide below to determine the plan type. Additionally, failing to meet test administration and/or test participation assurances will result in a lower plan type category.

Plan Assignment	Framework Points Earned
Performance	at or above 59%
Improvement	at or above 47% - below 59%
Priority Improvement	at or above 37% - below 47%
Turnaround	below 37%

Framework points are calculated using the percentage of points earned out of points eligible. For schools with data on all indicators, the total points possible are: 25 points for Academic Achievement, 50 for Academic Growth, and 25 for Academic Growth Gaps.

Performance Indicators	Rating	% of Points Earned out of Points Eligible ²
Academic Achievement	Meets	75.0% (18.8 out of 25 points)
Academic Growth	Meets	75.0% (37.5 out of 50 points)
Academic Growth Gaps	Meets	73.6% (18.4 out of 25 points)
Test Participation ³	Meets 95% Participation Rate	
TOTAL		74.7% (74.7 out of 100 points)

²Schools may not be eligible for all possible points on an indicator due to insufficient numbers of students. In these cases, the points are removed from the points eligible, so scores are not negatively impacted.

³Schools do not receive points for test participation. However, schools are assigned one plan type category lower than their points indicate if they do not (1) meet at least a 95% participation rate in all or all but one content area (reading, writing, math, science, social studies and COACT), or (2) for schools serving multiple levels (elementary, middle and high school grades, e.g., a 6-12 school), meet at least a 95% participation rate in all or all but one content area when individual content area rates are rolled up across school levels (elementary, middle and high school grades).

Test Participation Rates		% of Students Tested				Participation Rating				Students Tested				Total Students		
		Elem	Middle	High	Overall	Elem	Middle	High	Overall	Elem	Middle	High	Overall	Elem	Middle	High
Content Area																
Reading	100.0%	99.6%	-	-	99.8%	Meets	Meets	-	Meets	254	235	-	489	254	236	-
Mathematics	100.0%	100.0%	-	-	100.0%	Meets	Meets	-	Meets	254	236	-	490	254	236	-
Writing	99.6%	99.6%	-	-	99.6%	Meets	Meets	-	Meets	253	235	-	488	254	236	-
Science	100.0%	100.0%	-	-	100.0%	Meets	Meets	-	Meets	85	80	-	165	85	80	-
Social Studies	100.0%	100.0%	-	-	100.0%	Meets	Meets	-	Meets	84	71	-	155	84	71	-
Colorado ACT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ Data in this report is based on results from: 2013-14

Performance Indicators - PRELIMINARY DRAFT FOR DISTRICT REVIEW

District: SCHOOL DISTRICT 27 - 0040 (1 Year)

School: LANDMARK ACADEMY AT REUNION - 4950

School: LANDMARK ACADEMY AT REUNION - 4950									
Academic Achievement		Points Earned	Points Eligible	% Points	Rating	N	% Proficient/Advanced	School's Percentile	
Reading		3	4		Meets	253	87.75	87	
Mathematics		3	4		Meets	253	87.75	86	
Writing		3	4		Meets	252	70.24	81	
Science		0	0		-	-	-	-	
Total		9	12	75%	Meets				
Academic Growth		Points Earned	Points Eligible	% Points	Rating	N	Median Growth Percentile	Median Adequate Growth Percentile	Made Adequate Growth?
Reading		4	4		Exceeds	162	62	28	Yes
Mathematics		2	4		Approaching	162	44	36	Yes
Writing		4	4		Exceeds	160	64	44	Yes
English Language Proficiency (ACCESS)		0	0		-	N<20	-	-	-
Total		10	12	83.3%	Meets				
Academic Growth Gaps		Points Earned	Points Eligible	% Points	Rating	Subgroup N	Subgroup Median Growth Percentile	Subgroup Median Adequate Growth Percentile	Made Adequate Growth?
Reading		12	12	100%	Exceeds				
Free/Reduced Lunch Eligible		4	4		Exceeds	26	70	44	Yes
Minority Students		4	4		Exceeds	53	60	31	Yes
Students with Disabilities		0	0		-	N<20	-	-	-
English Learners		0	0		-	N<20	-	-	-
Students needing to catch up		4	4		Exceeds	35	75	66	Yes
Mathematics		8	12	66.7%	Meets				
Free/Reduced Lunch Eligible		2	4		Approaching	26	52	55	No
Minority Students		3	4		Meets	53	54	49	Yes
Students with Disabilities		0	0		-	N<20	-	-	-
English Learners		0	0		-	N<20	-	-	-
Students needing to catch up		3	4		Meets	20	57	79	No
Writing		12	12	100%	Exceeds				
Free/Reduced Lunch Eligible		4	4		Exceeds	26	66	54	Yes
Minority Students		4	4		Exceeds	53	63	47	Yes
Students with Disabilities		0	0		-	N<20	-	-	-
English Learners		0	0		-	N<20	-	-	-
Students needing to catch up		4	4		Exceeds	74	73	60	Yes
Total		32	36	88.9%	Exceeds				

Performance Indicators - PRELIMINARY DRAFT FOR DISTRICT REVIEW

District: SCHOOL DISTRICT 27J - 0040 (1 Year)

School: LANDMARK ACADEMY AT REUNION - 4950

School: LANDMARK ACADEMY AT REUNION - 4950									
Academic Achievement		Points Earned	Points Eligible	% Points	Rating	N	% Proficient/Advanced	School's Percentile	
Reading		3	4		Meets	230	75.65	58	
Mathematics		3	4		Meets	231	58.87	63	
Writing		3	4		Meets	230	61.3	56	
Science		0	0		-	-	-	-	
Total		9	12	75%	Meets				
Academic Growth		Points Earned	Points Eligible	% Points	Rating	N	Median Growth Percentile	Median Adequate Growth Percentile	Made Adequate Growth?
Reading		3	4		Meets	221	52	27	Yes
Mathematics		2	4		Approaching	224	48	64	No
Writing		3	4		Meets	221	49	46	Yes
English Language Proficiency (ACCESS)		0	0		-	N<20	-	-	-
Total		8	12	66.7%	Meets				
Academic Growth Gaps		Points Earned	Points Eligible	% Points	Rating	Subgroup N	Subgroup Median Growth Percentile	Subgroup Median Adequate Growth Percentile	Made Adequate Growth?
Reading		8	12	66.7%	Meets				
Free/Reduced Lunch Eligible		3	4		Meets	41	54	36	Yes
Minority Students		3	4		Meets	81	51	36	Yes
Students with Disabilities		0	0		-	N<20	-	-	-
English Learners		0	0		-	N<20	-	58	No
Students needing to catch up		2	4		Approaching	57	47		
Mathematics		6	12	50%	Approaching				
Free/Reduced Lunch Eligible		2	4		Approaching	43	45	72	No
Minority Students		2	4		Approaching	83	50	72	No
Students with Disabilities		0	0		-	N<20	-	-	-
English Learners		0	0		-	N<20	-	88	No
Students needing to catch up		2	4		Approaching	82	51		
Writing		7	12	58.3%	Approaching				
Free/Reduced Lunch Eligible		2	4		Approaching	40	50	54	No
Minority Students		3	4		Meets	81	56	53	Yes
Students with Disabilities		0	0		-	N<20	-	-	-
English Learners		0	0		-	N<20	-	-	No
Students needing to catch up		2	4		Approaching	90	47	74	
Total		21	36	58.3%	Approaching				

Scoring Guide - PRELIMINARY DRAFT FOR DISTRICT REVIEW

Scoring Guide for Performance Indicators on the School Performance Framework Report

Performance Indicator	Scoring Guide	Rating	Point Value	Total Possible Points per EMH Level	Framework Points
Academic Achievement	<i>The school's percentage of students scoring proficient or advanced was:</i>		TCAP		
	• at or above the 90th percentile of all schools (using 2009-10 baseline).	Exceeds	4	16	25
	• below the 90th percentile but at or above the 50th percentile of all schools (using 2009-10 baseline).	Meets	3	(4 for each subject area)	
	• below the 50th percentile but at or above the 15th percentile of all schools (using 2009-10 baseline).	Approaching	2		
Academic Growth	• below the 15th percentile of all schools (using 2009-10 baseline).	Does Not Meet	1		
	<i>Made AGP</i>		TCAP		
	• at or above 60.	Exceeds	4	14	50
	• below 60 but at or above 45.	Meets	3	(4 for each subject area and 2 for English language proficiency)	
Academic Growth Gaps	• below 45 but at or above 30.	Approaching	2		
	• below 30.	Does Not Meet	1		
	<i>Made AGP</i>		TCAP		
	• at or above 60.	Exceeds	4	60	25
	• below 60 but at or above 45.	Meets	3	(4 for each of 5 subgroups in 3 subject areas)	
	• below 45 but at or above 30.	Approaching	2		
	• below 30.	Does Not Meet	1		

Cut-Points for Each Performance Indicator

Performance Indicator	Cut Point: The school earned ... of the points eligible on this Indicator.		Total Framework Points	Cut Point: The school earned ... of the total framework points eligible.	
	Exceeds	Meets		Approaching	Does Not Meet
Achievement; Growth; Growth Gaps	• at or above 87.5%			• at or above 59%	Performance Improvement
	• at or above 62.5% - below 87.5%			• at or above 47% - below 59%	Priority Improvement
	• at or above 37.5% - below 62.5%			• at or above 37% - below 47%	Turnaround
	• below 37.5%			• below 37%	

School Plan Type Assignments

Plan description	A school may not implement a Priority Improvement and/or Turnaround Plan for longer than a combined total of five consecutive years before the State Board of Education must direct the authorizing district's local school board or the Institute to restructure or close the school. The five consecutive school years commence on July 1 of the summer immediately following the fall in which the school is notified that it is required to implement a Priority Improvement or Turnaround Plan.	
Performance Plan	The school is required to adopt and implement a Performance Plan.	
Improvement Plan	The school is required to adopt and implement an Improvement Plan.	
Priority Improvement Plan	The school is required to adopt and implement a Priority Improvement Plan.	
Turnaround Plan	The school is required to adopt and implement a Turnaround Plan.	

Reference - PRELIMINARY DRAFT FOR DISTRICT REVIEW

1-year vs. 3-year Report

Schools receive a 1-year and a 3-year aggregated School Performance Framework report. CDE produces a report on the basis of three years of data to enable more schools to be considered within the same performance framework. Some small schools may not have public data on the basis of a single year because of small N counts for some performance indicator metrics, but a report on the basis of three years of data increases the N count. Only one of the two sets of results (1-year or 3-year) will be the official plan type category for the school: the one under which the school has ratings on a greater number of the performance indicators, or, if it has ratings for an equal number of indicators, the one under which it earned a higher total percent of points. Note that some 3-year reports may be based on only two years of data if that is the only data available.

Reference Data for Key Performance Indicators

Academic Achievement

Percent of Students Proficient or Advanced by Percentile Cut-Points - 1-year (2009-10 baseline)

	Reading			Math			Writing			Science		
	Elem	Middle	High	Elem	Middle	High	Elem	Middle	High	Elem	Middle	High
N of Schools	1008	479	327	1007	480	327	1007	480	327	912	407	286
15th percentile	49.18	50.44	54.92	48.60	29.72	15.97	32.48	34.96	30.95	19.67	23.85	27.50
50th percentile	71.65	71.43	73.33	70.89	52.48	33.52	53.52	57.77	50.00	47.53	48.00	50.00
90th percentile	89.10	88.24	87.23	89.34	75.00	54.79	76.83	79.67	72.24	75.96	75.11	72.41

The Academic Achievement Indicator reflects a school's proficiency rate: the percentage of students proficient or advanced on Colorado's standardized assessments. This includes results from CSAP/TCAP and CSAPA/CoAlt in reading, mathematics, writing, and science, and results from Lectura and Escritura.

Percent of Students Proficient or Advanced by Percentile Cut-Points - 3-year aggregate (2008-10 baseline)

	Reading			Math			Writing			Science		
	Elem	Middle	High	Elem	Middle	High	Elem	Middle	High	Elem	Middle	High
N of Schools	1032	507	362	1032	507	361	1032	507	362	972	469	347
15th percentile	50.00	50.56	53.34	48.73	29.69	13.49	32.56	36.84	30.00	20.46	25.00	27.93
50th percentile	72.05	71.35	72.21	70.11	51.63	30.53	54.84	58.34	49.57	45.36	48.72	50.00
90th percentile	88.21	87.40	86.17	87.48	74.41	52.19	76.51	79.17	71.00	72.65	71.26	71.45

Data for all indicators are compared to baselines from the first year the performance framework reports were released.

Academic Growth and Academic Growth Gaps

The Academic Growth Indicator measures academic progress using the Colorado Growth Model. This indicator reflects 1) normative (median) growth: how the academic progress of the students in this school compared to that of other students statewide with a similar content proficiency (CSAP/TCAP) score history or a similar English language proficiency (ACCESS) score history, and 2) criterion referenced (adequate) growth: whether this level of growth was sufficient for the typical (median) student in the school to reach or maintain a specified level of proficiency within a given length of time. For CSAP/TCAP, students are expected to score proficient or advanced within three years or by 10th grade, whichever comes first. Students classified as English learners are expected to reach certain levels of language proficiency on ACCESS in set amounts of time. The median growth percentile required to earn each rating depends on whether or not the school met adequate growth (AGP).

	Made AGP	Did Not Make AGP
Exceeds	60-99	70-99
Meets	45-59	55-69
Approaching	30-44	40-54
Does Not Meet	1-29	1-39

Postsecondary and Workforce Readiness

The Postsecondary and Workforce Readiness Indicator measures the preparedness of students for college or careers upon completing high school. This indicator reflects student graduation rates, disaggregated graduation rates, dropout rates, and mean Colorado ACT (COACT) composite scores.

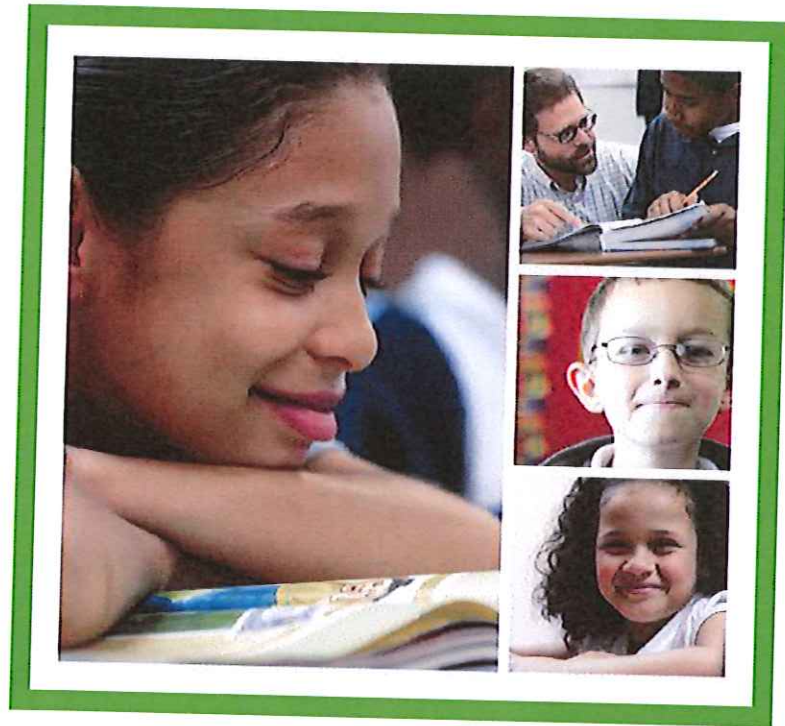
State Mean Dropout Rate (2009-10 baseline)

	N of Students	Mean Rate
1-year (2009)	416,953	3.6
3-year (2007-09)	1,238,096	3.9

State Mean COACT Composite Score (2009-10 baseline)

	N of Students	Mean Score
1-year (2010)	51,438	20.0
3-year (2008-10)	151,439	20.1

The Academic Growth Gaps indicator disaggregates the results of the Academic Growth Indicator, measuring the academic progress of historically disadvantaged student groups (students eligible for free/reduced lunch, minority students, students with disabilities, English learners) and students needing to catch up.



Financial Statements as of and for the Year Ended
June 30, 2013, Required Supplemental Information
and Additional Information for the Year Ended
June 30, 2013, and Independent Auditors' Reports



**LANDMARK ACADEMY AT
REUNION**

A PUBLIC CHARTER SCHOOL MANAGED BY NATIONAL HERITAGE ACADEMIES

LANDMARK ACADEMY AT REUNION

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1–2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3–6
BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2013:	
Academy-Wide Financial Statements (Governmental Activities):	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet — Governmental Funds and the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	9
Statement of Revenues, Expenditures and Changes in Fund Balances — Governmental Funds and the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	10
Notes to Financial Statements	11–15
REQUIRED SUPPLEMENTAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2013:	16
Budgetary Comparison Schedule:	
General Fund	17
Note to Required Supplemental Information	18
Individual Fund Schedule —	19
Budgetary Comparison Schedule — Grant Fund	20
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	21–22

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Landmark Academy at Reunion
Brighton, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Landmark Academy at Reunion (the "Academy") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Academy as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 3-6 and 17-20, respectively, be presented to supplement the basic financial statements. Such information, 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 September 27, 2013, on our consideration of the Academy'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 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 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 Academy's internal control over financial reporting and compliance.

Deloitte & Touche LLP

September 27, 2013

LANDMARK ACADEMY AT REUNION

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR YEAR ENDED JUNE 30, 2013

This section of the annual financial report for Landmark Academy at Reunion (the "Academy") provides an overview of the Academy's financial activities for the fiscal year ended June 30, 2013. It should be read in conjunction with the financial statements, which immediately follow this section.

Financial Highlights

The assets of the Academy exceeded its liabilities at the close of the most recent fiscal year by \$162,662.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Academy's basic financial statements, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Academy's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Academy is improving or deteriorating.

The statement of activities presents information showing how the Academy's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected grant revenues).

The Academy-wide statement of activities distinguishes functions/programs of the Academy supported primarily by per-pupil operating revenue and property taxes passed through the Brighton School District 27J. The governmental activities of the Academy include instruction and supporting services expense.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Academy, like other governmental units or charter schools, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Academy currently utilizes governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Academy's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Academy's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Academy adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget. A budget is also adopted for the grants fund. Budgetary to actual comparisons are provided for these funds.

The notes to the financial statements provide additional information that is essential to a full understanding of the data in the government-wide and fund financial statements. This information is provided on pages 11-15.

Services Agreement

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.

Net Position

The statement of net position provides the perspective of the Academy as a whole. The table below provides a summary of the Academy's net position as of June 30, 2013 and 2012, is as follows:

	2013	2012
Assets — current	\$ 180,233	\$ 166,833
Liabilities — current	<u>17,571</u>	<u>4,495</u>
Net position — restricted	<u>\$ 162,662</u>	<u>\$ 162,338</u>

The restricted net assets of governmental activities represent the reserve required under the Taxpayer's Bill of Rights. 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 statement of activities (below), which shows the changes in net position for the years ended June 30, 2013 and 2012, as follows:

	2013	2012
Program revenue:		
Charges for services	\$ 107,720	\$ 99,550
Operating grants	<u>57,499</u>	<u>63,879</u>
Total program revenue	<u>165,219</u>	<u>163,429</u>
General revenue:		
Per-pupil operating levy	3,818,213	3,564,098
Mill levy revenue	36,300	34,725
Capital construction	624,951	577,750
Other	218,571	187,282
Private sources — NHA	<u>203,544</u>	<u>448,629</u>
Total general revenue	<u>4,901,579</u>	<u>4,812,484</u>
Expenses — contracted service fee:		
Instruction	2,215,448	2,206,644
Support services	2,845,326	2,763,222
Food services	<u>5,700</u>	<u>5,700</u>
Total expenses	<u>5,066,474</u>	<u>4,975,566</u>
Change in net position	<u>\$ 324</u>	<u>\$ 347</u>

As reported in the statement of activities, the cost of governmental activities was \$5,066,474. These activities were primarily funded by the Academy's state aid (based on student count) and governments and organizations that subsidized certain programs with grants. Capital construction revenues are funds required to be set aside from state aid to provide for facilities and the Academy utilized these funds for a portion of the facility lease expense. *General revenue — Private sources — NHA* represents a contribution granted by NHA for excess of Academy expenditures over revenue available.

The Academy experienced an increase in net position of \$324 in 2013. A reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental funds to the statement of activities appears on page 10.

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 to 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 Academy's fund balance was \$162,662 at June 30, 2013.

A reconciliation of the balance sheet of governmental funds to the statement of net position appears on page 9.

General Fund Budgetary Highlights

Over the course of the year, the Academy revises its budget to reflect changes in revenues and expenditures.

Budgeted revenues for the general fund were increased by \$21,061 from the original budget. Revenues were changed to reflect additional state aid, other state sources, and other sources revenue. Budgeted expenditures for the general fund were increased by \$21,061. This change was to reflect the change in anticipated funding.

General Economic Factors and Next Year's Budgets

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

Contacting the Academy's Financial 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., 3850 Broadmoor SE, Ste 201, Grand Rapids, MI 49512.

LANDMARK ACADEMY AT REUNION

STATEMENT OF NET POSITION AS OF JUNE 30, 2013

	Governmental Activities
ASSETS	
CASH	\$ 162,662
DUE FROM GOVERNMENTAL REVENUE SOURCES	<u>17,571</u>
TOTAL	<u>\$ 180,233</u>
 LIABILITIES AND NET POSITION	
LIABILITIES:	
Unearned revenue	\$ 9,130
Contracted service fee payable	<u>8,441</u>
Total liabilities	<u>17,571</u>
NET POSITION — Restricted	<u>162,662</u>
Total net position	<u>162,662</u>
TOTAL	<u>\$ 180,233</u>

See notes to financial statements.

LANDMARK ACADEMY AT REUNION

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2013

	Program Revenues			Governmental Activities — Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants	
FUNCTIONS/PROGRAMS — Governmental activities — contracted service fee:				
Instruction	\$ 2,215,448	\$ 107,720	\$ 57,499	\$ (2,050,229)
Support services	2,845,326	-	-	(2,845,326)
Food services	5,700	-	-	(5,700)
Total	<u>\$ 5,066,474</u>	<u>\$ 107,720</u>	<u>\$ 57,499</u>	<u>(4,901,255)</u>
GENERAL-PURPOSE REVENUES:				3,818,213
Per-pupil operating levy				36,300
Mill levy revenue				624,951
Capital construction				218,571
Other				203,544
Private sources — NHA				<u>4,901,579</u>
Total general-purpose revenue				324
CHANGE IN NET POSITION				
NET POSITION:				<u>162,338</u>
Beginning of year				<u>\$ 162,662</u>
End of year				

See notes to financial statements.

LANDMARK ACADEMY AT REUNION

**BALANCE SHEET — GOVERNMENTAL FUNDS
AS OF JUNE 30, 2013**

	General Fund	Grant Fund	Total
ASSETS			
CASH	\$ 162,662	\$ -	\$ 162,662
DUE FROM GOVERNMENTAL REVENUE SOURCES	<u>6,079</u>	<u>11,492</u>	<u>17,571</u>
Total assets	168,741	11,492	180,233
DEFERRED OUTFLOWS OF RESOURCES — Prepaid expenses	<u>3,051</u>	<u>-</u>	<u>3,051</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 171,792</u>	<u>\$ 11,492</u>	<u>\$ 183,284</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES — Unearned Revenue	\$ 9,130	\$ -	\$ 9,130
DEFERRED INFLOWS OF RESOURCES — Unavailable revenue	<u>-</u>	<u>11,492</u>	<u>11,492</u>
Total liabilities and deferred inflows of resources	9,130	11,492	20,622
FUND BALANCE — Restricted	<u>162,662</u>	<u>-</u>	<u>162,662</u>
TOTAL	<u>\$ 171,792</u>	<u>\$ 11,492</u>	<u>\$ 183,284</u>
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION			
Total governmental fund balance			\$ 162,662
Due from governmental revenue sources not available to pay current-year expenditures, therefore, deferred in the funds			11,492
Contracted service fee payable not due and payable in the current year and not reported in the funds			<u>(11,492)</u>
Net position of governmental activities			<u>\$ 162,662</u>

See notes to financial statements.

LANDMARK ACADEMY AT REUNION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Grant Fund	Total
REVENUES:			
Federal sources	\$ -	\$ 46,007	\$ 46,007
Per-pupil levy	3,818,213	-	3,818,213
Mill levy	40,803	-	40,803
Capital construction	624,951	-	624,951
Other state sources	58,803	-	58,803
Charges for services	107,720	-	107,720
Other sources	159,768	-	159,768
Private sources — NHA	210,533	-	210,533
Total revenues	<u>5,020,791</u>	<u>46,007</u>	<u>5,066,798</u>
EXPENDITURES — Contracted service fee:			
Instruction	2,169,441	46,007	2,215,448
Support services	2,845,326	-	2,845,326
Food services	5,700	-	5,700
Total expenditures	<u>5,020,467</u>	<u>46,007</u>	<u>5,066,474</u>
REVENUES OVER EXPENDITURES	324	-	324
FUND BALANCE — Beginning of year	<u>162,338</u>	<u>-</u>	<u>162,338</u>
FUND BALANCE — End of year	<u>\$ 162,662</u>	<u>\$ -</u>	<u>\$ 162,662</u>

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Net change in fund balance — total governmental funds	\$ 324
Revenue reported in the statement of activities that does not provide current financial resources and are not reported as revenue in the governmental funds	11,492
Revenue reported in the governmental funds as available and measurable — reported in the statement of activities in prior years	(4,503)
Contracted service fee recognized consistent with the revenue policy	<u>(6,989)</u>
Change in net position of governmental activities	<u>\$ 324</u>

See notes to financial statements.

LANDMARK ACADEMY AT REUNION

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

1. NATURE OF OPERATIONS

Landmark Academy at Reunion (the "Academy") was incorporated on January 10, 2007, and began operations during the period ended June 30, 2008. The Academy is a component of the Brighton School District 27J 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 the eighth grade. The Academy offers half-day kindergarten at no cost; however, tuition fee is charged if the parents elect full-day kindergarten for their children. 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, 2037.

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.

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. *General revenue — Private sources — NHA* represent a contribution by NHA for the excess of Academy expenditures over revenue available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Academy have been prepared in conformity with accounting principles generally accepted in the United States of America ("generally accepted accounting principles") as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Academy also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The Academy does not apply FASB statements or interpretations issued after November 30, 1989.

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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are

supported by intergovernmental revenues, 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 revenues. 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. Revenues not classified as program revenues are reported instead as general-purpose revenue.

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.

As a general rule, 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 which amounts in any of the unrestricted fund balance classifications could be used, it is the Academy's policy to spend funds in the following 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 revenues to be available if they are 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, liabilities, fund balance, revenues, 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 — General fund is used to account for the general educational programs of the Academy. Its revenues are derived primarily from the State of Colorado and passed through the District.

Grant Fund — Grant fund is used to account for the educational programs of the Academy. Its revenues are derived primarily from federal sources.

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 revenues, 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. At June 30, 2013, all financial institutions holding deposits for the Academy are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The Academy does not have amounts on deposit in excess of federal insurance levels.

Cash as of June 30, 2013, represents bank deposits, which are covered by federal depository insurance. Accordingly, there are no investments, which are required to be categorized according to risk.

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 which have not been performed and is, therefore, not yet earned. As of June 30, 2013, a deferred inflow for unavailable revenue was recognized for \$11,492 and a liability for unearned revenue was recognized for \$9,130.

Contracted Service Fee Payable — Contracted service fee payable as of June 30, 2013, represents a timing difference between funds received from governmental sources and amounts payable to NHA in accordance with the agreement.

Fund Balance — Fund balances may be classified as nonspendable, restricted, committed, 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 only be used 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.

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% of qualifying expenditures. At June 30, 2013, the Academy's fund balance of \$162,662 was reported as restricted fund balance in the general fund.

Budgetary Information — Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the general and special revenue funds.

Accounting Change — Effective July 1, 2012, the Academy implemented the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement incorporates into GASB literature certain accounting and financial reporting guidance issued on or before November 30, 1989, that is included in FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedure. This statement did not have a significant impact on the Academy's financial statements.

Effective July 1, 2012, the Academy implemented the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provided a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This statement affected the format and report of the balance sheet at the government-wide level and also at the fund level.

Also effective July 1, 2012, the Academy implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources. This statement impacted the format and report of the balance sheet at the government-wide level and also at the fund level.

3. DUE FROM GOVERNMENTAL REVENUE SOURCES

Receivables as of June 30, 2013, for the Academy included \$6,079 in local revenue receivable and \$11,492 in federal grants receivable. The Academy considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

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 2013, and claims did not exceed coverage less retained risk deductible amounts in the past three fiscal years.

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 monies 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 monies.

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, 2012 through June 30, 2013. Annual rental payments required by the lease are \$1,042,884, payable in 12 monthly payments of \$86,907. This lease is renewable on a year-to-year basis.

The Academy subsequently renewed the sublease with NHA for the period of July 1, 2013 through June 30, 2014, for the same rental rate.

* * * * *

REQUIRED SUPPLEMENTAL INFORMATION

LANDMARK ACADEMY AT REUNION

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Amended Budget	Actual	Over (under) Final Budget
REVENUES:				
State aid	\$ 4,133,031	\$ 4,451,157	\$ 4,443,164	\$ (7,993)
Other state sources	59,430	61,473	58,803	(2,670)
Other sources	136,706	136,806	308,291	171,485
Private Sources — NHA	591,046	291,838	210,533	(81,305)
Total revenues	<u>4,920,213</u>	<u>4,941,274</u>	<u>5,020,791</u>	<u>79,517</u>
EXPENDITURES — Contracted service fee:				
Instruction:				
Basic instruction	1,878,464	1,900,222	1,984,561	84,339
Added needs	-	-	2,443	2,443
Special education	168,702	184,239	182,437	(1,802)
Support services:				
Pupil services	116,022	130,990	98,029	(32,961)
Instructional staff services	471,851	491,379	500,484	9,105
Board of education	66,571	61,213	59,487	(1,726)
Executive administration	149,420	173,558	184,650	11,092
Grant procurement	16,889	18,882	16,649	(2,233)
Office of the principal	279,145	277,226	254,515	(22,711)
Other school administration	125,546	87,505	82,226	(5,279)
Business support services	68,914	65,451	63,110	(2,341)
Operations and maintenance	1,344,635	1,328,482	1,384,892	56,410
Central services	228,354	216,427	201,284	(15,143)
Food services	5,700	5,700	5,700	-
Total expenditures	<u>4,920,213</u>	<u>4,941,274</u>	<u>5,020,467</u>	<u>79,193</u>
REVENUES OVER EXPENDITURES	-	-	324	324
FUND BALANCE — Beginning of year	-	162,338	162,338	-
FUND BALANCE — End of year	<u>\$ -</u>	<u>\$ 162,338</u>	<u>\$ 162,662</u>	<u>\$ 324</u>

See auditors' report on supplemental information.

LANDMARK ACADEMY AT REUNION

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2013

1. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information — Budgets are required by Colorado State statutes for all funds and are adopted on a basis consistent with generally accepted accounting principles in the United States of America.

Landmark Academy at Reunion 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.

INDIVIDUAL FUND SCHEDULE

LANDMARK ACADEMY AT REUNION

REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE GRANT FUND FOR THE YEAR ENDED JUNE 30, 2013

	Original Budget	Final Amended Budget	Actual	Over (under) Final Budget
REVENUES — Federal sources	\$ 59,651	\$ 53,049	\$ 46,007	\$ (7,042)
EXPENDITURES — Contracted service fee — instruction	<u>59,651</u>	<u>53,049</u>	<u>46,007</u>	<u>(7,042)</u>
REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE — Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE — End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See auditors' report on supplemental information.

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

To the Board of Directors of
Landmark Academy at Reunion
Brighton, Colorado

We have audited, in accordance with the 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 each major fund as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated September 27, 2013.

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) to determine the 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 entity'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 determination of financial statement amounts. 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 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deloitte & Touche LLP

September 27, 2013

