



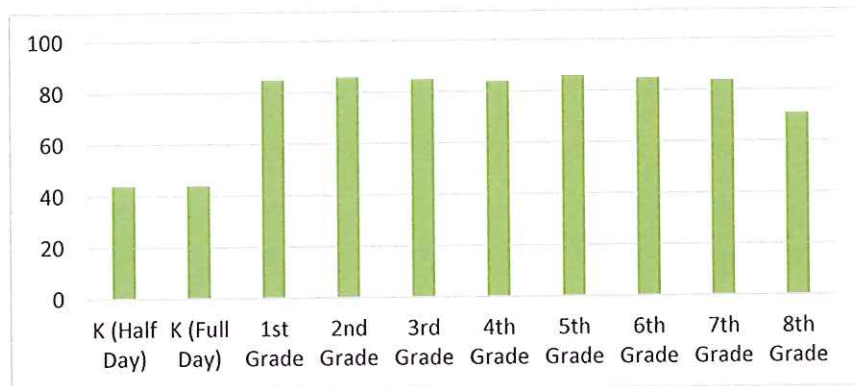
## LANDMARK ACADEMY AT REUNION

# 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	Lenna Gregory	lenna.gregory@gmail.com
Secretary	Bill Cox	billcox3900@sbcglobal.net
Director		



	October	Current	Projected	Waitlisted	Offered Seats
K (Half Day)	44	44	44	2	44
K (Full Day)	44	44	44	85	44
1st Grade	87	85	86	70	84
2nd Grade	87	86	86	55	84
3rd Grade	86	85	86	45	84
4th Grade	87	84	86	49	84
5th Grade	87	86	84	18	81
6th Grade	83	85	81	27	81
7th Grade	87	84	81	10	81
8th Grade	70	71	81	14	81
<b>Total</b>	<b>762</b>	<b>754</b>	<b>759</b>	<b>375</b>	<b>748</b>

Current Staff	
Teachers	36
New Teachers	0
Additional Support Staff	9
Admin	4

Previous Years Suspensions	17
Previous Years Expulsions	0
Current Years Suspensions	22
Current Years Expulsions	0

**LANDMARK ACADEMY AT REUNION  
BOARD OF DIRECTORS**

**2015-2016 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 11, 2015**

**Tuesday, September 8, 2015**

**Tuesday, October 13, 2015**

**Tuesday, November 10, 2015**

**Tuesday, January 12, 2016**

**Tuesday, February 9, 2016**

**Tuesday, March 8, 2016**

**Tuesday, April 12, 2016**

**\*\*Tuesday, May 10, 2016**

**Tuesday, June 14, 2016**

<b>*NOTE: THE BOARD WILL HOLD EVENING MEETINGS AS NEEDED</b>
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<b>**NOTE: ANNUAL MEETING INCLUDING DISCUSSION AND APPROVAL OF BUDGET</b>
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Created by Jeff Henders on \_\_\_\_\_ at \_\_\_\_\_.

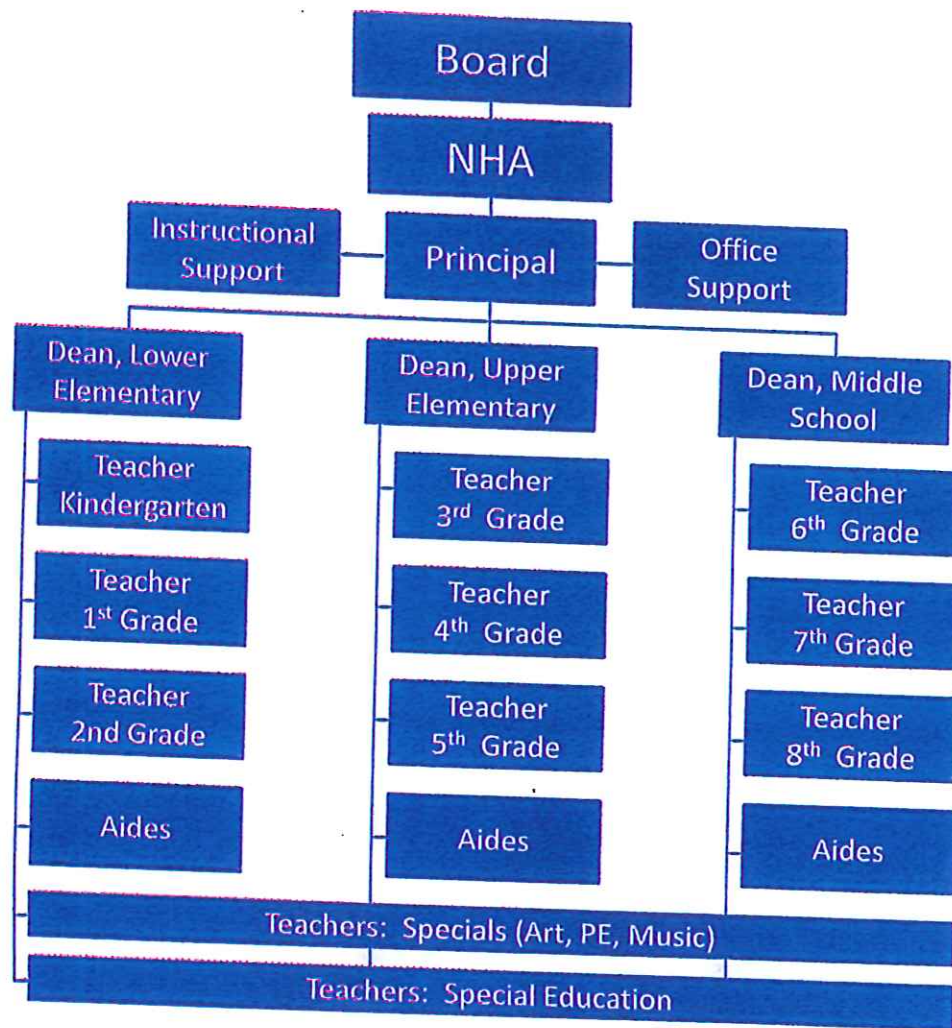
Posted at Landmark Academy by \_\_\_\_\_ on \_\_\_\_\_  
at \_\_\_\_\_.

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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

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*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.*





## 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 <sup>2</sup>			
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 <sup>3</sup>	Meets 95% Participation Rate				
<b>TOTAL</b>		<b>74.7%</b>	<b>( 74.7 out of 100 points )</b>		

<sup>2</sup>Schools 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.

<sup>3</sup>Schools 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

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

Performance Indicators							Level: Elementary	
School: LANDMARK ACADEMY AT REUNION - 4950							District: SCHOOL DISTRICT 27J - 0040 (1 Year)	
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							Level: Middle	
School: LANDMARK ACADEMY AT REUNION - 4950							District: SCHOOL DISTRICT 27J - 0040 (1 Year)	
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	-	-	-
Students needing to catch up	2	4		Approaching	57	47	58	No
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	-	-	-
Students needing to catch up	2	4		Approaching	82	51	88	No
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	-	-	-
Students needing to catch up	2	4		Approaching	90	47	74	No
Total	21	36	58.3%	Approaching				

## 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	The school's percentage of students scoring proficient or advanced was:			TCAP		16 (4 for each subject area)	25
	• at or above the 90th percentile of all schools (using 2009-10 baseline).		Exceeds	4			
	• below the 90th percentile but at or above the 50th percentile of all schools (using 2009-10 baseline).		Meets	3			
	• below the 50th percentile but at or above the 15th percentile of all schools (using 2009-10 baseline).		Approaching	2			
	• below the 15th percentile of all schools (using 2009-10 baseline).		Does Not Meet	1			
Academic Growth	Made AGP	Did Not Make AGP		TCAP	ACCESS	14 (4 for each subject area and 2 for English language proficiency)	50
	• at or above 60.	• at or above 70.	Exceeds	4	2		
	• below 60 but at or above 45.	• below 70 but at or above 55.	Meets	3	1.5		
	• below 45 but at or above 30.	• below 55 but at or above 40.	Approaching	2	1		
	• below 30.	• below 40.	Does Not Meet	1	0.5		
Academic Growth Gaps	Made AGP	Did Not Make AGP		TCAP		60 (4 for each of 5 subgroups in 3 subject areas)	25
	• at or above 60.	• at or above 70.	Exceeds	4			
	• below 60 but at or above 45.	• below 70 but at or above 55.	Meets	3			
	• below 45 but at or above 30.	• below 55 but at or above 40.	Approaching	2			
	• below 30.	• below 40.	Does Not Meet	1			

## Cut-Points for Each Performance Indicator

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

## School Plan Type Assignments

	Plan description	
Performance Plan	The school is required to adopt and implement a Performance Plan.	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.
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

### 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

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 TCAP and CoAlt in reading, mathematics, writing, and science, and results from Lectura and Escritura.

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

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

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

### 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 (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 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

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.

### 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)

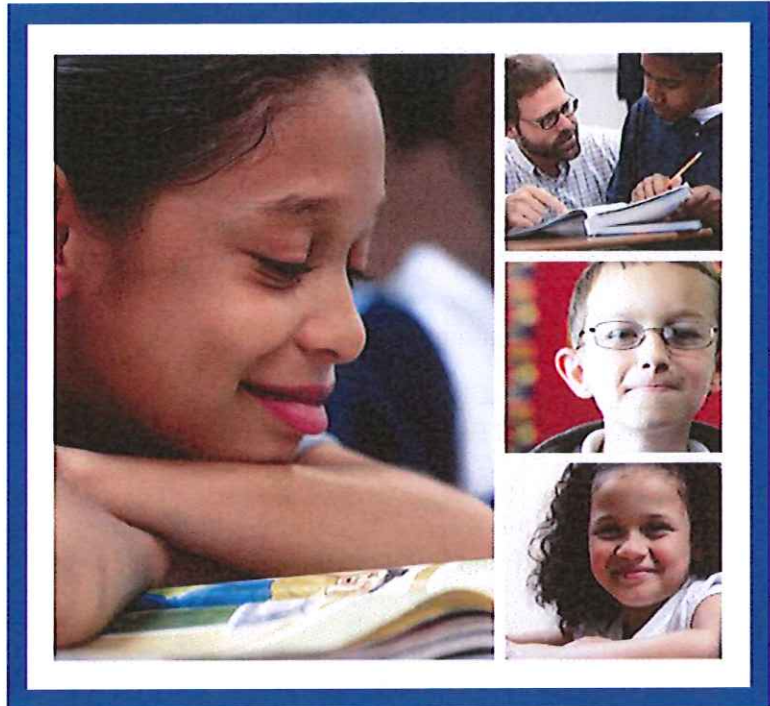
	N of Students	Mean Rate
1-year (2009)	416,953	3.6
3-year (2007-09)	1,238,096	3.9

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



## LANDMARK ACADEMY AT REUNION



Financial Statements as of and for the Year  
Ended June 30, 2014, Required  
Supplemental Information for the Year  
Ended June 30, 2014, and Independent  
Auditor's Reports

# LANDMARK ACADEMY AT REUNION

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## Independent Auditor's Report

To the Board of Directors  
Landmark Academy at Reunion

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major funds of Landmark Academy at Reunion (the "Academy") as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise Landmark Academy at Reunion'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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion 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 auditor's 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 auditor considers 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.

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of Landmark Academy at Reunion as of June 30, 2014 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.

To the Board of Directors  
Landmark Academy at Reunion

*Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedules, as identified in the table of contents, 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, 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 supplemental 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 24, 2014 on our consideration of Landmark Academy at Reunion'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 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 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 Landmark Academy at Reunion's internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

September 24, 2014



## LANDMARK ACADEMY AT REUNION

### MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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This section of the annual financial report for Landmark Academy (the "Academy") provides an overview of the Academy's financial activities for the fiscal year ended June 30, 2014. It should be read in conjunction with the financial statements, which immediately follow this section.

#### Using this Annual Report

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 as well as 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 fund—the General Fund — with the other fund presented in one column as the major Grant Fund.

Management's Discussion and Analysis  
(Required Supplemental Information)

#### Basic Financial Statements

Academy-wide Financial Statements      Fund Financial Statements

Notes to Basic Financial Statements

(Required Supplemental Information)

Budgetary Information for the Governmental Funds

#### 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 revenues 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 revenues 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 Brighton School District 27J (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 those revenues that are "measurable" and "currently available" are 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

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:

	2014	2013
Assets - current	\$ 176,130	\$ 180,233
Liabilities - current	<u>13,003</u>	<u>17,571</u>
Net position:		
Restricted	156,843	162,662
Unrestricted	<u>6,284</u>	<u>-</u>
Total net position	<u>\$ 163,127</u>	<u>\$ 162,662</u>

The restricted net position of governmental activities represent 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 Statements of Activities (below), which shows the changes in net position for the periods ended June 30:

	2014	2013
Program revenue:		
Charges for services	\$ 102,674	\$ 107,720
Operating grants	<u>773,840</u>	<u>739,270</u>
Total program revenue	<u>876,514</u>	<u>846,990</u>
General revenue:		
Per-pupil operating levy	4,032,917	3,818,213
Mill levy revenue	34,875	36,300
Other	169,149	161,751
Private sources - NHA	<u>115,111</u>	<u>203,544</u>
Total general revenue	<u>4,352,052</u>	<u>4,219,808</u>
Total revenues	<u>5,228,566</u>	<u>5,066,798</u>
Expenses—		
Contracted service fee:		
Instruction	2,361,999	2,215,448
Support services	2,860,399	2,845,326
Food services	<u>5,703</u>	<u>5,700</u>
Total expenses	<u>5,228,101</u>	<u>5,066,474</u>
Change in net position	<u>\$ 465</u>	<u>\$ 324</u>



As reported in the Statement of Activities, the cost of governmental activities was \$5,228,101. 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, which are included in operating grants, and the Academy utilized these funds for a portion of the facility lease expense. *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 \$465 in 2014. 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.

A reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities appears on page 11.

### **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 Grant Fund represents grant activities. The Academy's combined fund balance was \$163,127 at June 30, 2014.

A reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position appears on page 10.

### **Budgetary Highlights**

Over the course of the year, the Academy revises its budget to reflect changes in revenues and expenditures. The Academy adopts an annual budget for its general fund and grants fund. A budgetary comparison statement have been provided for the general fund and grants fund to demonstrate compliance with the budget.

Budgeted revenues for the General Fund were decreased by \$75,744 from the original budget. Revenues were changed to reflect an increase in state aid, other state sources, local sources, other sources, and a decrease in private sources from NHA. Budgeted expenditures for the General Fund were decreased by \$66,219. This change was to reflect the change in anticipated funding. Budgeted revenues for the Grant Fund was amended to reflect an increase in federal funding by \$9,525 from the original budget. Significant variances between the final budget and actual amounts are disclosed in the notes to the financial statements.



### **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

JUNE 30, 2014

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	Governmental Activities
<b>ASSETS</b>	
CURRENT ASSETS:	
Cash	\$ 162,992
Due from governmental revenue sources	<u>13,138</u>
Total current assets	<u>176,130</u>
 TOTAL	 <u>\$ 176,130</u>
 <b>LIABILITIES AND NET POSITION</b>	
LIABILITIES:	
Unearned revenue	\$ 3,206
Contracted service fee payable	<u>9,797</u>
Total liabilities	<u>13,003</u>
 NET POSITION -	
Restricted	156,843
Unrestricted	<u>6,284</u>
Total net position	<u>163,127</u>
 TOTAL	 <u>\$ 176,130</u>

See notes to financial statements.

# LANDMARK ACADEMY AT REUNION

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2014

		Program Revenues		Governmental
		Charges for	Operating	Activities
	Expenses	Services	Grants	Net (Expense)
				Revenue and
				Changes in
				Net Position
FUNCTIONS/PROGRAMS —				
Governmental activities:				
Contracted service fee:				
Instruction	\$ 2,361,999	\$ 102,674	\$ 130,757	\$ (2,128,568)
Support services	2,860,399	-	643,083	(2,217,316)
Food services	5,703	-	-	(5,703)
Total governmental activities	<u>\$ 5,228,101</u>	<u>\$ 102,674</u>	<u>\$ 773,840</u>	(4,351,587)
GENERAL PURPOSE REVENUES:				
Per-pupil operating levy				4,032,917
Mill levy revenue				34,875
Other				169,149
Private sources - NHA				<u>115,111</u>
Total general purpose revenue				<u>4,352,052</u>
CHANGE IN NET POSITION				465
NET POSITION:				
Beginning of year				<u>162,662</u>
End of year				<u>\$ 163,127</u>

See notes to financial statements.



## LANDMARK ACADEMY AT REUNION

### BALANCE SHEET — GOVERNMENTAL FUNDS JUNE 30, 2014

	Total Governmental Funds - General Fund
<b>ASSETS</b>	
Cash	\$ 162,992
Prepaid expenses	3,341
Due from governmental revenue sources	13,138
<b>TOTAL</b>	<b>\$ 179,471</b>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES:</b>	
Unearned revenue	\$ 3,206
<b>Total liabilities</b>	<b>3,206</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Unavailable revenue	13,138
<b>Total liabilities and deferred inflows of resources</b>	<b>16,344</b>
<b>FUND BALANCE:</b>	
Restricted	156,843
Committed	30,000
Unassigned	(23,716)
<b>Total fund balance</b>	<b>163,127</b>
<b>TOTAL</b>	<b>\$ 179,471</b>
<b>Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position</b>	
Total governmental fund balance	\$ 163,127
Due from governmental revenue sources not available to pay current period expenditures therefore deferred in the funds	13,138
Contracted service fee payable not due and payable in the current period and not reported in the funds	(13,138)
<b>Net position of governmental activities</b>	<b>\$ 163,127</b>

See notes to financial statements.

# **LANDMARK ACADEMY AT REUNION**

## **STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2014**

	General Fund	Grant Fund	Total Governmental Funds
<b>REVENUES:</b>			
Federal sources	\$ -	\$ 71,042	\$ 71,042
Per-pupil levy	4,032,917	-	4,032,917
Mill levy	28,858	-	28,858
Capital construction	643,083	-	643,083
Other state sources	78,198	-	78,198
Charges for services	102,674	-	102,674
Other sources	155,037	-	155,037
Private sources - NHA	116,757	-	116,757
Total revenues	5,157,524	71,042	5,228,566
<b>EXPENDITURES — Contracted service fee:</b>			
Instruction	2,290,957	71,042	2,361,999
Support services	2,860,399	-	2,860,399
Food services	5,703	-	5,703
Total expenditures	5,157,059	71,042	5,228,101
NET CHANGE IN FUND BALANCE	465	-	465
FUND BALANCE — Beginning of year	162,662	-	162,662
FUND BALANCE — End of year	\$ 163,127	\$ -	\$ 163,127
<b>Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities</b>			
Net change in fund balance — total governmental funds			\$ 465
Revenue reported in the statement of activities that does not provide current financial resources and are not reported as revenue in the governmental funds			13,138
Revenue reported in the governmental funds as available and measurable — reported in the statement of activities in prior years			(11,492)
Contracted service fee recognized consistent with the revenue policy			(1,646)
Change in net position of governmental activities			\$ 465
See notes to financial statements.			



## LANDMARK ACADEMY AT REUNION

### NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2014

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#### 1. NATURE OF OPERATIONS

Landmark Academy at Reunion (the "Academy") was incorporated on January 10, 2007, and began operations on 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 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 total administrative fee for the year ended June 30, 2014 paid to the District was \$137,401.

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.

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

#### 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 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.

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 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 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* — The 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* — The 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, 2014 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, 2014 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, 2014 deferred inflows for unavailable revenue were recognized for \$13,138 and a liability for unearned revenue was recognized for \$3,206.

*Contracted Service Fee Payable* — Contracted service fee payable as of June 30, 2014, represents a timing difference between funds received from governmental sources and amounts paid 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. At June 30, 2014, the Academy had \$30,000 in committed fund balance, and \$156,843 in restricted fund balance, and (\$23,716) in unassigned fund balance. The committed fund balance has been committed by resolutions of the Board of Directors for software subscriptions.

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, 2014, the Academy's fund balance of \$156,843 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 for the general and grant funds.

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 revenues and expenditures for the General Fund by \$75,744 and to increase budgeted revenues and expenditures for the Grant Fund by \$9,525.

During the year, the Academy incurred certain expenditures in the General Fund and Grant Fund which were in excess of the amounts budgeted as follows:

	<u>Budget</u>	<u>Actual</u>
General Fund:		
Instruction:		
Basic Instruction	1,922,192	2,122,466
Support Services:		
Board of Education	46,321	55,491
Pupil Transportation Services	-	13,602
Grant Fund:		
Instruction	58,027	71,042

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.

### **3. DUE FROM GOVERNMENTAL REVENUE SOURCES**

Receivables as of June 30, 2014 for the Academy included \$6,017 in local revenue receivable and \$7,121 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 2014, 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, 2013 through June 30, 2014. 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, 2014 through June 30, 2015, at the same rental rate.

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**REQUIRED SUPPLEMENTAL INFORMATION**

# LANDMARK ACADEMY AT REUNION

## REQUIRED SUPPLEMENTAL INFORMATION BUDGETARY COMPARISON SCHEDULE GENERAL FUND YEAR ENDED JUNE 30, 2014

	Original Budget	Final Amended Budget	Actual	Over (Under) Final Budget
REVENUES:				
State Aid	\$ 4,588,081	\$ 4,704,810	\$ 4,676,000	\$ (28,810)
Other State Sources	56,602	58,933	78,198	19,265
Local Sources	26,806	36,300	28,858	(7,442)
Other Sources	112,600	113,370	257,711	144,341
Private Sources - NHA	205,068	-	116,757	116,757
Total Revenues	4,989,157	4,913,413	5,157,524	244,111
EXPENDITURES - Contracted Service fee:				
Instruction:				
Basic Instruction	1,927,604	1,922,192	2,122,466	200,274
Added Needs	-	-	409	409
Special Education	158,308	174,506	168,082	(6,424)
Support Services:				
Pupil Services	136,390	111,053	117,287	6,234
Instructional Staff Services	457,510	454,759	477,125	22,366
Board of Education	96,812	46,321	55,491	9,170
Executive Administration	191,778	174,075	189,753	15,678
Grant Procurement	18,269	18,934	19,016	82
Office of the Principal	274,744	273,709	274,158	449
Other School Administration	89,208	93,308	89,046	(4,262)
Business Support Services	65,454	63,856	64,894	1,038
Central Services	206,019	211,239	173,600	(37,639)
Pupil Transportation Services	-	-	13,602	13,602
Operations and Maintenance	1,361,361	1,363,761	1,386,427	22,666
Food Services	5,700	5,700	5,703	3
Total Expenditures	4,989,157	4,913,413	5,157,059	243,646
REVENUES OVER EXPENDITURES	-	-	465	465
NET CHANGE IN FUND BALANCE	-	-	465	465
FUND BALANCE - Beginning of year	-	162,662	162,662	-
FUND BALANCE - End of year	\$ -	\$ 162,662	\$ 163,127	\$ 465



# LANDMARK ACADEMY AT REUNION

## REQUIRED SUPPLEMENTAL INFORMATION BUDGETARY COMPARISON SCHEDULE GRANT FUND YEAR ENDED JUNE 30, 2014

	Original Budget	Final Amended Budget	Actual	Over (Under) Final Budget
REVENUES - Federal Sources	\$ 48,502	\$ 58,027	\$ 71,042	13,015
EXPENDITURES - Contracted Service Fee - Instruction	48,502	58,027	71,042	13,015
REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE - Beginning of year	-	-	-	-
FUND BALANCE - End of year	\$ -	\$ -	\$ -	\$ -

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  
Landmark Academy at Reunion

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 the major funds of Landmark Academy at Reunion (the "Academy") as of and for the year ended June 30, 2014, and related notes to the financial statements, which collectively comprise the entity's basic financial statements, and have issued our report thereon dated September 24, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Landmark Academy at Reunion'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 entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity'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.

To Management and the Board of Directors  
Landmark Academy at Reunion

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Landmark Academy at Reunion'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 entity'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.

*Plante & Morse, PLLC*

Grand Rapids, Michigan  
September 24, 2014