



# Landmark Academy

Kimball, Michigan

Audited Financial Statements

June 30, 2025

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CBIZ CPAs P.C.

345 Diversion Street  
Suite 400  
Rochester, MI 48307

P: 248.659.5300

## **Independent Auditors' Report**

Board of Directors and Management  
**Landmark Academy**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Landmark Academy (the "Academy"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Academy, as of June 30, 2025, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Academy's basic financial statements. The accompanying supplementary information, as identified in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2025 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.

*CBIZ CPAs P.C.*

Rochester, MI  
October 31, 2025



CBIZ CPAs P.C.

345 Diversion Street  
Suite 400  
Rochester, MI 48307

P: 248.659.5300

**Independent Auditors' 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 and Management of  
**Landmark Academy**

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Landmark Academy (the "Academy"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated October 31, 2025.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

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

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

### ***Report on Compliance and Other Matters***

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

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*CBIZ CPAs P.C.*

CBIZ CPAs P.C.  
Rochester, MI

October 31, 2025



# Landmark Academy

**A Public School Academy in Kimball, Michigan  
Chartered by Saginaw Valley State University**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025**

## **Introduction**

**Landmark Academy** completed its twenty-fourth year of operation on June 30, 2025, having been chartered by Saginaw Valley State University since July of 1999. Landmark Academy is a tuition-free, public school district that serves kindergarten through twelfth grade students and has the following characteristics.

- Landmark Academy maximizes students' potential by employing a personal learning approach that identifies each student's natural giftings and strengths and engages those to promote confidence and acumen in all areas of study.
- Landmark Academy promotes the development of critical thinking skills to help students avoid adopting, acting, or thinking with misleading information.
- Landmark Academy seeks to provide all major factual information and documented known context for world and historical events to its students and leaves belief systems, practice of those belief systems and world-views to be chosen by students and parents.
- Landmark Academy exhorts and encourages students to engage in and appreciate life-long learning, growth, and discovery.
- Landmark Academy seeks to be a catalyst for its students converting opportunity and pursuit to achievement.
- Through more effective learning practices, Landmark Academy improves the human condition and the desirability of the community by giving hope to families.

The school campus is located on a sixty-six acre parcel of land on Lapeer Road in Kimball Township, near Port Huron. There are two buildings located on the campus. The first is a 42,000 square foot Elementary School building that is modular construction with a brick exterior, having 27 classrooms and two administration offices. The next is our 97,300 square foot Middle and High School building with metal stud construction, having 27 classrooms and several administration offices. The fall enrollment count for the fiscal year was approximately 820. The elementary school had 379 students, middle school had 216 students, and the high school had 225 students enrolled.

In January 2010, Landmark Academy secured the financing for the building located at 4864 Lapeer Rd. Kimball, MI 48074. Part of the financing included funds to renovate the first floor of the building by constructing a full-size gymnasium, new classrooms, and offices. The renovations were completed, and the Certificate of Occupancy was issued on March 2, 2011. On August 1, 2020, Landmark refinanced its 2010 revenue bonds by revenue refunding bonds with an additional \$250,000 for capital improvements. The new bonds have an interest rate of 5% and have two blocks, \$5,595,000 maturing June 1, 2035, and \$7,840,000 maturing June 2045.

## **Overview of Financial Statements**

The financial information contained in this Management's Discussion & Analysis is derived from two methods of reporting. One method is Governmental Fund Accounting, which was the only method used prior to the Governmental Accounting Standards Board (GASB) 34 changes that were put into place. The other method reports finances on a Net Position basis, typical of full accrual accounting method.

The Governmental Fund method report separates the financial activities of the school into self-balancing funds based on the primary function of the fund. For example, the Debt Service Fund is specifically for all activity related to the school's debt service activity. The funds used for Landmark Academy are the General Fund (where most all financial activity takes place), the Debt Service Fund, the Food Service Fund (for the school Food Service activities), and the Student Activity Fund (for student activities).

The Net Position method reflects activity on a school-wide basis showing assets, short-term and long-term debt, and all revenues and expenses for the year. Depreciation of assets is included in this method of accounting.

Financial statements representing both accounting methods follow this Management's Discussion & Analysis. Included in these statements is a reconciliation between the two methods of accounting.

GASB 87 updated accounting standards for leases and how they are to be recognized on the financial statements. Governmental entities, including school districts, are required to have this in place for the year ended June 30, 2022.

## **Assets, Liabilities & Net Position**

### **Assets**

#### **Capital Assets**

Much of Landmark Academy's gross capital asset value of \$19,221,465 consists of land and buildings that make up \$16,880,140 of the total. In prior years, Landmark Academy's capital asset values were established on an original cost basis. Capital assets net of accumulated depreciation was \$12,381,309.

Landmark Academy opened its doors in 1999 with two (2) 6,000 square foot modular buildings that provided for 11 classrooms and an administrative office. Growth in student numbers necessitated expansion projects in 2001, 2003, 2005, 2007 and 2010.

The school issued Certificates of Participation to fund the first four projects, and the Michigan Public Educational Facilities Authority (MPEFA) issued a bond for the final project.

The final addition of two modular classrooms in 2007 brings the elementary building area to approximately 42,000 square feet. In January 2010, the school purchased the adjacent 97,300 square foot building for our Middle and High School and made improvements to the first floor to accommodate a new full-size gymnasium, classrooms, and offices.

## Landmark Academy

1999



Today



**ELEMENTARY** K-5

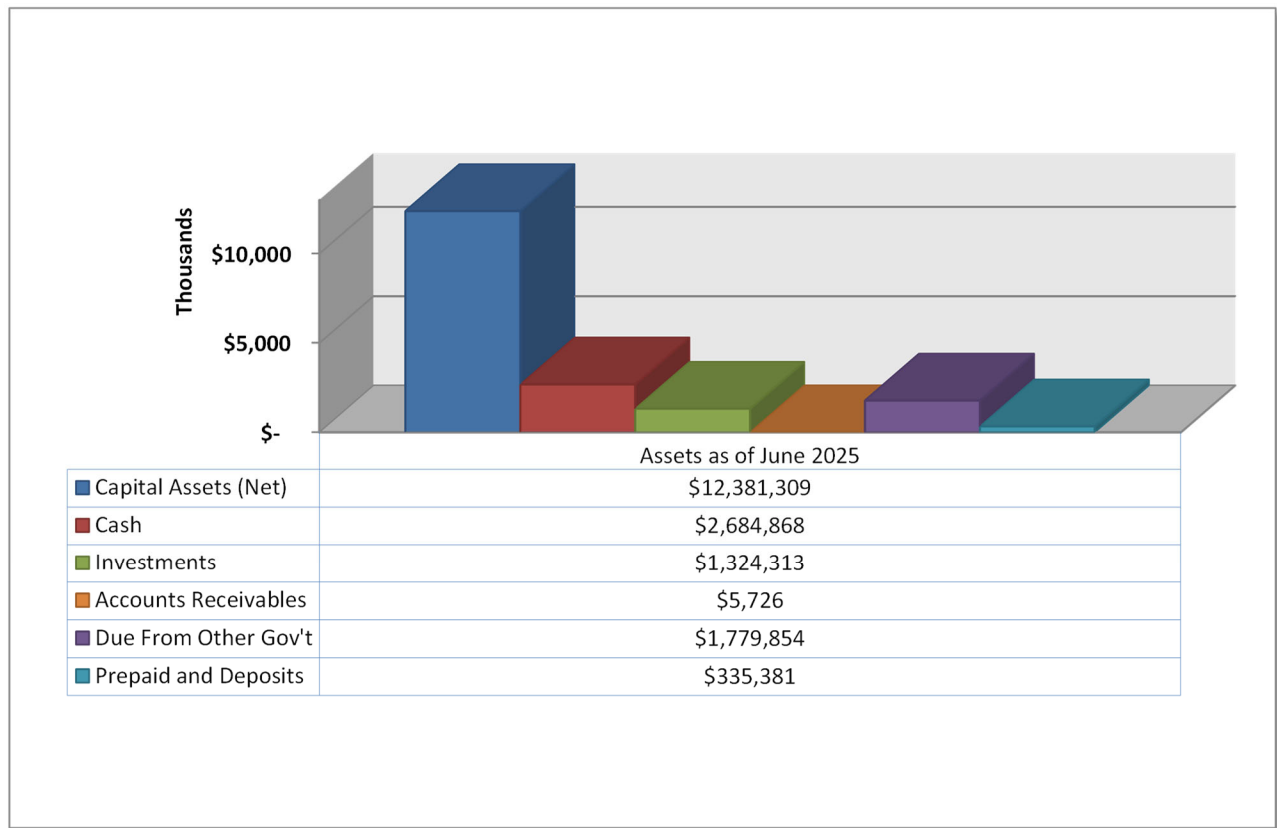


**MIDDLE/HIGH SCHOOL** 6-12

## Current Assets

Landmark Academy’s current assets total \$6,130,142. Of that amount, \$1,779,854 is recorded as due from governmental units. Most of this is derived from the State of Michigan as per-pupil aid, which was received by the end of August 2025. Landmark Academy maintains deposit accounts totaling \$2,684,868 for the fiscal year-end, which represents the cash balance in the general fund accounts. Another significant portion of the school’s current assets are the \$1,324,313 shown as investments. Most of this sum is held in a trust account to pay for the principal and interest on the long-term debt (Revenue Bond).

The following chart illustrates the categories and amounts of Landmark Academy’s \$18,511,451 in assets.



## Liabilities

### Long-Term Liabilities

Landmark Academy presently has a long-term debt obligation of \$12,361,370. The Academy was able to pay down the overall debt by \$381,156 reflecting principal payments. In addition, the Academy paid \$648,457 in interest.

The financing agreement for the Bond calls for 20% of state aid to be directly deposited monthly into a trust account held at US Bank to satisfy principal and interest due. Deposited funds in excess of the debt service are then transferred back to the Academy’s general checking account. \$1,020,633 was transferred into the debt service fund to provide for the debt service on the bond issue.

## Current Liabilities

Current liabilities of \$2,513,025 are made up of a current portion of long-term debt of \$397,600, a security deposit of \$1,000,000, and other accrued expenses consisting of current payables, unearned revenues, other accrued expenses of \$1,089,355.

Total Liabilities are \$14,874,395.

## Net Position

The total Net Position for the year ended June 30, 2025, is \$3,637,056. This represents Landmark Academy's equity position across all funds on the full accrual basis of accounting. This basis of accounting includes all liabilities and assets net of depreciation. Governmental funds are reported to the state using the modified accrual basis of accounting.

## Comparative Analysis of Net Position

The following is a comparison of financial data between the current fiscal year and the previous fiscal year. Total Assets increased from last year by \$131,733. Long-Term Debt, Non-Current portion, has decreased by \$(340,343) from the prior year balance. Total Net Position increased by \$249,201.

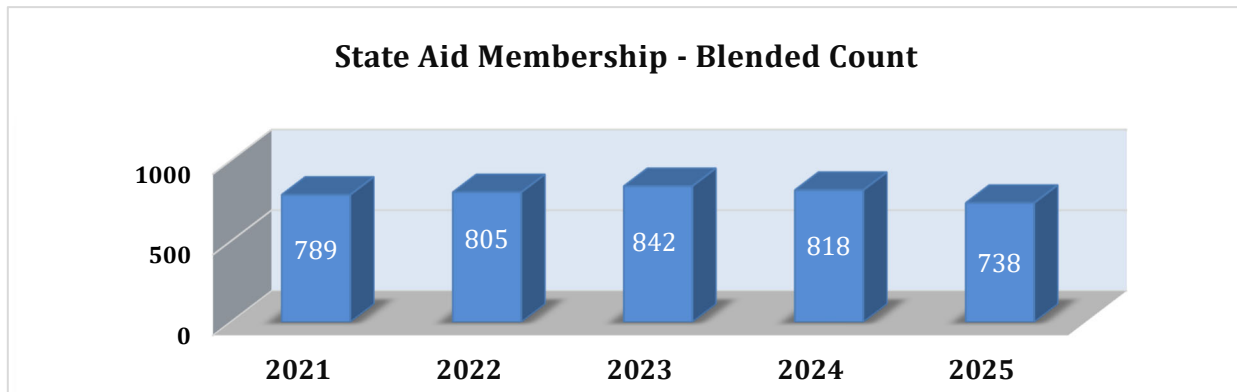
<b>Comparative Statement of Net Position</b>				
	<u>2024/2025</u>	<u>2023/2024</u>	<u>Variance</u>	<u>%</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>				
Current Assets	\$ 6,130,142	\$ 6,077,630	\$ 52,512	0.86%
Non-Current Assets	<u>12,381,309</u>	<u>12,302,088</u>	<u>79,221</u>	0.64%
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b><u>\$ 18,511,451</u></b>	<b><u>\$ 18,379,718</u></b>	<b><u>\$ 131,733</u></b>	<b>0.72%</b>
<b>LIABILITIES, DEFERRED INFLOWS</b>				
Current Liabilities	2,513,025	2,290,150	222,875	9.73%
Non-Current Liabilities	<u>12,361,370</u>	<u>12,701,713</u>	<u>(340,343)</u>	-2.68%
Total Liabilities	<u>14,874,395</u>	<u>14,991,863</u>	<u>(117,468)</u>	-0.78%
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ (377,661)	\$ (765,989)	\$ 388,328	
Restricted for:				
Debt Service	324,313	307,115	17,198	
Food Service	-	44,065	(44,065)	
Students Activities	59,182	59,327	(145)	
Unrestricted	<u>3,631,222</u>	<u>3,743,337</u>	<u>(112,115)</u>	-3.00%
Total Net Position	<u>3,637,056</u>	<u>3,387,855</u>	<u>249,201</u>	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS- AND NET POSITION</b>	<b><u>\$ 18,511,451</u></b>	<b><u>\$ 18,379,718</u></b>	<b><u>\$ 131,733</u></b>	<b>0.72%</b>

# Revenue & Expenses

## Revenue

Student enrollment decreased from 818 in fiscal year 2024 to 738 in fiscal year 2025, respectively. In response, the Academy has implemented several strategic initiatives aimed at promoting both growth and retention of its pupil population. One key initiative is the continuation of the pupil transportation program, which has provided significant support to families and improved accessibility to the Academy. Additionally, the Academy continues to offer both school breakfast and lunch programs, developed in response to community demographic data indicating an increase in the percentage of students qualifying for free and reduced-price meals and those identified as At-Risk.

Landmark Academy also offers a comprehensive virtual program serving grades K–12, providing flexible learning options for students and families. Furthermore, the Academy remains committed to advancing Professional Learning Communities (PLCs), which focus on enhancing the effectiveness of Student Learning Objectives and improving the overall impact on individual student achievement.

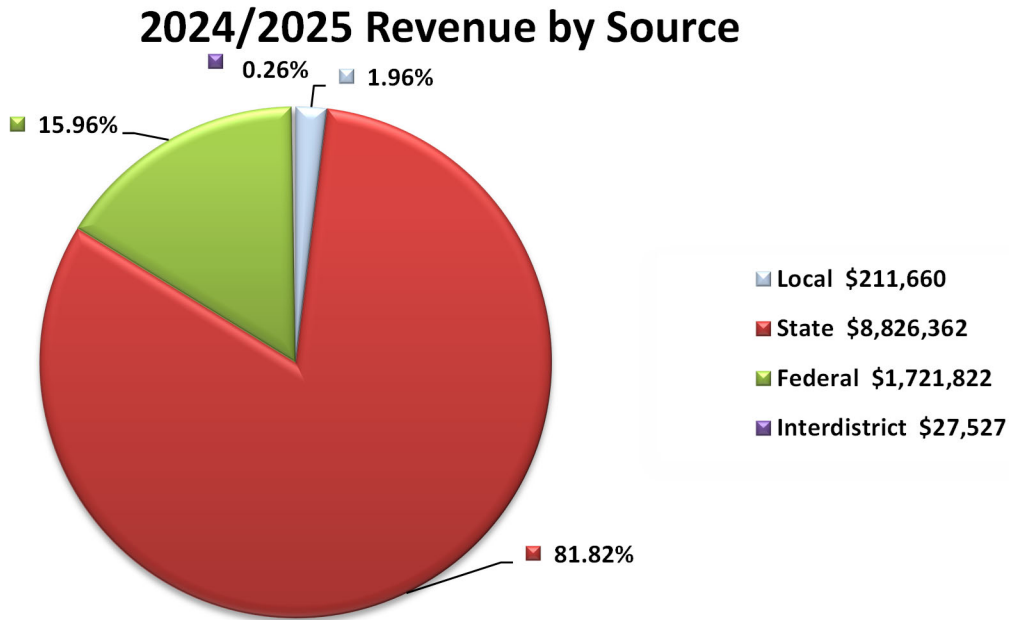


Landmark Academy’s primary source of revenue is derived from the State of Michigan. Approximately 82% of total annual revenue for this school year was from state aid and state grants. In the 2024/2025 school year, state aid increased over the previous year's payment, which was the case for all public schools. The per pupil amount for Landmark Academy was \$9,608. The per pupil allowance was based on a blended student count formula that weighs the current October student count at 90% and prior fiscal year’s February student count at 10% of the calculation.

Total state sources had a net decrease in the amount of \$101,494. Federal sources decreased from the prior year by \$643,700. Federal sources represented about 16% of revenues mostly due to programs such as Special Education, food service, Federal Title programs and Elementary and reduction of Secondary School Emergency Relief (ESSER) Funds. Local Sources represents about 2% of total revenues, which increased by \$34,903 from prior year. Local sources mainly consist of facility rental income, student activities fees, summer program charges. Combined Landmark Academy's revenues decreased by \$702,782 or about 7%.

**Total Revenues - \$10,787,371**

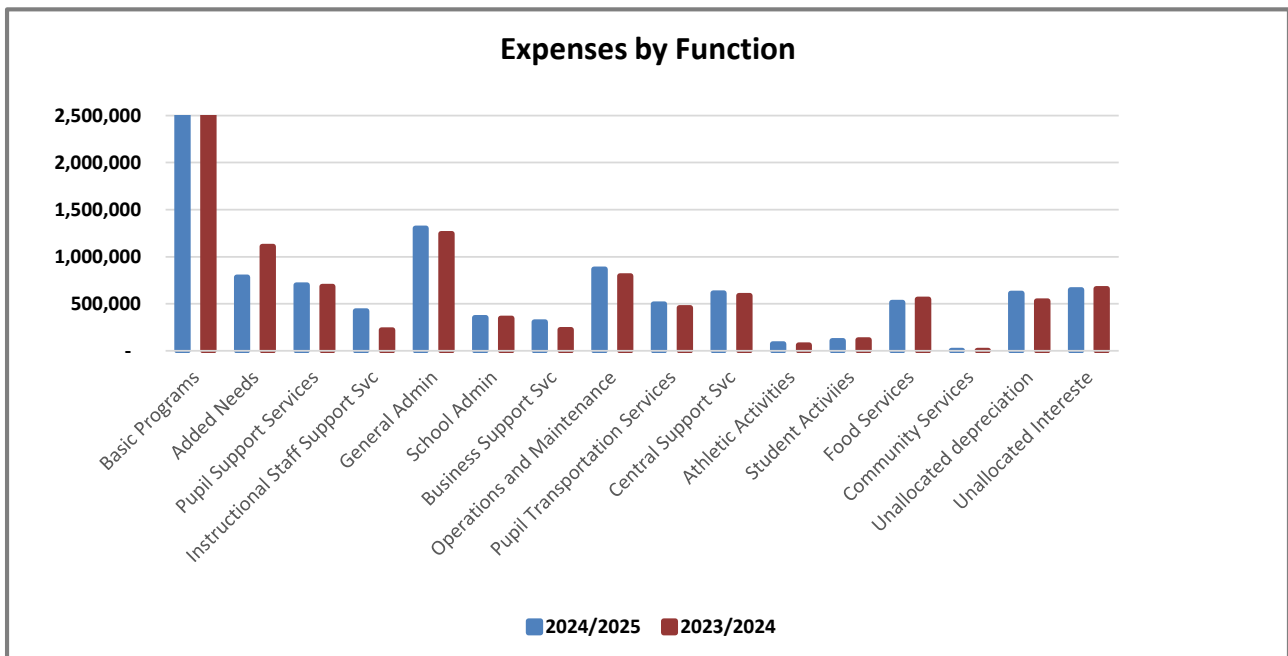
General purpose revenues consist of \$7,993,470 unrestricted state school aid, and \$103,383 of local revenues. Total restricted revenues of \$2,690,518 consist of \$1,867 charges for services and \$2,699,064 restricted operating grants.



### Expenses 2024/2025

Expenses reported on the statement of activities by function:

Total expenses for the fiscal year ended June 30, 2025, were \$10,538,170 which is a \$109,251 increase from the prior year. Unallocated depreciation expense in the amount of \$612,419 represents the current year decrease in assets value. Unallocated interest expense in the amount of \$648,457 represents the cost of financing debts.

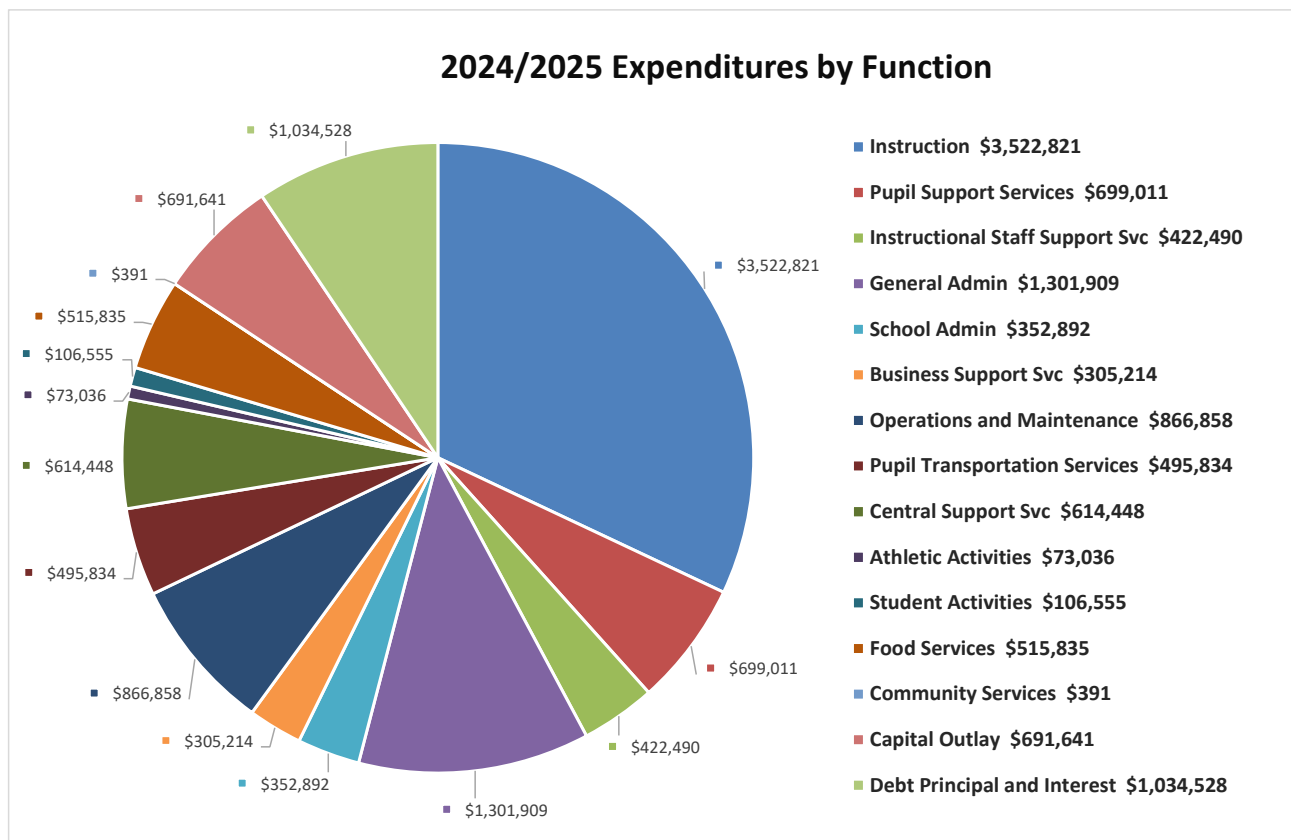


## Overall Financial Position Under Modified Accrual Method

The fund balance is positive though it decreased from the prior fiscal year. Fall student enrollment is within projections and costs were held to an appropriate level. With the decline the Academy does continue to have a healthy fund balance.

The General Fund has a fund balance of \$3,650,381 of which \$3,134,609 is unassigned, \$380,391 is assigned and \$135,381 is nonspendable. As of the end of the fiscal year the unassigned and nonspendable fund balance portion accounts for about 31.44% of General Fund Expenditures. The Michigan School Business Officials (MSBO) recommends that public school districts maintain a fund balance of at least 15% of expenditures to cover a two-month period. The Academy’s fund balance percentage has the academy well positioned to shield against unanticipated financial challenges.

Expenditures are approved and reported on a functional level. The following chart represents those levels and the corresponding expenditures (based upon a modified accrual method) for the fiscal year ending June 30, 2025.



### Total Expenditures - \$11,003,463

Expenditures were evaluated across all functions to support the school’s operation. Instructional expenses decreased by 33% primarily driven by decrease with Esser funds sunsetting, positions and instructional program needs. Pupil Support Services decreased by 2% due to availability of 31a.

Debt Service expense increase of \$75,033 was expected this fiscal year for payments related to the amortization schedule. The Business Support Services expenses increased by 35% due to premium

discounts, dues and fees associated with the bond debt and an increase in business operations. Operations and Maintenance expenses increased by 9%. Pupil Transportation Services show an increase of approximately 9% from last year due to increase in METS busing contract rates. Central Support costs decreased by 4% as staffing support was realigned in Hospitality. Food Services expenses decreased by 6% primarily due to a decrease in students participating in the program. It should be noted that debt principal and interest reflected the refunded 2020 revenue bond. On August 1, 2020, Landmark refinanced its 2010 revenue bonds by revenue refunding bonds with an additional \$250,000 for capital improvements. The new bonds have an interest rate of 5% and have two blocks, \$5,595,000 maturing June 1, 2035, and \$7,840,000 maturing June 2045.

### **Comparative Analysis of Revenues, Expenditures, and Changes in Fund Balance**

Total revenues decreased by 6.12% over last year. State revenues decreased by 1.14% and Federal revenue decreased by 27.21% while Local revenues increased by 19.75%. All State source revenue as a percentage of total revenue was 81.82%. Total expenditures decreased by .57%, which is in alignment with school operational goals and decisions and reflects the bond refunding. A favorable fund balance position was maintained. The year-end fund balance decreased by 3.35% from the previous fiscal year. The following chart outlines the changes in the revenues and expenditures.

**Comparative Statement of Revenues,  
Expenditures and Changes in Fund Balance -  
All Governmental Funds**

	2024/2025	2023/2024	Variance
<b>REVENUES</b>			
Local Sources	\$ 211,660	\$ 176,757	\$ 34,903
State Sources	8,826,362	8,927,856	(101,494)
Federal Sources	1,721,822	2,365,522	(643,700)
Interdistrict Sources	27,527	20,018	7,509
Total Revenues	10,787,371	11,490,153	(702,782)
<b>EXPENDITURES</b>			
Instruction			
Basic Programs	2,739,240	2,849,269	(110,029)
Added Needs	783,581	1,109,282	(325,701)
Support Services			
Pupil Support Services	699,011	682,091	16,920
Instructional Staff Support Svc	422,490	220,459	202,031
General Admin	1,301,909	1,246,249	55,660
School Admin	352,892	346,121	6,771
Business Support Svc	305,214	225,618	79,596
Operations and Maintenance	866,858	793,809	73,049
Pupil Transportation Services	495,834	456,351	39,483
Central Support Svc	614,448	588,393	26,055
Athletic Activities	73,036	62,346	10,690
Student Activities	106,555	114,804	(8,249)
Food Services	515,835	547,352	(31,517)
Community Services	391	111	280
Capital Outlay	691,641	864,956	(173,315)
Debt Principal and Interest	1,034,528	959,495	75,033
Total Expenditures	11,003,463	11,066,706	(63,243)
Excess (deficiency) of Revenues - over Expenditures	(216,092)	423,447	(639,539)
<b>Other Financing Sources (Uses)</b>			
Leases issued	76,412	-	76,412
Operation transfers in	1,125,227	989,154	136,073
Operating transfers out	(1,125,227)	(989,154)	(136,073)
Total Other Financing Sources (Uses)	76,412	-	76,412
Excess (deficiency) of Revenues and other financing- sources over expenditures and other uses	(139,680)	423,447	(563,127)
Fund Balance at Beginning of Year	4,173,556	3,750,109	423,447
Fund Balance at End of Year	\$ 4,033,876	\$4,173,556	\$(139,680)

**Fund Balance Restrictions**

Landmark Academy presently maintains a combined fund balance position of \$4,033,876 for all governmental funds. The unassigned portion is \$3,134,609. The restricted fund balance is \$383,495 of which \$59,182 is restricted for food service and student activities and \$324,313 is restricted for

debt service. The \$135,381 portion of the fund balance represents the amount of prepaid expense is designated as non-spendable. The \$380,391 assigned fund balance amount is the amount that is assigned to cover budgeted appropriations.

### **Budget**

The Landmark Academy Board of Directors approved the initial budget prior to July 1 of fiscal year. About 82% of the academy's income is based on enrollment projections and anticipated state aid, with expenses increasing proportionately. Since the formal student count occurs in October, it is anticipated a revision to the budget in December to reflect the actual student enrollment that impacts per pupil funding will occur. The Academy's state aid revenue projection for the fiscal year was based on verbal enrollment commitments from parents and historical trends.

### **Currently Known Facts**

The following list highlights Landmark Academy's recent achievements and other facts regarding the academy:

- Landmark Academy is a tuition-free public K-12 school offering school of choice
- Academy's 25th year of operation
- The Academy was reauthorized by SVSU June 2023 and will be up for reauthorization in June of 2027
- The academy completed the Cognia reaccreditation summer of 2025
- Offers virtual programs to all grades K-12 to support education and flexible learning for students
- Academy started a new GSRP program for the 25-26 school year
- Breakfast and Lunch program provided for K-12 students
- 2013, 2017 and 2018 Best High School Bronze Medal by U.S. News and World Report
- Landmark Academy's elementary building continues to be a top LeaderinMe® school emphasizing character education, individualized learning styles, and research-based instructional strategies

For information regarding the content contained in this Management Discussion and Analysis please contact Travis Gostinger, Summit Management Consulting's CEO, at 810-982-7210.

# LANDMARK ACADEMY

A Public School Academy in Kimball, Michigan  
Chartered by Saginaw Valley State University



# LANDMARK ACADEMY

## STATEMENT OF NET POSITION JUNE 30, 2025

### ASSETS

#### Current Assets

Cash and cash equivalents	\$ 2,684,868
Investments - restricted for debt service and capital projects	1,324,313
Accounts receivable	5,726
Deposits	200,000
Due from other governmental units	1,779,854
Prepaid expenses	<u>135,381</u>
Total current assets	6,130,142

#### Capital Assets - Net of Accumulated Depreciation / Amortization

12,381,309

Total assets

\$ 18,511,451

### LIABILITIES AND NET POSITION

#### Current Liabilities

Accounts payable	\$ 26,090
Security deposit	1,000,000
Unearned revenue	453,972
Other accrued liabilities	635,363
Long-term debt - current portion	<u>397,600</u>
Total current liabilities	2,513,025

#### Long-Term Debt - Long-Term Portion

12,361,370

#### Net Position

Net investment in capital assets	(377,661)
Restricted for debt, food services, and student activities	383,495
Unrestricted	<u>3,631,222</u>
Total net position	<u>3,637,056</u>
Total liabilities and net position	<u>\$ 18,511,451</u>

See accompanying notes to financial statements

## LANDMARK ACADEMY

### STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

	Expenses	Charges for Services	Program Revenues Operating Grants	Net (Expense) Revenues and Changes in Net Position Government Type Activities
<b>Functions</b>				
Instruction				
Basic programs	\$ 2,739,240	\$ -	\$ 151,571	\$ (2,587,669)
Added needs	783,581	-	645,485	(138,096)
Support services				
Pupil support services	699,011	-	567,780	(131,231)
Instructional staff support services	422,490	-	237,014	(185,476)
General administration	1,301,909	-	-	(1,301,909)
School administration	352,892	-	-	(352,892)
Business support services	305,214	-	-	(305,214)
Operations and maintenance	866,858	-	505,462	(361,396)
Pupil transportation services	495,834	-	11,874	(483,960)
Central support services	614,448	-	34,049	(580,399)
Athletic activities	73,036	-	-	(73,036)
Student activities	106,555	-	106,410	(145)
Food services	515,835	1,867	429,006	(84,962)
Community services	391	-	-	(391)
Unallocated depreciation / amortization	612,419	-	-	(612,419)
Unallocated interest	648,457	-	-	(648,457)
Total primary government	\$ 10,538,170	\$ 1,867	\$ 2,688,651	(7,847,652)
<b>General Purpose Revenues</b>				
State school aid - unrestricted				7,993,470
Other miscellaneous revenue				103,383
Total general purpose revenues				8,096,853
Change in net position				249,201
Net position - July 1, 2024				3,387,855
Net position - June 30, 2025				\$ 3,637,056

See accompanying notes to financial statements

## LANDMARK ACADEMY

### COMBINED BALANCE SHEET – ALL GOVERNMENTAL FUNDS JUNE 30, 2025

#### ASSETS

	General	Debt Service	Non-Major Funds	Total
Cash and cash equivalents	\$ 2,496,181	\$ -	\$ 188,687	\$ 2,684,868
Investments	-	1,324,313	-	1,324,313
Accounts receivable	5,726	-	-	5,726
Deposits	200,000	-	-	200,000
Due from other governmental units	1,779,854	-	-	1,779,854
Due from other funds	129,505	-	70	129,575
Prepaid expenses	135,381	-	-	135,381
	<b>\$ 4,746,647</b>	<b>\$ 1,324,313</b>	<b>\$ 188,757</b>	<b>\$ 6,259,717</b>

#### LIABILITIES AND FUND BALANCE

##### Liabilities

Accounts payable	\$ 26,020	\$ -	\$ 70	\$ 26,090
Security deposit	-	1,000,000	-	1,000,000
Due to other funds	70	-	129,505	129,575
Unearned revenue	453,972	-	-	453,972
Other accrued liabilities	616,204	-	-	616,204
	1,096,266	1,000,000	129,575	2,225,841

##### Fund Balance

Nonspendable	135,381	-	-	135,381
Restricted	-	324,313	59,182	383,495
Assigned	380,391	-	-	380,391
Unassigned	3,134,609	-	-	3,134,609
	3,650,381	324,313	59,182	4,033,876
	<b>\$ 4,746,647</b>	<b>\$ 1,324,313</b>	<b>\$ 188,757</b>	<b>\$ 6,259,717</b>

See accompanying notes to financial statements

## LANDMARK ACADEMY

### RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:

<b>Total Governmental Fund Balances</b>	\$ 4,033,876
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$19,221,465 and the accumulated depreciation / amortization is \$6,840,156.	12,381,309
Interest is not payable until due in governmental activities and, therefore, is not recorded in the funds.	(19,159)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(12,758,970)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 3,637,056</u></u>

See accompanying notes to financial statements

## LANDMARK ACADEMY

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – ALL GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Non-Major Funds</u>	<u>Total</u>
<b>Revenues</b>				
Local sources	\$ 66,102	\$ 37,281	\$ 108,277	\$ 211,660
State sources	8,821,704	-	4,658	8,826,362
Federal sources	1,297,474	-	424,348	1,721,822
Interdistrict sources	27,527	-	-	27,527
Total governmental fund revenues	10,212,807	37,281	537,283	10,787,371
<b>Expenditures</b>				
Instruction				
Basic programs	2,739,240	-	-	2,739,240
Added needs	783,581	-	-	783,581
Support services				
Pupil support services	668,868	-	30,143	699,011
Instructional staff support services	422,490	-	-	422,490
General administration	1,268,385	-	33,524	1,301,909
School administration	352,892	-	-	352,892
Business support services	279,673	25,541	-	305,214
Operations and maintenance	866,858	-	-	866,858
Pupil transportation services	495,834	-	-	495,834
Central support services	614,448	-	-	614,448
Athletic activities	73,036	-	-	73,036
Student activities	-	-	106,555	106,555
Food services	-	-	515,835	515,835
Community services	391	-	-	391
Capital outlay	691,641	-	-	691,641
Debt principal and interest	19,323	1,015,205	-	1,034,528
Total governmental fund expenditures	9,276,660	1,040,746	686,057	11,003,463
Excess (deficiency) of revenues over expenditures	936,147	(1,003,465)	(148,774)	(216,092)
<b>Other Financing Sources (Uses)</b>				
Leases issued	76,412	-	-	76,412
Operating transfers in	-	1,020,663	104,564	1,125,227
Operating transfers out	(1,125,227)	-	-	(1,125,227)
Total other financing sources (uses)	(1,048,815)	1,020,663	104,564	76,412
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(112,668)	17,198	(44,210)	(139,680)
Fund balance - July 1, 2024	3,763,049	307,115	103,392	4,173,556
Fund balance - June 30, 2025	<u>\$ 3,650,381</u>	<u>\$ 324,313</u>	<u>\$ 59,182</u>	<u>\$ 4,033,876</u>

See accompanying notes to financial statements

## LANDMARK ACADEMY

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

**Net Change in Fund Balances - Total Governmental Funds** \$ (139,680)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.

Capital outlay	\$ 691,641	
Depreciation and amortization expense	<u>(612,419)</u>	79,222

The governmental funds report loan proceeds and leases issued as an other financing source, while repayment of loan principal is reported as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general loan obligations is as follows:

Leases issued	\$ (76,412)	
Repayment of loan principal	381,155	
Amortization of bond premium	4,363	
Interest expense	<u>553</u>	<u>309,659</u>

**Change in Net Position of Governmental Activities** \$ 249,201

See accompanying notes to financial statements

# LANDMARK ACADEMY

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Landmark Academy (the “Academy”) conform to generally accepted accounting principles applicable to public school academies. The following is a summary of the significant accounting policies:

#### **Reporting Entity**

Landmark Academy was formed as a public school academy pursuant to the Michigan School Code of 1976, as amended by Act No. 362 of the Public Acts of 1993 and Act No. 416 of the Public Acts of 1994. The Academy filed articles of incorporation as a nonprofit corporation pursuant to the provisions of the Michigan Nonprofit Corporation Act of 1982, as amended, on May 26, 1999, and began operation in July 1999.

In July 2023, the Academy extended its contract with Saginaw Valley State University’s Board of Control to charter a public school academy for an additional four years. The contract requires the Academy to act exclusively as a governmental agency and not undertake any action inconsistent with its status as an entity authorized to receive state school aid funds pursuant to the State constitution. The University’s Board of Control is the fiscal agent for the Academy and is responsible for overseeing the Academy’s compliance with the contract and all applicable laws. The Academy pays Saginaw Valley State University’s Board of Control three percent of state aid as administrative fees. Total administrative fees paid for the year ended June 30, 2025 were approximately \$213,000.

In July 2023, the Academy entered into a four-year consulting agreement with Summit Management, LLC through June 2027. Under the terms of this agreement, Summit will provide a variety of services including oversight of administration and staff and coordinate the development of budgets and financial reports. The Academy is obligated to pay Summit 8.5% of total revenues. The total paid for these services amounted to approximately \$868,000 for the year ended June 30, 2025.

The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operation of financial relationships with the public school Academy. Based on application of criteria, the Academy does not contain component units.

#### **Fund Financial Statements**

Fund financial statements report detailed information about the Academy. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

# LANDMARK ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

### Basis of Presentation – Fund Accounting

The accounts of the Academy are organized on the basis of funds. The operations of a fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows, fund balance, revenue and expenditures. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the combined financial statements in this report, into generic fund types in two broad fund categories.

### Governmental Funds

A governmental fund is a fund through which most Academy functions typically are operated. The acquisition, use and balances of the Academy's expendable financial resources and the related current liabilities, are accounted for through a governmental fund.

**General Fund** - The general fund is used to record the general operations of the Academy pertaining to education and those operations not provided for in other funds. Included are all transactions related to the approved current operating budget.

**Special Revenue Fund (Food Service)** - The special revenue fund is used to account for the food service program operations. The special revenue fund is a subsidiary operation and is an obligation of the general fund. Therefore, any shortfall in the special revenue fund will be covered by an operating transfer from the general fund.

**Special Revenue Fund (Student Activities)** – The Academy presently maintains an activity fund to record the transactions of student groups for school and school-related purposes. The student activity fund is a subsidiary operation and is an obligation of the general fund. Therefore, any shortfall in the student activity fund will be covered by an operating transfer from the general fund.

**Debt Service Fund** - The debt service fund is used to record certain revenue and the payment of interest, principal and other expenditures on long-term debt.

**Capital Projects Fund** - The capital projects fund, which the Academy does not currently maintain, accounts for financial resources to be used for the acquisition, construction, or improvement of capital facilities.

Governmental and agency funds utilize the modified accrual basis of accounting. Modifications in such method from the accrual basis are as follows:

- a. Revenue that is both measurable and available for use to finance operations is recorded as revenue when earned. Revenues are considered to be available when they are collectible 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 sixty days of the end of the current fiscal period.
- b. Payments for inventorable types of supplies, which are not significant at year end, are recorded as expenditures at the time of purchase.

## LANDMARK ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- c. Principal and interest of general long-term debt are not recorded as expenditures until their due dates.
- d. The State of Michigan utilizes a foundation allowance funding approach, which provides for specific annual amount of revenue per student based on a state-wide formula. The foundation allowance is funded from a combination of state and local sources. Revenue from state sources is primarily governed by the School Aid Act and the School Code of Michigan. The state portion of the foundation is provided from the State's School Aid Fund and is recognized as revenue in accordance with state law. A major portion of the Academy's revenue is derived from this state aid. As such, the Academy is considered to be economically dependent on this aid. The Academy's existence is dependent upon qualification for such aid.

#### Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with explanations to better identify the relationships between the government-wide statements and the statements for governmental funds.

The government-wide Statement of Activities presents a comparison between expenses and program revenues for each segment of the activities of the Academy and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore, clearly identifiable to a particular function. The Academy does not allocate indirect expenses to programs. In creating the government wide financial statements, the Academy has eliminated inter-fund transactions. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or function is self-financing or draws from the general revenues of the Academy. When both restricted and unrestricted resources are available for use, it is the Academy's policy to use restricted resources first.

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Academy first utilizes restricted resources to finance qualifying activities.

#### Cash and Cash Equivalents

The Academy's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with maturities of three months or less from the date of acquisition. The Academy reports its investments in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools and GASB No. 40, Deposit and Investment Risk Disclosures.

## LANDMARK ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Under these standards, certain investments are valued at fair value as determined by quoted market prices or by estimated fair values when quoted market prices are not available. The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the Academy intends to hold the investment until maturity. The Academy held investments in mutual funds that invest solely in U.S. Government obligations. The funds are held in trust for debt service and capital projects. State statutes authorize the Academy to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, saving accounts, deposit accounts, and or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Corporation or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The Academy is also authorized to invest in U.S. Government or Federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

#### Receivables

Due from other governmental units at June 30, 2025 consist primarily of state school aid due from the State of Michigan and the federal government. All receivables were fully collected in July and August of 2025 and are measurable and available for the purposes of these financial statements.

#### Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

#### Capital Assets and Depreciation

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions or retirements during the year. The Academy follows the policy of not capitalizing assets with a useful life of less than one year. The Academy does not possess any infrastructure assets.

All reported capital assets, with the exception of land or construction in progress, when applicable, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Right to use assets of the Academy are amortized using the straight-line method over the shorter of the lease/subscription period or the estimated useful lives. Depreciation an amortization are computed using the straight-line method over the following useful lives:

Building and improvements	10 – 50 years
Furniture and equipment	5 – 15 years
Computers and software	3 – 10 years

## LANDMARK ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion of leases that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

#### Unearned Revenue

Unearned revenue includes amounts received by the Academy that have not yet been utilized for their restricted purpose. The funds will be recognized as revenue once the purpose for these funds has been met.

#### Unavailable Revenue

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents and acquisition of net position/balance sheet that applies to a future period and so will not be recognized as an inflow of resources until that time. The Academy reports unavailable revenue as a deferred inflow in the general fund.

#### Net Position

Net position is the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets plus deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Academy or through external restrictions imposed by creditors, grantors or laws of regulations of other governments. Net position is displayed in the following three components:

*Net Investment in Capital Assets* - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

*Restricted* - This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

## LANDMARK ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

*Unrestricted* - This component of net position consists of net position that does not meet the definition of Net investment in capital assets or Restricted.

#### **Fund Balance**

The Academy adopted GASB 54 as part of its fiscal year reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Academy's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. This category typically includes prepaid items and inventories.

In addition to nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- a. *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. The balances shown as restricted, include \$344,917 of resources held in trust for the payment of revenue bond obligations and \$59,182 for student activities.
- b. *Committed fund balance* – amounts that can only be used for specific purposes pursuant to specific purposes imposed by formal action of the Academy's highest level of decision-making authority, the Board. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation.
- c. *Assigned fund balance* – amounts the Board intends to use for a specific purpose; intent can be expressed by the Board or by an official or committee to which the Board delegates the authority. The balances shown as assigned, include \$380,391 of resources held in the general fund. This amount is assigned to cover budgeted appropriations.
- d. *Unassigned fund balance* – amounts that include the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Academy follows the policy that restricted, committed, or assigned amounts will be considered to have been spent when an expenditure is incurred for purposes for which both unassigned and restricted, committed, or assigned fund balances are available. There are no governmental funds with a deficit.

## LANDMARK ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Leases

##### *Leases and Subscription Based IT Arrangements (SBITA)*

The Academy is a lessee for a noncancelable lease/subscription of equipment. The Academy recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

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

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

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

The Academy monitors changes in circumstances that would require a remeasurement of its lease/SBITA and will remeasure the lease/SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/SBITA liability.

Lease/SBITA assets are reported with other capital assets and lease/SBITA liabilities are reported with long-term obligations on the statement of net position.

#### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

## LANDMARK ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Implemented and Upcoming Accounting Pronouncements

The Academy implemented the following GASB pronouncements during the school year: GASB Statement No. 101, Compensated Absences and GASB Statement No. 102, Certain Risk Disclosures. These pronouncements did not impact the financial statements during the current school year.

In April 2024, the GASB issued Statement No. 103, Financial Reporting Model Improvements. This Statement establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following:

- a. Management’s discussion and analysis (MD&A);
  - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
    - 1) Overview of the Financial Statements,
    - 2) Financial Summary,
    - 3) Detailed Analyses,
    - 4) Significant Capital Asset and Long-Term Financing Activity,
    - 5) Currently Known Facts, Decisions, or Conditions;
  - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
  - iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
  - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
  - ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

## LANDMARK ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

In September 2024, the GASB issued Statement No. 104, Disclosure of Certain Capital Assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Annual budgets are adopted on a consistent basis with accounting principles generally accepted in the United States of America and state law for the general fund. All annual appropriations lapse at fiscal year end and encumbrances are not formally recorded.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the Academy to have its budget in place by July 1. Expenditures in excess of amounts budgeted is a violation of Michigan Law. The Academy is required by law to adopt general and special revenue fund budgets. During the year ended June 30, 2025 the budget was amended in a legally permissible manner. Page 22 of these financial statements details the budget to actual comparison.

### NOTE 3 - DEPOSITS AND INVESTMENTS

As of June 30, 2025, the Academy had the following investments:

<u>Type</u>	<u>Carrying Value</u>
Deposits:	
Demand deposits	\$ 2,684,868
Investments:	
Mutual funds	<u>1,324,313</u>
Total deposits and investments	<u>\$ 4,009,181</u>

## LANDMARK ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

The previous amounts are reported in the financial statements as follows:

	<u>Carrying Value</u>
Deposits:	
Cash - General Fund	\$ 2,496,181
Cash - Special Revenue Fund - Student Activities	<u>188,687</u>
Subtotal	2,684,868
Investments:	
Investments - Debt Service Fund	<u>1,324,313</u>
Total deposits and investments	<u>\$ 4,009,181</u>

#### Interest Rate Risk

In accordance with its investment policy, the Academy will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the Academy's cash requirements.

#### Credit Risk

State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs).

#### Concentration of Credit Risk

The Academy will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Academy's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. More than 5% of the Academy's investments are in mutual funds that invest in U.S. Government obligations representing 100% of the Academy's total investments.

#### Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Academy's deposits may not be returned to it. As of June 30, 2025, \$2,529,869 of the Academy's cash was exposed to custodial credit risk because it was uninsured. All cash balances were uncollateralized as of June 30, 2025.

## LANDMARK ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 3 - DEPOSITS AND INVESTMENTS - Continued

#### Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the Academy will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Academy will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the Academy will do business and recorded in the name of the Academy.

#### Foreign Currency Risk

The Academy is not authorized to invest in investments which have this type of risk.

#### Fair Value

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Academy has the ability to access.
- b. Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.
- c. Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The observable inputs should be developed based on the best information available in the circumstances and may include the Academy's own data.)

The Academy's investments are in mutual funds that invest in U.S. Government obligations that are subject to fair value measurement and are considered Level 1 investments.

## LANDMARK ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 4 – DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist of the following:

State sources	\$ 1,635,941
Federal sources	<u>143,913</u>
Total	<u><u>\$ 1,779,854</u></u>

### NOTE 5 - CAPITAL ASSETS

Capital asset activity of the Academy's governmental activities was as follows:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2025</u>
Capital assets not subject to depreciation				
Land	\$ 984,050	\$ -	\$ -	\$ 984,050
Capital assets subject to depreciation / amortization				
Building	15,866,563	29,527	-	15,896,090
Equipment	1,025,897	654,524	-	1,680,421
Furniture	643,205	7,590	-	650,795
Software	<u>10,109</u>	<u>-</u>	<u>-</u>	<u>10,109</u>
Sub-total	18,529,824	691,641	-	19,221,465
Accumulated depreciation / amortization				
Building	5,161,532	463,171	-	5,624,703
Equipment	627,419	118,496	-	745,915
Furniture	428,677	30,752	-	459,429
Software	<u>10,109</u>	<u>-</u>	<u>-</u>	<u>10,109</u>
Sub-total	<u>6,227,737</u>	<u>612,419</u>	<u>-</u>	<u>6,840,156</u>
Total net capital assets	<u><u>\$ 12,302,087</u></u>	<u><u>\$ 79,222</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,381,309</u></u>

Depreciation and amortization expense is reported as unallocated in the Statement of Activities as the Academy considers its assets to impact multiple activities and allocation is not practical.

## LANDMARK ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 6 – OTHER ACCRUED LIABILITIES

Other accrued liabilities may be summarized as follows:

	<u>Net Position</u>	<u>Funds</u>
Oversight and management fees	\$ 139,980	\$ 139,980
Purchased services - payroll and benefits	476,224	476,224
Interest	19,159	-
	<u>          </u>	<u>          </u>
Total other accrued liabilities	<u>\$ 635,363</u>	<u>\$ 616,204</u>

### NOTE 7 - LONG-TERM OBLIGATIONS PAYABLE

The following is a summary of long-term obligations for the Academy during the year ended June 30, 2025:

#### Loan Information

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Other</u>
Equipment lease	6.50%	January, 2029	Lease of depreciable office equipment.
Revenue bond	5.00%	May, 2045	Issued to refinance previously issued revenue bonds. Require semi annual principal and interest payments. Secured by Academy assets and 20% pledge of State School Aid payments.

#### Loan Activity

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Retirements and Payments</u>	<u>Balance June 30, 2025</u>	<u>Due Within One Year</u>
Equipment lease	\$ -	\$ 76,412	\$ 14,792	\$ 61,620	\$ 15,782
Revenue bond	12,976,818	-	366,364	12,610,454	381,818
Plus unamortized premium				<u>86,896</u>	
Total long term debt	<u>\$ 12,976,818</u>	<u>\$ 76,412</u>	<u>\$ 381,156</u>	<u>\$ 12,758,970</u>	<u>\$ 397,600</u>

## LANDMARK ACADEMY

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### NOTE 7 - LONG-TERM OBLIGATIONS PAYABLE - Continued

Following are maturities of long-term obligations for principal and interest for the next five years and in total:

	<u>Principal</u>	<u>Interest</u>
2026	\$ 397,600	\$ 658,426
2027	418,658	618,278
2028	439,785	597,060
2029	453,304	574,853
2030	467,273	552,499
2031 - 2035	2,711,818	2,387,792
2036 - 2040	3,450,909	1,639,451
2041 - 2045	4,332,727	684,929

### NOTE 8 - RETIREMENT PLAN

All leased employees of the Academy are eligible to participate in a retirement plan established by Summit which qualifies under the provisions of Section 401(k) of the Internal Revenue Code. The employer under this plan will contribute a 3% safe harbor non-matching contribution. In addition, the employer may discretionarily match up to 4% of employee compensation in any plan year. Eligible employees may contribute up to the maximum amount allowed by the Internal Revenue Service.

### NOTE 9 - INTERFUND TRANSFERS

During the normal course of the school year the Academy transferred amounts between its funds as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
Transfer In	\$ -	\$ 104,564	\$ 1,020,663
Transfer Out	1,125,227	-	-

As stipulated by the Academy's revenue bond agreement as described in Note 7, the Academy must transfer 20% of its state aid to a trustee. The trustee retains the required portion for debt service and returns the remainder to the Academy.

## **LANDMARK ACADEMY**

NOTES TO FINANCIAL STATEMENTS - Continued  
FOR THE YEAR ENDED JUNE 30, 2025

### **NOTE 10 - RISK MANAGEMENT**

The Academy is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (worker's compensation), as well as medical benefits provided to employees. The Academy has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

### **NOTE 11 - RELATED PARTY TRANSACTION**

Summit Management, LLC provides management services to the Academy as described in Note 1 of these financial statements. The Academy's CEO is also a member/owner of Summit Management, LLC. The board of directors is directly responsible for appointing the management firm and the CEO is not eligible to vote for this appointment.

# REQUIRED SUPPLEMENTARY INFORMATION

## LANDMARK ACADEMY

### REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON SCHEDULE – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>				
Local sources	\$ 40,445	\$ 39,224	\$ 66,102	\$ 26,878
State sources	9,155,092	9,009,766	8,821,704	(188,062)
Federal sources	1,571,469	1,343,690	1,297,474	(46,216)
Interdistrict sources	71,296	42,527	27,527	(15,000)
Total general fund revenues	<u>10,838,302</u>	<u>10,435,207</u>	<u>10,212,807</u>	<u>(222,400)</u>
<b>Expenditures</b>				
Instruction				
Basic programs	3,135,489	2,842,209	2,739,240	(102,969)
Added needs	1,283,724	960,319	783,581	(176,738)
Support services				
Pupil support services	793,900	712,556	668,868	(43,688)
Instructional staff support services	241,716	394,303	422,490	28,187
General administration	1,270,830	1,340,877	1,268,385	(72,492)
School administration	343,204	374,525	352,892	(21,633)
Business support services	316,688	232,242	279,673	47,431
Operations and maintenance	833,486	826,096	866,858	40,762
Pupil transportation services	512,748	505,716	495,834	(9,882)
Central support services	622,135	612,830	614,448	1,618
Athletic activities	-	46,090	73,036	26,946
Community services	19,652	391	391	-
Capital outlay	704,455	691,641	691,641	-
Debt principal and interest	-	19,400	19,323	(77)
Total general fund expenditures	<u>10,078,027</u>	<u>9,559,195</u>	<u>9,276,660</u>	<u>(282,535)</u>
Excess (deficiency) of revenues over expenditures	760,275	876,012	936,147	60,135
<b>Other Financing Sources (Uses)</b>				
Lease issued	-	-	76,412	76,412
Operating transfers out	(1,089,944)	(1,174,712)	(1,125,227)	49,485
Total other financing sources (uses)	<u>(1,089,944)</u>	<u>(1,174,712)</u>	<u>(1,048,815)</u>	<u>125,897</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(329,669)	(298,700)	(112,668)	186,032
Fund balance - July 1, 2024	<u>3,763,049</u>	<u>3,763,049</u>	<u>3,763,049</u>	<u>-</u>
Fund balance - June 30, 2025	<u>\$ 3,433,380</u>	<u>\$ 3,464,349</u>	<u>\$ 3,650,381</u>	<u>\$ 186,032</u>

## SUPPLEMENTARY INFORMATION

## LANDMARK ACADEMY

### SUPPLEMENTARY INFORMATION COMBINING BALANCE SHEET – NON-MAJOR FUNDS JUNE 30, 2025

#### ASSETS

	Special Revenue Funds		
	Food Service	Student Activities	Total
Cash and cash equivalents	\$ -	\$ 188,687	\$ 188,687
Due from other funds	70	-	70
<b>Total assets</b>	<b>\$ 70</b>	<b>\$ 188,687</b>	<b>\$ 188,757</b>

#### LIABILITIES AND FUND BALANCE

##### Liabilities

Accounts payable	\$ 70	\$ -	\$ 70
Due to other funds	-	129,505	129,505
<b>Total liabilities</b>	70	129,505	129,575

##### Fund Balance

Restricted	-	59,182	59,182
<b>Total liabilities and fund balance</b>	<b>\$ 70</b>	<b>\$ 188,687</b>	<b>\$ 188,757</b>

## LANDMARK ACADEMY

### SUPPLEMENTARY INFORMATION COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – NON-MAJOR FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds		
	Food Service	Student Activities	Total
<b>Revenues</b>			
Local sources	\$ 1,867	\$ 106,410	\$ 108,277
State sources	4,658	-	4,658
Federal sources	424,348	-	424,348
Total governmental fund revenues	430,873	106,410	537,283
<b>Expenditures</b>			
Support services			
Pupil support services	30,143	-	30,143
General administration	33,524	-	33,524
Student activities	-	106,555	106,555
Food services	515,835	-	515,835
Total governmental fund expenditures	579,502	106,555	686,057
Excess (deficiency) of revenues over expenditures	(148,629)	(145)	(148,774)
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	104,564	-	104,564
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(44,065)	(145)	(44,210)
Fund balance - July 1, 2024	44,065	59,327	103,392
Fund balance - June 30, 2025	\$ -	\$ 59,182	\$ 59,182

# LANDMARK ACADEMY

## SCHEDULE OF REVENUES – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2025

### Local Sources

Earnings on investments	\$ 33,337
Student activities	7,945
Other local revenues	<u>24,820</u>
Total local sources	66,102

### State Sources

At risk	739,624
Special education	88,610
State aid	<u>7,993,470</u>
Total state sources	8,821,704

### Federal Sources

IDEA	261,696
Title I	378,731
Title II A	22,995
Other program revenue	<u>634,052</u>
Total federal sources	1,297,474

### Interdistrict Sources

	<u>27,527</u>
Total general fund revenues	<u><u>\$ 10,212,807</u></u>

## LANDMARK ACADEMY

### SCHEDULE OF EXPENDITURES – GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2025

#### Basic Programs

Purchased services	\$ 2,475,828
Repairs and maintenance	9,469
Supplies and materials	235,954
Other expenditures	17,989
	<hr/>
Total basic programs	2,739,240

#### Added Needs

Purchased services	754,924
Repairs and maintenance	1,319
Supplies and materials	27,338
	<hr/>
Total added needs	783,581

#### Pupil Support Services

Guidance services	66,175
Health services	50,843
Psychological services	14,390
Speech pathology and audiology	129,289
Social work services	383,263
Other pupil services	24,908
	<hr/>
Total pupil support services	668,868

#### Instructional Staff Support Services

Purchased services	421,761
Supplies and materials	729
	<hr/>
Total instructional staff support services	422,490

#### General Administration

Purchased services	1,263,279
Supplies and materials	2,009
Other expenditures	3,097
	<hr/>
Total general administration	1,268,385

## LANDMARK ACADEMY

### SCHEDULE OF EXPENDITURES – GENERAL FUND - Continued FOR THE YEAR ENDED JUNE 30, 2025

#### **School Administration**

Purchased services	334,317
Repairs and maintenance	5,817
Other purchased services	415
Supplies and materials	6,713
Other expenditures	5,630

Total school administration 352,892

#### **Business Support Services**

Purchased services	256,364
Repairs and maintenance	1,820
Supplies and materials	2,077
Other expenditures	19,412

Total business support services 279,673

#### **Operations and Maintenance**

Purchased services	518,970
Repairs and maintenance	100,384
Rentals	1,779
Other purchased services	49,565
Supplies and materials	196,160

Total operations and maintenance 866,858

#### **Pupil Transportation Services**

Purchased services	468,134
Supplies and materials	27,700

Total pupil transportation services 495,834

#### **Central Support Services**

Purchased services	538,535
Repairs and maintenance	33,234
Other purchased services	3,192
Supplies and materials	7,628
Other expenditures	31,859

Total central support services 614,448

## LANDMARK ACADEMY

### SCHEDULE OF EXPENDITURES – GENERAL FUND - Continued FOR THE YEAR ENDED JUNE 30, 2025

#### **Athletic Activities**

Purchased services	63,086
Other expenditures	<u>9,950</u>
Total athletic activities	73,036

#### **Community Services**

Purchased services	391
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#### **Capital Outlay**

691,641

#### **Debt Principal and Interest**

19,323

Total general fund expenditures	<u><u>\$ 9,276,660</u></u>
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**Landmark Academy**

**Additional Reports Required by  
Uniform Guidance**

**Year Ended June 30, 2025**

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CBIZ CPAs P.C.

345 Diversion Street  
Suite 400  
Rochester, MI 48307

P: 248.659.5300

**Independent Auditors' Report on the Schedule of Expenditures  
of Federal Awards Required by the Uniform Guidance**

To the Board of Directors and Management of  
**Landmark Academy**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Landmark Academy (the Academy) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 31, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Academy's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 31, 2025.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*CBIZ CPAs P.C.*

CBIZ CPAs P.C.  
Rochester, MI

January 15, 2026



CBIZ CPAs P.C.

345 Diversion Street  
Suite 400  
Rochester, MI 48307

P: 248.659.5300

**Independent Auditors' Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of  
Federal Awards Required by the Uniform Guidance**

To the Board of Directors and Management of  
**Landmark Academy**

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Landmark Academy's (the "Academy") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Academy's major federal programs for the year ended June 30, 2025. The Academy's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Academy complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Academy's compliance with the compliance requirements referred to above.

## ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Academy's federal programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Academy's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Academy's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Academy's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Academy's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*CBIZ CPAs P.C.*

CBIZ CPAs P.C.  
Rochester, MI

January 15, 2026

# LANDMARK ACADEMY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2025

Program Title/Project Number Subrecipient Name	Grant/ Project Number	Federal ALN	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2024	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2025	Current Year Cash Transferred To Subrecipient
<b>Clusters:</b>										
<b>Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education: National School Lunch Program: Noncash Assistance (Commodities) -</b>										
National School Lunch Program Commodities 2024-2025	N/A	10.555	\$ 36,484	\$ -	\$ -	\$ -	\$ 36,484	\$ 36,484	\$ -	\$ -
<b>Cash Assistance -</b>										
National School Lunch Program 2024-2025	241960/ 251960	10.555	337,819	343,116	15,008	-	335,552	320,544	-	-
National School Lunch Program - After School Snack 2024-2025	241980/ 251980	10.555	<u>2,076</u>	<u>1,974</u>	<u>-</u>	<u>-</u>	<u>2,267</u>	<u>2,267</u>	<u>-</u>	<u>-</u>
<b>Total National School Lunch Program Cash and Noncash Assistance</b>		10.555	376,379	345,090	15,008	-	374,303	359,295	-	-
<b>National School Breakfast Program:</b>										
National School Breakfast Program 2024-2025	241970/ 251970	10.553	<u>65,053</u>	<u>96,672</u>	<u>-</u>	<u>-</u>	<u>65,053</u>	<u>65,053</u>	<u>-</u>	<u>-</u>
<b>Total Child Nutrition Cluster</b>			441,432	441,762	15,008	-	439,356	424,348	-	-
<b>Special Education Cluster - U.S. Department of Education - Passed through the St. Clair County RESA: IDEA Special Education – Formula Grants to ISDs:</b>										
IDEA Flowthrough 2324	240450	84.027A	247,320	209,180	125,292	-	136,374	11,082	-	-
IDEA Flowthrough 2425	250450	84.027A	<u>250,614</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,165</u>	<u>250,614</u>	<u>36,449</u>	<u>-</u>
<b>Total IDEA Flowthrough</b>		84.027A	497,934	209,180	125,292	-	350,539	261,696	36,449	-

See accompanying notes to schedule of expenditures of federal awards

## LANDMARK ACADEMY

### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2025

Program Title/Project Number Subrecipient Name	Grant/ Project Number	Federal ALN	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue at July 1, 2024	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue at June 30, 2025	Current Year Cash Transferred To Subrecipient
<b>Other Federal Awards:</b>										
<b>U.S. Department of Education -</b>										
<b>Passed through Michigan Department of Education:</b>										
<b>Title I Part A: Improving Basic Programs Operated by LEAS:</b>										
Title I Part A 2324	241530	84.010A	412,297	319,909	65,856	-	98,945	33,089	-	-
Title I Part A 2425	251530	84.010A	422,610	-	-	-	239,544	345,642	106,098	-
<b>Total Title I Part A</b>		84.010A	834,907	319,909	65,856	-	338,489	378,731	106,098	-
<b>Title II Part A: Supporting Effective Instruction:</b>										
Title II Part A 2324	240520	84.367	57,819	36,618	1,249	-	7,507	6,258	-	-
Title II Part A 2425	250520	84.367	54,813	-	-	-	15,371	16,737	1,366	-
<b>Total Title II Part A</b>		84.367	112,632	36,618	1,249	-	22,878	22,995	1,366	-
<b>Title IV Part A: Student Support &amp; Academic Enrichment:</b>										
Title IV Part A 2425	250750	84.424A	34,405	-	-	-	16,900	16,900	-	-
<b>Education Stabilization Fund:</b>										
COVID-19 - ESSER III Formula – American Rescue Plan (ARP-ESSER) 2122	213713	84.425U	2,234,114	1,094,851	430,629	(30)	1,047,811	617,152	-	-
<b>Total Federal Awards</b>			<u>\$4,155,424</u>	<u>\$2,102,320</u>	<u>\$ 638,034</u>	<u>\$ (30)</u>	<u>\$2,215,973</u>	<u>\$1,721,822</u>	<u>\$ 143,913</u>	<u>\$ -</u>

See accompanying notes to schedule of expenditures of federal awards

## LANDMARK ACADEMY

### RECONCILIATION OF BASIC FINANCIAL STATEMENTS FEDERAL RECEIVABLES AND REVENUE WITH SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2025

#### Revenue to Expenditures

Revenue from federal sources - As reported on modified accrual financial statements  
(includes all funds):

General Fund	\$ 1,297,474
Special Revenue Fund - Food Service	<u>424,348</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 1,721,822</u>

## LANDMARK ACADEMY

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2025

#### **NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Landmark Academy under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Landmark Academy, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Landmark Academy.

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### **NOTE 3 – INDIRECT COST RATE**

Landmark Academy has elected to not use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

#### **NOTE 4 - NONCASH ASSISTANCE**

The value of the noncash assistance received was determined in accordance with the provisions of Uniform Guidance.

#### **NOTE 5 - GRANT AUDITOR REPORT**

Management has utilized the Grant Auditor Report in preparing the schedule of expenditures of federal awards. Unreconciled differences, if any, have been disclosed to the auditor.



CBIZ CPAs P.C.

345 Diversion Street  
Suite 400  
Rochester, MI 48307

P: 248.659.5300

**Independent Auditors' 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 and Management of  
**Landmark Academy**

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Landmark Academy (the "Academy"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated October 31, 2025.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy's internal control.

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

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

### ***Report on Compliance and Other Matters***

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

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*CBIZ CPAs P.C.*

CBIZ CPAs P.C.  
Rochester, MI

October 31, 2025

# LANDMARK ACADEMY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2025

### SECTION I - SUMMARY OF THE AUDITORS' RESULTS

#### *Financial Statements*

Type of auditors' report issued based on financial statements prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
  - Significant deficiency(ies) identified that are not considered to be a material weakness(es)?  yes  none reported
- Noncompliance material to financial statements noted?  yes  no

#### *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)?  yes  none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

yes  no

Identification of major programs:

Assistance Listing Number(s)  
84.425U  
84.010A

Name of Federal Program or Cluster  
Education Stabilization Fund  
Title I Part A

Dollar threshold used to distinguish between Type A and Type B programs as described in 2 CFR section 200.518(b):

\$750,000

Auditee qualified as low-risk auditee?

yes  no

### SECTION II – FINANCIAL STATEMENT FINDINGS

None reported

### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported