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Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

2010Open to Public
Inspection

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2010 calendar year, or tax year beginning **JUL 1, 2010** and ending **JUN 30, 2011****B** Check if applicable

- ☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization**LEGACY CHRISTIAN ACADEMY**

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

3037 NW BUNKER LAKE BLVD

Room/suite

City or town, state or country, and ZIP + 4

ANDOVER, MN 55304**F** Name and address of principal officer: **DEAN ERICKSON**
SAME AS C ABOVE**D** Employer identification number**41-1868252****E** Telephone number**(763) 427-4595****G** Gross receipts \$**4,660,573.****H(a)** Is this a group returnfor affiliates? ☐ Yes ☒ No**H(b)** Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶**I** Tax-exempt status: ☒ 501(c)(3) ☐ 501(c)() (insert no) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ **WWW.LCAMN.ORG****K** Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation **1997****M** State of legal domicile **MN****Part I Summary**

Activities & Governance		Revenue		Expenses		Net Assets or Fund Balances	
1	Briefly describe the organization's mission or most significant activities: RELIGIOUS EDUCATION FOR PRESCHOOL THROUGH GRADE TWELVE.						
2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.						
3	Number of voting members of the governing body (Part VI, line 1a)	3				14	
4	Number of independent voting members of the governing body (Part VI, line 1b)	4				11	
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5				157	
6	Total number of volunteers (estimate if necessary)	6				60	
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a				0.	
7b	Net unrelated business taxable income from Form 990-T, line 34	7b				0.	
8	Contributions and grants (Part VIII, line 1h)		Prior Year		Current Year		
9	Program service revenue (Part VIII, line 2g)		478,910.		1,384,121.		
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)		3,150,556.		3,071,858.		
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		4,614.		265.		
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)		69,693.		78,281.		
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		3,703,773.		4,534,525.		
14	Benefits paid to or for members (Part IX, column (A), line 4)		0.		0.		
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		0.		0.		
16a	Professional fundraising fees (Part IX, column (A), line 11e)		3,201,867.		2,659,550.		
16b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 58,769.		0.		0.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)		2,045,329.		1,424,686.		
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)		5,247,196.		4,084,236.		
19	Revenue less expenses. Subtract line 18 from line 12		<1,543,423.>		450,289.		
20	Total assets (Part X, line 16)		Beginning of Current Year		End of Year		
21	Total liabilities (Part X, line 26)		1,688,399.		2,113,408.		
22	Net assets or fund balances. Subtract line 21 from line 20		1,312,102.		1,276,993.		
			376,297.		836,415.		

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here ▶ Signature of officer **DEAN ERICKSON, PRESIDENT** Date **5/11/12**

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name **Richard A. Wiethorn, CPA** Preparer's signature **[Signature]** Date **5/10/12** Check ☐ self-employed PTIN **P00741608**

Firm's name ▶ **FROEHLING ANDERSON LTD** Firm's EIN ▶ **41-1384792**

Firm's address ▶ **1000 SHELARD PARKWAY - SUITE 400** Phone no **(952) 979-3100**

ST. LOUIS PARK, MN 55426

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

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Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III ☐**1** Briefly describe the organization's mission:

LEGACY CHRISTIAN ACADEMY IS DEDICATED TO EQUIPPING STUDENTS FOR
EFFECTIVE CHRISTIAN LIVING BY PROVIDING THEM WITH BIBLICAL TRUTH
INTEGRATED INTO THEIR SPIRITUAL, ACADEMIC, SOCIAL AND PHYSICAL
DEVELOPMENT.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses.

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 2,329,555. including grants of \$) (Revenue \$ 3,120,816.)
RELIGIOUS EDUCATION FOR 565 STUDENTS IN PRESCHOOL THROUGH GRADE TWELVE
FOR THE 2010-2011 SCHOOL YEAR.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses **2,329,555.**

Part IV Checklist of Required Schedules

	Yes	No
1 *Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	X	
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)		

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Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
28a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?		X
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

Note. All Form 990 filers are required to complete Schedule O

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Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
4b	If "Yes," enter the name of the foreign country: <u>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.</u>		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
13b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
13c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

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Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

☒**Section A. Governing Body and Management**

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year		
1b Enter the number of voting members included in line 1a, above, who are independent		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	X	
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6 Does the organization have members or stockholders?		X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?		X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13 Does the organization have a written whistleblower policy?	X	
14 Does the organization have a written document retention and destruction policy?		X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official		X
b Other officers or key employees of the organization		X
If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **MN**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **►**
DESIREE KUIK, DIRECTOR, OPERATIONS - (763) 427-4595
3037 BUNKER LAKE BLVD NW, ANDOVER, MN 55304

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response to any question in this Part VII ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
DEAN DANINGER MEMBER	2.50	X						0.	0.	0.
KYLE COOLBROTH MEMBER	2.50	X						0.	0.	0.
STEVE LARSON MEMBER	3.00	X						0.	0.	0.
MIKE ORN MEMBER	1.00	X						0.	0.	0.
KARI OBERLANDER MEMBER	2.00	X						0.	0.	0.
VICKI PIPER MEMBER	2.00	X						0.	0.	0.
JOHN SIMPSON MEMBER	2.00	X						0.	0.	0.
MIKE HAGEMAN MEMBER	15.00	X						0.	0.	0.
DEAN ERICKSON PRESIDENT, SECONDARY PRINC	44.00	X		X				107,006.	0.	0.
DIANE LEMKE MEMBER, ELEMENTARY PRINCIPAL	42.50	X		X				27,572.	0.	0.
DESIREE KUIK MEMBER, DIRECTOR OF OPERAT	50.00	X		X				76,358.	0.	0.
BOB HAGEMAN MEMBER	8.00	X						0.	0.	0.
CASEY BREEN CHAIR	25.00	X						0.	0.	0.
AMY VALER MEMBER	1.50	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Sub-total								210,936.	0.	0.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								210,936.	0.	0.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **1**

- 3** Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3		X
4		X
5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
CDW GOVERNMENT, INC., 75 REMITTANCE DRIVE, SUITE #1515, CHICAGO, IL 60675	IT SERVICES	206,512.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **1**

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	1,384,121.				
	g Noncash contributions included in lines 1a-1f \$						
	h Total. Add lines 1a-1f		1,384,121.				
Program Service Revenue	2 a TUITION	Business Code 611600		3,071,858.	3,071,858.		
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f		3,071,858.				
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			1,315.		
4 Income from investment of tax-exempt bond proceeds							
5 Royalties							
6 a Gross Rents		(i) Real (ii) Personal					
b Less: rental expenses							
c Rental income or (loss)							
d Net rental income or (loss)							
7 a Gross amount from sales of assets other than inventory		(i) Securities (ii) Other					
b Less: cost or other basis and sales expenses			13,750.				
c Gain or (loss)			14,800.				
d Net gain or (loss)			<1,050.>	<1,050.>	<1,050.>		
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18		a	50,407.				
b Less: direct expenses		b	22,134.				
c Net income or (loss) from fundraising events			28,273.			28,273.	
9 a Gross income from gaming activities. See Part IV, line 19		a					
b Less: direct expenses		b					
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances		a	95,370.				
b Less: cost of goods sold	b	89,114.					
c Net income or (loss) from sales of inventory		6,256.	6,256.				
Miscellaneous Revenue	11 a EXTENDED CARE, SPORTS	Business Code 611710		43,752.	43,752.		
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d		43,752.				
	12 Total revenue. See instructions		4,534,525.	3,120,816.	0.	29,588.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	2,116,896.	1,589,410.	527,486.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	359,277.	279,174.	80,103.	
10 Payroll taxes	183,377.	137,533.	45,844.	
11 Fees for services (non-employees):				
a Management	142,658.	21,299.	71,359.	50,000.
b Legal	1,255.		1,255.	
c Accounting	53,064.		53,064.	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other	144,540.		144,540.	
12 Advertising and promotion	6,938.		6,938.	
13 Office expenses	188,086.	100,352.	87,734.	
14 Information technology				
15 Royalties				
16 Occupancy	436,150.		427,381.	8,769.
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	129,109.		129,109.	
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a EQUIPMENT RENTAL & MAIN	126,191.	13,571.	112,620.	
b ATHLETICS & SPORTS	58,538.	58,538.		
c INSTRUCTIONAL	58,214.	58,214.		
d TRANSPORTATION	51,474.	47,886.	3,588.	
e STUDENT ACTIVITIES	23,028.	23,028.		
f All other expenses	5,441.	550.	4,891.	
25 Total functional expenses. Add lines 1 through 24f	4,084,236.	2,329,555.	1,695,912.	58,769.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	903,013.	2	91,494.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	23,367.	4	55,112.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	5,699.
	9 Prepaid expenses and deferred charges	18,515.	9	83,611.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 2,309,381.		
	b Less: accumulated depreciation	10b 485,812.		
		743,504.	10c	1,823,569.
	11 Investments - publicly traded securities		11	53,923.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
	16 Total assets. Add lines 1 through 15 (must equal line 34)	1,688,399.	16	2,113,408.
Liabilities	17 Accounts payable and accrued expenses	43,800.	17	71,102.
	18 Grants payable		18	
	19 Deferred revenue	511,836.	19	573,208.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	159,441.	23	328,631.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	597,025.	25	304,052.
	26 Total liabilities. Add lines 17 through 25	1,312,102.	26	1,276,993.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	300,457.	27	634,430.
	28 Temporarily restricted net assets	75,840.	28	201,985.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	376,297.	33	836,415.
	34 Total liabilities and net assets/fund balances	1,688,399.	34	2,113,408.

Form 990 (2010)

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	4,534,525.
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,084,236.
3	Revenue less expenses. Subtract line 2 from line 1	3	450,289.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	376,297.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	9,829.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	836,415.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

☐

- 1 Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
- b Were the organization's financial statements audited by an independent accountant?
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O
- d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both:
☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c		X
3a		X
3b		

Form 990 (2010)

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2010

**Open to Public
Inspection**

Name of the organization

LEGACY CHRISTIAN ACADEMY

Employer identification number

41-1868252

Part I	Reason for Public Charity Status (All organizations must complete this part.) See instructions.
---------------	--

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☒ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f ☐ If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box

g ☐ Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) ☐ A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii) ☐ A family member of a person described in (i) above?

(iii) ☐ A 35% controlled entity of a person described in (i) or (ii) above?

h ☐ Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

[illegible]

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2010

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2009 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 33 1/3% support test - 2009. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
17a 10% -facts-and-circumstances test - 2010. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
b 10% -facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► <input type="checkbox"/>		

Schedule A (Form 990 or 990-EZ) 2010

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11, and 12)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐

b 33 1/3% support tests - 2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" to Form 990,

Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization

LEGACY CHRISTIAN ACADEMY

Employer identification number

41-1868252

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
(ii) Assets included in Form 990, Part X	▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1	▶ \$ _____
b Assets included in Form 990, Part X	▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition
 b ☐ Scholarly research
 c ☐ Preservation for future generations
 d ☐ Loan or exchange programs
 e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

- c Beginning balance
 d Additions during the year
 e Distributions during the year
 f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment ► _____ %
 b Permanent endowment ► _____ %
 c Term endowment ► _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
 (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	570,000.			570,000.
b Buildings	811,480.			811,480.
c Leasehold improvements				
d Equipment	927,901.		485,812.	442,089.
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				1,823,569.

Schedule D (Form 990) 2010

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) ACCRUED SALARIES AND BENEFITS	227,038.
(3) ACCRUED INTEREST	10,600.
(4) AGENCY FUNDS	66,414.
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶	
	304,052.

FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

032053
12-20-10

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	4,534,525.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	4,084,236.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	450,289.
4	Net unrealized gains (losses) on investments	4	9,829.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	9,829.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	460,118.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	4,655,601.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	9,829.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	111,248.
e	Add lines 2a through 2d	2e	121,077.
3	Subtract line 2e from line 1	3	4,534,524.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	4,534,524.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	4,195,485.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	111,248.
e	Add lines 2a through 2d	2e	111,248.
3	Subtract line 2e from line 1	3	4,084,237.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	4,084,237.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

ACCOUNT RECLASSIFICATION FOR TAX RETURN PURPOSES 111,248.

PART XIII, LINE 2D - OTHER ADJUSTMENTS:

ACCOUNT RECLASSIFICATION FOR TAX RETURN PURPOSES 111,248.

SCHEDULE E
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schools

- **Complete if the organization answered "Yes" to Form 990, Part IV, line 13,
or Form 990-EZ, Part VI, line 48.**
- **Attach to Form 990 or Form 990-EZ.**

OMB No 1545-0047

2010

**Open to Public
Inspection**

Name of the organization

LEGACY CHRISTIAN ACADEMY

Employer identification number

41-1868252

Part I

- 1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?
- 2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?
- 3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain.

If you need more space, use Part II

LEGACY CHRISTIAN ACADEMY INCLUDES ITS NONDISCRIMINATORY
POLICY ON ITS WEBSITE AS WELL AS ON ALL OF ITS ADMISSIONS
DOCUMENTATION.

- 4 Does the organization maintain the following?
- a Records indicating the racial composition of the student body, faculty, and administrative staff?
- b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?
- c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?
- d Copies of all material used by the organization or on its behalf to solicit contributions?
- If you answered "No" to any of the above, please explain. If you need more space, use Part II.

- 5 Does the organization discriminate by race in any way with respect to:

- a Students' rights or privileges?
- b Admissions policies?
- c Employment of faculty or administrative staff?
- d Scholarships or other financial assistance?
- e Educational policies?
- f Use of facilities?
- g Athletic programs?
- h Other extracurricular activities?

If you answered "Yes" to any of the above, please explain. If you need more space, use Part II

- 6a Does the organization receive any financial aid or assistance from a governmental agency?

- b Has the organization's right to such aid ever been revoked or suspended?

If you answered "Yes" to either line 6a or line 6b, explain on Part II.

- 7 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," explain on Part II

YES NO

1

X

2

X

3

X

4a

X

4b

X

4c

X

4d

X

5a

X

5b

X

5c

X

5d

X

5e

X

5f

X

5g

X

5h

X

6a

X

6b

X

7

X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule E (Form 990 or 990-EZ) 2010

Part II **Supplemental Information.** Complete this part to provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable. Also complete this part to provide any other additional information.

SCHEDULE E, LINE 6 - EXPLANATION OF GOVERNMENT FINANCIAL AID:

LEGACY CHRISTIAN ACADEMY RECEIVES TITLE FUNDS THROUGH THE PUBLIC SCHOOL DISTRICT FOR TEACHER SEMINARS, TECHNOLOGY AND SAFE SCHOOL PROGRAMS.

LEGACY CHRISTIAN ACADEMY ALSO RECEIVES FUNDS THROUGH THE DEPARTMENT OF CHILD AND FAMILY LEARNING FOR TEXTBOOKS, NURSING SERVICES AND COUNSELING SERVICES.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization

LEGACY CHRISTIAN ACADEMY

Employer identification number

41-1868252

FORM 990, PART VI, SECTION A, LINE 2: BOB HAGEMAN AND MIKE HAGEMAN -

FAMILY RELATIONSHIP

FORM 990, PART VI, SECTION B, LINE 11: THE 990 IS FIRST REVIEWED BY THE
DIRECTOR OF OPERATIONS AND THEN BY THE SUPERINTENDENT, IT IS THEN SENT TO A
REPRESENTATIVE FROM THE ADVISORY COUNCIL FOR FINAL REVIEW.

FORM 990, PART VI, SECTION B, LINE 12C: THE OFFICERS ARE REQUIRED TO
ANNUALLY DISCLOSE INTERESTS THAT COULD GIVE RISE TO CONFLICTS OF INTEREST.

FORM 990, PART VI, SECTION C, LINE 19: DOCUMENTS ARE MADE AVAILABLE UPON
REQUEST VIA MAIL OR E-MAIL.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED GAINS ON INVESTMENTS: 9,829.

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Type or print	Name of exempt organization	Employer identification number
	LEGACY CHRISTIAN ACADEMY	41-1868252
	Number, street, and room or suite no. If a P.O. box, see instructions 3037 NW BUNKER LAKE BLVD	
File by the due date for filing your return. See instructions	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ANDOVER, MN 55304	

Enter the Return code for the return that this application is for (file a separate application for each return)

01

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

DESIREE KUIK, DIRECTOR, OPERATIONS

- The books are in the care of ► 3037 BUNKER LAKE BLVD NW - ANDOVER, MN 55304
Telephone No. ► (763) 427-4595 FAX No. ►

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **FEBRUARY 15, 2012**, to file the exempt organization return for the organization named above. The extension is for the organization's return for
► ☐ calendar year _____ or
► ☒ tax year beginning **JUL 1, 2010**, and ending **JUN 30, 2011**

- 2 If the tax year entered in line 1 is for less than 12 months, check reason ☐ Initial return ☐ Final return
☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 1-2011)

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

Part II		Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed)	
Type or print File by the extended due date for filing your return. See instructions.	Name of exempt organization		Employer identification number
	LEGACY CHRISTIAN ACADEMY		41-1868252
	Number, street, and room or suite no. If a P.O. box, see instructions. 3037 NW BUNKER LAKE BLVD		
City, town or post office, state, and ZIP code. For a foreign address, see instructions. ANDOVER, MN 55304			

Enter the Return code for the return that this application is for (file a separate application for each return)

01

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

DESIREE KUIK, DIRECTOR, OPERATIONS

- The books are in the care of ☒ 3037 BUNKER LAKE BLVD NW - ANDOVER, MN 55304

Telephone No ☒ (763) 427-4595

FAX No ☐

- If the organization does not have an office or place of business in the United States, check this box ☐

- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐ If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until MAY 15, 2012
- 5 For calendar year 2010, or other tax year beginning JUL 1, 2010, and ending JUN 30, 2011
- 6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

- 7 State in detail why you need the extension

ADDITIONAL TIME IS NEEDED IN ORDER TO FILE AN ACCURATE TAX RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	0.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	0.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ☒ Mike Hageran Title ☒ BOARD CHAIR

Date ☒ 5-14-12

LEGACY CHRISTIAN ACADEMY
June 30, 2011 and 2010

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Notes to Financial Statements	8 – 16



FROEHLING
ANDERSON

1000 SHEPARD PARKWAY, SUITE 400 - ST. LOUIS PARK MN 55426
OFFICE 952-979-3100 - FAX 952-979-3159

INDEPENDENT AUDITOR'S REPORT

To the Advisory Council
Legacy Christian Academy
Andover, Minnesota

We have audited the accompanying statements of financial position of Legacy Christian Academy (a non-profit organization, the "Academy") as of June 30, 2011 and 2010 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Academy's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Legacy Christian Academy as of June 30, 2011 and 2010, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Minneapolis, MN
November 17, 2011

LEGACY CHRISTIAN ACADEMY
AUDITED FINANCIAL STATEMENTS
June 30, 2011 and 2010

LEGACY CHRISTIAN ACADEMY
STATEMENTS OF FINANCIAL POSITION
June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 91,494	\$ 859,846
Investments	53,923	43,167
Tuition receivable, net	55,112	23,367
Inventories	5,699	-
Prepaid expenses	83,611	18,515
Total Current Assets	<u>289,839</u>	<u>944,895</u>
PROPERTY AND EQUIPMENT		
Equipment	927,901	540,650
Construction in progress	811,480	-
	<u>1,739,381</u>	<u>540,650</u>
Less: accumulated depreciation	<u>(485,812)</u>	<u>(367,146)</u>
Total Property and Equipment - Net	<u>1,253,569</u>	<u>173,504</u>
OTHER ASSETS		
Land held for sale	<u>570,000</u>	<u>570,000</u>
Total Other Assets	<u>570,000</u>	<u>570,000</u>
Total Assets	<u><u>\$ 2,113,408</u></u>	<u><u>\$ 1,688,399</u></u>

See Accompanying Notes to Financial Statements

	<u>2011</u>	<u>2010</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 71,102	\$ 43,800
Current portion of long-term debt	27,056	25,646
Current portion of capital leases	15,404	-
Accrued salaries and benefits	227,038	450,644
Accrued rent	-	101,712
Accrued interest	10,600	-
Agency liability	66,414	44,669
Deferred tuition and fees	573,208	511,836
Total Current Liabilities	<u>990,822</u>	<u>1,178,307</u>
LONG-TERM LIABILITIES		
Long-term debt, net of current portion above	106,739	133,795
Capital leases, net of current portion above	179,432	-
Long-Term Liabilities	<u>286,171</u>	<u>133,795</u>
Total Liabilities	<u>1,276,993</u>	<u>1,312,102</u>
NET ASSETS		
Unrestricted	634,430	300,457
Temporarily restricted	201,985	75,840
Total Net Assets	<u>836,415</u>	<u>376,297</u>
Total Liabilities and Net Assets	<u>\$ 2,113,408</u>	<u>\$ 1,688,399</u>

LEGACY CHRISTIAN ACADEMY
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CHANGES IN UNRESTRICTED ASSETS		
REVENUES AND SUPPORT		
Tuition and fees	\$ 3,071,858	\$ 3,150,556
Contributions	-	47,280
Fundraising	50,407	9,689
Other program income	139,121	153,392
Interest income	388	2,955
TOTAL REVENUES AND SUPPORT	<u>3,261,774</u>	<u>3,363,872</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>1,268,734</u>	<u>407,972</u>
TOTAL UNRESTRICTED REVENUES AND SUPPORT	<u>4,530,508</u>	<u>3,771,844</u>
EXPENSES		
Administration	407,800	201,499
Athletic and sports	117,937	161,729
Development program	140,779	46,012
Instructional	135,234	133,790
Student activities	160,028	101,848
Building and grounds	542,036	1,296,413
School building design	-	161,930
Salaries and benefits	2,642,827	3,208,990
Capital campaign and building expense	8,769	14,178
Miscellaneous expense	41,125	13,694
TOTAL EXPENSES	<u>4,196,535</u>	<u>5,340,083</u>
TOTAL CHANGES IN UNRESTRICTED NET ASSETS	<u>333,973</u>	<u>(1,568,239)</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Contributions	1,384,123	431,630
Interest income	927	1,158
Unrealized gain on investment	9,829	5,078
Net assets released from restrictions	<u>(1,268,734)</u>	<u>(407,972)</u>
TOTAL CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>126,145</u>	<u>29,894</u>
CHANGE IN NET ASSETS	<u>460,118</u>	<u>(1,538,345)</u>
NET ASSETS - BEGINNING OF YEAR	<u>376,297</u>	<u>1,914,642</u>
NET ASSETS - END OF YEAR	<u>\$ 836,415</u>	<u>\$ 376,297</u>

See Accompanying Notes to Financial Statements

LEGACY CHRISTIAN ACADEMY
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 460,118	\$ (1,538,345)
Adjustments to reconcile change in net assets to net change in cash flows from operating activities:		
Unrealized gain on investments	(9,829)	(6,236)
Loss(gain) on sale of property and equipment	1,050	(502)
Depreciation	129,109	65,127
Write down of land to fair value	-	637,006
Write down of fixed assets to fair value	-	161,930
Tuition bad debt expense	-	59,890
Changes in assets and liabilities:		
Tuition receivable	(31,745)	(54,283)
Other receivables	-	14,132
Inventories	(5,699)	4,470
Prepaid expenses	(65,096)	(5,074)
Accounts payable	27,302	16,320
Accrued salaries and benefits	(223,606)	118,070
Accrued rent	(101,712)	101,712
Accrued interest	10,600	-
Agency liability	21,745	7,196
Deferred tuition and fees	61,372	(244,860)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>273,609</u>	<u>(663,447)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(927)	-
Proceeds from sale of investments	-	776,500
Proceeds from sale of property and equipment	13,750	3,200
Purchase of property and equipment	(829,138)	(120,453)
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(816,315)</u>	<u>659,247</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(25,646)	(799,308)
Principal payments on capital lease obligation	(200,000)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>(225,646)</u>	<u>(799,308)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(768,352)</u>	<u>(803,508)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	859,846	1,663,354
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 91,494</u>	<u>\$ 859,846</u>

See Accompanying Notes to Financial Statements

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW
INFORMATION**

Cash paid during the year for:
Interest

<u>2011</u>	<u>2010</u>
<u>\$ 8,769</u>	<u>\$ 13,777</u>

**SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING
AND FINANCING ACTIVITIES**

During the year ended June 30, 2011, the Academy
acquired \$394,836 of equipment through a capital lease.

**LEGACY CHRISTIAN ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Legacy Christian Academy (the "Academy"), formerly Meadow Creek Christian School, is a non-profit religious institution incorporated under the laws of the State of Minnesota for the purpose of operating a school.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Use of Estimates in Financial Statements

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Academy and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that will be met either by actions of the Academy and/or the passage of time. These balances generally represent the unexpended portion of externally restricted contributions and investment return to be used for specific programs and activities as directed by donors.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Academy. Generally, the donors of these assets permit the Academy to use all or part of the income earned on related investments for general or specific purposes.

**LEGACY CHRISTIAN ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Revenues that are restricted by donors are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenues are recognized. All other donor-restricted revenues are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an original maturity value of three months or less. The carrying value of these instruments approximates fair value.

Concentration of Credit Risk

The Academy maintains its accounts in quality financial institutions. At times throughout the year, the Academy's cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. To date, the Academy has not experienced any losses in such accounts. Uninsured balances aggregate to approximately \$333,120 and \$711,396 as of June 30, 2011 and 2010, respectively.

Investments

Investment balances and net return on investments, including net appreciation, depreciation, and income and losses, are reported as unrestricted, restricted, or permanent, in accordance with donor specifications. Investments are presented at fair value as determined by methodologies relevant to each asset class with any related gain or loss reported in the statement of activities.

**LEGACY CHRISTIAN ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tuition Receivable

Tuition receivable consists of tuition payments and are stated at the amount management expects to collect from outstanding balances. Management considers the following factors when determining the collectibility of specific student accounts: family credit worthiness, past transaction history, and changes in payment terms. Based on management's assessment, the Academy provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable tuition receivable. The allowance for doubtful accounts was \$30,000 at both June 30, 2011 and 2010.

Inventory

Inventories are stated at the lower of cost (first-in, first-out basis) or market (net realizable value).

Property and Equipment

Property and equipment are carried at cost. Expenditures for major renewals and betterments, which substantially increase the useful lives of existing assets, are capitalized. Maintenance and repairs are charged to operating expense as incurred.

The Academy utilizes the straight-line method of depreciation for financial reporting purposes at rates based on the useful lives of 3-10 years.

Land Held for Sale

Individual long-lived assets to be disposed of by sale are classified as assets held for sale if the following criteria are met:

- The carrying amount will be recovered principally through a sale transaction rather than through continuing use;
- The disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for such sales; and
- The sale is highly probable.

Assets held for sale are carried at the lower of their carrying amount or fair value less costs to sell and are presented separately on the face of the statements of financial position.

**LEGACY CHRISTIAN ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Long-Lived Assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount and fair value of the asset. When applicable, long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Accrued Salaries

In accordance with established practice, teachers' salaries payable in July and August were accrued as of June 30, 2011 and 2010 and are shown as a liability on the accompanying financial statements.

Agency Funds

Agency cash and the related agency liability represent amounts deposited by Academy and community groups with the Academy, for the groups' use.

Deferred Tuition and Fees

Deferred tuition and fees result from the Academy recognizing registration and tuition revenue in the period in which the related educational instruction is performed. Accordingly, registration and tuition fees received for the next school term are deferred until the instruction commences.

Contributions

Contributions, which include unconditional promises to give, are recognized as revenues in the period the promise was received by the Academy. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions other than cash are recorded at their estimated fair value. Contributions to be received within one year are recorded at net realizable value and contributions to be received in more than one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

LEGACY CHRISTIAN ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-Kind Contributions

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Academy. Volunteers also provided other services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Donated assets are recorded at fair value on the date of receipt. If donors stipulate the purpose for which the assets must be used and/or how long the assets must be held, the contributions are recorded as temporarily restricted; otherwise such donations are reported as unrestricted contributions.

Tuition and Fees

Tuition and fees reflect the Academy's normal tuition rates reduced by scholarships given on the basis of financial need. Dependents of the Academy's employees pay reduced tuition rates, which is included in tuition revenue at the reduced rate.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs were \$55,938 and \$5,005 for the years ended June 30, 2011 and 2010, respectively.

Fundraising Costs

Fundraising activities include costs that are incurred to induce potential donors to contribute money, securities, and other assets. Fundraising costs were approximately \$141,000 and \$46,000 for the year ended June 30, 2011 and 2010, respectively.

Income Taxes

The Internal Revenue Service has determined the Academy is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Academy is also exempt from state income taxes. However, any unrelated business income may be subject to taxation.

In accordance with the accounting standard on Accounting for Uncertainty in Income Taxes, the Academy addresses the determination of whether tax benefits claimed on a tax return should be recorded in the financial statements. Under this guidance, the Academy may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merit of the position.

LEGACY CHRISTIAN ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes (continued)

Examples of tax positions include the tax-exempt status of the Academy and various positions related to the potential sources of unrelated business taxable income. There were no significant unrecognized tax benefits identified or recorded as liabilities during fiscal year 2011. With few exceptions, the Academy no longer is subject to U.S. Federal, State, and local income tax examinations by tax authorities for years prior to 2008.

Reclassifications

Certain reclassifications have been made to the prior years' financial statements to conform to the current year presentation.

Academy's Continued Existence

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Academy as a going concern. However, at June 30, 2011 and 2010, the Academy had negative working capital of (\$700,983) and (\$233,412), respectively. Additionally, the Academy is anticipating an operating loss of approximately \$1,000,000 and planned strategic spending of \$500,000. Those factors create an uncertainty about the Academy's ability to continue as a going concern. Management is developing an operating plan to reduce expenses to a sustainable level. A related party has agreed to fund the Academy the \$1,500,000 to cover the projected loss, in addition to substantially all of the new building costs. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Subsequent Events

Management evaluates events occurring subsequent to the date of the balance sheet in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through November 17, 2011, which is the date the financial statements were available to be issued.

**LEGACY CHRISTIAN ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010**

NOTE 2 – LONG-TERM DEBT

Long-term debt consists of the following as of June 30:

	<u>2011</u>	<u>2010</u>
Note payable to the City of Andover in equal annual installments of interest at the rate of 5.5% per year; due December 2015.	\$ 133,795	\$ 159,441
Total long-term debt	133,795	159,441
Less: current portion	(27,056)	(25,646)
Long-term debt, net	<u>\$ 106,739</u>	<u>\$ 133,795</u>

Annual maturities of long-term debt are as follows:

Year ending June 30, 2012	\$ 27,056
2013	28,544
2014	30,114
2015	31,770
2016	16,311
	<u>\$ 133,795</u>

NOTE 3 – CAPITAL LEASE

The Academy leases certain equipment under agreements that qualify as capital leases. The cost of equipment and accumulated depreciation under capital leases as of June 30, 2011 is as follows:

Equipment	\$ 385,116
Less: accumulated depreciation	(64,186)
	<u>\$ 320,930</u>

Future minimum lease payments, together with the present value of net minimum lease payments for the year ending June 30, 2011 are as follows:

2012	\$ 46,788
2013	93,576
2014	106,788
Total future minimum payments	247,152
Less: imputed interest	(52,316)
Present value of future minimum lease payments	194,836
Less: current portion	(15,404)
Long-term capital lease obligations	<u>\$ 179,432</u>

LEGACY CHRISTIAN ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

NOTE 4 – RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2011	2010
Scholarships	\$ 54,233	\$ 43,167
Student activities	18,600	32,673
New campus	72,496	-
Technology	56,656	-
	<u>\$ 201,985</u>	<u>\$ 75,840</u>

NOTE 5 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2011	2010
Restrictions accomplished are as follows:		
Scholarships issued	\$ 4,784	\$ 1,500
Designated operating expenses	411,346	391,622
Capital campaign expenses	852,604	14,850
	<u>\$ 1,268,734</u>	<u>\$ 407,972</u>

The capital campaign expenses represent the Construction in progress amount from the Statements of Financial Position.

NOTE 6 – OPERATING LEASES

The Academy renewed its building lease on August 19, 2010 to extend through 2012. The base rent is equal to \$314,832, and the Academy is also responsible for existing shared utilities. Rent expense was \$314,832 and \$181,712 for the years ended June 30, 2011 and 2010, respectively. Repairs and improvements totaled \$0 and \$287,576 for the years ended June 30, 2011 and 2010, respectively.

The Academy began leasing office equipment in September 2010 under an operating lease, payable in monthly installments of \$487, with the final payment due November 2015. Under terms of the lease, the Academy pays all service and maintenance costs. Total expense related to the lease was \$27,736 for the year ended June 30, 2011.

**LEGACY CHRISTIAN ACADEMY
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010**

NOTE 6 – OPERATING LEASES (continued)

The following is a schedule of future minimum lease payments required under the above operating leases as of June 30:

Year ending June 30, 2012	\$ 320,676
2013	5,844
2014	5,844
2015	5,844
2016	1,948
	<u>\$ 340,156</u>

NOTE 7 – RELATED PARTY

The Academy received \$1,300,000 in restricted contributions from a related third party in 2011. The contributions were released from restrictions to fund a large portion of the building and technology expenditures for the year ended June 30, 2011.

The Academy has an agreement with a related party, Meadow Creek Church, for building rental charges and payment for the related utilities and maintenance costs for use of the building. The Church charged \$94,694 and \$93,479 to the Academy for the above noted costs incurred for the years ended June 30, 2011 and 2010, respectively.

NOTE 8 – IMPAIRMENT OF FIXED ASSETS

In prior years, management has capitalized costs associated with designing a new school. Due to their situation and the age of the related assets, management had determined that these assets were 100% impaired. Management wrote down 75% of the value in 2009 and the remainder in 2010. This expense was included in the expense item "School building design" for the year ended June 30, 2010.

NOTE 9 – IMPAIRMENT OF LAND/LAND HELD FOR SALE

In 2010 during the Academy's assessment of future operations, management determined it would likely not use the land previously associated with building a new school. Management wrote down the cost of the land to reflect fair market value based on current market conditions, resulting in an impairment of \$637,006 for the year ended June 30, 2010 included in the expense item 'Building and grounds' on the Statement of Activities. The land is currently listed for sale and is included on the Statement of Financial Position as 'Land held for sale'.

**Legacy Christian Academy
2010-2011 Advisory Council Members**

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Dean Daninger	2265 151 st Lane NW Andover, MN 55304	Dean daninger@ancom.org	Member	
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