

APPENDIX A: 2014-15 CHARTER SCHOOL ANNUAL REPORT

PART 1: SCHOOL INFORMATION AND EXECUTIVE SUMMARY	
Name of Charter School:	Year School Opened:
Achievement First Hartford Academy	2008
Street Address:	City/Zip Code:
305 Greenfield St.	Hartford, CT 06112
School Director:	School Director Contact Information:
Ernest Peterson	ernestpeterson@achievementfirst.org /860-695-6560
Grades Authorized to Serve in 2014-15:	Charter Term:
K-11	2012-2015
<p>1. Executive Summary: Provide a cover letter or executive summary highlighting school progress, performance, accomplishments, and major changes during the 2014-15 school year. Include a brief narrative on the school’s unique model and student population.</p>	
<p>We are pleased to submit Achievement First Hartford Academy’s annual report for the 2014-15 school year and are proud to report another year of progress in our mission to provide all of our students with the academic and character skills they need to graduate from college, to succeed in a competitive world and to serve as the next generation of leaders for our communities.</p> <p>Achievement First Hartford Academy opened in August 2008 with grades kindergarten through one and five, and in the 2014-15 school year, we served over 988 students in grades kindergarten through eleven. As a public charter school, all Achievement First Hartford Academy students are enrolled via a blind lottery run by Hartford Public Schools, and our student body is comparable to Hartford Public Schools. In the 2014-15 school year, 99%of our students were African-American or Hispanic and 100%were eligible for free or reduced-price lunch.</p> <p>In 2014-15, we celebrated the opening of Achievement First Summit Middle School, the second middle school under the Achievement First Hartford Academy Charter. AF Summit Middle School served 82 5th grade scholars, 55% of whom were African-American and 41% Hispanic. Correspondingly, AF Summit is serving a higher percentage (17%) of ELL students, and we are proud of this increased service to Hartford’s ELL community.</p> <p>2014-15 continued our implementation of a curriculum that is aligned to the Common Core State Standards, which will help ensure that all of our scholars are prepared to succeed at the college of their choice. The materials for this curriculum have been developed by teachers across the Achievement First network, in close partnership with network staff and national experts. This unique process ensures that the curriculum is not only rigorous and engaging, but tailored to the needs of the classroom teachers who bring it to life every day.</p>	

At our elementary and middle schools, students strive to embody the REACH values of Respect, Enthusiasm, Achievement, Citizenship and Hard Work. Achievement First Hartford High School focuses on a more mature set of core values—Grit, Independence, Judgment, Integrity and Citizenship. Our goal is to develop well-rounded students, and we teach these character values as explicitly as we teach academics. While we continued to reduce the overall number of behavior incidents and percentage of scholars receiving suspensions in 2014-15, school culture and decreased suspensions will remain a focus of attention in the year ahead.

As always, we appreciate the opportunity to operate a Connecticut charter school and for the trust that the State Board of Education and the Connecticut General Assembly have placed in us. We hope to continue to build that relationship and to make further strides in providing an excellent education for our students in the 2015-16 school year.

Sincerely,

John Motley
Chairman, Board of Directors

PART 2: SCHOOL PERFORMANCE

2. **School Goals:** State the school’s mission statement. Provide the school’s mission-specific, measurable goals. Analyze school progress toward these goals, providing data as appropriate. Add/Remove rows, as necessary.

Mission Statement:

The mission of AF Hartford Academy is to strengthen the academic and character skills needed for all students to graduate from top-tier high schools and colleges, to achieve success in a competitive world, and to serve as the next generation of leaders in their communities.

Goal Statement:

Academic excellence: To accelerate the learning of our students so that they achieve academic breakthroughs that are essential for success in high school, college and life—with an emphasis on reading, writing, math and science.

Evidence of Progress toward Goal:

AF Hartford Academy outperformed the corresponding Hartford district schools by 17 percentage points in ELA and 14 percentage points in Math. These results are evidence of AF Hartford Academy’s ability to serve historically underserved scholars and put them on a path to and through college.

	<p>Elementary math performance was particularly strong, with an average of 51% of 3rd and 4th grade scholars achieving proficiency. In ELA, 3rd and 4th grade performance averaged 46%, a 23+ point spread between them and the host district.</p> <p>Our brightest star among the 2014-15 SBAC results is in the 11th grade where our first high school cohort exceeded the performance of their peers in West Hartford, evidence of having closed the achievement gap in the Hartford area. ELA and Math proficiency rates in 11th grade were 64.5% and 45.2%, respectively.</p>
<p>Public citizenship: To develop students who take responsibility for themselves, their school and their community by embodying the REACH values of Respect, Enthusiasm, Achievement, Citizenship and Hard Work.</p>	<p>Implementation of curriculum and teaching methods pitched to the common core state standards has been highly complementary to our schools' objective to develop good citizens who take responsibility for themselves and their learning.</p> <p>Specifically, there is increased evidence of "joyful rigor" in classrooms in which students demonstrate motivation to answer questions and solve problems. Classrooms are increasingly filled with moments where students encourage each other to take risks (<i>e.g.</i>, giving snaps and engaging in meaningful academic debates), and discourse activities are student-to-student interaction v. student-to-teacher interactions.</p> <p>These changes integrate seamlessly with our traditional REACH values, aligning academic and behavior expectations to promote personal responsibility and public service.</p>
<p>Partnership in public school reform: To develop and share an instructional program that consistently produces dramatic student achievement gains and to work with like-minded organizations and traditional public schools to promote excellence in public education.</p>	<p>Achievement First is an "open source" organization at both the network and individual school levels. One of the four pillars of our Theory of Change is "Sharing and Learning from Others". School leaders who have a direct impact on the success of our scholars participate and benefit in this process through two key programs:</p> <ul style="list-style-type: none"> • Residency Program for School Leaders – The program graduated 10 school leaders in 2015, with three of them from Hartford Public Schools. • Charter Network Accelerator – Leaders of 11 small to mid-size charter networks from across the nation join together to participate in approximately five multi-day workshops during the course of the year. These training opportunities enable participating organization to rapidly adopt best practices and scale with excellence in order to provide more high quality school seats in their communities.

Also, students at AF Hartford Academy are given direct and personal opportunities to advocate for themselves through participation in school reform rallies that include integrated lessons on the democratic process. For example, on May 7, 2015 AFHA students and families rallied at the State Capitol, for many a step toward becoming leaders of their community.

3. Student Achievement: Provide data summarizing school performance and academic achievement. Using the blank space provided, include data evidencing student growth and progress toward closing achievement gaps, including an analysis of normed benchmark assessment data.

Performance Metric:	*2011-12:	*2012-13:	*2013-14:	2014-15:
Average daily attendance rate: See June 2015 PSIS Report for data	96.1	97.1	96.5	96.4**
Chronic absenteeism rate: See June 2015 PSIS Report for data	8.1	3.4	6.1	10.6
Number of in-school suspensions:	701	1280	301	284
Number of out-of-school suspensions:	1102	1678	825	759
Number of expulsions:	1	4	0	3
Percent of students with 1+ suspension/expulsion:	37.8	47.6	29.4	27.9**
Cohort graduation rate (if applicable):				N/A
Holding power rate (if applicable):				N/A
Overall School Performance Index CMT (SPI):	78.2	76.9		N/A
Overall host District Performance Index CMT (DPI):	58.4	58.1		N/A

** NOTE: These metrics were not available via the PSIS system, so these values represent data from AF Hartford Academy's internal systems.

*Source: CSDE analysis based on district submitted and certified data.

4. Best Practice: In 250 words or less, summarize an emerging best practice at your school in the areas of academics, instruction, or school climate (e.g. extended instructional time, supports for English learners, positive behavior management, college access). Describe the concrete strategy and its impact on student learning and/or the school climate referencing quantitative data. Provide evidence of collaboration with local school districts in this area, as appropriate.

The ultimate best practice at AF Hartford Academy is the adherence to a set of organizational priorities that drive instruction, culture, and procedures at our school. They form the basis of our goals and measures of performance. While organizational priorities shift some year to year, they also serve as guiding stars for the work each employee does in service to our scholars. The 2014-15 organization priorities were:

1. College-Ready Curriculum
 - a. *Ensure that our core curriculum (scope and sequences, assessments, and units) clearly defines a college ready bar of rigor for all teachers and school leaders.*
2. Intellectual Engagement in Planning & Instruction
 - a. *Build the habits and skills of teachers to intellectually engage with content and conceptual understandings at the course, unit, and lesson level so that they can plan and deliver instruction that ensures deep student intellectual engagement and demand student outcomes at a college ready standard.*
3. Vibrant School Cultures
 - a. *Create and sustain focused and joyful learning environments with a deep sense of community where students, staff, and families are deeply invested in building the academic and character skills necessary for success in college and life.*
4. Diversity & Inclusiveness
 - a. *Embed diversity and inclusiveness into the fabric of Achievement First.*
5. Excellence for All Scholars
 - a. *Build and sustain systems of supports to deliver on excellence for all scholars.*

PART 3: STEWARDSHIP, GOVERNANCE, AND MANAGEMENT

5. **Financial Documents:** (1) As required by C.G.S. § 10-66cc(b)(2), submit FY 2014 certified audit statements, including the statement of activities (showing all revenues from public and private sources, expenditures, and net operating gain/loss), balance sheet, and statement of cash flows. (2) Provide the FY 2015 budget comparing submitted budget versus actual figures, with summary explanations of all major variances. (3) Provide a FY 2016 board-approved budget, summarizing all assumptions and major variances from FY 2015.

6. **Financial Condition:** Provide the following financial data for FY 2015.

Total margin (net income / total revenue):	-12%
Debt to asset ratio (total liabilities / total assets):	32%
Debt service coverage ratio (net income + depreciation + interest expense) / (principal + interest payments):	(6.64)
Current asset ratio (current assets / current liabilities):	-3.762
Days of unrestricted cash ((total expenditures - depreciation) / 365):	42,129
Cash flow (change in cash balance):	(29,436)

7. **Governing Board:** Consistent with C.G.S. § 10-66bb(d)(3)(A), provide the following information for all governing board members.

Name:	Occupation:	Board Role/Term:	Mailing/Email:	Background Check:
John Motley	Owner	Chairman	94 Goodwin Circle, Hartford CT, Email: john@motleyconsulting.com"	<input type="checkbox"/> Yes <input type="checkbox"/> No
James Morton	President and CEO	Vice-Chair	241 Trumbull Street, Hartford CT, Email: james.morton@ghymca.org	<input type="checkbox"/> Yes <input type="checkbox"/> No

Lankford Wade	VP, Corporate Finance & Treasurer	Treasurer	120 Balfour Drive, West Hartford, CT 06117, Email: lankfordw@gmail.com	<input type="checkbox"/> Yes <input type="checkbox"/> No
Colleen Palmer	Superintendent	Secretary	102 Ladder Hill Road North Weston, CT 06883-1127, Email: colleenpalmer@westonps.org	<input type="checkbox"/> Yes <input type="checkbox"/> No
Nyema Pinkney	Associate Commodity Manager	Director	1158 Hartford Turnpike, Unit 39 Vernon-Rockville CT 06066 (Do Not Publish), Email: Nyemapinkney@comcast.net	<input type="checkbox"/> Yes <input type="checkbox"/> No
Angela Scott	Human Resources Consultant	Director	Avon, CT, Email: ash500@aol.com	<input type="checkbox"/> Yes <input type="checkbox"/> No
Barry Jacobson	Math Teacher	Director	55 North Farms Rd, Avon, CT 06001, Email: bjacobsonct@aol.com	<input type="checkbox"/> Yes <input type="checkbox"/> No
Nancy Zwiener	Owner	Director	41 Westwood Road, West Hartford, CT 06117, Email: Nancy.Zwiener@gmail.com	<input type="checkbox"/> Yes <input type="checkbox"/> No
Marshall Ruben	President	Director	10 North Brandford Rd, Wallingford, CT 06492, Email: mruben@rubenhoran.com	<input type="checkbox"/> Yes <input type="checkbox"/> No
Jean LaVecchia	Retired HR & Ethics Officer	Director	10 Wellsweep Lane, Killingworth, CT 06519, Email: jeanlavec@gmail.com	<input type="checkbox"/> Yes <input type="checkbox"/> No

8. Renewal Terms and Corrective Items: Provide an update on terms and conditions established in the charter school's most recent renewal; summarize actions taken and progress data to substantiate efforts to address such terms and conditions of renewal. Please note the chart below is pre-populated to include terms and conditions identified in the school's last renewal resolution.

Standard/Indicator:	Term or Condition:	Progress Update:
1.3 School Culture and Climate	Improve climate and culture, including targets for the reduction of suspensions.	<p>School leadership changes at both the elementary and middle schools in the last two years have provided opportunities to focus on increasing the levels of joy and warmth and reduce the number of disciplinary sanctions.</p> <p>AF Hartford Academy has made significant progress in the reduction of suspensions across the charter. Only 27.9% of scholars had at least one in-school or out-of-school suspension, a decrease of more than 40% overall the last two years (2014-15 vs. 2012-13)</p> <p>At the elementary school specifically, less than 15% of the scholars received any suspension, a decrease of 67% from the high in 2012-13.</p>

<p>2.2 Financial Management</p>	<p>Accounting policies/procedures needed revising for approvals > \$10K.</p>	<p>AF Hartford Academy implemented changes to the payment approval process in line with the corrective action of sister schools in New Haven and Bridgeport as described in the 2013-14 annual report:</p> <p>“On July 26, 2012 the Board of Achievement First Hartford Academy had voted to revise the fiscal policies to modify the signatories on disbursements and contracts valued at or greater than \$10,000 to be restricted to school and board leadership. This proactive change had resulted from renewal visits to our sister schools in New Haven and Bridgeport. Furthermore, school leaders alone (Principals and Deans) can only sign for previously budgeted and Board approved items, and Deans cannot be sole signatories without Board Treasurer approval. These policies and procedures reflect the reality that our Board Chairs and Treasurers are not always readily accessible to sign operational documents.”</p>
<p>2.4 Organizational Capacity</p>	<p>Bureau of Educator Standards and Certification sent a letter to the district on June 19, 2015 regarding Teacher Certification Compliance Report issues.</p>	<p>The school has been actively working to ensure that all teacher and administrators achieve the relevant certification or hold a valid Charter School Educator Permit. The school has been in regular contact with the authorizer regarding its plans to do so, including submitting a detailed action plan with progress updates.</p>
<p>9. Best Practice: In 250 words or less, summarize an emerging best practice at your school in the areas of stewardship, governance, and management (e.g., financial management, technology, school operations). Describe the concrete strategy and its impact on the school referencing quantitative data. Provide evidence of collaboration with local school districts in this area, as appropriate.</p>		
<p>Through partnership with Achievement First, AF Hartford Academy benefits from numerous best practices and system improvements provided by the network in the areas of financial management. In the last year systems and resources provided to schools include:</p> <ul style="list-style-type: none"> • Online expense reimbursement providing stronger adherence to policy and faster turnaround to employees • Online invoice / payment processing enabling local (school) approval of invoices and efficiency of centralized payment processing to vendors. • Online budgeting and forecasting tools enable streamlined monthly forecasts reduced discrepancies between school and network records. 		

PART 4: STUDENT POPULATION

10. Enrollment and Demographic Data: Provide 2014-15 student demographic and enrollment information.

Grades Served:	K-11	Student Enrollment:	954
% Free/Reduced-Price Lunch:	100%	% Black:	77%
% Special Education:	10%	% Hispanic:	21%
% Limited English Proficiency:	6%	% Caucasian:	0%

2014-15 Enrollment by Grade Level:

PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
0	91	90	91	82	87	162	87	82	62	47	39	34	0	954

11. Enrollment Efforts: Summarize the school’s efforts to attract, enroll, and retain a diverse and representative student population, including minority students, low-income students, English learners, and students with disabilities.

Prior to Hartford’s Regional School Choice enrollment lottery, Achievement First Hartford Academy’s student recruitment outreach efforts included multiple direct mailings to Hartford Public Schools students based on a contact list provided by Hartford Public Schools. Additional mailings were sent to grade-eligible families residing in Achievement First Hartford Academy’s catchment area—Hartford’s North End. In addition, Achievement First Hartford Academy utilized print and radio advertisements, neighborhood canvassing, and partnerships with community organizations, including churches, community centers, daycare centers and after-school programs. Achievement First Hartford Academy also held open houses and information sessions at the school and participated in the city-wide school choice fair, which provided families with an opportunity to learn more about all school options before completing an application. Information about Achievement First Hartford Academy and our student admission process is also available at www.achievementfirst.org.

12. Waitlist Data: Provide waitlist totals below, illustrating demand and community support for the school.

2011-12 Waitlist:	2012-13 Waitlist:	2013-14 Waitlist:	2014-15 Waitlist:
160	252	403	259

13. Best Practice: In 250 words or less, summarize an emerging best practice at your school in the areas of student populations (e.g., family and community engagement, recruitment processes, retention strategies). Describe the concrete strategy and its impact on the school referencing quantitative data. Provide evidence of collaboration with local school districts in this area, as appropriate.

For the 2014-15 school year, Achievement First established a new role of Community Outreach Associate, with dedicated full-time resources in each of our cities, including Hartford. These team members devote a majority of their time to community outreach and engagement including visits to community and faith-based organizations, deepening our schools’ connection with the communities they serve and enabling them to attract applicants from high need groups including students with disabilities and English Language Learners.

Community Outreach Associates are also leading a new advocacy and community engagement initiative called “AF Ambassadors”. Ambassadors are a group of parents, teachers and school staff from each region who will lead and model strong engagement and advocacy practices on behalf of our schools and the communities they serve.

APPENDIX B: STATEMENT OF ASSURANCES

It is imperative that charter schools – as with all other public schools – adopt and uphold the highest ethical and legal standards while delivering excellent academic opportunities for students and their families.

As the authorized representative of Achievement First Hartford Academy, to the best of my knowledge, I affirm that:

1. * All board members and staff have satisfactorily completed background checks, including a state and national criminal records check and a record check of the Department of Children and Families Child Abuse and Neglect Registry.
2. * If applicable, all charter school management organization (CMO) staff members have satisfactorily completed background checks, as described in (1).
3. * All contractors, if the nature of the contractor's work entails close proximity to students in the judgment of the Governing Board, have satisfactorily completed background checks, as described in (1).
4. * Records of any and all background checks are on file at Achievement First Hartford Academy and available for random audit by the Connecticut State Department of Education (CSDE).
5. * Achievement First Hartford Academy has adopted written anti-nepotism and conflict of interest policies, and that no member or employee of the Governing Board has a personal or financial interest in any asset, real or personal, of the charter school.
6. No board member of Achievement First Hartford Academy serves on the board of another charter school or CMO.
7. All public funds received by Achievement First Hartford Academy have been, or are being, expended prudently and in a manner required by law.
8. All Governing Board meetings are open and accessible to the public, and that Achievement First Hartford Academy has posted, and continues to post, on any Internet website that the Governing Board operates, the schedule, agenda, and minutes of each Governing Board meeting, including any meeting of a subcommittee of the Governing Board.
9. Achievement First Hartford Academy does not discriminate in any employment practice, education program, or educational activity on the basis of race, color, religious creed, sex, age, national origin, ancestry, marital status, sexual orientation, gender identity or expression, disability, or any other basis prohibited by Connecticut state and/or federal nondiscrimination laws.

By signing this Statement of Assurances on behalf of the Governing Board of Achievement First Hartford Academy, I acknowledge that I understand the terms contained herein and affirm the validity of each statement to the best of my knowledge. I further understand that Achievement First Hartford Academy may be subject to random audit by the CSDE to verify these statements.

Signature:

Name of Board Chairperson:

John Motley



9/29/15

Date:

* Items 1 – 5 are related to legislation that was passed effective 7/1/15, and were not necessarily required for the 2014-15 school year. Compliance is in process or complete.

APPENDIX C: 2016-17 PRELIMINARY ENROLLMENT REQUEST

Directions: On an annual basis, charter schools must submit an enrollment request for the following school year. Consistent with C.G.S. § 10-66bb(c), the State Board of Education considers enrollment requests in the context of each school’s charter and record of student achievement.

C.G.S. § 10-66bb(c)(2) places an enrollment cap on the number of students that a state charter school may enroll. However, charter schools with a demonstrated record of achievement may seek a waiver. If the submitted 2016-17 enrollment request requires an enrollment waiver, please specify that below.

1. Complete the table below providing the school’s enrollment and growth history. Submit an enrollment request and growth projections for the upcoming school year.															
School Year:	Actual Enrollment:														
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2012-13		89	89	91	90	73	108	90	83	62	61				836
2013-14		90	89	90	85	82	104	90	80	70	66	52			898
2014-15		91	90	91	82	87	162	87	82	62	47	39	34		954
2015-16		89	90	91	94	98	168	154	64	71	64	59	41	36	1119
School Year:	2016-17 Enrollment Request:														
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2016-17		95	95	95	94	94	175	172	157	59	62	68	56	43	1265
2. Based on the request entered above, is the school seeking a waiver to the enrollment cap described in C.G.S. § 10-66bb(c)(2)?													<input type="checkbox"/> Yes <input type="checkbox"/> No		
3. Provide a rationale for the enrollment request, including a synopsis of all relevant assumptions.															
<p>AF Summit Middle School is still a growing school with 5th and 6th grade students enrolled in 2015-16. We will experience grade growth at Summit MS in 2016-17 and 2017-18.</p> <p>AF Hartford High School is full grown to grades 9-12 in 2015-16, but will continue to experience seat growth as recruitment efforts increase and there are higher matriculation rates from the feeding middle schools (currently AF Hartford MS and Jumoke Academy).</p> <p>Other increases in enrollments by grade reflect grade advancement and a continued commitment to “backfill” seats vacated through attrition.</p>															
4. Summarize the school’s plans to successfully expand and accommodate the needs of the students served (e.g., programming, staffing, facilities, and class size).															
<p>Our planned grade growth at AF Summit Middle School is the most direct evidence of our commitment to serve an increasing number of educationally disadvantaged students.</p> <p>2015-16 will see the first graduating class from AF Hartford High School, and based on the school’s performance to date we will attain our 100% college acceptance goal which will increase the profile and desirability of our schools. Furthermore in 2014-15 we renewed our agreement with Jumoke Academy to serve their middle school students at AF Hartford High School.</p>															

APPENDIX D: CHARTER SCHOOL PERFORMANCE FRAMEWORK

The Connecticut State Department of Education’s (CSDE) charter school performance framework promotes clear and transparent expectations for all charter schools. The four performance standards are central to measuring schools’ efficacy and viability, and align to state law and national best practices among charter school authorizers, as accumulated by the National Association of Charter School Authorizers. Within each standard area, the framework identifies a series of indicators used to evaluate charter schools. The framework drives the CSDE’s charter school accountability systems and processes, including initial approval decisions, annual monitoring, and renewal determinations.

Performance Standards:

- 1. School Performance:** Is the school a successful model resulting in strong student outcomes and a positive school climate?
- 2. Stewardship, Governance, and Management:** Is the school financially and organizationally healthy and viable?
- 3. Student Population:** Is the school promoting equity by effectively attracting, enrolling, and retaining students, particularly among targeted populations?
- 4. Legal Compliance:** Is the school acting in compliance with applicable laws and regulations?

Performance Standards:

Performance Indicators:

1. School Performance	1.1. Student Achievement, Growth, and Gap Closure 1.2. Mission-Specific Goals 1.3. School Culture and Climate 1.4. Instruction 1.5. Academic Program 1.6. Supports for Special Populations
2. Stewardship, Governance, and Management	2.1. Fiscal Viability 2.2. Financial Management 2.3. Governance and Management 2.4. Organizational Capacity 2.5. Accountability Measures 2.6. School Facility
3. Student Population	3.1. Recruitment and Enrollment Process 3.2. Waitlist and Enrollment Data 3.3. Demographic Representation 3.4. Transfer/Retention Rates 3.5. Parental and Community Support
4. Legal Compliance	4.1. Signed Statement of Assurances 4.2. Open Public Meetings

Achievement First Hartford Academy, Inc.

**Financial Statements,
Schedule of Expenditures of Federal Awards,
Schedule of Expenditures of State Financial Assistance,
Internal Control and Compliance
and Independent Auditor's Reports**

June 30, 2014

Achievement First Hartford Academy, Inc.

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Independent Auditor's Report

To the Board of Trustees
Achievement First Hartford Academy, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Achievement First Hartford Academy, Inc., which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Achievement First Hartford Academy, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited Achievement First Hartford Academy, Inc.'s 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 23, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2014 on our consideration of Achievement First Hartford Academy, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Achievement First Hartford Academy, Inc.'s internal control over financial reporting and compliance.



Hartford, Connecticut
December 30, 2014

Achievement First Hartford Academy, Inc.

**Statement of Financial Position
June 30, 2014
(With Comparative Totals for 2013)**

	2014	2013
<u>Assets</u>		
Cash	\$ 585,215	\$ 30,957
Grants receivable	702,823	774,899
Prepaid expenses and other assets	37,246	76,411
Due from other academies	2,306	2,283
Property and equipment, net	2,749,708	2,902,105
Total assets	\$ 4,077,298	\$ 3,786,655
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 351,619	\$ 230,274
Accrued salary and other payroll related expenses	242,501	82,693
Prepaid revenue	13,850	2,110
Due to the State of Connecticut	293,592	-
Due to related party	163,545	391,370
Due to other academies	170,168	12,048
Total liabilities	1,235,275	718,495
Commitments and contingencies		
Net assets:		
Unrestricted	1,471,773	3,068,160
Temporarily restricted	1,370,250	-
Total net assets	2,842,023	3,068,160
Total liabilities and net assets	\$ 4,077,298	\$ 3,786,655

See Notes to Financial Statements.

Achievement First Hartford Academy, Inc.

Statement of Activities and Changes in Net Assets
Year Ended June 30, 2014
(With Comparative Totals for 2013)

	Unrestricted	Temporarily Restricted	2014 Total	2013 Total
Operating revenue:				
State and local per pupil operating revenue	\$ 8,492,658	\$ 1,370,250	\$ 9,862,908	\$ 8,866,300
Federal, state and local grants	1,501,483	-	1,501,483	851,646
Special education revenue	1,046,755	-	1,046,755	866,036
Total operating revenue	11,040,896	1,370,250	12,411,146	10,583,982
Expenses:				
Program services	10,962,363	-	10,962,363	9,402,705
General and administrative	1,559,543	-	1,559,543	1,383,277
Fundraising	292,852	-	292,852	249,853
Total expenses	12,814,758	-	12,814,758	11,035,835
Surplus (deficit) on school operations from government funding	(1,773,862)	1,370,250	(403,612)	(451,853)
Support and other revenue:				
Contributions and other grants	176,398	-	176,398	550,147
Interest and other income	1,077	-	1,077	10,790
Total support and other revenue	177,475	-	177,475	560,937
Change in net assets	(1,596,387)	1,370,250	(226,137)	109,084
Net assets at beginning of year	3,068,160	-	3,068,160	2,959,076
Net assets at end of year	\$ 1,471,773	\$ 1,370,250	\$ 2,842,023	\$ 3,068,160

See Notes to Financial Statements.

Achievement First Hartford Academy, Inc.

**Statement of Functional Expenses
Year Ended June 30, 2014
(With Comparative Totals for 2013)**

	2014				2013
	Program Services	General and Administrative	Fundraising	Total	Total
Salaries and wages	\$ 6,348,831	\$ 949,107	\$ -	\$ 7,297,938	\$ 6,406,127
Payroll taxes and employee benefits	1,238,709	185,179	-	1,423,888	1,159,501
Management fee and ancillary service fees	1,098,193	73,213	292,852	1,464,258	1,249,263
After school /tutoring program	60,641	-	-	60,641	24,934
Classroom supplies and instructional materials	320,678	2,758	-	323,436	331,011
Furniture and equipment - noncapitalizable	136,629	20,426	-	157,055	139,292
Insurance	34,369	5,139	-	39,508	32,044
Interest expense	-	-	-	-	19,715
Office expense	314,286	75,762	-	390,048	271,273
Parent activities	4,680	-	-	4,680	3,495
Postage and delivery	7,497	1,874	-	9,371	5,721
Printing and photocopying	61,035	15,259	-	76,294	76,754
Professional fees	-	114,392	-	114,392	74,533
Repairs and maintenance	192,283	29,101	-	221,384	79,807
Special education contracted services	194,432	-	-	194,432	154,074
Staff professional development	49,823	-	-	49,823	77,888
Student field trips and incentive programs	55,782	-	-	55,782	90,045
Student food services	31,346	-	-	31,346	39,594
Student transportation	44,960	-	-	44,960	26,793
Student uniforms	3,222	-	-	3,222	14,541
Technology infrastructure and software	356,707	26,302	-	383,009	247,347
Telephone and internet	149,880	22,405	-	172,285	176,626
Bad debt expense	-	-	-	-	14,778
Depreciation and amortization	258,380	38,626	-	297,006	320,679
	\$ 10,962,363	\$ 1,559,543	\$ 292,852	\$ 12,814,758	\$ 11,035,835

See Notes to Financial Statements.

Achievement First Hartford Academy, Inc.

**Statement of Cash Flows
Year Ended June 30, 2014
(With Comparative Totals for 2013)**

	2014	2013
Operating activities:		
Change in net assets	\$ (226,137)	\$ 109,084
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	297,006	320,679
Bad debt expense	-	14,778
Changes in operating assets and liabilities:		
Grants receivable	72,076	(530,650)
Prepaid expenses and other assets	39,165	(27,678)
Due from other academies	(23)	(2,283)
Due from related party	-	256,084
Accounts payable and accrued expenses	121,345	(209,240)
Accrued salary and other payroll related expenses	159,808	46,734
Prepaid revenue	11,740	2,110
Due to the State of Connecticut	293,592	-
Due to related party	(227,825)	391,370
Due to other academies	158,120	12,048
Net cash provided by operating activities	698,867	383,036
Investing activities:		
Purchase of property and equipment	(144,609)	(130,337)
Financing activities:		
Repayments of line of credit	-	(500,000)
Net increase (decrease) in cash	554,258	(247,301)
Cash - beginning of year	30,957	278,258
Cash - end of year	\$ 585,215	\$ 30,957
Supplemental disclosure of cash flow information:		
Interest paid	\$ 19,715	\$ 12,101

See Notes to Financial Statements.

Achievement First Hartford Academy, Inc.

**Notes to Financial Statements
June 30, 2014**

Note 1 - Nature of operations

Achievement First Hartford Academy, Inc. (the "Academy"), was incorporated to focus on strengthening the academic and character skills needed for all students to excel in top-tier colleges, to achieve success in a competitive world, and to serve as the next generation of leaders in their communities. On September 5, 2007, the Board of Education of the State of Connecticut granted the Academy a charter valid for a term of five years, which has been renewed for the term July 1, 2013 to June 30, 2016. Today the Academy serves students from low income households in Hartford, Connecticut.

As of August 2010, the Academy is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The School has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the IRC and qualifies for deductible contributions as provided in section 170(b)(1)(A)(ii) of the IRC.

In fiscal year 2014, the Academy operated classes for students in kindergarten through tenth grade.

Note 2 - Summary of significant accounting policies

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Academy and changes therein are classified and reported as follows:

Unrestricted - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted - Net assets resulting from contributions and other inflows of assets whose use by the Academy are limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Academy pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets. However, if a restriction is fulfilled in the same period in which the contribution is received, the Academy reports the support as unrestricted.

Permanently restricted - Net assets resulting from contributions and other inflows of assets whose use by the Academy are limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Academy.

Achievement First Hartford Academy, Inc.

**Notes to Financial Statements
June 30, 2014**

The Board of Trustees (the "Board") enacted a Board Designated Reserve Policy in which unrestricted net assets are set aside to be used only with the approval of the Board. The reserve is calculated by netting the current year's current assets against the current year's current liabilities and reducing that difference by any assets whose use is contractually limited.

Cash equivalents

For purposes of reporting cash flows, the Academy considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2014.

Grant and other receivables

Grants receivable represent unconditional promises to give. Grants receivable that are expected to be collected within one year, and recorded at net realizable value, are \$702,823 at June 30, 2014. The Academy has determined that no allowance for uncollectible accounts for grants receivable is necessary as of June 30, 2014. Such estimate is based on management's assessments of the creditworthiness of its donors, the aging of its receivables as well as current economic conditions and historical information.

Revenue recognition

Revenue from Federal, state and local government grants and contracts are recorded by the Academy when qualifying expenditures are incurred and billable. Funds received in advance for which qualifying expenditures have not been incurred are reflected as refundable advances from state and local government grants in the accompanying statement of financial position. Receivables are recognized to the extent costs have been incurred, but not reimbursed.

Revenue from the state and local governments resulting from the Academy's charter status is based on the number of students enrolled and is recorded when services are performed in accordance with the charter agreement.

Contributions are recognized by the Academy when a donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor, but whose restrictions are met in the same period, are reported as increases to unrestricted net assets. All other donor-restricted contributions are reported as increases to temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributed services received from Board Members and volunteers are not recorded in the financial statements since these services do not meet the criteria for recognition as contributed services.

Achievement First Hartford Academy, Inc.

**Notes to Financial Statements
June 30, 2014**

Property and equipment

Property and equipment are stated at cost. The Academy has established a \$1,000 threshold above which assets are capitalized. Leasehold improvements are amortized over the shorter of the life of the asset or the life of the lease. Property and equipment acquired with certain government contract funds is recorded as an expense pursuant to the terms of the contract in which the government funding source retains ownership of the property.

Depreciation and amortization are provided on a straight-line basis over the estimated useful lives as follows:

Leasehold Improvements	15 years
Furniture and fixtures	5 years
Computers and hardware	3 years
Musical instruments	5 years
Equipment	5 years
Software	3 years

Long-lived assets

The Academy recognizes an impairment loss when the carrying amount of a long-lived asset exceeds its fair value. In the event that facts and circumstance indicate that the carrying amounts of long-lived assets may be impaired, an evaluation of recoverability would be performed. The evaluation process consists of comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down is required. If the review indicates that the asset will not be recoverable, the carrying value of the asset would be reduced to its estimated realizable value. There was no impairment loss recognized for the year ended June 30, 2014.

Functional allocation of expenses

Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses by function have been allocated among program and supporting service classifications using bases determined by management to be reasonable.

Income taxes

The Academy is classified by the Internal Revenue Service as exempt from income tax under Section 501(a) of the Internal Revenue Code as a public education academy described in Section 501(c)(3).

The Academy has no unrecognized tax benefits at June 30, 2014. The Academy's Federal and state income tax returns prior to fiscal year 2010 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Achievement First Hartford Academy, Inc.

**Notes to Financial Statements
June 30, 2014**

If applicable, the Academy would recognize interest and penalties associated with tax matters as part of management and general expenses in the statement of activities and changes in net assets and include accrued interest and penalties in accrued expenses in the statement of financial position. The Academy did not recognize any interest or penalties associated with tax matters for the year ended June 30, 2014.

Prior year summarized information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Academy's financial statements for the year ended June 30, 2013, from which the summarized information was derived.

Use of estimates

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

Concentrations of credit risk

The Academy maintains cash and cash equivalent balances in several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation. From time to time, the Academy's balances may exceed these limits. At June 30, 2014, the Academy's uninsured bank balances totaled \$471,510. The Academy limits its credit risk by selecting financial institutions considered to be highly creditworthy.

Subsequent events

Management has reviewed subsequent events through December 30, 2014, which is the date the financial statements were approved and available for issuance.

Note 3 - Concentrations

The Academy received approximately 78% of its total revenue from per pupil funding from the Connecticut Board of Education and the City of Hartford. The Academy's grant and other receivables consist of approximately 72% from two major grantors.

Note 4 - Lease agreement

In 2010, the Academy entered into a Memorandum of Understanding ("MOU") to lease a portion of a school building, known as the Lewis Fox Middle School ("Fox"), with the City of Hartford at a cost of \$1 per year. The initial term covered the period August 2008 through July 2013 and has been renewed for an additional five years through July 2018.

Achievement First Hartford Academy, Inc.

Notes to Financial Statements June 30, 2014

The Academy leases copiers under non-cancelable operating leases which will expire in 2018. Future minimum lease payments are as follows:

Year ending June 30,	
2015	\$ 33,707
2016	22,289
2017	14,231
2018	646

Lease expense for the year was \$33,707.

Note 5 - Property and equipment

The following is a summary of property and equipment at June 30, 2014:

Leasehold improvements	\$ 3,284,202
Furniture and fixtures	177,053
Computers and hardware	203,603
Musical instruments	2,236
Equipment	299,377
Software	<u>28,720</u>
	3,995,191
Less accumulated depreciation	<u>1,245,483</u>
Net property and equipment	<u>\$ 2,749,708</u>

Depreciation and amortization expense was \$297,006 for the year ended June 30, 2014.

Note 6 - Related party transactions

The Academy entered into an Academic and Business Services Agreement (the "Agreement") with Achievement First, Inc. ("AF Inc."), a not-for-profit organization dedicated to helping start and run charter schools. The Agreement provides management and other administrative support services to the Academy. Pursuant to the terms of the Agreement, the Academy shall pay a service fee equivalent to 10% of all public revenues received by the School during or for that school year. Public revenues include all sources of revenue from a public source, but specifically exclude in-kind contributions such as student transportation, start-up funding, funding for student meals and funding from competitive grants. The term of the Agreement is for five years ending on June 30, 2017. The terms of the Agreement were modified to incorporate additional services provided to the Academy by AF Inc. These services included bookkeeping, facilities acquisition and management, special education services support, data management and analysis support and tutoring program recruitment and support.

Achievement First Hartford Academy, Inc.

**Notes to Financial Statements
June 30, 2014**

The Academy is to pay AF Inc an Ancillary Services Fee that is mutually negotiated by the Academy and AF Inc. For the fiscal year ended June 30, 2014, the Academy incurred management fees of \$1,464,258, which are included in the accompanying statement of functional expenses. At June 30, 2014, the amount due to AF Inc was \$163,545.

Additionally, AF Inc., at times, receives funds on behalf of the Academy. Any amount not remitted to the Academy by the end of the fiscal year is recorded as an intercompany receivable. At June 30, 2014 there was no amount due from AF, Inc.

The Academy has a revolving line of credit agreement with AF Inc, whereby it is permitted to borrow up to a maximum of \$650,000. The line of credit carries an interest rate of 3.25%. As of June 30, 2014, the outstanding balance was \$0. No interest expense was incurred for the year ended June 30, 2014.

Throughout the year, the Academy shares various costs with other schools. At June 30, 2014, the following amounts are outstanding (payable):

Due from other academies

Achievement First Bridgeport Academy, Inc.	\$ 1,250
AF East New York	<u>1,056</u>
	<u>\$ 2,306</u>

Due to other academies

Amistad Academy, Inc.	\$ 9,391
Elm City College Preparatory, Inc.	<u>160,777</u>
	<u>\$ 170,168</u>

Note 7 - Line of credit

The Academy has a revolving line of credit agreement with a financial institution whereby it is permitted to borrow up to a maximum of \$500,000. The agreement expires April 30, 2015, but is expected to be renewed on an annual basis. Interest is payable on any outstanding balance at 4% and is secured by the Academy's working capital. The outstanding balance on the line of credit at June 30, 2014 was \$-0-.

Achievement First Hartford Academy, Inc.

**Notes to Financial Statements
June 30, 2014**

Note 8 - Pension plan

Effective July 1, 2008, the Academy adopted a 403(b) profit sharing plan (the "Plan"), which covers most of the employees. The Plan is a defined contribution plan. Employees are eligible to enroll in the Plan either the first day of the Plan year or the first day of the seventh month of the Plan year. Employer contributions for the year ended June 30, 2014 were \$29,836.

The faculty and professional personnel of the Academy can also participate in a defined benefit plan established and administered by the Connecticut State Teachers' Retirement Board (the "TRB Plan"). The Academy is not required to and does not contribute to the TRB Plan.

Note 9 - Temporarily restricted net assets

Temporarily restricted net assets may be purpose or time restricted. Temporarily restricted net assets of \$1,370,250 consisted of Per Pupil Grant Funding that has not been expended as of June 30, 2014.

Note 10 - Risk management

The Academy is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; actions by employees and parents and natural disasters. The Academy maintains commercial insurance to protect itself from these risks.

The Academy entered into contractual relationships with certain governmental funding sources. The governmental agencies may request return of funds as a result of noncompliance by the Academy, as well as additional funds for the use of facilities. The accompanying financial statements make no provision for the possible disallowance or refund, because management does not believe that there are any liabilities to be recorded.

Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
Achievement First Hartford Academy, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Achievement First Hartford Academy, Inc., which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 30, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Achievement First Hartford Academy, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Achievement First Hartford Academy, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Achievement First Hartford Academy, Inc.'s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We considered the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness, Finding 2014-01.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

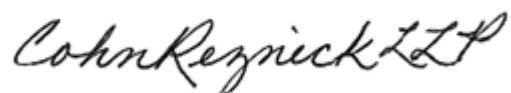
As part of obtaining reasonable assurance about whether Achievement First Hartford Academy, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could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

Response to Finding

Achievement First Hartford Academy, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Achievement First Hartford Academy, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Hartford, Connecticut
December 30, 2014

Independent Auditor's Report on Compliance for Each Major Federal Program,
on Internal Control over Compliance and on the Schedule of Expenditures
of Federal Awards Required by OMB Circular A-133

To the Board of Trustees
Achievement First Hartford Academy, Inc.

Report on Compliance for Each Major Federal Program

We have audited Achievement First Hartford Academy, Inc.'s compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Achievement First Hartford Academy, Inc.'s major Federal programs for the year ended June 30, 2014. Achievement First Hartford Academy, Inc.'s major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Achievement First Hartford Academy, Inc.'s major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Achievement First Hartford Academy, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of Achievement First Hartford Academy, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Achievement First Hartford Academy, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of Achievement First Hartford Academy, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Achievement First Hartford Academy, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Achievement First Hartford Academy, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Achievement First Hartford Academy, Inc. as of and for the year ended June 30, 2014, and have issued our report thereon dated December 30, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of Federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Cohn Reznick LLP".

Hartford, Connecticut
December 30, 2014

Achievement First Hartford Academy, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

Federal Grantor / Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through ID Number	Federal Expenditures
U.S. Department of Education:			
Passed through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	12060-20679- 82070-2014-170002	\$ 1,160,606
Improving Teacher Quality State Grants	84.367	12060-20858- 84131-2014-170002	19,279
Passed through Achievement First, Inc. Charter Schools	84.282		104,963
Teacher Incentive Fund – ARRA	84.374		<u>17,048</u>
Total U.S. Department of Education			<u>1,301,896</u>
Total Expenditures of Federal Awards			<u>\$ 1,301,896</u>

See Note to Schedule of Expenditures of Federal Awards.

Achievement First Hartford Academy, Inc.

**Note to Schedule of Expenditures of Federal Awards
June 30, 2014**

Note 1 - Basis of presentation

The accounting policies of Achievement First Hartford Academy, Inc. conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit agencies.

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of Achievement First Hartford Academy, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Achievement First Hartford Academy, Inc.

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2014**

I. Summary of Auditor's Results:

Financial Statements:

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u> X </u> yes <u> </u> no
Significant deficiency(ies) identified?	<u> </u> yes <u> X </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes <u> X </u> no

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	<u> </u> yes <u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes <u> X </u> none reported
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	<u> </u> yes <u> X </u> no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs:	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	<u> </u> yes <u> X </u> no

Achievement First Hartford Academy, Inc.

Schedule of Findings and Questioned Costs Year Ended June 30, 2014

II. Financial Statement Findings:

Finding 2014-01

Criteria: Connecticut General Statutes 10-145(a) requires that all teachers, supervisors, administrators, special service staff members or school superintendent employed by the school must possess an appropriate state certificate prior to the first day of employment.

Condition: During fiscal 2014, the Academy had employees without proper certification credentials.

Context: Of the Academy's 77 employees in the covered positions during fiscal year 2014, 33 employees were not properly certified in their content area.

Cause: Current policies and procedures do not provide adequate oversight of compliance with this regulation.

Effect: While the Academy funds these positions through non-governmental sources of funds, the State Board of Education may levy fines or withhold all state funding.

Recommendation: We recommend that management institute procedures to ensure adequate compliance with C.G.S. 10-145(a).

View of responsible officials and planned corrective action: The management of Achievement First Hartford Academy, Inc. agrees with this finding. One of the many supports provided to employees of our schools is support toward certification. Unfortunately, this support has not yet been sufficient to achieve full compliance with state law. In addition to continuing to provide these four (4) supports:

- Standardized onboarding procedures for new staff who are required to be certified to ensure that the certification requirement is clearly understood
- Guiding materials for Directors of School Operations so they can clearly explain the certification process to those requiring certification
- Guiding materials for those who require certification so they can identify the specific steps necessary to achieve certification
- Regular check-ins by Directors of School Operations and Regional Directors of Operations to ensure that those who require certification are making appropriate progress.

We will improve our practices by doing the following:

- For long term out of compliance employees (1+ year without application), the Academy will set a non-negotiable September 15, 2014 deadline for submitting relevant documentation for the application.
- All new hires that have not yet applied for their relevant certificate will be required to submit application materials by September 15, 2014.

Achievement First Hartford Academy, Inc.

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2014**

- Any employee who is required to be certified and who has additional requirements to meet (e.g. expediting paperwork from educator training program or previous state of employment, additional tests to take, etc.) will have an individual action plan with clear timelines, which will be monitored centrally on a monthly basis by staff at Achievement First Hartford Academy, Inc.
- Renewal for the 2015-16 school year will be conditioned upon satisfactory progress on the individual corrective action plan.
- For the 2015-16 hiring season, the timeline for collecting documentation demonstrating certification or application for relevant permit will be adjusted, so that full documentation is collected at the point of hire (within 60 days of hire or 30 days prior to start date), rather than during summer staff training. This will allow the Achievement First recruiting team to determine how many CSEP spots are available for uncertified teachers.

We are also working closely with the Connecticut State Department of Education and have already submitted corrective action progress reports for action items targeted through September 15, 2014 to those who manage the certification process at the State.

III. Federal Awards Findings and Questioned Costs:

None

Achievement First Hartford Academy, Inc.

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014**

Finding 2013-01

Condition: Management's correction of an error of the useful lives of leasehold improvements.

Recommendation: We recommend management restate accumulated depreciation and net assets as of July 1, 2011 and restate depreciation expense and accumulated depreciation for 2012.

Current status: The recommendation was in place upon issuance of the prior year financial statement. No similar findings regarding estimates of useful lives were noted in the 2014 audit.

Independent Auditor's Report on Compliance for Each Major State
Program, on Internal Control over Compliance and on the
Schedule of Expenditures of State Financial Assistance
Required by the State Single Audit Act

To the Board of Trustees
Achievement First Hartford Academy, Inc.

Report on Compliance for Each Major State Program

We have audited Achievement First Hartford Academy, Inc.'s compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of Achievement First Hartford Academy, Inc.'s major state programs for the year ended June 30, 2014. Achievement First Hartford Academy, Inc.'s major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Achievement First Hartford Academy, Inc.'s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Achievement First Hartford Academy, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Achievement First Hartford Academy, Inc.'s compliance.

Opinion on Each Major State Program

In our opinion, Achievement First Hartford Academy, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the State Single Audit Act and which is described in the accompanying schedule of findings and questioned costs as Finding 2014-01. Our opinion on each major state program is not modified with respect to this matter.

Achievement First Hartford Academy, Inc.'s response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Achievement First Hartford Academy, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Achievement First Hartford Academy, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Achievement First Hartford Academy, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Achievement First Hartford Academy, Inc.'s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2014-1 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Achievement First Hartford Academy, Inc.'s response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Achievement First Hartford Academy, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of Achievement First Hartford Academy, Inc. as of and for the year ended June 30, 2014, and have issued our report thereon dated December 30, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the financial statements as a whole.



Hartford, Connecticut
December 30, 2014

Achievement First Hartford Academy, Inc.

**Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2014**

<u>State Grantor/ Pass Through Grantor/ Program Title</u>	<u>State Grant Program CORE-CT Number</u>	<u>Expenditures</u>
<u>Department of Education</u>		
Passed through City of Hartford: Charter Schools	11000-SDE64000-17041-2014- 84179	\$ 7,467,515
Passed through Achievement First, Inc. High Quality Schools & Common Core Implementation	12052-43538-2014-82166	<u>57,541</u>
		<u>\$ 7,525,056</u>

See Note to Schedule of Expenditures of State Financial Assistance.

Achievement First Hartford Academy, Inc.

Note to Schedule of Expenditures of State Financial Assistance June 30, 2014

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Achievement First Hartford Academy, Inc. under programs of the State of Connecticut for the fiscal year ended June 30, 2014. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including charter school funding.

Note 1 - Summary of significant accounting policies

The accounting policies of Achievement First Hartford Academy, Inc. conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

The information in the schedule of expenditures of state financial assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of accounting

The expenditures reported on the schedule of expenditures of state financial assistance are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

Achievement First Hartford Academy, Inc.

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2014**

I. Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no

State Financial Assistance

Internal control over major programs:	
Material weakness(es) identified?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
Significant deficiency(ies) identified?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

The following schedule reflects the major program included in the audit:

State Grantor and Program	State CORE-CT Number	Expenditures
Department of Education: Charter Schools	11000-SDE64000-17041-2014- 84179	\$ 7,467,515
Dollar threshold to distinguish between Type A and Type B Programs:		<u>\$ 200,000</u>

Achievement First Hartford Academy, Inc.

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2014**

Section II - Financial Statement Finding

Finding 2014-01

Criteria: Connecticut General Statutes 10-145(a) requires that all teachers, supervisors, administrators, special service staff members or school superintendent employed by the school must possess an appropriate state certificate prior to the first day of employment.

Condition: During fiscal 2014, the Academy had employees without proper certification credentials.

Context: Of the Academy's 77 employees in the covered positions during the fiscal year 2014, 33 employees were not properly certified in their content area.

Cause: Current policies and procedures do not provide adequate oversight of compliance with this regulation.

Effect: While the Academy funds these positions through non-governmental sources of funds, the State Board of Education may levy fines or withhold all state funding. This resulted in the Academy underspending state per pupil funds.

Recommendation: We recommend that management institute procedures to ensure adequate compliance with C.G.S. 10-145(a).

View of responsible officials and planned corrective action: The management of Achievement First Hartford Academy, Inc. agrees with this finding. One of the many supports provided to employees of our schools is support toward certification. Unfortunately, this support has not yet been sufficient to achieve full compliance with state law. In addition to continuing to provide these four (4) supports:

- Standardized onboarding procedures for new staff who are required to be certified to ensure that the certification requirement is clearly understood
- Guiding materials for Directors of School Operations so they can clearly explain the certification process to those requiring certification
- Guiding materials for those who require certification so they can identify the specific steps necessary to achieve certification
- Regular check-ins by Directors of School Operations and Regional Directors of Operations to ensure that those who require certification are making appropriate progress.

We will improve our practices by doing the following:

- For long term out of compliance employees (1+ year without application), the Academy will set a non-negotiable September 15, 2014 deadline for submitting relevant documentation for the application.
- All new hires that have not yet applied for their relevant certificate will be required to submit application materials by September 15, 2014.

Achievement First Hartford Academy, Inc.

Schedule of Findings and Questioned Costs Year Ended June 30, 2014

- Any employee who is required to be certified and who has additional requirements to meet (e.g. expediting paperwork from educator training program or previous state of employment, additional tests to take, etc.) will have an individual action plan with clear timelines, which will be monitored centrally on a monthly basis by staff at Achievement First Hartford Academy, Inc.
- Renewal for the 2015-16 school year will be conditioned upon satisfactory progress on the individual corrective action plan.
- For the 2015-16 hiring season, the timeline for collecting documentation demonstrating certification or application for relevant permit will be adjusted, so that full documentation is collected at the point of hire (within 60 days of hire or 30 days prior to start date), rather than during summer staff training. This will allow the Achievement First recruiting team to determine how many CSEP spots are available for uncertified teachers.

We are also working closely with the Connecticut State Department of Education and have already submitted corrective action progress reports for action items targeted through September 15, 2014 to those who manage the certification process at the State.

Section III - State Financial Assistance Findings and Questioned Costs

Finding 2014-1 is also a finding in internal controls over state financial assistance programs.

Achievement First Hartford Academy, Inc.

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2014**

Finding 2013-01

Condition: Management's correction of an error of the useful lives of leasehold improvements.

Recommendation: We recommend management restate accumulated depreciation and net assets as of July 1, 2011 and restate depreciation expense and accumulated depreciation for 2012.

Current status: The recommendation was in place upon issuance of the prior year financial statement. No similar findings regarding estimates of useful lives were noted in the 2014 audit.

Hartford Academy

Stmnt of Rev and Exp as of 6/30/15 (unaudited)

	<u>Current Period Actual</u>
Operating Revenue	
Program Revenue	<u>14,049,506.50</u>
Total Operating Revenue	<u>14,049,506.50</u>
Total Revenue	<u>14,020,543.78</u>
Expenditures	
Personnel Expenses	11,467,873.20
Program Expenses	<u>4,222,211.47</u>
Total Expenditures	<u>15,690,084.67</u>
Net Revenue Over Expenditures	<u>(1,640,578.17)</u>



AF Hartford 2015- 2016 Proposed Budgets

Overview
5/15/2015

Summary:

AF Hartford faces the same challenges as all of our CT schools, which is flat funding (again \$11,000 per pupil), increasing salaries and especially benefits costs, and normal operating cost increases. In addition, the school faces the threat of cuts to new seats, although we are working hard to avoid that outcome.

Separately, AF Hartford faces a few specific challenges. It has two growing schools (AF Summit MS and AF Hartford HS), which have attendant growth costs. In addition, AF Hartford MS is still going through a turnaround, with significantly lower enrollment than a typical AF middle school. By planning for this, they have been able to offset the lost revenue with some cost savings, but it still requires significant philanthropic support.

Key assumptions

- Revenue:
 - State funding staying flat at \$11,000 per pupil
 - Continuing to get Hartford contribution of \$500 per K-8 student and \$2,400 per 9-12 student
 - Backfilling of students through 4th and 8th grades
- Expenses:
 - Salary expenses increase by 7-10% to keep pace with district
 - Medical expenses going up 15% due to maturing employee base

Academy	2014-15 surplus/(deficit)*	2015-2016 surplus/(deficit)*	Comments
AF Hartford Elementary	157,728	352,258	Generates surplus that is used at other schools
AF Hartford Middle	(733,244)	(606,424)	Smaller school with lower loss than prior year, but still significant gap
AF Hartford High	(545,000)	(1,235,000)	Growth costs
AF Hartford Summit Middle	(518,733)	(520,000)	Holding steady despite growth
Consolidated AF Hartford Charter	(1,639,249)	(2,009,166)	

* Prior to philanthropy, inter-charter transfers, or use of board reserves



AF Hartford Elementary School	2014-15 Fully Year Forecast	2015-16 Draft Budget	Change	Comments
Revenue				
Public Revenue				
General Operating Revenue	5,071,500	5,278,500	207,000	Backfilling in later grades
Other Public Revenues	354,818	297,641	(57,177)	End of TIF grant -- performance bonus taken out of budgets and will be paid out of philanthropy if earned
Special Education Funding	327,801	265,000	(62,801)	Lower forecast based on expected student population
Total Public Revenue	5,754,119	5,841,141	87,022	
Private Revenues				
Other Revenue	15,947	2,000	(13,947)	Lower forecast on interest income
Total Revenue	5,770,066	5,843,141	73,075	
School Expenses				
Personnel Expenses				
School Salaries and Wages	3,338,438	3,460,369	121,931	Increase in normal salaries and some additional support staff
Other Personnel Costs	18,000	17,550	(450)	Performance bonus taken out of budget and will be paid out of philanthropy if earned
Bonuses	40,000	25,075	(14,925)	Mirrors salary growth plus medical insurance increases
Payroll Taxes & Benefits	636,198	683,247	47,049	
Temporary Staff	68,500	18,572	(49,928)	
Total Personnel Expenses	4,101,136	4,204,814	103,678	
Non-Personnel Expenses				
Program Support Activities	113,190	70,407	(42,783)	Savings found to fund salary growth
Program Materials & Supplies	266,785	217,794	(48,991)	Savings found to fund salary growth
Technology	254,625	172,840	(81,785)	Lower needs due to investments made in prior year
General & Administrative	143,021	139,925	(3,096)	
Physical Plant	62,000	43,000	(19,000)	
8205 - AF Charter Management Fee	575,412	584,114	8,702	
8216 - Ancillary Services Fees	73,000	58,000	(15,000)	Spreading costs across other part of network
Total Non-Personnel Expenses	1,488,033	1,286,080	(201,953)	
9903 - Contingencies	23,169	-	(23,169)	No contingency in 2015-16
Total School Expenses	5,612,338	5,490,894	(121,445)	
9901 - Inter-Charter Transfers	(156,028)	(350,000)	(193,972)	Funds provided to middle school
Net Income - Surplus/Deficit	1,700	2,248	548	



AF Hartford Elementary School	<u>2014-15 Fully</u> Year Forecast	<u>2015-16</u> Draft Budget	<u>Change</u>	<u>Comments</u>
Revenue				
Public Revenue				
General Operating Revenue	3,657,000	3,266,000	(391,000)	Reduced enrollment in response to attrition End of TIF grant -- performance bonus taken out of budgets and
Other Public Revenues	296,615	246,796	(49,819)	will be paid out of philanthropy if earned
Special Education Funding	359,598	451,370	91,772	Increase based on forecast of student population
Total Public Revenue	4,313,213	3,964,166	(349,047)	
Private Revenues	733,244	260,000	(473,244)	Lower than need during turnaround year and using ES surplus
Other Revenue	15,855	2,000	(13,855)	
Total Revenue	5,062,312	4,226,166	(836,146)	
School Expenses				
Personnel Expenses				
School Salaries and Wages	3,041,616	2,886,731	(154,885)	Recuded staff to match reduced enrollment
Other Personnel Costs	17,000	39,000	22,000	Performance bonus taken out of budget and will be paid out of
Bonuses	40,800	19,975	(20,825)	philanthropy if earned
Payroll Taxes & Benefits	611,966	561,067	(50,899)	Mirrors salary change
Temporary Staff	56,500	24,500	(32,000)	
Total Personnel Expenses	3,767,882	3,531,273	(236,609)	
Non-Personnel Expenses				
Program Support Activities	201,693	141,140	(60,553)	Cuts to offset lost revenues
Program Materials & Supplies	145,890	150,045	4,155	
Operations	30,000	30,000	-	
Technology	199,951	109,590	(90,360)	Lower tech investments than prior year
General & Administrative	132,305	135,625	3,320	
Physical Plant	65,934	20,500	(45,434)	
8205 - AF Charter Management Fee	431,321	396,417	(34,905)	Reflects lower revenue
8216 - Ancillary Services Fees	73,000	58,000	(15,000)	Spreading costs across other part of network
Total Non-Personnel Expenses	1,280,094	1,041,317	(238,777)	
9903 - Contingencies	-	-	-	No contingency in 2015-16
Total School Expenses	5,047,976	4,572,590	(475,386)	
9901 - Inter-Charter Transfers	-	350,000	350,000	Transfer from ES
Net Income - Surplus/Deficit	14,335	3,576	(10,760)	



AF Summit MS School	<u>2014-15 Fully</u>	<u>2015-16</u>	<u>Change</u>	<u>Comments</u>
	<u>Year Forecast</u>	<u>Draft Budget</u>		
Revenue				
Public Revenue				
General Operating Revenue	943,000	2,185,000	1,242,000	Addition of 6th grade End of TIF grant -- performance bonus taken out of budgets and will be paid out of philanthropy if earned -- other revenue is Title I
Other Public Revenues	250,852	158,997	(91,855)	
Special Education Funding	68,667	129,124	60,458	
Total Public Revenue	1,262,519	2,473,121	1,210,603	
Private Revenues	518,733	520,000	1,267	
Other Revenue	2,000	2,000	(0)	
Total Revenue	1,783,252	2,995,121	1,211,870	
School Expenses				
Personnel Expenses				
School Salaries and Wages	940,493	1,836,661	896,168	Growth in staff with growth in school
Other Personnel Costs	2,000	7,500	5,500	
Bonuses	12,750	11,475	(1,275)	Performance bonus taken out of budget and will be paid out of philanthropy if earned
Payroll Taxes & Benefits	176,713	319,637	142,924	Mirrors salary growth plus medical insurance increases
Temporary Staff	14,920	16,050	1,130	
Total Personnel Expenses	1,146,876	2,191,323	1,044,447	
Non-Personnel Expenses				
Program Support Activities	59,330	89,825	30,495	School growth
Program Materials & Supplies	94,285	163,465	69,180	School growth
Technology	200,090	141,122	(58,969)	Investments made in 1st year not needed in 2nd year
General & Administrative	59,604	79,199	19,595	
Physical Plant	32,000	22,500	(9,500)	
8205 - AF Charter Management Fee	109,316	244,167	134,851	Mirrors revenue growth
8216 - Ancillary Services Fees	73,000	58,000	(15,000)	
Total Non-Personnel Expenses	627,626	798,278	170,652	
Total School Expenses	1,782,055	2,989,601	1,207,546	
Net Income - Surplus/Deficit	1,196	5,520	4,324	



AF Hartford High School	<u>2014-15 Fully</u>	<u>2015-16</u>	<u>Change</u>	<u>Comments</u>
	<u>Year Forecast</u>	<u>Draft Budget</u>		
Revenue				
Public Revenue				
General Operating Revenue	2,077,000	2,720,200	643,200	Continued school growth
Other Public Revenues	226,085	54,571	(171,514)	End of TIF grant -- performance bonus taken out of budgets and will be paid out of philanthropy if earned
Special Education Funding	118,583	155,000	36,417	
Total Public Revenue	2,421,668	2,929,771	508,103	
Private Revenues	545,000	1,235,000	690,000	Increase due to school growth
Other Revenue	2,500	2,000	(500)	
Total Revenue	2,969,168	4,166,771	1,197,603	
School Expenses				
Personnel Expenses				
School Salaries and Wages	1,754,541	2,475,052	720,511	School and salary growth
Other Personnel Costs	92,915	126,851	33,936	
Bonuses	61,703	18,673	(43,030)	Performance bonus taken out of budget and will be paid out of philanthropy if earned
Payroll Taxes & Benefits	340,721	508,735	168,014	Mirrors salary growth plus medical insurance increases
Temporary Staff	16,530	16,550	20	
Total Personnel Expenses	2,266,410	3,145,861	879,451	
Non-Personnel Expenses				
Program Support Activities	103,172	185,020	81,848	School growth
Program Materials & Supplies	123,260	172,015	48,755	School growth
Technology	152,516	146,124	(6,392)	
General & Administrative	62,232	99,889	37,657	School growth
Physical Plant	8,874	35,535	26,661	
8205 - AF Charter Management Fee	223,730	288,955	65,224	Mirrors revenue growth
8216 - Ancillary Services Fees	73,000	58,000	(15,000)	Spreading costs across other part of network
Total Non-Personnel Expenses	769,925	1,019,537	249,612	
Total School Expenses	3,036,335	4,165,398	1,129,063	
9901 - Inter-Charter Transfers	70,000	-	(70,000)	
Net Income - Surplus/Deficit	2,832	1,373	(1,460)	