

APPENDIX A: 2014-15 CHARTER SCHOOL ANNUAL REPORT

PART 1: SCHOOL INFORMATION AND EXECUTIVE SUMMARY	
Name of Charter School:	Year School Opened:
The Bridge Academy	1997
Street Address:	City/Zip Code:
401 Kossuth St	Bridgeport, CT 06608
School Director:	School Director Contact Information:
Timothy Dutton	bridgeacademy@yahoo.com /203-336-9999
Grades Authorized to Serve in 2014-15:	Charter Term:
7-12	2012-2017
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.	

Dear Friends,August 1, 2015

This was the 18th graduating class of The Bridge Academy Charter School. Faculty, Administration and the Board continue to dedicate themselves to our mission of preparing our students for life after high school. All 30 of our 2015 graduates left with at least one college acceptance, and one student receive a full scholarship to Fairfield University and another a full scholarship to the University of Connecticut.

The Bridge Academy is entering an exciting stage of renewal. We have refined our mission and have created a much greater focus on academics and on school climate. With this emphasis on school climate we implemented the RULER and CPR social emotional learning programs. These programs have dropped our suspensions by one-third from two years ago. By decreasing the number of disciplinary issues, we can devote more time to teacher training on creating more active and engaging lessons to develop greater student success and result in fewer class failures.

The Bridge Academy is committed to serving students of all intellectual and emotional capacity. Thirteen percent of our student population receives some form of Special Education Services. The Bridge Academy does all it can to make sure that students who start the year at The Bridge Academy complete the year at The Bridge Academy. This year 261 out of 275 students who started completed the year. We are happy to provide our students with an environment that is not only challenging but comfortable. We want to encourage our entire student population to benefit from the mission and goals of The Bridge Academy; not just the brightest or hardest working.

The Bridge Academy, along with the entire state, has embraced the new SEED teacher evaluation program. In the summer of 2013 two of our administrators received training on school evaluations so that all teachers could be evaluated using this program during this school year. While the program has had some growing pains, we are pleased to have made the transition to this evaluation system and expect to reap its benefits for years to come.

The Bridge Academy now collects data for every student to be used to diagnose and remediate learning deficits. The entire staff has received training from the Connecticut Accountability for Learning Initiative. We have received training in: “Data Teams”, “Data-Driven Decision Making”, “Effective Teaching Strategies”, and “Making Standards Work”. During the next school year we will continue implementing this training into our classrooms. We have weekly math and reading data team, grade level, and subject-area meetings to analyze data and discuss student progress. We have instituted a Response to Intervention (RTI) program that allows us to use data to carefully measure student progress and provide targeted support to struggling students. The high school now has a scheduled half-hour RTI period every school day; the middle school has been using a push-in RTI model in all English, reading, and math classes. We are confident that our attention to specific student needs through the creation of a strong data culture will lead to better student achievement.

The Bridge Academy's test scores are listed in this annual report. During the Spring of 2015 The Bridge Academy took the scheduled CMT Science assessments as well as the new online Smarter Balanced Assessments.

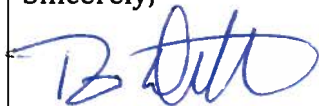
A sign of our success is the great interest shown in our admissions lottery. We have strong demand for entrance to our school. We have a waitlist at each grade level and believe that families are attracted to our school because we are known to be a safe physical and emotional environment that stresses responsibility, accountability and rigor.

An area of great concern to The Bridge Academy is our funding security. Our funding is still significantly lower than the local public schools. State budgeting is always uncertain, and therefore, we cannot predict a per-pupil increase. We are actively working to have the state putting public charter schools on parity with the other public schools in Connecticut. This will give us the ability to predict our revenue streams.

The Bridge Academy continues to work hard at diversifying its sources of revenue. We have successfully applied to People United Community Foundation, Near and Far Aid and the Universal Service Fund. A great frustration is that grants rarely provide money for much needed operating income, which explains our heavy reliance on state money. In the future, we will continue to seek income from private funding sources, such as the Westport Sunrise Rotary, the Peoples Community Foundation, and Near and Far Aid. Interested donors are asked to call Tim Dutton at (203) 336-9999 or e-mail him at BridgeAcademy@yahoo.com.

The Bridge Academy has a dedicated Faculty, Administration and Board who are committed to ensuring that each child will achieve their highest possible potential. We welcome the participation of members of the community who would like to help us to improve the lives of our students. Please contact us at 203-336-9999. We welcome all comments and suggestions.

Sincerely,



Timothy J. Dutton



Sandy Lefkowitz

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 Bridge Academy is a small, caring, public charter school with a rigorous learning environment.

All members of The Bridge Academy community listen to and communicate with each other, are able to respond to diverse needs, and give the consistent effort necessary for personal and academic growth.

Goal Statement:

Evidence of Progress toward Goal:

Goal #1 At the conclusion of the 2014-2015 school year; The Bridge Academy will achieve a STAR Student Growth Percentile in Reading above 40 in all six grade levels.

7th grade – 50 SGP 10th grade – 64 SGP
 8th grade – 52 SGP 11th grade—54 SGP
 9th grade – 50 SGP 12th grade—49 SGP
Goal met at all levels and grades!

Goal #2 At the conclusion of the 2014-2015 school year; The Bridge Academy will achieve a STAR Student Growth Percentile in Math above 40 in all six grade levels.

7th grade – 69 SGP 10th grade – 72 SGP
 8th grade – 47 SGP 11th grade—60 SGP
 9th grade – 52 SGP 12th grade—62 SGP
Goal met at all levels and grades!

Goal #3 At the conclusion of the 2014-2015 school year, teachers will demonstrate improved use of research-based, student-centered teaching strategies in order to elevate the level of instruction and increase rigor in their classrooms.

The Average Score in Domain 3: Instruction for active learning was a 3.16. This was an increase over the 2.4 average for the 13-14 school year. This year 85% of teachers scored proficient or exemplary in Domain 3.

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	96.7	95.7	95.2	95.3
Chronic absenteeism rate: See June 2015 PSIS Report for data	4.2	5.3	8.4	7.7
Number of in-school suspensions:	20	17	32	51
Number of out-of-school suspensions:	130	108	48	52
Number of expulsions:	10	12	8	1
Percent of students with 1+ suspension/expulsion:	24.3	23.2	14.1	8.8
Cohort graduation rate (if applicable):	76.2	88.9	88.2	N/A
Holding power rate (if applicable):	85.7	94.5	94.1	N/A
*Source: CSDE analysis based on district submitted and certified data.		5.2/		N/A
CMT/CAPT(SPI):	60.1	60.1		N/A
Overall host District Performance Index CMT/CAPT (DPI):	55.5/ 40.5	53.7/ 38.4		N/A

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 Bridge Academy instituted a CPR (Circle of Power and Respect) fifteen minute advisory into every full school day. The program was recommended by Andy Doussis, a respected teacher trainer, and is based on "The Advisory Book" by Linda Crawford published by The Origins Program. We found that the advisory program helped The Bridge Academy teach much needed social skills necessary for stimulating active learning. Evidence of the programs impact includes a year to year reduction in expulsions (8 to 1) and a similar reduction in the number of students with two or more suspensions (14.1 to 8.8 percent).

The Bridge Academy will be reaching out to Bridgeport Public Schools to share this great program.

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):	.01 = 20,575/3,652,805
Debt to asset ratio (total liabilities / total assets):	0.70 = 2,516,618/3,599,869
Debt service coverage ratio (net income + depreciation + interest expense) / (principal + interest payments):	1.89 = (20,575 + 175,731 + 58,438) / (74,030 + 60,951)
Current asset ratio (current assets / current liabilities):	0.71 = 543,583/761,629
Days of unrestricted cash ((total expenditures - depreciation) / 365):	33 = 310,106 / ((3,632,230 - 175,731) / 365)
Cash flow (change in cash balance):	148,807 = 161,299 - 310,106

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:
Sandra Lefkowitz	Retired Teacher	President/1 year, Director/2 years	Sandra.lefkowitz@gmail.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Kit Kaolian	IT Professional Banking	Vice-President/1 year, Director/2 years	kit@prodigy.net	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Zainab Muhammed	Engineer	Treasurer/1 year, Director/1 year	zmuhammed@Sikorsky.com	<input type="checkbox"/> Yes <input type="checkbox"/> No
Dee Fuller	Finance Manager	Director/2 years	dfuller@beckson.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Vince Musto	Teacher	Director/1 year	jemavi@optonline.net	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Ken Smith	IT Professional Banking	Director/1 year	Kenneth.smith@peoples.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Michael Bologna	Lawyer	Director/2 years	mtbologna@ffblaw.net	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Celeste Markle	Retired Teacher	Director/2 years	Cmarkle@yahoo.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Jacque Marumoto	Finance/Business	Director/2 years	imarumoto@usa.net	<input type="checkbox"/> x Yes <input type="checkbox"/> No
John Rodriguez	Management	Director/2 years	nyctjrod@gmail.com	<input type="checkbox"/> Yes <input type="checkbox"/> No
Vik Muktavaram	Finance/Business	Director/1 year	vmuktav@yahoo.com	<input type="checkbox"/> x Yes <input type="checkbox"/> No
Wendy Phillips	Teacher	Director/1 year	Wscphillips1@gmail.com	<input type="checkbox"/> x 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:		

--	--	--

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.

The Bridge Academy’s Board of Directors recognizes the dangers of isolation and complacency. Therefore, The Board of Directors is committed to seeking outside reviews and evaluations to improve practice. During the 2014-15 school year we have commissioned an outside report on school performance by Sarah Vocca of the Capitol Regional Educational Council. The Bridge Academy’s Board of Directors has also chosen to switch auditors this year. In both of these instances the Board wanted to listen to new voices in order to improve performance and oversight. Neither the audit change nor the commissioned report are required by outside circumstance.

For the 2015-16 school year we are implementing the NWEA Map tests school wide and having a consultant review the Board of Directors practice and operations. Again, these changes will inform the Board and help the school implement good policy.

PART 4: STUDENT POPULATION

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

Grades Served:	7-12	Student Enrollment:	275
% Free/Reduced-Price Lunch:	85%	% Black:	59%
% Special Education:	13%	% Hispanic:	36%
% Limited English Proficiency:	3%	% Caucasian:	1%

2014-15 Enrollment by Grade Level:

PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
0	0	0	0	0	0	0	0	50	50	53	48	42	32	275

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.

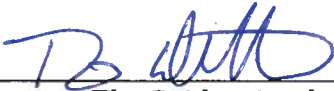
For many years, The Bridge Academy has consistently had many more applicants than it has received. Therefore, our enrollment efforts have been minimal. However as our waitlist declines and more small schools open in Bridgeport, The Bridge Academy recognizes it will need to increase recruitment efforts. During this past year we sent fliers to the local schools, churches and after school providers. We will expand on these efforts in the coming year.

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:
728	673	447	192

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.

As a best practice The Bridge Academy makes enrollment as simple and personal as possible. School administrators are directly available to answer enrollment inquiries and questions. Parents can work directly with school staff to resolve any problems or issue with transportation, food service, or academics. The school has found that parents appreciate the availability and simplicity of personal contact and connection.



Director, The Bridge Academy



President, The Bridge Academy Board of Directors

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 The Bridge 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 The Bridge Academy and available for random audit by the Connecticut State Department of Education (CSDE).
5. The Bridge 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 The Bridge Academy serves on the board of another charter school or CMO.
7. All public funds received by The Bridge 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 The Bridge 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. The Bridge 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 The Bridge 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 The Bridge Academy may be subject to random audit by the CSDE to verify these statements.

Signature:

Sandy Lefkowitz

Name of Board Chairperson:

Sandy Lefkowitz

Date:

09.22.15

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									50	50	50	50	40	35	275
2013-14									50	50	50	50	40	35	275
2014-15									50	50	50	50	40	35	275
2015-16									50	50	50	50	40	40	280
School Year:	2016-17 Enrollment Request:														
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2016-17									50	50	50	50	40	40	280

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)? Yes No

3. Provide a rationale for the enrollment request, including a synopsis of all relevant assumptions.
The Bridge Academy would like to remain at 280 students. This places class sizes at 25 which we would like to believe is capacity.

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).

The Bridge Academy will not need to expand programming or faculty. We believe this number will place us at capacity, and a high level of efficiency.

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

Bridge Academy unaudited financial Statement with explanations

As of August 1, 2015

	YTD Actuals	YTD Baseline Budget	\$ Better/(Worse) Than Budget	Explanation
Income				
Federal Income	\$ 248,650	\$ 235,000	\$ 13,650	
School Income	\$ 302,614	\$ 256,000	\$ 46,614	
State Income	\$ 3,058,590	\$ 3,025,000	\$ 33,590	Construction grant funding
Total Income	\$ 3,609,854	\$ 3,516,000	\$ 93,854	
Expense				
1100000 · Instruction	\$ 2,075,769	\$ 1,976,642	\$ (99,127)	Hiring of extra paraprofessionals for Special Ed need not budgeted
1210000 · Support Services students	\$ 337,877	\$ 328,216	\$ (9,661)	
1221000 · Improve Instructional Services	\$ 28,683	\$ 46,350	\$ 17,667	
1230000 · Support Services General Admin	\$ 21,267	\$ 45,320	\$ 24,053	
124000 · Administration School-Based	\$ 351,137	\$ 389,578	\$ 38,441	
125000 · Support ServicesAdmin	\$ 27,028	\$ 30,385	\$ 3,357	

1260000 · Plant Maintenance	\$ 418,038	\$ 372,605	\$ (45,433)	
127000 · Student Transportation	\$ 1,644	\$ -	\$ (1,644)	
1310000 · Food Service	\$ 313,669	\$ 319,626	\$ 5,957	
9999999 · Contingency	\$ 7,303	\$ 2,250	\$ (5,053)	
Total Expense	\$ 3,582,415	\$ 3,510,972	\$ (71,443)	
Net Income	\$ 27,439	\$ 5,028	\$ 22,411	

Bridge Academy 2015-2016 Budget

As of August 1, 2015

	14-15 Actuals	15 -16 Baseline Budget	\$ Better/(Worse) Than Budget	Explanation
Income				
Federal Income	\$248,650	\$240,000	\$8,650	
School Income	\$302,614	\$244,400	\$58,214	
State Income	\$3,058,590	\$3,025,000	\$33,590	
Total Income	\$3,609,854	\$3,509,400	\$100,454	
Expense				
1100000 · Instruction	\$2,075,769	\$1,947,393	-\$128,376	Eliminated teaching position, changed others to part-time
1210000 · Support Services students	\$337,877	\$331,161	-\$6,716	
1221000 · Improve Instructional Services	\$28,683	\$35,000	\$6,317	
1230000 · Support Services General Admin	\$21,267	\$48,000	\$26,733	
124000 · Administration School-Based	\$351,137	\$390,069	\$38,932	
125000 · Support ServicesAdmin	\$27,028	\$30,815	\$3,787	

1260000 · Plant Maintenance	\$418,038	\$371,855	-\$46,183	Cut hours of Maintenance worker
127000 · Student Transportation	\$1,644	\$0	-\$1,644	
1310000 · Food Service	\$313,669	\$319,626	\$5,957	
9999999 · Contingency	\$7,303	\$2,500	-\$4,803	
Total Expense	\$3,582,415	\$3,476,419	-\$105,996	
Net Income	\$27,439	\$32,981	-\$5,542	

**THE BRIDGE ACADEMY, INC.
FINANCIAL STATEMENTS
AS OF JUNE 30, 2014**

THE BRIDGE ACADEMY, INC.
FINANCIAL STATEMENTS
TABLE OF CONTENTS
JUNE 30, 2014

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	11
Government-Wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Government Fund Financial Statements:	
Balance Sheet	15
Reconciliation of the Balance Sheet to the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balance	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balance of Governmental Funds to the Statement of Activities	18
Notes to Basic Financial Statements	19
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	29
Governmental Funds	
General Fund	
Balance Sheet	
Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit)	
Combining Statements	
Combining Balance Sheet – Non-major Governmental Funds	
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-major Governmental Funds	

THE BRIDGE ACADEMY, INC.
FINANCIAL STATEMENTS
TABLE OF CONTENTS (Continued)
JUNE 30, 2014

STATE SUPPLEMENTAL REPORTS

34

Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by the *State Single Audit Act*

Schedule of Expenditures of State Financial Assistance

Notes to Schedule of Expenditures of State Financial Assistance

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*

Schedule of Findings and Questioned Costs

THE BRIDGE ACADEMY, INC.

**BASIC FINANCIAL STATEMENTS
AS OF JUNE 30, 2014**

**TOGETHER WITH INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTAL REPORTS**



**HENRY, RAYMOND
& THOMPSON, LLC**

Certified Public Accountants

1741 Ellington Road
South Windsor, CT 06074
Tel:(860) 644-5825
Fax:(860) 644-5731

One Hamden Center
2319 Whitney Ave, Suite 5-D
Hamden, CT 06518
Tel:(203) 288-4144
Fax (203) 248-9205

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
The Bridge Academy, Inc.
Bridgeport, CT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Bridge Academy, Inc., a State of Connecticut Charter School, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Bridge Academy, Inc. as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Bridge Academy, Inc.'s basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of State Financial Assistance is presented for purposes of additional analysis as required by the State of Connecticut Office of Policy and Management under the Connecticut Single Audit Act (C.G.S. Sections 4-230 to 4-236), and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the Schedule of Expenditures of State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the Schedule of Expenditures of State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2014, on our consideration of The Bridge 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 The Bridge Academy, Inc.'s internal control over financial reporting and compliance.

Henry, Raymond & Thompson, LLC

Henry, Raymond & Thompson, LLC
South Windsor, Connecticut
November 14, 2014

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

As management of The Bridge Academy, Inc., a Charter School established under the laws of the State of Connecticut, we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2014.

The School was approved for 275 students by the State of Connecticut Department of Education for the year ended June 30, 2014. The School has been granted \$2,887,500 under the State of Connecticut Charter School Grant to fund operations for the year then ended, which they received on a quarterly basis throughout the year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements are comprised of three components: (1) Government-Wide Financial Statements, (2) Fund Financial Statements and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the Charter School's finances, in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the Charter School's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected revenues and earned but unused compensated absences).

Both of the Government-Wide Financial Statements distinguish between functions of the Charter School that are principally supported by intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Charter School include the operation and management of a Charter School designed to provide a college preparatory curriculum, which is structured to overcome the educational problems typically found in the inner city. The business-type activities of the Charter School primarily include food service to local educational institutions and nonprofit organizations.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Charter School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Charter School can be divided into two categories - governmental funds and proprietary funds.

Government Funds

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

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

Proprietary Funds

Proprietary funds have not been separately presented in the fund financial statements for the year ended June 30, 2014 because management does not consider them separately material in relation to the financial statements taken as a whole. Proprietary funds would include enterprise funds, which are used to report the same functions presented as business-type activities in the Government-Wide Financial Statements. Revenues from enterprise fund operations have been reported in the general fund.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

Government-wide Financial Statements

The following table provides a comparison of the Charter School's operations for the years ended June 30, 2014 and 2013:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Revenues:		
Connecticut per pupil funding	\$ 2,887,500	\$ 2,805,000
Operating grants & contributions	298,805	243,443
Business-type activities	197,625	192,610
Unrestricted revenues & contributions	74,842	72,163
In-kind revenues	558,650	504,276
Total	<u>4,017,422</u>	<u>3,817,492</u>
Expenditures:		
Instructional expenditures	2,465,174	2,193,048
Support services-students	524,538	514,638
Improvement of instructional service	38,846	33,304
General administration	28,007	25,605
School administration	312,918	319,631
Plant operation and maintenance	246,809	250,846
Student transportation	2,575	7,661
Business central and other	32,676	46,952
Food service	289,409	252,600
Depreciation	185,215	193,958
Interest expense	60,867	63,173
Total	<u>4,187,034</u>	<u>3,901,416</u>
Decrease in Net Position	<u>\$ (169,612)</u>	<u>\$ (83,924)</u>

The following table provides a comparison of the Charter School's financial position and net position for the years ended June 30, 2014 and 2013:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Assets		
Cash and cash equivalents	\$ 161,299	91,809
Prepaid expenses	67,526	67,875
Amount to be reimbursed by federal government	19,135	19,127
Accounts receivable	111,456	88,361
Capital Assets:		
Land	488,869	488,869
Building and improvements	3,890,057	3,890,057
Furniture and equipment	171,886	162,088
Vehicles	-	72,400
Less accumulated depreciation	<u>(1,398,144)</u>	<u>(1,286,282)</u>
Total capital assets, net of depreciation	<u>3,152,668</u>	<u>3,327,132</u>
 Total Assets	 <u>\$ 3,512,084</u>	 <u>\$ 3,594,304</u>
Liabilities		
Accounts payable and accrued expenses	\$ 430,771	\$ 340,202
Line of credit	90,000	-
Long Term Liabilities:		
Portion due or payable within one year:		
Capital lease	95,562	93,178
Portion due or payable after one year:		
Capital lease	<u>1,833,075</u>	<u>1,928,636</u>
Total Long Term Liabilities	<u>1,833,075</u>	<u>1,928,636</u>
 Total Liabilities	 <u>2,449,408</u>	 <u>2,362,016</u>
Net Position (Deficit)		
Net investment in capital assets	1,224,031	1,305,318
Restricted net position	-	-
Unrestricted net position	<u>(161,355)</u>	<u>(73,030)</u>
 Total Net Position	 <u>1,062,676</u>	 <u>1,232,288</u>
 Total Liabilities and Net Position	 <u>\$ 3,512,084</u>	 <u>\$ 3,594,304</u>

Comparison of June 30, 2014 to June 30, 2013

The School received total funding revenues of \$4,017,422 and \$3,817,492 for the years ended June 30, 2014 and 2013, respectively. All revenues are used to support the Schools programs. The School received State of Connecticut Charter School funding of \$10,500 and \$10,200 per pupil for the years ended June 30, 2014 and 2013, respectively. The School also receives in-kind support from the State of Connecticut Teachers Retirement Fund to support teachers retirement and from the City of Bridgeport to support the School's programs. Revenue is directly affected by the number of students the State of Connecticut is willing to fund in any given year.

The School incurred expenditures of \$4,187,034 and \$3,901,416 for the years ended June 30, 2014 and 2013, respectively. All expenditures are incurred to support school programs. Fluctuations in total expenditures are mainly attributable to fluctuation in support provided by the State of Connecticut in any given year. The School is completely dependent upon State of Connecticut funding and therefore it is expected that fluctuations in State funding would affect fluctuations in the School's expenditures.

Net position decreased by \$169,612 during the most recent fiscal year compared to a decrease of \$83,924 in the preceding year. The net position of the School exceeded liabilities by \$1,062,676 and \$1,232,288 for the years ended June 30, 2014 and 2013, respectively. The decrease in net position is principally attributable to depreciation expense for the current year of \$185,215 (which reduces the value of capital assets), offset by principal payments on capital lease debt of \$93,177. As noted above, the School's expenditures are directly affected by the State of Connecticut Charter School Funding. Capital assets, net of related debt, amounted to \$1,224,031 and \$1,305,318 for the years ended June 30, 2014 and 2013, respectively.

Capital expenditures totaled \$12,977 and \$35,559 for the years ended June 30, 2014 and 2013, respectively.

At the close of the current fiscal year, the School's governmental funds reported combined ending fund (deficit)/balance of \$(161,355). Capital project funds showed a fund balance of zero at year-end, while the general fund and special revenue fund showed a (deficit)/balance of \$(180,490) and \$19,135, respectively.

The Charter School's largest asset is its capital assets, which includes land, building and improvements, furniture, equipment and vehicles. The gross assets and accumulated depreciation amount to \$4,550,812 and \$1,398,144 for the year ended June 30, 2014, and \$4,613,414 and \$1,286,282 for the year ended June 30, 2013. Depreciation expense is \$185,215 and \$193,958 for the years ended June 30, 2014 and 2013, respectively. The net decrease in assets, increase in accumulated depreciation, and decrease in depreciation expense are a result of the capital expenditures incurred, capital assets disposed of, and depreciation of historical assets during the year ended June 30, 2014. The Charter School uses these capital assets to operate and manage the School; consequently, these assets are not available for future spending. Although the Charter School's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Financial Analysis of the Charter School's Funds

The focus of the Charter School's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Charter

School's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a school's net resources available for spending at the end of the fiscal year.

As of the year ended June 30, 2014, the Charter School's governmental funds reported a combined fund balance (deficit) of \$(161,355) as compared to \$(73,030) for the year ended June 30, 2013. Unrestricted fund balance for the year ended June 30, 2014 was \$(180,490). The remainder of the fund balance, or \$19,135 is reserved to indicate that it is not available for new spending because it has already been committed to specific program(s) or uses.

Capital Assets

The Charter School's net investment in capital assets for its governmental and business-type activities as of June 30, 2014 amounts to \$1,224,031 (net of accumulated depreciation and amortization). This investment in capital assets includes land, building, improvements, furniture, and equipment. The cost of acquisition of capital assets was \$12,977 during the year ended June 30, 2014. Costs related to debt service were \$93,177, relating to a capital lease on the school building.

Debt Administration

At the end of the current fiscal year, the Charter School had total bank debt of \$90,000 compared to \$0 for the year ended June 30, 2013 and had a capital lease liability of \$1,928,637 compared to \$2,021,814 for the year ended June 30, 2013, respectively. The capital lease relates to the acquisition and renovation of the school building and is being financed over 30 years.

Budgetary Reporting

The School is not legally required to adopt a budget. As disclosed in Note 1 to the attached financial statements, an annual budget is approved by the Governing Board as a management tool. Since an annual budget is not legally required, and since a management budget is subject to ongoing review and potential change, these financial statements do not include comparisons of adopted budget with actual data on a budgetary basis. Likewise, our management discussion and analysis does not include any significant variations between budget amounts and actual results.

Request for Information

This financial report is designed to provide a general overview of The Bridge Academy, Inc.'s finances. If you have any questions about this report or need any additional information, contact the Charter School at 160 Pulaski Street, Bridgeport, Connecticut 06608, or call (203) 336-9999.

BASIC FINANCIAL STATEMENTS

THE BRIDGE ACADEMY, INC.
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2014

	Charter School Activities	Business Type Activities	Total
Assets			
Cash and cash equivalents	\$ 161,299	\$ -	\$ 161,299
Prepaid expenses and other current assets	67,526		67,526
Amount to be reimbursed by federal government	19,135		19,135
Accounts Receivable	111,456		111,456
Capital Assets:			
Land	488,869		488,869
Building and improvements	3,890,057		3,890,057
Furniture and equipment	171,886		171,886
Vehicles	-		-
Less accumulated depreciation	<u>(1,398,144)</u>		<u>(1,398,144)</u>
Total capital assets, net of depreciation	<u>3,152,668</u>	<u>-</u>	<u>3,152,668</u>
Total Assets	<u>\$ 3,512,084</u>	<u>\$ -</u>	<u>\$ 3,512,084</u>
Liabilities			
Accounts payable and accrued expenses	\$ 430,771	\$ -	\$ 430,771
Line of credit	90,000		90,000
Long-Term Liabilities:			
Portion due or payable within one year:			
Capital lease	95,562		95,562
Portion due or payable after one year:			
Capital lease	<u>1,833,075</u>		<u>1,833,075</u>
Total Long-Term Liabilities	<u>1,833,075</u>	<u>-</u>	<u>1,833,075</u>
Total Liabilities	<u>2,449,408</u>	<u>-</u>	<u>2,449,408</u>
Net Position			
Net investment in capital assets	1,224,031	-	1,224,031
Restricted net position	-	-	-
Unrestricted net position	<u>(161,355)</u>	<u>-</u>	<u>(161,355)</u>
Total Net Position	<u>1,062,676</u>	<u>-</u>	<u>1,062,676</u>
Total Liabilities and Net Position	<u>\$ 3,512,084</u>	<u>\$ -</u>	<u>\$ 3,512,084</u>

Notes to these financial statements are an integral part of the basic financial statements

THE BRIDGE ACADEMY, INC.
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Operating Grants and Contributions	Capital Grants and Contributions	Charter School Activities	Business-Type Activities	Total
Instructional	\$ 2,465,174	\$ 180,645	\$ -	\$ (2,284,529)	\$ -	\$ (2,284,529)
Support services-students	524,538			(524,538)		(524,538)
Improvement of instructional services	38,846			(38,846)		(38,846)
General administration	28,007			(28,007)		(28,007)
School administration	312,918	2,873		(310,045)		(310,045)
Plant operation and maintenance	209,788			(209,788)	(37,021)	(246,809)
Student transportation	2,575			(2,575)		(2,575)
Business, central and other	32,676			(32,676)		(32,676)
Food service	165,717	115,287		(50,430)	(123,692)	(174,122)
Depreciation	157,433			(157,433)	(27,782)	(185,215)
Interest expense	51,737			(51,737)	(9,130)	(60,867)
Total Activities	\$ 3,989,409	\$ 298,805	\$ -	\$ (3,690,604)	\$ (197,625)	\$ (3,888,229)

Notes to these financial statements are an integral part of the basic financial statements

THE BRIDGE ACADEMY, INC.
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES, Con't
YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Operating Grants and Contributions	Capital Grants and Contributions	Charter School Activities	Business-Type Activities	Total
General Revenues:						
Connecticut per pupil funding				\$ 2,887,500	\$ -	\$ 2,887,500
In-kind revenues				558,650	-	558,650
Unrestricted contributions				36,779	-	36,779
Other unrestricted revenues				38,063	197,625	235,688
				<u>3,520,992</u>	<u>197,625</u>	<u>3,718,617</u>
Change in Net Position				(169,612)	-	(169,612)
Net Position - beginning of the year				<u>1,232,288</u>	<u>-</u>	<u>1,232,288</u>
Net Position - end of the year				<u>\$ 1,062,676</u>	<u>\$ -</u>	<u>\$ 1,062,676</u>

Notes to these financial statements are an integral part of the basic financial statements

THE BRIDGE ACADEMY, INC.
COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2014

	<u>Governmental Fund Types</u>			<u>Totals Memorandum Only</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Special Revenue</u>	
Assets				
Cash and cash equivalents	\$ 161,299	\$ -	\$ -	\$ 161,299
Prepaid expenses and other current assets	67,526	-	-	67,526
Accounts Receivable	111,456	-	-	111,456
Amount to be reimbursed by federal government	-	-	19,135	19,135
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets and Other Debits	<u>\$ 340,281</u>	<u>\$ -</u>	<u>\$ 19,135</u>	<u>\$ 359,416</u>
Liabilities				
Accounts payable and accrued expenses	\$ 430,771	\$ -	\$ -	\$ 430,771
Line of credit	90,000	-	-	90,000
Total Liabilities	<u>520,771</u>	<u>-</u>	<u>-</u>	<u>520,771</u>
Fund Balance (Deficit)				
Fund balance reserved for special revenue	-	-	19,135	19,135
Fund balance - unassigned	(180,490)	-	-	(180,490)
Total Fund Balance (Deficit)	<u>(180,490)</u>	<u>-</u>	<u>19,135</u>	<u>(161,355)</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 340,281</u>	<u>\$ -</u>	<u>\$ 19,135</u>	<u>\$ 359,416</u>

Notes to these financial statements are an integral part of the basic financial statements

THE BRIDGE ACADEMY, INC.
RECONCILIATION OF THE GOVERNMENT FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Total Fund Balances (Deficits) - Governmental Funds \$ (161,355)

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$4,550,812 and the accumulated depreciation is \$1,398,144: 3,152,668

Long-Term liabilities applicable to the School's governmental activities are not due and payable in the current period and accordingly are not reported as governmental fund liabilities. All liabilities (current and long-term) are reported in the statement of net position. Long-term liabilities at year-end consist of capital lease obligations of \$1,928,637: (1,928,637)

Total Net Position - Governmental Activities \$ 1,062,676

Notes to these financial statements are an integral part of the basic financial statements

Exhibit B

**THE BRIDGE ACADEMY, INC.
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (DEFICIT)
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Governmental Fund Types</u>			<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Special Revenue</u>	
REVENUES:				
Intergovernmental revenue	\$ 3,446,150	\$ -	\$ 298,805	\$ 3,744,955
Other	274,693	-	-	274,693
Total Revenues	<u>3,720,843</u>	<u>-</u>	<u>298,805</u>	<u>4,019,648</u>
EXPENDITURES:				
Instructional	2,284,529	-	180,645	2,465,174
Support services:				
Students	524,538	-	-	524,538
Improvement of instructional services	38,846	-	-	38,846
General administration	28,007	-	-	28,007
School administration	309,849	-	3,069	312,918
Operation and maintenance of plant	246,809	-	-	246,809
Student transportation	2,575	-	-	2,575
Business, central and other	32,676	-	-	32,676
Food service	174,326	-	115,083	289,409
Total Expenditures	<u>3,642,155</u>	<u>-</u>	<u>298,797</u>	<u>3,940,952</u>
Acquisition of fixed assets	12,977	-	-	12,977
Debt service	93,177	-	-	93,177
Interest	60,867	-	-	60,867
	<u>3,809,176</u>	<u>-</u>	<u>298,797</u>	<u>4,107,973</u>
Excess (deficiency) of revenues over expenditures	(88,333)	-	8	(88,325)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	-	-	-
Transfers (to) other funds	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(88,333)</u>	<u>-</u>	<u>8</u>	<u>(88,325)</u>
Fund balance (deficit), beginning of the year	<u>(92,157)</u>	<u>-</u>	<u>19,127</u>	<u>(73,030)</u>
Reclassification of long-term lease obligations	-	-	-	-
Fund balance (deficit), end of the year	<u>\$ (180,490)</u>	<u>\$ -</u>	<u>\$ 19,135</u>	<u>\$ (161,355)</u>

Notes to these financial statements are an integral part of the basic financial statements

The Bridge Academy, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

Note 1 - Summary of Significant Accounting Policies

General Statement

The Bridge Academy, Inc. (the “School”) was granted, in 1997, a charter to operate Bridge Academy, a public school located in the City of Bridgeport. The School was founded in 1997 to provide a college preparatory curriculum designed to overcome the educational problems typically found in the inner city. The established goals are to be met through the following approaches: parental involvement, a mentor program with professionals from the Bridgeport business community, an introduction to the world outside of Bridgeport that includes the arts, and small enrollment that allows students to foster a sense of community and self-respect.

In accordance with the provisions of Section 10-66bb of the Connecticut General Statutes, the initial charter was granted for a five-year period. A charter school, as defined by the Connecticut statutes, is a public, nonsectarian school, which is established under a charter granted pursuant to the provisions of the statutes, acts as a public agency, and operates independently of any local or regional board of education in accordance with the terms of its charter and the provisions of the statutes. The charter was renewed last in 2012 for another five years (through June 30, 2017), and shall be operated in accordance with all applicable state and federal laws and regulations, and the terms of its charter.

A junior school curriculum (seventh and eighth grades) was added to the previously existing School curriculum (ninth through twelfth), effective for the first time during the year ended June 30, 2007. The School was approved for 275 students by the State of Connecticut Department of Education for the year ended June 30, 2014.

The accounting policies of the School conform to generally accepted accounting principles as applied to governmental entities. The following is a summary of the more significant policies:

Financial Reporting Entity

The School is governed by a Board of Directors (The Executive Board). The Board reviews the educational progress, the school program, school management, finances, and legal issues, and is responsible for ensuring that the School lives up to its mission, charter, and additional requirements of the State of Connecticut Board of Education. The School receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities.

The basic financial statements of the School include only the funds of the School, as no component units exist based on operational or financial relationships with the School.

The Bridge Academy, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the School and include the financial activities of the overall government agency (School), except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The statements are intended to distinguish between governmental and business type activities. Governmental activities for the School are generally financed through intergovernmental revenues. Business type activities are financed, in whole or in part, by fees charged to external parties. The School's business type activities consist of the sales of meals to the local YMCA's childcare center.

The statement of net position presents the School's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets – This category consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for capital lease obligations related to the leased building.

Restricted net position – This category consists of net position whose use is restricted either through external restrictions imposed by creditors, grantors, contributors and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This category consists of net position, which does not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the School's policy to use the restricted sources first, then the unrestricted resources as they are needed.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) grants that are restricted to meeting the operational requirements of the School, 2) unrestricted contributions from non-governmental sources, and 3) the sales of meals to the local YMCA.

Fund Financial Statements

The fund financial statements provide information about the School's funds, including, if applicable, fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as major funds.

The Bridge Academy, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

The School reports the following major governmental funds:

The general fund is the School's primary operating fund. It accounts for all financial resources of the School, except those required to be accounted for in another fund.

The special revenue funds accounts for revenue sources that are legally restricted to expenditure for specific purpose (not including expendable trusts or major capital projects).

The capital projects fund is used to account for financial resources used to acquire or construct major capital facilities such as buildings and improvements. There were no capital projects during the year ended June 30, 2014.

General Fund

The general fund is the main operating fund of the School. This fund is used to account for all financial resources not accounted for in other funds. All general revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-Wide Financial Statements

The Government-Wide Financial Statements and Fund Financial Statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to be used to pay liabilities of the current period. A one-year availability period is used for recognition of all Governmental

The Bridge Academy, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, except for interest payable accrued at the debt issuance date for which cash is received with the debt proceeds, as well as expenditures related to compensated absences and arbitrage are recorded only when payment has matured and will be payable shortly after year-end.

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less when purchased. There were no cash equivalents as of June 30, 2014.

Prepaid Expenses and Other Current Assets

Prepaid expenses consist of amounts for insurance and other operational expenses that were prepaid as of June 30, 2014 and total \$67,526.

Capital Assets

Tangible assets with a useful life greater than one year and a value greater than \$1,000 are recorded at cost on the statement of net assets. Donated capital assets are recorded at their estimated fair value at the date of donation. Depreciation is calculated over estimated useful lives using the straight-line method.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not included in the general fixed assets account group. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the School are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land	-
Building and improvements	10 - 27.5
Furniture and equipment	5 - 10
Vehicles	5

Reserved Fund Balance

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose.

Basis of Appropriating and Budgeting

The Governing Board approves an annual budget as a management control. The School is not legally required to adopt a budget. Since an annual budget is not legally required, and since a management

The Bridge Academy, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

budget is subject to ongoing review and potential change, these financial statements do not include comparisons of adopted budget with actual data on a budgetary basis.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting is utilized by the School. Encumbrance accounting is a system under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation.

Compensated Absences

Under the School's policies, teachers earn 15 days of sick leave pay in each school year. All unused sick leave accumulates from year to year without limitation for each continuous year of employment. The Board of Directors approved recognition and credit of accumulated unused sick days earned prior to employment at the School. Unused sick leave is paid only upon formal retirement from the School and not at termination of service. Because the payment of non-vested accumulated sick pay benefits depends on retirement, specifically from the School, no liability has been accrued in these financial statements for such payments. Vacation leave vests with the employee, but is generally required to be taken within the calendar year earned.

Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.

On-Behalf Payments

The School received on-behalf payments from the City of Bridgeport totaling \$215,016 for teaching services and special education paraprofessionals, respectively, provided by the City for the School during the year ended June 30, 2014. In addition, the State of Connecticut, Teachers Retirement Fund contributed approximately \$343,634 to the retirement funds of the teachers at the School (see Note 5).

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 and disclosures in the financial statements. Actual results could differ from those estimates.

Subsequent Events

As of November 14, 2014, the Organization evaluated all subsequent events and noted no recognized or non-recognized events or transaction subsequent to June 30, 2014. Financial Statements for the Organization were available to be issued as of November 14, 2014.

The Bridge Academy, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

Income Taxes

On December 30, 1997, the School was granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income taxes has been made in the accompanying financial statements. In addition, The Bridge Academy, Inc. has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

The School has concluded that there are no uncertain tax positions that would require recognition in the financial statements. If the School were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties would be reported as income taxes. The School's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations and interpretations thereof as well as other factors. Generally, federal, state and local authorities may examine the School's tax returns for three years from the date of filing. Consequently, income tax returns for years prior to 2010 are no longer subject to examination by taxing authorities.

Note 2 – Cash, Cash Equivalents and Investments

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a "qualified public depository" as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an "out of state bank," as defined by the Statutes, which is not a "qualified public depository." The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the

The Bridge Academy, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

pool shares.

Deposits

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the School's deposit will not be returned. The School does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, the School's entire bank balance of \$161,299 was fully insured under the FDIC Temporary Liquidity Guarantee Program.

As of the year ended June 30, 2014, the School did not hold any investments.

Note 3 – Capital Assets

The following is a summary of changes in general capital assets for the year ended June 30, 2014:

	Cost	Accumulated Depreciation	Capital Assets, net
Balance June 30, 2013	\$ 4,613,414	\$ (1,286,282)	\$ 3,327,132
Additions	12,977	(185,215)	(172,238)
Deductions	(75,579)	73,353	(2,226)
Balance June 30, 2014	\$ 4,550,812	\$ (1,398,144)	\$ 3,152,668

Depreciation expense was \$185,215 for the year ended June 30, 2014. As of June 30, 2014, gross depreciable assets under capital lease were \$2,934,791 with accumulated amortization of \$960,750.

The Bridge Academy, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

Note 4 - Debt

Long-Term Capital Lease Obligations:

The School entered a capital lease dated March 1, 2005 for land and building in Bridgeport, Connecticut occupied by the School with an original balance of \$2,642,400 and monthly principal and interest payments of \$10,833.33. The lease has an effective interest rate of 3.395% with a bargain purchase option of \$1 at end of term, which management intends to exercise.

The following is a summary of changes in long-term capital lease obligations for the year ended June 30, 2014:

Balance June 30, 2013	\$ 2,021,814
Principal payments	<u>(93,177)</u>
Balance June 30, 2014	<u>1,928,637</u>
Current portion of capital lease obligation	<u>95,562</u>
Long-term portion of capital lease obligation	<u>\$ 1,833,075</u>

The following table represents the future minimum lease payments as of June 30, 2014:

Year-Ending June 30,		
2015		\$ 153,996
2016		153,996
2017		153,996
2018		153,996
2019		153,996
thereafter		<u>1,619,671</u>
		2,389,651
	Less: Amount representing interest	<u>461,014</u>
	Capital lease obligation	<u>\$ 1,928,637</u>

The Bridge Academy, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

Interest expense on debt is \$60,867 for the year ended June 30, 2014.

Note 5 – State Teachers Retirement System

The faculty and professional personnel of the School participate in a contributory defined benefit plan, established under section 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers Retirement Board.

Certain part-time and all full-time certified teachers are eligible to participate in the plan. The School does not and is not legally responsible to contribute to the plan. After five years of service, teachers are fully vested in their own contributions. After 10 years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty. The State of Connecticut contributes based on actuarially determined amounts. In accordance with the provisions of the Governmental Accounting Standards Board Statement No. 24, the School has reported “on behalf” payments of approximately \$343,634, made by the State of Connecticut into the teachers retirement system, as intergovernmental revenues and instruction expenditures of the general fund in the accompanying combined statement of revenues, expenditures and changes in fund balance (deficit) and as in-kind revenue and instructional expense in the accompanying Government-wide statement of activities. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual basis. For the year ended June 30, 2014, the School’s teachers contributed \$100,498 to the plan and covered payroll for the year was approximately \$1,386,179.

Note 6 - Contingencies and Risk Management

The School is exposed to various risks of loss related to torts; theft or damage to, and distribution of assets; errors and omissions; injuries to employees; and natural disasters. However, there are currently no suits or claims pending against the School.

The School maintains commercial insurance coverage for all risks of loss, including workers’ compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage.

Note 7 - Economic Dependency

The School received approximately 73% of its funding from the State of Connecticut and 6% of its funding from the Federal Government for the year ended June 30, 2014, to fund the operations of the charter school programs.

Note 8 – Leasing Arrangement

The School leases a copier under a 60-month operating lease expiring in July 2018. This lease requires monthly payments of \$1,385. Minimum lease payments required under the operating lease as of June 30, 2014 are as follows:

The Bridge Academy, Inc.
Notes to Financial Statements
For the Year Ended June 30, 2014

2015	\$	16,620
2016	\$	16,620
2017	\$	16,620
2018	\$	16,620
2019	\$	-

Note 9 – Line of Credit

The School was approved for a Line of Credit up to the amount of \$200,000 from People’s United Bank, with an initial interest rate of 5.00%. The Line of Credit is secured by the business assets of Bridge Academy, Inc. There is an outstanding balance on the Line of Credit of \$90,000 as of June 30, 2014.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

THE BRIDGE ACADEMY, INC.
BALANCE SHEET - GENERAL FUND
JUNE 30, 2014

Assets

Cash and cash equivalents	\$ 161,299
Prepaid expenses and deposits	67,526
Accounts receivable	<u>111,456</u>
 Total Assets	 <u><u>\$ 340,281</u></u>

Liabilities

Accounts payable and accrued expenses	\$ 430,771
Line of credit	<u>90,000</u>
Total Liabilities	<u><u>520,771</u></u>

Fund Balance (Deficit)

Fund Balance - Unassigned	<u>(180,490)</u>
Total Fund Balance (Deficit)	<u><u>(180,490)</u></u>
 Total Liabilities and Fund Balances	 <u><u>\$ 340,281</u></u>

Notes to these financial statements are an integral part of the basic financial statements

THE BRIDGE ACADEMY, INC.
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (DEFICIT) GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Revenues	
Intergovernmental revenue	\$ 3,446,150
Other	274,693
Total Revenues	<u>3,720,843</u>
Expenditures	
Instructional	2,284,529
Support services:	
Students	524,538
Improvement of instructional services	38,846
General administration	28,007
School administration	309,849
Operation and maintenance of plant	246,809
Student transportation	2,575
Business, central and other	32,676
Food service	174,326
Total Expenditures	<u>3,642,155</u>
Acquisition of fixed assets	12,977
Debt service	93,177
Interest	60,867
	<u>3,809,176</u>
Excess(deficiency) of revenues over expenditures	<u>(88,333)</u>
Other Financing Sources (Uses)	
Transfers from other funds	-
Transfers (to) other funds	-
	<u>-</u>
Excess(deficiency) of revenues and other financing sources over expenditures and other financing uses	(88,333)
Fund balance (deficit), beginning of the year	<u>(92,157)</u>
Fund balance (deficit), end of the year	<u><u>\$ (180,490)</u></u>

Notes to these financial statements are an integral part of the basic financial statements

THE BRIDGE ACADEMY, INC.
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
JUNE 30, 2014

	School Breakfast & Lunch Fund	Special School Grants and Programs	Total (Memorandum Only)
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Prepaid expenses and deposits	-	-	-
Amount to be reimbursed by federal government	19,154	(19)	19,135
	<u>19,154</u>	<u>(19)</u>	<u>19,135</u>
Total Assets	\$ 19,154	\$ (19)	\$ 19,135
Liabilities			
Accounts payable and accrued expenses	\$ -	\$ -	\$ -
Line of credit	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit)			
Fund Balance - Reserved for special revenue funds	19,154	(19)	19,135
Total Fund Balance (Deficit)	<u>19,154</u>	<u>(19)</u>	<u>19,135</u>
Total Liabilities and Fund Balances	\$ 19,154	\$ (19)	\$ 19,135

Notes to these financial statements are an integral part of the basic financial statements

THE BRIDGE ACADEMY, INC.
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	School Breakfast & Lunch Fund	Special School Grants and Programs	Total (Memorandum Only)
Revenues			
Intergovernmental revenue	\$ 115,287	\$ 183,518	\$ 298,805
Other	-	-	-
Total Revenues	<u>115,287</u>	<u>183,518</u>	<u>298,805</u>
Expenditures			
Instructional	-	180,645	180,645
Support services:			
Students	-	-	-
Improvement of instructional services	-	-	-
General administration	-	-	-
School administration	-	3,069	3,069
Operation and maintenance of plant	-	-	-
Student transportation	-	-	-
Business, central and other	-	-	-
Food service	115,083	-	115,083
Total Expenditures	<u>115,083</u>	<u>183,714</u>	<u>298,797</u>
Acquisition of fixed assets	-	-	-
Debt service	-	-	-
Interest	-	-	-
	<u>115,083</u>	<u>183,714</u>	<u>298,797</u>
Excess(deficiency) of revenues over expenditures	<u>204</u>	<u>(196)</u>	<u>8</u>
Other Financing Sources (Uses)			
Transfers from other funds	-	-	-
Transfers (to) other funds	-	-	-
Excess(deficiency) of revenues and other financing sources over expenditures and other financing uses	204	(196)	8
Fund balance (deficit), beginning of the year	<u>18,950</u>	<u>177</u>	<u>19,127</u>
Fund balance (deficit), end of the year	<u>\$ 19,154</u>	<u>\$ (19)</u>	<u>\$ 19,135</u>

Notes to these financial statements are an integral part of the basic financial statements

STATE SUPPLEMENTAL REPORTS

**SCHEDULE OF STATE FINANCIAL
ASSISTANCE AND INDEPENDENT
AUDITOR'S REPORT THEREON**



**HENRY, RAYMOND
& THOMPSON, LLC**

1741 Ellington Road
South Windsor, CT 06074
Tel:(860) 644-5825
Fax:(860) 644-5731

One Hamden Center
2319 Whitney Ave, Suite 5-D
Hamden, CT 06518
Tel:(203) 288-4144
Fax (203) 248-9205

Certified Public Accountants

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE *STATE SINGLE
AUDIT ACT***

Independent Auditor's Report

To the Board of Education
of The Bridge Academy, Inc.
Bridgeport, CT

Report on Compliance for Each Major State Program

We have audited The Bridge 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 The Bridge Academy, Inc.'s major state programs for the year ended June 30, 2014. The Bridge Academy, Inc.'s major state programs are identified in the summary of auditors' 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 The Bridge 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 The Bridge 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 The Bridge Academy, Inc.'s compliance.

Opinion on Each Major State Program

In our opinion, The Bridge 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.

Report on Internal Control over Compliance

Management of The Bridge 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 The Bridge 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 The Bridge 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 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. *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.

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 the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of The Bridge Academy, Inc., as of and for the year ended June 30, 2014 and have issued our report thereon dated November 14, 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 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.

Henry, Raymond & Thompson, LLC

Henry, Raymond & Thompson, LLC
South Windsor, Connecticut
November 14, 2014

THE BRIDGE ACADEMY, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE 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>
Connecticut Department of Education:		
Charter Schools	11000-SDE64370-16119	\$ 2,887,500
High Quality Schools & Common Core Implementation	269-000 12052-43538-2014-82166-170003	47,852
Healthy Food Certification	11000-SDE64000-16072-82010	2,817
School Breakfast	11000-SDE64000-17046	3,336
Child Nutrition Program (School Lunch State Match)	11000-SDE64000-16072-82051	1,376
Total Expenditure of State Financial Assistance		<u>\$ 2,942,881</u>

Notes to the basic financial statements are an integral part of this schedule of supplementary information

Notes to the schedule of expenditures of state financial assistance are an integral part of this schedule of supplementary information

THE BRIDGE ACADEMY, INC.
NOTES TO SCHEDULE OF EXPENDITURES
OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2014

The accompanying Schedule of Expenditures of State Financial Assistance includes state grant activity of The Bridge 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 the operation of a state charter school.

Note 1 – Summary of Significant Accounting Policies

The accounting policies of The Bridge Academy, Inc.'s conform to accounting principles generally accepted in the United States of America as applicable to governmental entities.

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 modified 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.

Note 2 – Loan Programs

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the Schedule of Expenditures of State Financial Assistance shall include loans and loan activities.

The following is a summary of the various loan program activity for the year ended June 30, 2014:

THE BRIDGE ACADEMY, INC.
NOTES TO SCHEDULE OF EXPENDITURES
OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2014

Capital Lease Obligation

Capital Lease – Landlord

Issue Date	March 1, 2005
Interest Rate	3.40%
Original Amount	\$ 2,444,343
Additions for Renovations (2005 - 2006)	\$ 198,057
Total Lease Obligation	<u>\$ 2,642,400</u>
Balance July 1, 2013	\$ 2,021,814
Borrowings	-
Payments	<u>\$ (93,177)</u>
Balance June 30, 2014	<u><u>\$ 1,928,637</u></u>

Line of Credit – People’s Bank

Credit Line – Peoples Bank

Issue Date	January 30, 2012
Interest Rate	5.00%
Original Amount	Maximum \$200,000
Balance July 1, 2013	\$ -
Borrowings	\$ 90,000
Payments	<u>\$ -</u>
Balance June 30, 2014	<u><u>\$ 90,000</u></u>



**HENRY, RAYMOND
& THOMPSON, LLC**

1741 Ellington Road
South Windsor, CT 06074
Tel:(860) 644-5825
Fax:(860) 644-5731

One Hamden Center
2319 Whitney Ave, Suite 5-D
Hamden, CT 06518
Tel:(203) 288-4144
Fax (203) 248-9205

Certified Public Accountants

**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 Education
of The Bridge Academy, Inc.
Bridgeport, CT

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Bridge Academy, Inc., a State of Connecticut Charter School, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise The Bridge Academy, Inc.'s basic financial statements, and have issued our report thereon dated November 14, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Bridge 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Bridge Academy, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Bridge Academy, Inc.'s internal control.

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Bridge 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2014-1.

The Bridge Academy, Inc.'s Response to Findings

The Bridge Academy, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Bridge 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.

Henry, Raymond & Thompson, LLC

Henry, Raymond & Thompson, LLC
South Windsor, Connecticut
November 14, 2014

**THE BRIDGE ACADEMY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's opinion issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes None reported

Type of auditor's opinion 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? Yes No

- The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Connecticut Department of Education:		
Charter Schools	11000-SDE64370-16119	\$ 2,887,500
High Quality Schools & Common Core Implementation	269-000 12052-43538-2014-82166-170003	\$ 47,852
• Dollar threshold used to distinguish between Type A and Type B programs		<u>\$ 200,000</u>

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

THE BRIDGE ACADEMY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

Finding No. 2014-1

Grantor: Connecticut Department of Education

State Program Name: Charter Schools

State Program CORE-CT Number: 11000-SDE64370-16119

Criteria

Expenditures for state awards need to be for allowable purposes.

Condition

An expenditure was identified that should have been voided.

Questioned Cost

A known questioned cost of \$242.33 was identified during Single Audit Testing. Likely questioned costs were determined to exceed \$1,000 after reviewing the root cause and population tested.

Context

In a sample of 40 items, one exception was found causing a deviation rate of 2.5%. The finding appears to be isolated to a small sub-group of the total population tested. When related to similar costs, the likely questioned costs exceeded \$1,000.

Effect

Expenditures of state awards could be overstated.

Cause

A check was voided, however, was not voided in the accounting records of the School.

Recommendation

The School should compare voided checks at the end of the month to accounting records, to ensure that accounting records match physical documents. Further, the School should strengthen its policies and procedures related to the review of bank statement reconciliation outstanding items.

THE BRIDGE ACADEMY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Views of Responsible Officials and Planned Corrective Actions

The Bridge Academy, Inc. will compare voided checks at the end of the month to accounting records to ensure that accounting records match physical documents. Further, The Bridge Academy, Inc. will strengthen its policies and procedures related to the review of bank statement reconciliation outstanding items.