

## APPENDIX A: 2014-15 CHARTER SCHOOL ANNUAL REPORT

PART 1: SCHOOL INFORMATION AND EXECUTIVE SUMMARY	
Name of Charter School:	Year School Opened:
Achievement First Elm City College Preparatory School	2004
Street Address:	City/Zip Code:
407 James St	New Haven, CT 06513
School Director:	School Director Contact Information:
Andrew Poole	<a href="mailto:andrewpoole@achievementfirst.org">andrewpoole@achievementfirst.org</a> /203-772-7010
Grades Authorized to Serve in 2014-15:	Charter Term:
K-12	2012 – 2017
<p>1. <b>Executive Summary:</b> Provide a cover letter or executive summary highlighting school progress, performance, accomplishments, and major changes during the 2014-15 school year. Include a brief narrative on the school’s unique model and student population.</p>	
<p>Dear Commissioner,</p> <p>It is our pleasure to submit Elm City College Preparatory’s annual report for the 2014-15 school year. We are proud to report another year of progress toward our mission to provide all of our students with the academic and character skills they need to graduate from college, to succeed in a competitive world and to serve as the next generation of leaders for our communities.</p> <p>Elm City College Preparatory opened in 2004 with an elementary and middle school program, and in 2014-15 we served more than 527 students in grades kindergarten through 8. At our elementary and middles schools, 99 percent of our students were African-American, Hispanic, Asian or American Indian while and approximately 85 percent were eligible for free or reduced-price lunch. Achievement First Amistad High School served more than 109 Elm City students. Ninety-nine percent of students were African-American, Hispanic, or Asian and approximately 67 percent were eligible for free or reduced-price lunch.</p> <p>Elm City College Preparatory’s high school students are co-located at Achievement First Amistad High School with students from Amistad Academy and Achievement First Bridgeport. To date, 100% of every graduating class from AF Amistad High School has earned acceptance to college.</p> <p>In 2014-15, our school continued our pursuit of a college-ready curriculum that is aligned to the Common Core State Standards, which will help ensure that all of our scholars are prepared to succeed at the college of their choice. The materials for this curriculum have been developed by teachers across the Achievement First network, in close partnership with network staff and national experts. This unique process ensures that the curriculum is not only rigorous and engaging, but tailored to the needs of the classroom teachers who bring it to life every day.</p> <p>The 2014-15 school year was particularly exciting as Elm City Middle School was selected to pilot aspects of the new Greenfield design, a school model that is built on accelerated expectations, ownership &amp; personalization, and awesomely powered communities. Following the successful pilot program, the Elm City Board of Directors elected to phase in the implementation with Kindergarten, 5th and 6th grades. We are proud to be at the forefront of pioneering a new school model that promises outstanding results for our scholars. As always, we are appreciative of the opportunity to operate a Connecticut charter school and for the faith that you, the State</p>	

Board of Education and the Connecticut General Assembly have placed in us. We hope to continue to build that relationship and to make further strides in providing an excellent education for our students in the 2015-2016 school year.

Sincerely,  
 Richard Ferguson  
 Board Chairman

**PART 2: SCHOOL PERFORMANCE**

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

Mission Statement:

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

Goal Statement:	Evidence of Progress toward Goal:
<p><b>Academic excellence:</b> To accelerate the learning of our students so that they achieve academic breakthroughs that are essential for success in high school, college and life—with an emphasis on reading, writing, math and science.</p>	<p>Elm City College Prep far exceeded the performance of the host district of New Haven on the common core aligned SBAC assessment, with proficiency percentages an average of 29 percentage points higher in Math and 26 percentage points higher in ELA.</p>

	<p>3<sup>rd</sup> Grade Math was a particular bright spot, where the school’s 70.7% proficiency rate exceeded even that of Wilton, a typically high performing DRG-A district.</p> <p>These results are evidence of Elm City’s ability to serve historically underserved scholars, progress closing the achievement gap, and put Elm City scholars on a path to and through college.</p>
<p><b>Public citizenship:</b> To develop students who take responsibility for themselves, their school and their community by embodying the REACH values of Respect, Enthusiasm, Achievement, Citizenship and Hard Work.</p>	<p>Implementation of curriculum and teaching methods pitched to the common core state standards has been highly complementary to our schools’ objective to develop good citizens who take responsibility for themselves and their learning.</p> <p>Specifically, there is increased evidence of “joyful rigor” in classrooms in which students demonstrate motivation to answer questions and solve problems. Classrooms are increasingly filled with moments where students encourage each other to take risks (e.g., giving snaps and engaging in meaningful academic debates), and discourse activities are student-to-student interaction v. student-to-teacher interactions.</p> <p>These changes integrate seamlessly with our traditional REACH values, aligning academic and behavior expectations to promote personal responsibility and public service.</p>
<p><b>Partnership in public school reform:</b> To develop and share an instructional program that consistently produces dramatic student achievement gains and to work with like-minded organizations and traditional public schools to promote excellence in public education.</p>	<p>Achievement First is an “open source” organization at both the network and individual school levels. One of the four pillars of our Theory of Change is “Sharing and Learning from Others”. School leaders who have a direct impact on the success of our scholars participate and benefit in this process through two key programs:</p> <ul style="list-style-type: none"> <li>• <b>Residency Program for School Leaders</b> – The program graduated 10 school leaders in 2015, with three of them from New Haven Public Schools.</li> <li>• <b>Charter Network Accelerator</b> – Leaders of 11 small to mid-size charter networks from across the nation join together to participate in approximately five multi-day workshops during the course of the year. These training opportunities enable participating organization to rapidly adopt best practices and scale with excellence in order to provide more high quality school seats in their</li> </ul>

communities.

Also, students at Elm City are given direct and personal opportunities to advocate for themselves through participation in school reform rallies that include integrated lessons on the democratic process. For example, on May 7<sup>th</sup>, 2015 ECCP students and families rallied at the State Capitol, for many a step toward becoming leaders of their community.

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

Performance Metric:	*2011-12:	*2012-13:	*2013-14:	2014-15:
Average daily attendance rate: See June 2015 PSIS Report for data	97.7	97.3	97.1**	97.1**
Chronic absenteeism rate: See June 2015 PSIS Report for data	1.6	3.5	4.6	4.5
Number of in-school suspensions:	94	230	365	152
Number of out-of-school suspensions:	448	398	254	136
Number of expulsions:	4	1	4	1
Percent of students with 1+ suspension/expulsion:	29.0	26.3	28.2**	9.4
Cohort graduation rate (if applicable):	78.9	61.5	62.5	73.3**
Holding power rate (if applicable):	94.7	84.6	91.7	N/A
Overall School Performance Index CMT/CAPT(SPI):	78.5/79.4	79/73.2		N/A
Overall host District Performance Index CMT/CAPT (DPI):	62.2/ 52.1	60.1/53.3		N/A

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

\*\* Note: metrics marked with as asterisk were unavailable via PSIS and have been provided from internal Achievement First internal reports.

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

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

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

### PART 3: STEWARDSHIP, GOVERNANCE, AND MANAGEMENT

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

6. **Financial Condition:** Provide the following financial data for FY 2015. **–(UNAUDITED results as of June 2015)**

Total margin (net income / total revenue):	-1.24%
Debt to asset ratio (total liabilities / total assets):	17.94%
Debt service coverage ratio (net income + depreciation + interest expense) / (principal + interest payments):	0.05
Current asset ratio (current assets / current liabilities):	0.58
Days of unrestricted cash ((total expenditures - depreciation) / 365):	26,755.15
Cash flow (change in cash balance):	(585,182)

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:
Richard Ferguson	Trustee	Chairman	108 Long Lots Road Westport CT, 06880, Email: <a href="mailto:DickFerguson2000@aol.com">DickFerguson2000@aol.com</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No

William F. Heins		Vice-Chair	92 Sagamore Trail New Canaan, CT 06840, Email: wheins@optonline.net	<input type="checkbox"/> Yes <input type="checkbox"/> No
Laura Saverin	Angel Investor/Managing Director and Community Activist	Treasurer	24 Oenoke Ridge New Canaan, CT 06840, Email: lsaverin@gmail.com	<input type="checkbox"/> Yes <input type="checkbox"/> No
Lystra M. Richardson	Professor - Dept. of Educational Leadership	Secretary	92 Laurel Cliffs Road, Guilford, CT 06437, Email: lystra.richardson@sb cglobal.net	<input type="checkbox"/> Yes <input type="checkbox"/> No
Marnie Halsey		Director	129 Marvel Road New Haven, CT 06515, Email: marniekhalsey@gmail.com	<input type="checkbox"/> Yes <input type="checkbox"/> No
Sharon Oster	Professor	Director	233 Everit St New Haven, CT 06511- 1335, Email: sharon.oster@yale.edu	
Patricia Pierce	Salesperson	Director	75 Autumn Street New Haven, CT 06511, Email: prishpierce@gmail.com	
Genevive Walker		Director	, Email: gwalker@conncat.org	<input type="checkbox"/> Yes <input type="checkbox"/> No
Stephanie Ma	Associate Attorney	Director	10 Elizabeth Terrace North Haven, Connecticut 06473, Email: stephanie.w.ma@gmail.com	<input type="checkbox"/> Yes <input type="checkbox"/> No
Sean Williams	Vice-President, State and Local Government Affairs	Director	, Email: seanwilliams537@gmail.com	<input type="checkbox"/> Yes <input type="checkbox"/> No
Patric Gregory	CEO and Owner	Director	16 Johns Path Madison, Connecticut 06443, Email: <a href="mailto:pgregory@highwaysafety.net">pgregory@highwaysafety.net</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No
Carlos Torre	President of	Director	1244 Forest Road	<input type="checkbox"/> Yes <input type="checkbox"/> No

	New Haven Board of Education		New Haven, Connecticut 06515, Email: carlos.torre@yale.edu	
Kaitlyn Stasik	10th Grade Literature Teacher	Teacher Representative	53 Pearl St. New Haven, CT 06511, Email: katestasik@achievementfirst.org	<input type="checkbox"/> Yes <input type="checkbox"/> No
Magaly Cajigas		Parent Representative	86 Dell Drive, New Haven, CT, Email: mcajigas@uwgnh.org	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

Standard/Indicator:	Term or Condition:	Progress Update:
2.2 Financial Management	Accounting policies/procedures needed revision for approvals > \$10K.	Conditions related to accounting policy and procedures were addressed prior to the 2014-15 school year as reported previously: "At their July 2012 meeting, the Board revised the financial policies with regard to the execution of contracts to exclude Achievement First staff as signers, and place the responsibility with school leadership (Principal and Dean), with the Board Chair and Treasurer as alternate signers. In cases where the contract value exceeds \$10,000 annually, Achievement First is responsible to review and provide its rationale for the contract, but not execute them."
2.4 Organizational Capacity	Bureau of Educator Standards and Certification sent a letter to the district on June 19, 2015 regarding Teacher Certification Compliance Report issues.	The school has been actively working to ensure that all teachers and administrators achieve the relevant certification or hold a valid Charter School Educator Permit. The school has been in regular contact with the authorizer regarding its plans to do so and will continue to provide progress updates.

**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.

Our New Haven Boards have established a joint Governance Committee that has met regularly and undertaken key initiatives to strengthen governance practices in support of our schools' missions. One of those initiatives during 2014-15 was to begin the review and update of the bylaws and Charter Management Agreement. Our Board recognizes that a growing school has different needs and requirements of an expanding one and our leadership is committed to keeping our governance, policies, and procedures in line with a scaling organization.

Elm City College Preparatory board members attended the newly required board training sessions hosted by CSDE and presented by CABE as well as participating in CSDE sessions led by the Performance Office. These steps represent a commitment to a stronger partnership with CSDE to improve outcomes for all our students.

#### PART 4: STUDENT POPULATION

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

Grades Served:	K-12	Student Enrollment:	635
% Free/Reduced-Price Lunch:	82%	% Black:	76%
% Special Education:	6%	% Hispanic:	23%
% Limited English Proficiency:	5%	% Caucasian:	1%

##### 2014-15 Enrollment by Grade Level:

PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
0	59	61	58	59	59	61	60	60	49	34	37	18	20	<b>635</b>

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

Prior to New Haven's Public Schools of Choice enrollment lottery, Elm City's student recruitment outreach efforts included multiple direct mailings to New Haven Public Schools students based on a contact list provided by New Haven Public Schools, print and radio advertisements, neighborhood canvassing, partnerships with community organizations, including churches, community centers, daycare centers and after-school programs. Open houses and information sessions were held at the school and representatives of Elm City attended New Haven's Public Schools of Choice program fair. Information about Amistad Academy and our student admission process was also available at [www.achievementfirst.org](http://www.achievementfirst.org).

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

2011-12 Waitlist:	2012-13 Waitlist:	2013-14 Waitlist:	2014-15 Waitlist:
n/a	687	592	729

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



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

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

Achievement First Schools now have access to an online application called SchoolMint which is used to capture interested families' information so that we can maintain contact with them throughout the recruitment season, and remind them to make their applications through NHPS.

We have also improved and increased our information sharing with New Haven Public Schools in order to facilitate the efficient transfer and enrollment of scholars from district schools. At the request of NHP we provided a roster of all our enrolled students for their comparison to district rosters.

## APPENDIX B: STATEMENT OF ASSURANCES

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

As the authorized representative of Achievement First Elm City College Preparatory School, 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 Elm City College Preparatory School and available for random audit by the Connecticut State Department of Education (CSDE).
5. \* Elm City College Preparatory School 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 Elm City College Preparatory School serves on the board of another charter school or CMO.
7. All public funds received by Elm City College Preparatory School 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 Elm City College Preparatory School 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. Elm City College Preparatory School 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 Elm City College Preparatory School, 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 Elm City College Preparatory School may be subject to random audit by the CSDE to verify these statements.

**Signature:**



**Name of Board Chairperson:**

**Richard Ferguson**

**Date:**

**9/28/15**

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

## APPENDIX C: 2016-17 PRELIMINARY ENROLLMENT REQUEST

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

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

1. Complete the table below providing the school’s enrollment and growth history. Submit an enrollment request and growth projections for the upcoming school year.															
School Year:	Actual Enrollment:														
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2012-13		69	61	62	56	49	64	60	52	47	27	22	25	9	603
2013-14		62	64	61	57	52	63	62	54	45	44	20	19	21	624
2014-15		59	61	58	59	59	61	60	60	49	34	37	18	20	635
2015-16		61	67	62	60	61	70	76	59	61	39	34	35	18	703
School Year:	2016-17 Enrollment Request:														
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2016-17		62	62	61	60	60	73	73	72	65	50	45	37	32	752
2. Based on the request entered above, is the school seeking a waiver to the enrollment cap described in C.G.S. § 10-66bb(c)(2)?													<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
3. Provide a rationale for the enrollment request, including a synopsis of all relevant assumptions.															
<p>Increases in enrollments by grade reflect grade advancement and a continued commitment to “backfill” seats vacated through attrition.</p> <p>High school grades are expected to grow in order to fill physical capacity of the newly constructed Amistad High School campus at 580 Dixwell Avenue.</p>															
4. Summarize the school’s plans to successfully expand and accommodate the needs of the students served (e.g., programming, staffing, facilities, and class size).															
<p>After running a very successful pilot program of the “Greenfield” school model at Elm City MS during 2014-15, the school has proceeded with plans to convert the school to the new model beginning with grades K, 5 and 6 in 2015-16. The anchors of the new school model lie in 1) accelerated expectations; 2) ownership and personalization; and 3) awesomely powerful communities. The new model will leverage varied instructional modes (independent, small group, large group) matched to learning needs, an online personal learning platform, and 2 week expeditions every 8 weeks. Elm City Greenfield will also employ a modified staffing model with staggered start times enabling a longer school day for kids and shorter work day for teachers.</p>															

## APPENDIX D: CHARTER SCHOOL PERFORMANCE FRAMEWORK

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

Performance Standards:	
<b>1. School Performance:</b>	Is the school a successful model resulting in strong student outcomes and a positive school climate?
<b>2. Stewardship, Governance, and Management:</b>	Is the school financially and organizationally healthy and viable?
<b>3. Student Population:</b>	Is the school promoting equity by effectively attracting, enrolling, and retaining students, particularly among targeted populations?
<b>4. Legal Compliance:</b>	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

**Elm City College Preparatory, Inc.**

**Financial Statements  
and Independent Auditor's Report**

**June 30, 2014**

# Elm City College Preparatory, Inc.

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## Independent Auditor's Report

To the Board of Directors  
Elm City College Preparatory, Inc.

### *Report on the Financial Statements*

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

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinion*

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

### *Other Matters*

#### *Report on Summarized Comparative Information*

We have previously audited the Elm City College Preparatory, Inc.'s 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 27, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2014 on our consideration of Elm City College Preparatory, 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 Elm City College Preparatory, Inc.'s internal control over financial reporting and compliance.



Hartford, Connecticut  
December 30, 2014



**Elm City College Preparatory, Inc.**

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

<u>Assets</u>	2014	2013
Cash	\$ 3,649,794	\$ 665,315
Grants receivable	4,776,196	389,281
Other receivables	34,775	100,000
Due from related party	1,901,677	1,385,170
Due from other academies	1,464,389	1,033
Prepaid expenses and other assets	-	780
Construction in progress	21,249,578	2,644,877
Property and equipment, net	5,121,786	5,379,014
Total assets	\$ 38,198,195	\$ 10,565,470
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable and accrued expenses	\$ 116,454	\$ 401,492
Accounts payable construction	4,414,457	-
Accrued salary and other payroll related expenses	156,919	83,883
Due to other academies	300,500	367,590
Deferred rent	124,617	131,533
Line of credit	1,500,000	-
Mortgage payable	4,514,678	612,185
Total liabilities	11,127,625	1,596,683
Net assets:		
Unrestricted:		
Undesignated	20,356,686	6,143,565
Board designated	3,877,224	-
Temporarily restricted	2,836,660	2,825,222
Total net assets	27,070,570	8,968,787
Total liabilities and net assets	\$ 38,198,195	\$ 10,565,470

See Notes to Financial Statements.

**Elm City College Preparatory, Inc.**

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014 Total</u>	<u>2013 Total</u>
Operating revenue:				
State and local per pupil operating revenue	\$ 6,552,000	\$ -	\$ 6,552,000	\$ 6,089,400
Federal, state and local grants	648,083	-	648,083	642,376
Student meal revenue	369,686	-	369,686	303,764
Total operating revenue	<u>7,569,769</u>	<u>-</u>	<u>7,569,769</u>	<u>7,035,540</u>
Expenses:				
Program services	8,367,829	-	8,367,829	8,204,103
General and administrative	1,321,708	-	1,321,708	1,351,682
Fundraising	171,975	-	171,975	172,431
Total expenses	<u>9,861,512</u>	<u>-</u>	<u>9,861,512</u>	<u>9,728,216</u>
Deficit on school operations from government funding	<u>(2,291,743)</u>	<u>-</u>	<u>(2,291,743)</u>	<u>(2,692,676)</u>
Support and other revenue:				
Contributions - operations	1,739,497	-	1,739,497	2,027,648
Contributions - capital projects	18,604,701	11,438	18,616,139	5,470,099
Interest and other income	37,890	-	37,890	1,348
Total support and other revenue	<u>20,382,088</u>	<u>11,438</u>	<u>20,393,526</u>	<u>7,499,095</u>
Change in net assets	18,090,345	11,438	18,101,783	4,806,419
Net assets, beginning of year	<u>6,143,565</u>	<u>2,825,222</u>	<u>8,968,787</u>	<u>4,162,368</u>
Net assets, end of year	<u>\$ 24,233,910</u>	<u>\$ 2,836,660</u>	<u>\$ 27,070,570</u>	<u>\$ 8,968,787</u>

See Notes to Financial Statements.

Elm City College Preparatory, Inc.

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

	Program Services	General and Administrative	Fundraising	2014 Total	2013 Total
Salaries and wages	\$ 4,322,803	\$ 719,563	\$ -	\$ 5,042,366	\$ 5,028,431
Payroll taxes and employee benefits	982,905	163,612	-	1,146,517	1,065,243
Accounting fees	28,731	48,186	-	76,917	63,690
After school/tutoring program	42,765	-	-	42,765	36,154
Classroom supplies and instructional materials	147,629	-	-	147,629	227,647
Furniture and equipment - noncapitalizable	10,536	1,754	-	12,290	39,779
Insurance	42,987	7,156	-	50,143	35,307
Interest expense	-	18,981	-	18,981	41,475
Bank service charges	-	95	-	95	5,574
Legal	-	14,068	-	14,068	3,063
Management fee	644,905	42,994	171,975	859,874	862,156
Office expense	151,932	45,779	-	197,711	263,215
Parent activities	3,778	-	-	3,778	2,510
Postage and delivery	5,981	1,495	-	7,476	8,932
Printing and photocopying	60,247	15,062	-	75,309	85,824
Professional fees	11,510	45,230	-	56,740	63,450
Rent and utilities	303,047	50,445	-	353,492	325,736
Repairs and maintenance	345,146	57,452	-	402,598	379,773
Special education contracted services	-	-	-	-	4,400
Staff professional development	44,001	-	-	44,001	38,103
Student field trips and incentive programs	119,641	4	-	119,645	139,936
Student food services	413,496	-	-	413,496	371,155
Student transportation	50,813	-	-	50,813	34,894
Student uniforms	-	-	-	-	2,927
Technology infrastructure and software	261,379	27,633	-	289,012	168,527
Telephone and internet	120,921	20,128	-	141,049	127,583
Depreciation and amortization	252,531	42,035	-	294,566	302,499
Bad debt expense	145	36	-	181	233
	<u>\$ 8,367,829</u>	<u>\$ 1,321,708</u>	<u>\$ 171,975</u>	<u>\$ 9,861,512</u>	<u>\$ 9,728,216</u>

See Notes to Financial Statements.

**Elm City College Preparatory, Inc.**

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

	2014	2013
Operating activities:		
Change in net assets	\$ 18,101,783	\$ 4,806,419
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	294,566	302,499
Bad debt expense	181	233
Contributions restricted for long-term purposes	(18,616,139)	(5,470,099)
Changes in operating assets and liabilities:		
Grants receivable	325,932	(197,374)
Other receivables	65,044	(96,614)
Due from related party	(516,507)	768,626
Due from other academies	(1,463,356)	(1,033)
Prepaid expenses and other assets	780	54,394
Accounts payable and accrued expenses	(285,038)	(63,345)
Accrued salary and other payroll related expenses	73,036	7,948
Due to other academies	(67,090)	(2,809,566)
Deferred rent	(6,916)	8,267
Net cash used in operating activities	(2,093,724)	(2,689,645)
Investing activities:		
Purchase of property and equipment	(37,338)	(251,222)
Construction in progress	(14,190,244)	(2,644,877)
Net cash used in investing activities	(14,227,582)	(2,896,099)
Financing activities:		
Proceeds from line of credit	1,500,000	-
Proceeds from long-term debt	3,946,000	-
Contributions restricted for long-term purposes	13,903,292	5,470,099
Repayment of long-term debt	(43,507)	(90,577)
Net cash provided by financing activities	19,305,785	5,379,522
Net increase (decrease) in cash	2,984,479	(206,222)
Cash - beginning of year	665,315	871,537
Cash - end of year	\$ 3,649,794	\$ 665,315
Supplemental disclosure of cash flow information:		
Interest paid	\$ 18,981	\$ 41,475
Noncash transactions:		
Construction in progress transferred to property and equipment	\$ -	\$ (521,561)
Construction in progress funded through accounts payable	4,414,457	-
Grant contributions receivable for long term purposes	4,712,847	-

See Notes to Financial Statements.

**Elm City College Preparatory, Inc.**

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

**Note 1 - Nature of operations**

Elm City College Preparatory, Inc. (the "School") was incorporated to focus on strengthening the academic and character skills needed for all students to excel in top tier colleges, to achieve success in a competitive world and to serve as the next generation of leaders in their communities. On March 3, 2004, the Board of Education of the State of Connecticut granted the School a charter valid for an initial term of five years. The charter has been renewed through June 30, 2017. The School is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The School's primary sources of income are per pupil and other government funding. Today the School serves students from low income households in New Haven, Connecticut. In fiscal year 2014, the School operated classes for students in kindergarten to twelfth grade.

**Note 2 - Summary of significant accounting policies**

**Basis of presentation**

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

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

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

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

**Elm City College Preparatory, Inc.**

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

During the fiscal year ended June 30, 2009, the Board of Directors (the "Board") enacted a Board Designated Reserve Policy in which unrestricted net assets are set aside to be used only with the approval of the Board. The reserve is calculated by netting the current year's current assets against the current year's current liabilities and reducing that difference by any assets whose use is contractually limited.

**Grants and other receivables**

Grants receivables represent unconditional promises to give. Grants receivables are recorded at net realizable value in the amount of \$4,776,196 at June 30, 2014. The School has determined that no allowance for uncollectible accounts for grants receivable is necessary as of June 30, 2014 based on management's assessments of the creditworthiness of its grantors, the aging of its receivables, as well as current economic conditions and historical information.

**Revenue recognition**

Federal, state and private awards are used to finance education programs and capital improvements. The School recognizes grants to the extent that eligible grant costs are incurred. Receivables are recognized to the extent costs have been incurred, but not reimbursed.

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

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

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

**Elm City College Preparatory, Inc.**

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

**Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and amortization. The School has established a \$1,000 threshold above which assets are capitalized. Property and equipment acquired with certain government contract funds is recorded as an expense pursuant to the terms of the contract in which the government funding source retains ownership of the property. Leasehold improvements are amortized on a straight-line basis over the lesser of the term of the related lease or the estimated useful lives of the assets.

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

Building	10 - 27 years
Leasehold improvements	10 years
Furniture and fixtures	5 years
Computers and hardware	3 years
Musical instruments	5 years
Equipment	3 years
Software	3 years

**Long-lived assets**

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

**Statement of cash flows**

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

**Functional allocation of expenses**

Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses by function have been allocated among program and supporting services benefited based on management's analysis.

## Elm City College Preparatory, Inc.

### Notes to Financial Statements June 30, 2014

#### **Deferred rent**

The Company occupies a building under a lease containing escalation clauses or other features that require normalization of the rental expense over the life of the lease. Resulting deferred rent is reflected in the accompanying statement of financial position.

#### **Income taxes**

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

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

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

#### **Prior year summarized information**

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

#### **Use of estimates**

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



**Elm City College Preparatory, Inc.**

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

**Concentrations of credit risk**

The School maintains cash in several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation. From time to time, the School's balances may exceed these limits. At June 30, 2014, the School's uninsured bank balances totaled \$3,050,800. The School limits its credit risk by selecting financial institutions considered to be highly creditworthy.

**Subsequent events**

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

**Note 3 - Concentrations**

The School currently receives approximately 81% of its operating revenue and 27% of its capital projects revenue, which are subject to specific requirements, from the Federal and State Departments of Education, and an additional 10% of operating revenue was received from Achievement First, Inc. Additionally, the School's grants receivable consist of grants from the Federal and State Departments.

**Note 4 - Operating leases**

The School has entered into an operating lease for educational facilities with St. Michael's Church Corporation which commenced on August 1, 2007 and is effective through August 17, 2017. The current year expense under this lease is \$156,254. Future minimum lease payments are as follows:

Year Ending <u>June 30,</u>	<u>Amount</u>
2015	\$ 176,167
2016	190,258
2017	205,486
2018	<u>34,676</u>
	<u>\$ 606,587</u>

The School leases various office equipment under non-cancelable operating leases through 2016. The lease expense for the year ended June 30, 2014 was \$10,284. Future minimum lease payments are as follows:

Year Ending <u>June 30,</u>	<u>Amount</u>
2015	\$ 10,284
2016	<u>5,142</u>
	<u>\$ 15,426</u>

**Elm City College Preparatory, Inc.**

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

**Note 5 - Property and equipment**

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

Building	\$ 5,776,722
Leasehold improvements	499,696
Furniture and fixtures	416,573
Computers and hardware	182,362
Musical instruments	26,356
Equipment	278,400
Software	<u>75,312</u>
	7,255,421
Less accumulated depreciation and amortization	<u>2,133,635</u>
Net property and equipment	<u>\$ 5,121,786</u>

Depreciation and amortization expense was \$294,566 for the year ended June 30, 2014.

**Note 6 - Construction in progress**

Construction in progress at June 30, 2014 represents long-term projects that have not been placed in service. Depreciation does not commence until the asset is placed in service. Costs incurred through June 30, 2014 of \$21,249,578 were funded with contributions received for capital projects, to the extent that the restrictions on the contributions were met in the current year the contributions are reflected as unrestricted.

**Note 7 - Related party transactions**

The School entered into an Academic and Business Services Agreement (the "Agreement") with Achievement First, Inc. ("AF, Inc."), a not-for-profit organization dedicated to helping start and run charter schools. The Agreement provides management and other administrative support services to the School. Pursuant to the terms of the Agreement, the School shall pay a service fee equivalent to 10% of all public revenues received by the School during or for that school year. Public revenues include all sources of revenue from a public source, but specifically exclude in-kind contributions such as student transportation, start-up funding, funding for student meals and funding from competitive grants. The initial term of the Agreement is for five years ending on June 30, 2012, the agreement renews annually thereafter. The terms of the agreement were modified to incorporate additional services provided to the School by AF, Inc.

These services include bookkeeping, facilities acquisition and management, special education services support, data management and analysis support and tutoring program recruitment and support. The School is to pay AF, Inc. an ancillary services fee that is mutually negotiated by the School and AF, Inc. For the year ended June 30, 2014, the School incurred management and ancillary service fees of \$859,874 which are included in the accompanying statement of functional expenses.

**Elm City College Preparatory, Inc.**

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

AF, Inc. pledged \$1,729,422 in operating funding for the year ended June 30, 2014. At June 30, 2014, the amount due from AF, Inc. was \$1,901,677.

**Note 8 - Due to/from other academies**

The School entered into a Cooperative Arrangement Agreement (the "Arrangement") with Amistad Academy, Inc. ("Amistad"), a non-profit charter school located in New Haven, Connecticut. The Arrangement provides educational services to high school students of Elm City College Preparatory, Inc. and sets forth the terms and conditions of the joint program. Under the Arrangement, the Academy was permitted to pay operating expenses incurred and then bill the School for a proportionate share of those costs. The proportionate share was based on the number of students enrolled in the high school as of October 1 divided by the total enrollment of the high school as of the same date. At June 30, 2014, the amount due to Amistad was \$274,169. Amistad Academy has received \$1,300,000 on the behalf of Elm City College's new high school facility, this amount is reflected in due from other academies at June 30, 2014.

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

Due to Achievement First Bushwick Charter School	\$ (1,033)
Due from Achievement First Hartford, Inc.	162,300
Due from Achievement First Bridgeport, Inc.	2,089
Due to Amistad Academy Inc.	(25,298)

**Note 9 - Line of credit**

The School has a demand note line of credit agreement with a financial institution in which it can borrow up to \$400,000. The demand note has no expiration date, but is expected to be renewed on an annual basis. There was no outstanding balance on the line of credit at June 30, 2014.

The School has a committed revolving credit note agreement with a financial institution in which it can borrow up to \$2,500,000. The note has a maturity date of December 10, 2016. The balance on the revolving credit note as of June 30, 2014 was \$1,500,000.

Additionally, the School is required to meet certain covenants. The School did not meet the requirement to provide audited financial statements within 120 days of the fiscal year end, at the bank's option the loan may be callable.

Elm City College Preparatory, Inc.

Notes to Financial Statements  
June 30, 2014

**Note 10 - Mortgage payable**

The first mortgage is payable in monthly installments of \$3,317 including interest at 3.55%, through July 15, 2018 at which point the interest rate is adjusted to a 5-year Federal Home Loan Bank of New York plus 2.5%. The loan matures on July 15, 2025 and is secured by certain real estate. The balance on this loan as of June 30, 2014 was \$587,564.

The School secured a second mortgage loan of \$1,196,000 from an unrelated party in order to finance the rehabilitation of Elm City High School. Mortgage is payable in monthly installments of \$7,620 including interest at 4.52%, through December 10, 2018 at which point the interest rate is adjusted to a 5-year Federal Home Loan Bank of New York plus 2.5%. The outstanding balance will be amortized over twenty years, with a rate change every five years. The loan matures on December 10, 2023 and is secured by certain real estate. The balance on this loan as of June 30, 2014 was \$1,177,114.

In addition, the School added a construction to permanent mortgage loan of up to \$7,000,000 during the first 24 months and not more than \$5,000,000 upon completion and conversion to a permanent mortgage loan in order to finance the construction of a new high school. The construction loan is dated December 10, 2013 and matures on December 10, 2015 with interest rates based on Prime Rate plus 0.5%. After the conversion, the permanent mortgage matures on December 31, 2025 with an interest rate adjusted to a 5-year Federal Home Loan Bank of New York plus 2.5%. The balance on this loan as of June 30, 2014 was \$2,750,000.

Additionally, the School is required to meet certain covenants.

Future maturities of long-term debt for the five years subsequent to June 30, 2014 and thereafter are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 59,523
2016	61,574
2017	64,207
2018	66,954
2019	69,016
Thereafter	<u>4,193,404</u>
	<u>\$ 4,514,678</u>

Interest expense for the year ended June 30, 2014 was \$18,981 and interest capitalized was \$75,342.

**Elm City College Preparatory, Inc.**

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

**Note 11 - Temporarily restricted net assets**

Temporarily restricted net assets may be purpose or time restricted. Temporarily restricted net assets of \$2,836,660 consisted of contributions for facility funding that have not been expended as of June 30, 2014.

**Note 12 - Pension plan**

Effective September 1, 2007, the School adopted a 403(b) profit sharing plan (the "Plan") which covers most of the employees. The Plan is a defined contribution plan. Employees are eligible to enroll in the Plan either the first day of the Plan year or the first day of the seventh month of the Plan year. In July 2011, the School adopted an amendment to the Plan which provides for an employer match for employees meeting certain criteria. For the year ended June 30, 2014, the School's contribution was \$61,169.

Certain employees of the School are required to participate in a defined benefit plan established and administered by the Connecticut State Teachers' Retirement Board (the "TRB Plan"). The School is not required to and does not contribute to the TRB Plan.

**Note 13 - Risk management**

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

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

**Note 14 - Subsequent events**

Starting on August 8, 2014, the School subleased the buildings located at Greene Street for \$10,000 per month. The sublease agreement is effective through January 31, 2015.

**Elm City College Preparatory, Inc.**

**State Financial Assistance in  
Accordance with the State Single Audit Act  
and Independent Auditor's Reports**

**June 30, 2014**

**Elm City College Preparatory, Inc.**

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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 Directors  
Elm City College Preparatory, Inc.

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

*Internal Control over Financial Reporting*

In planning and performing our audit of the financial statements, we considered Elm City College Preparatory, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Elm City College Preparatory, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Elm City College Preparatory, 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency, Finding 2014-01.



### *Compliance and Other Matters*

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

### *Response to Finding*

Elm City College Preparatory, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Elm City College Preparatory, 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 result 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.



Hartford, Connecticut  
December 30, 2014

Independent Auditor's 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

To the Board of Directors  
Elm City College Preparatory, Inc.

Report on Compliance for Each Major State Program

We have audited Elm City College Preparatory, 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 Elm City College Preparatory, Inc.'s major state programs for the year ended June 30, 2014. Elm City College Preparatory, Inc.'s major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

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

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of Elm City College Preparatory, 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 Elm City College Preparatory, 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 Elm City College Preparatory, Inc.'s compliance.

### *Opinion on Each Major State Program*

In our opinion, Elm City College Preparatory, 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 Elm City College Preparatory, 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 Elm City College Preparatory, 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 Elm City College Preparatory, 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 considered 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 the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

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

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

Hartford, Connecticut  
December 30, 2014

**Elm City College Preparatory, Inc.**

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

State Grantor/ Pass Through Grantor/ Program Title	State Grant Program CORE-CT Number	Expenditures
<u>Department of Education</u>		
Passed through City of New Haven: Charter Schools	11000-SDE64000-17041- 2014-84179	\$ 6,552,000
Passed through Achievement First, Inc. High Quality Schools and Common Core Implementation	12052-SDE64000-43538- 2014-82166	160,777
Direct: Child Nutrition State Matching Grant	11000-SDE64000-16211- 2014-82051	3,952
Healthy Foods Initiative	11000-SDE64000-16212- 2014-82010	8,089
School Breakfast Program	11000-SDE64000-17046- 2014-82057(8)	<u>4,207</u>
Total State Financial Assistance		6,729,025
<u>Exempt Programs</u>		
Department of Education		
Direct:		
Charter School Building Project and Improvements	13010-SDE64000-40901- 2014-82006	<u>13,516,139</u>
		<u>\$ 20,245,164</u>

See Note to Schedule of Expenditures of State Financial Assistance.

**Elm City College Preparatory, Inc.**

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

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

**Note 1 - Summary of significant accounting policies**

The accounting policies of Elm City College Preparatory, Inc. conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

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

**Basis of accounting**

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

**Elm City College Preparatory, Inc.**

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

I. Summary of Auditor's Results:

Financial Statements

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

State Financial Assistance:

Internal control over major programs:	
Material weakness(es) identified?	<u>      </u> yes <u>  X  </u> no
Significant deficiency(ies) identified?	<u>      </u> yes <u>  X  </u> none reported

Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
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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?	<u>      </u> yes <u>  X  </u> no
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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>
Department of Education:		
Charter Schools	11000-SDE64000-17041- 2014-84179	\$ 6,552,000

Dollar threshold to distinguish between Type A and Type B Programs:	<u>\$ 200,000</u>
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**Elm City College Preparatory, Inc.**

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

Section II - Financial Statement Finding

Finding 2014-01

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

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

Context: Of the School's 57 employees in the covered positions during fiscal year 2014, 12 employees were not properly certified in their content area.

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

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

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

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

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

We will improve our practices by doing the following:

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



**Elm City College Preparatory, Inc.**

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

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

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

Section III - State Financial Assistance Findings and Questioned Costs

None

**Elm City College Preparatory, Inc.**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2014**

None

**Elm City College Preparatory, Inc.**

**Federal Awards in Accordance with  
OMB Circular A-133  
and Independent Auditor's Reports**

**June 30, 2014**

# Elm City College Preparatory, Inc.

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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*

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To the Board of Directors  
Elm City College Preparatory, Inc.

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 Elm City College Preparatory, Inc., which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 30, 2014.

*Internal Control over Financial Reporting*

In planning and performing our audit of the financial statements, we considered Elm City College Preparatory, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Elm City College Preparatory, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Elm City College Preparatory, 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency, Finding 2014-01.

### *Compliance and Other Matters*

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

### *Response to Finding*

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

### *Purpose of this Report*

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

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

Hartford, Connecticut  
December 30, 2014

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

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To the Board of Directors  
Elm City College Preparatory, Inc.

Report on Compliance for Each Major Federal Program

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

*Management's Responsibility*

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

*Auditor's Responsibility*

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of Elm City College Preparatory, Inc.'s compliance.

### *Opinion on Each Major Federal Program*

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

### Report on Internal Control over Compliance

Management of Elm City College Preparatory, 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 Elm City College Preparatory, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Elm City College Preparatory, Inc.'s internal control over compliance.

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

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

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



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

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

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

Hartford, Connecticut  
December 30, 2014

**Elm City College Preparatory, Inc.**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2014**

Federal Grantor / Pass Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through ID Number	Federal Expenditures
U.S. Department of Agriculture:			
Passed through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553		\$ 132,639
National School Lunch Program	10.555		<u>223,484</u>
Total Child Nutrition Cluster			<u>356,123</u>
U.S. Department of Education:			
Passed through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	12060-20679-2014- 82070-170002	307,039
Improving Teacher Quality State Grants	84.367	12060-20858-2014- 84131-170002	3,757
Passed through Achievement First, Inc.:			
Teacher Incentive Fund - ARRA	84.374		<u>75,564</u>
Total U.S. Department of Education			<u>386,360</u>
Total Expenditures of Federal Awards			<u>\$ 742,483</u>

See Note to Schedule of Expenditures of Federal Awards.

**Elm City College Preparatory, Inc.**

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

**Note 1 - Basis of presentation**

The accounting policies of Elm City College Preparatory, Inc. conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit agencies.

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

**Elm City College Preparatory, Inc.**

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

I. Summary of Auditor's Results:

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Educational Agencies
84.374	Teacher Incentive Fund - ARRA

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

**Elm City College Preparatory, Inc.**

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

II. Financial Statement Findings:

Finding 2014-01

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

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

Context: Of the School's 57 employees in the covered positions during FY 2014, 12 employees were not properly certified in their content area.

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

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

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

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

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

We will improve our practices by doing the following:

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

## **Elm City College Preparatory, Inc.**

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

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

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

#### **III. Federal Awards Findings and Questioned Costs:**

None.

**Elm City College Preparatory, Inc.**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2014**

None

**Elm City College Preparatory, Inc.**

**State Financial Assistance in  
Accordance with the State Single Audit Act  
and Independent Auditor's Reports**

**June 30, 2014**



**Elm City College Preparatory, Inc.**

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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 Directors  
Elm City College Preparatory, Inc.

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

*Internal Control over Financial Reporting*

In planning and performing our audit of the financial statements, we considered Elm City College Preparatory, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Elm City College Preparatory, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Elm City College Preparatory, 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency, Finding 2014-01.

### *Compliance and Other Matters*

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

### *Response to Finding*

Elm City College Preparatory, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Elm City College Preparatory, 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Hartford, Connecticut  
December 30, 2014

Independent Auditor's Report on Compliance for Each Major 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

To the Board of Directors  
Elm City College Preparatory, Inc.

Report on Compliance for Each Major State Program

We have audited Elm City College Preparatory, 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 Elm City College Preparatory, Inc.'s major state programs for the year ended June 30, 2014. Elm City College Preparatory, Inc.'s major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

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

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of Elm City College Preparatory, 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 Elm City College Preparatory, 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 Elm City College Preparatory, Inc.'s compliance.

### *Opinion on Each Major State Program*

In our opinion, Elm City College Preparatory, 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 Elm City College Preparatory, 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 Elm City College Preparatory, 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 Elm City College Preparatory, 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 considered 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 the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

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

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

Hartford, Connecticut  
December 30, 2014

**Elm City College Preparatory, Inc.**

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

State Grantor/ Pass Through Grantor/ Program Title	State Grant Program CORE-CT Number	Expenditures
<u>Department of Education</u>		
Passed through City of New Haven: Charter Schools	11000-SDE64000-17041- 2014-84179	\$ 6,552,000
Passed through Achievement First, Inc. High Quality Schools and Common Core Implementation	12052-SDE64000-43538- 2014-82166	160,777
Direct:		
Child Nutrition State Matching Grant	11000-SDE64000-16211- 2014-82051	3,952
Healthy Foods Initiative	11000-SDE64000-16212- 2014-82010	8,089
School Breakfast Program	11000-SDE64000-17046- 2014-82057(8)	<u>4,207</u>
Total State Financial Assistance		6,729,025
<u>Exempt Programs</u>		
Department of Education		
Direct:		
Charter School Building Project and Improvements	13010-SDE64000-40901- 2014-82006	<u>13,516,139</u>
		<u>\$ 20,245,164</u>

See Note to Schedule of Expenditures of State Financial Assistance.

**Elm City College Preparatory, Inc.**

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

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

**Note 1 - Summary of significant accounting policies**

The accounting policies of Elm City College Preparatory, Inc. conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

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

**Basis of accounting**

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



**Elm City College Preparatory, Inc.**

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

I. Summary of Auditor's Results:

Financial Statements

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

State Financial Assistance:

Internal control over major programs:	
Material weakness(es) identified?	<u>      </u> yes <u>  X  </u> no
Significant deficiency(ies) identified?	<u>      </u> yes <u>  X  </u> none reported

Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
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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?	<u>      </u> yes <u>  X  </u> no
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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>
Department of Education:		
Charter Schools	11000-SDE64000-17041- 2014-84179	\$ 6,552,000

Dollar threshold to distinguish between Type A and Type B Programs:	<u>\$ 200,000</u>
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**Elm City College Preparatory, Inc.**

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

Section II - Financial Statement Finding

Finding 2014-01

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

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

Context: Of the School's 57 employees in the covered positions during fiscal year 2014, 12 employees were not properly certified in their content area.

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

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

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

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

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

We will improve our practices by doing the following:

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

**Elm City College Preparatory, Inc.**

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

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

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

Section III - State Financial Assistance Findings and Questioned Costs

None

**Elm City College Preparatory, Inc.**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2014**

None



Accounts	YTD as of June-2015			2015			Comments
	YTD Budget	YTD Actuals	YTD Variance	FY15 Budget	June Forecast	Variance	
<b>Revenue</b>							
<b>Public Revenue</b>							
General Operating Revenue	6,996,000	6,980,980	(15,020)	6,996,000	6,984,771	(11,229)	Overall enrollment very close to budget
Other Public Revenues	855,430	872,121	16,691	855,430	843,175	(12,256)	Higher Title I funding than budgeted but lower bonuses
Special Education Funding	153,623	169,113	15,490	153,623	153,623	-	
<b>Total Public Revenue</b>	<b>8,005,054</b>	<b>8,022,214</b>	<b>17,161</b>	<b>8,005,054</b>	<b>7,981,569</b>	<b>(23,485)</b>	
<b>Private Revenues</b>	<b>2,115,000</b>	<b>1,808,163</b>	<b>(306,837)</b>	<b>2,115,000</b>	<b>2,040,730</b>	<b>(74,270)</b>	Reduced philanthropy due to higher Title I
Other Revenue	43,890	94,179	50,289	43,890	84,274	40,384	
<b>Total Revenue</b>	<b>10,163,944</b>	<b>9,924,556</b>	<b>(239,388)</b>	<b>10,163,944</b>	<b>10,106,573</b>	<b>(57,371)</b>	
<b>School Expenses</b>							
<b>Personnel Expenses</b>							
School Salaries and Wages	5,062,534	5,087,853	25,319	5,062,534	5,010,235	(52,299)	Lower salaries, esp. at high school
Other Personnel Costs	140,582	134,907	(5,675)	140,582	135,051	(5,531)	
Bonuses	198,926	96,993	(101,933)	198,926	147,335	(51,591)	Lower bonuses, offset by lower revenue
Payroll Taxes & Benefits	952,658	913,558	(39,100)	952,658	927,760	(24,898)	
Temporary Staff	63,225	50,079	(13,146)	63,225	62,236	(989)	
<b>Total Personnel Expenses</b>	<b>6,417,926</b>	<b>6,283,390</b>	<b>(134,536)</b>	<b>6,417,926</b>	<b>6,282,616</b>	<b>(135,309)</b>	
<b>Non-Personnel Expenses</b>							
Program Support Activities	267,837	338,495	70,658	267,837	342,801	74,963	Higher supplemental programs, esp. at middle school
Program Materials & Supplies	314,807	307,049	(7,758)	314,807	309,264	(5,543)	
Operations	460,318	444,411	(15,906)	460,318	472,370	12,052	
Technology	465,743	461,241	(4,502)	465,743	501,924	36,181	
General & Administrative	226,693	241,111	14,418	226,693	243,784	17,092	
Physical Plant	939,959	1,050,949	110,990	939,959	1,009,254	69,295	Higher facility costs at ES
Supplemental Program	29,521	19,641	(9,880)	29,521	20,750	(8,771)	
8205 - AF Charter Management Fee	752,489	736,903	(15,586)	752,489	758,753	6,265	
8216 - Ancillary Services Fees	164,250	164,250	(0)	164,250	164,250	-	
<b>Total Non-Personnel Expenses</b>	<b>3,621,616</b>	<b>3,764,050</b>	<b>142,434</b>	<b>3,621,616</b>	<b>3,823,150</b>	<b>201,534</b>	
9903 - Contingencies	61,109	-	(61,109)	73,331	18,333	(54,998)	
<b>Total School Expenses</b>	<b>4,949,874</b>	<b>4,460,466</b>	<b>(489,408)</b>	<b>5,939,849</b>	<b>5,832,976</b>	<b>(106,872)</b>	
<b>Net Income - Surplus/Deficit</b>	<b>11,351</b>	<b>(122,884)</b>	<b>(134,235)</b>	<b>11,351</b>	<b>11,069</b>	<b>(282)</b>	

(Plus) Estimated capitalizable expenses	493,358	Estimated Capitalizable Expenses include those assets acquired this year and currently charged against Expenses, which will be transferred to Fixed Assets at the current year end. Given how early it is in the year, very little has been spent to date.
(Less) Estimated depreciation expense for expenses incurred in the current and previous years	(383,419)	Depreciation for current and past years includes an estimate of the current year depreciation attributable to assets acquired during the year and in prior years. It is based on a 3 year depreciation for technology, 5 years for furniture and 10 years for site improvements.
(Plus) Estimated philanthropy received at Achievement First due school but not yet designated	409,416	This is philanthropy received by AF which is not designated to a specific school, so sits at AF until the proper distribution is determined. The amount due a specific schools is an estimate until the final accounting is done for the year. At this point in the year, very little has been received.

**Adjusted Surplus/(Deficit) 396,471**



Accounts	YTD as of June-2015			2015			Comments
	YTD Budget	YTD Actuals	YTD Variance	FY15 Budget	June Forecast	Variance	
<b>Revenue</b>							
<b>Public Revenue</b>							
General Operating Revenue	3,256,000	3,256,000	(0)	3,256,000	3,256,000	-	Final enrollment was exactly on track to budget.
Other Public Revenues	418,594	459,209	40,615	418,594	439,845	21,251	Higher Title I than budgeted
Special Education Funding	68,007	75,484	7,477	68,007	68,007	-	
<b>Total Public Revenue</b>	<b>3,742,601</b>	<b>3,790,693</b>	<b>48,092</b>	<b>3,742,601</b>	<b>3,763,852</b>	<b>21,251</b>	
Private Revenues	470,000	681,686	211,686	470,000	428,205	(41,795)	Reduced philanthropy due to higher Title I
Other Revenue	41,265	91,623	50,358	41,265	68,831	27,566	
<b>Total Revenue</b>	<b>4,253,866</b>	<b>4,564,003</b>	<b>310,137</b>	<b>4,253,866</b>	<b>4,260,888</b>	<b>7,022</b>	
<b>School Expenses</b>							
<b>Personnel Expenses</b>							
School Salaries and Wages	2,127,879	2,236,302	108,423	2,127,879	2,155,475	27,596	Slightly higher salaries than budgeted
Other Personnel Costs	70,480	66,724	(3,756)	70,480	66,285	(4,195)	
Bonuses	85,047	36,725	(48,322)	85,047	82,504	(2,543)	
Payroll Taxes & Benefits	417,186	405,891	(11,295)	417,186	402,478	(14,708)	
Temporary Staff	42,500	42,261	(239)	42,500	45,414	2,914	
<b>Total Personnel Expenses</b>	<b>2,743,092</b>	<b>2,787,903</b>	<b>44,811</b>	<b>2,743,092</b>	<b>2,752,156</b>	<b>9,064</b>	
<b>Non-Personnel Expenses</b>							
Program Support Activities	79,800	80,110	310	79,800	80,109	309	
Program Materials & Supplies	177,440	140,704	(36,736)	177,440	140,704	(36,736)	Lower materials costs than budgeted
Operations	186,020	157,422	(28,598)	186,020	186,885	865	
Technology	206,190	212,274	6,083	206,190	223,147	16,957	
General & Administrative	98,490	106,274	7,784	98,490	106,636	8,146	
Physical Plant	296,000	480,271	184,271	296,000	339,879	43,879	Higher maintenance and repairs costs
Supplemental Program	-	-	-	-	-	-	
8205 - AF Charter Management Fee	352,385	335,908	(16,477)	352,385	356,565	4,180	
8216 - Ancillary Services Fees	73,000	73,000	(0)	73,000	73,000	-	
<b>Total Non-Personnel Expenses</b>	<b>1,469,325</b>	<b>1,585,963</b>	<b>116,637</b>	<b>1,469,325</b>	<b>1,506,925</b>	<b>37,600</b>	
9903 - Contingencies	41,000	-	(41,000)	41,000	-	(41,000)	
<b>Total School Expenses</b>	<b>4,253,417</b>	<b>4,373,866</b>	<b>120,449</b>	<b>4,253,417</b>	<b>4,259,081</b>	<b>5,664</b>	
<b>Net Income - Surplus/Deficit</b>	<b>449</b>	<b>190,137</b>	<b>189,688</b>	<b>449</b>	<b>1,807</b>	<b>1,358</b>	



Accounts	YTD as of June-2015			2015			Comments
	YTD Budget	YTD Actuals	YTD Variance	FY15 Budget	June Forecast	Variance	
<b>Revenue</b>							
<b>Public Revenue</b>							
General Operating Revenue	2,530,000	2,530,000	(0)	2,530,000	2,530,000	-	Final enrollment was exactly on track to budget.
Other Public Revenues	343,693	329,459	(14,234)	343,693	308,826	(34,867)	Lower bonuses but higher Title I
Special Education Funding	55,141	75,484	20,343	55,141	55,141	-	
<b>Total Public Revenue</b>	<b>2,928,834</b>	<b>2,934,943</b>	<b>6,109</b>	<b>2,928,834</b>	<b>2,893,967</b>	<b>(34,867)</b>	
Private Revenues	1,045,000	505,520	(539,480)	1,045,000	1,012,525	(32,475)	Reduced philanthropy due to higher Title I
Other Revenue	2,000	1,623	(377)	2,000	14,818	12,818	
<b>Total Revenue</b>	<b>3,975,834</b>	<b>3,442,086</b>	<b>(533,748)</b>	<b>3,975,834</b>	<b>3,921,310</b>	<b>(54,524)</b>	
<b>School Expenses</b>							
<b>Personnel Expenses</b>							
School Salaries and Wages	1,991,728	1,943,286	(48,441)	1,991,728	1,944,950	(46,778)	Lower salaries than budgeted.
Other Personnel Costs	22,823	24,503	1,680	22,823	24,503	1,680	
Bonuses	76,331	26,797	(49,534)	76,331	30,000	(46,331)	Lower bonuses than budgeted, offset by lower revenue
Payroll Taxes & Benefits	374,062	350,094	(23,968)	374,062	362,417	(11,645)	
Temporary Staff	17,100	2,533	(14,567)	17,100	9,947	(7,153)	
<b>Total Personnel Expenses</b>	<b>2,482,044</b>	<b>2,347,213</b>	<b>(134,831)</b>	<b>2,482,044</b>	<b>2,371,817</b>	<b>(110,228)</b>	
<b>Non-Personnel Expenses</b>							
Program Support Activities	100,800	159,358	58,558	100,800	159,592	58,792	Higher field trips and student incentives
Program Materials & Supplies	86,870	91,271	4,401	86,870	90,822	3,952	
Operations	148,600	159,861	11,261	148,600	159,860	11,260	
Technology	203,288	184,274	(19,014)	203,288	201,957	(1,331)	
General & Administrative	85,990	93,184	7,194	85,990	93,576	7,586	
Physical Plant	468,843	390,811	(78,032)	468,843	500,659	31,816	
Supplemental Program	-	-	-	-	-	-	
8205 - AF Charter Management Fee	274,649	258,549	(16,100)	274,649	277,897	3,248	
8216 - Ancillary Services Fees	73,000	73,000	(0)	73,000	73,000	-	
<b>Total Non-Personnel Expenses</b>	<b>1,442,040</b>	<b>1,410,308</b>	<b>(31,732)</b>	<b>1,442,040</b>	<b>1,557,362</b>	<b>115,322</b>	
9903 - Contingencies	49,051	-	(49,051)	49,051	(10,263)	(59,314)	
<b>Total School Expenses</b>	<b>3,973,135</b>	<b>3,757,521</b>	<b>(215,615)</b>	<b>3,973,135</b>	<b>3,918,916</b>	<b>(54,219)</b>	
<b>Net Income - Surplus/Deficit</b>	<b>2,699</b>	<b>(315,435)</b>	<b>(318,134)</b>	<b>2,699</b>	<b>2,394</b>	<b>(305)</b>	



Accounts	YTD as of June-2015			2015			Comments	2015		
	YTD Budget	YTD Actuals	YTD Variance	FY15 Budget	June Forecast	Variance		Amistad share 41%	Elm City share 25%	Bridgeport share 34%
<b>Revenue</b>										
<b>Public Revenue</b>								<b>FY15 Forecast</b>	<b>FY15 Forecast</b>	<b>FY15 Forecast</b>
General Operating Revenue	4,840,000	4,779,921	(60,079)	4,840,000	4,795,083	(44,917)	Enrollment was 4 below budget	1,965,984	1,198,771	1,630,328
Other Public Revenues	372,574	333,812	(38,762)	372,574	378,014	5,440		154,986	94,504	128,525
Special Education Funding	121,901	72,580	(49,321)	121,901	121,901	-		49,979	30,475	41,446
<b>Total Public Revenue</b>	<b>5,334,475</b>	<b>5,186,312</b>	<b>(148,163)</b>	<b>5,334,475</b>	<b>5,294,998</b>	<b>(39,477)</b>		<b>2,170,949</b>	<b>1,323,750</b>	<b>1,800,299</b>
Private Revenues	2,400,000	2,483,827	83,827	2,400,000	2,400,000	-		984,000	600,000	816,000
Other Revenue	2,500	3,731	1,231	2,500	2,500	-		1,025	625	850
<b>Total Revenue</b>	<b>7,736,975</b>	<b>7,673,870</b>	<b>(63,105)</b>	<b>7,736,975</b>	<b>7,697,498</b>	<b>(39,477)</b>		<b>3,155,974</b>	<b>1,924,375</b>	<b>2,617,149</b>
<b>School Expenses</b>										
<b>Personnel Expenses</b>										
School Salaries and Wages	3,771,710	3,633,062	(138,649)	3,771,710	3,639,243	(132,467)	Significantly lower salaries than budget	1,468,672	895,532	1,217,923
Other Personnel Costs	189,115	174,719	(14,396)	189,115	177,050	(12,065)		80,176	48,888	66,487
Bonuses	150,192	133,884	(16,307)	150,192	139,322	(10,870)		57,122	34,831	47,369
Payroll Taxes & Benefits	645,641	630,292	(15,349)	645,641	651,460	5,819		269,975	164,619	223,882
Temporary Staff	14,500	21,137	6,637	14,500	27,500	13,000		10,045	6,125	8,330
<b>Total Personnel Expenses</b>	<b>4,771,158</b>	<b>4,593,094</b>	<b>(178,063)</b>	<b>4,771,158</b>	<b>4,634,575</b>	<b>(136,582)</b>		<b>1,885,990</b>	<b>1,149,994</b>	<b>1,563,991</b>
<b>Non-Personnel Expenses</b>										
Program Support Activities	348,950	396,110	47,160	348,950	412,400	63,450		142,229	86,725	117,946
Program Materials & Supplie	201,988	300,297	98,309	201,988	310,950	108,962	Higher library investments	131,303	80,063	108,885
Operations	502,791	508,514	5,723	502,791	502,500	(291)		213,405	130,125	176,970
Technology	225,058	258,774	33,716	225,058	307,278	82,220	Higher technology investments	119,526	72,881	99,119
General & Administrative	168,850	166,610	(2,240)	168,850	174,289	5,439		66,046	40,272	54,770
Physical Plant	700,465	719,468	19,003	700,465	674,865	(25,600)	Lower utility costs than budgeted	263,165	160,466	218,234
Supplemental Program	118,083	78,564	(39,519)	118,083	83,000	(35,083)	Lower summer program costs forecast	29,110	17,750	24,140
8205 - AF Charter Managem	501,818	569,782	67,964	501,818	497,168	(4,650)		203,839	124,292	169,037
8216 - Ancillary Services Fees	73,000	73,000	(0)	73,000	73,000	-		29,930	18,250	24,820
<b>Total Non-Personnel Expense</b>	<b>2,841,003</b>	<b>3,071,118</b>	<b>230,116</b>	<b>2,841,003</b>	<b>3,035,450</b>	<b>194,447</b>		<b>1,198,552</b>	<b>730,824</b>	<b>993,921</b>
9903 - Contingencies	92,000	-	(92,000)	92,000	-	(92,000)		9430	5750	7820
<b>Total School Expenses</b>	<b>7,704,160</b>	<b>7,664,213</b>	<b>(39,948)</b>	<b>7,704,160</b>	<b>7,670,025</b>	<b>(34,135)</b>		<b>3093971.678</b>	<b>1886568.096</b>	<b>2565732.611</b>
<b>Net Income - Surplus/Deficit</b>	<b>32,815</b>	<b>9,658</b>	<b>(23,157)</b>	<b>32,815</b>	<b>27,473</b>	<b>(5,342)</b>		<b>62,003</b>	<b>37,806</b>	<b>51,417</b>







Accounts	YTD as of July-2015			2016			Comments
	YTD Budget	YTD Actuals	YTD Variance	FY16 Budget	July Forecast	Variance	
<b>Revenue</b>							
<b>Public Revenue</b>							
General Operating Revenue	669,624	581,320	(88,304)	8,035,488	8,059,728	24,240	Overall enrollment tracking slightly above budget
Other Public Revenues	63,060	-	(63,060)	756,725	756,725	0	
Special Education Funding	11,310	-	(11,310)	135,725	137,426	1,701	
<b>Total Public Revenue</b>	<b>743,995</b>	<b>581,320</b>	<b>(162,675)</b>	<b>8,927,939</b>	<b>8,953,879</b>	<b>25,940</b>	
<b>Private Revenues</b>	<b>174,850</b>	<b>-</b>	<b>(174,850)</b>	<b>2,098,194</b>	<b>2,098,194</b>	<b>(0)</b>	
<b>Other Revenue</b>	<b>4,179</b>	<b>66</b>	<b>(4,113)</b>	<b>50,149</b>	<b>50,149</b>	<b>-</b>	
<b>Total Revenue</b>	<b>923,023</b>	<b>581,385</b>	<b>(341,638)</b>	<b>11,076,282</b>	<b>11,102,222</b>	<b>25,940</b>	
<b>School Expenses</b>							
<b>Personnel Expenses</b>							
School Salaries and Wages	387,419	399,133	11,714	4,649,033	4,705,581	56,548	Slightly higher than budgeted salaries
Other Personnel Costs	12,011	12,528	517	144,134	134,902	(9,231)	
Bonuses	2,707	-	(2,707)	32,484	32,994	510	
Payroll Taxes & Benefits	76,291	90,664	14,373	914,518	929,365	14,847	
Temporary Staff	5,121	5,457	336	61,447	61,447	-	
<b>Total Personnel Expenses</b>	<b>483,549</b>	<b>507,783</b>	<b>24,233</b>	<b>5,801,616</b>	<b>5,864,289</b>	<b>62,673</b>	
<b>Non-Personnel Expenses</b>							
Program Support Activities	19,682	3,066	(16,616)	236,183	233,040	(3,142)	
Program Materials & Supplies	46,688	12,190	(34,498)	560,259	533,442	(26,816)	
Operations	45,081	16,589	(28,492)	540,975	545,715	4,740	
Technology	50,430	53,044	2,614	605,157	605,857	700	
General & Administrative	21,019	18,519	(2,500)	252,232	252,232	(0)	
Physical Plant	132,456	56,431	(76,025)	1,589,472	1,589,472	0	
Supplemental Program	1,923	20,045	18,122	23,076	22,801	(274)	
8205 - AF Charter Management Fee	71,812	52,237	(19,575)	861,744	864,338	2,594	
8216 - Ancillary Services Fees	17,206	10,872	(6,333)	206,469	206,469	-	
<b>Total Non-Personnel Expenses</b>	<b>406,297</b>	<b>242,993</b>	<b>(163,304)</b>	<b>4,875,566</b>	<b>4,853,367</b>	<b>(22,199)</b>	
9903 - Contingencies	-	-	-	-	-	-	
<b>Total School Expenses</b>	<b>889,847</b>	<b>750,776</b>	<b>(139,071)</b>	<b>10,677,182</b>	<b>10,717,656</b>	<b>40,474</b>	
<b>Net Income - Surplus/Deficit</b>	<b>33,177</b>	<b>(169,391)</b>	<b>(202,567)</b>	<b>399,099</b>	<b>384,565</b>	<b>(14,534)</b>	

(Plus) Estimated capitalizable expenses	40,630	Estimated Capitalizable Expenses include those assets acquired this year and currently charged against Expenses, which will be transferred to Fixed Assets at the current year end. Given how early it is in the year, very little has been spent to date.
(Less) Estimated depreciation expense for expenses incurred in the current and previous years	(24,406)	Depreciation for current and past years includes an estimate of the current year depreciation attributable to assets acquired during the year and in prior years. It is based on a 3 year depreciation for technology, 5 years for furniture and 10 years for site improvements.
(Plus) Estimated philanthropy received at Achievement First due school but not yet designated	409,416	This is philanthropy received by AF which is not designated to a specific school, so sits at AF until the proper distribution is determined. The amount due a specific schools is an estimate until the final accounting is done for the year. At this point in the year, very little has been received.

**Adjusted Surplus/(Deficit) 256,249**



Accounts	YTD as of July-2015			2016			Comments
	YTD Budget	YTD Actuals	YTD Variance	FY16 Budget	July Forecast	Variance	
<b>Revenue</b>							
<b>Public Revenue</b>							
General Operating Revenue	286,000	271,333	(14,667)	3,432,000	3,432,000	-	Enrollment on track to meet budget
Other Public Revenues	29,970	-	(29,970)	359,641	359,641	-	Higher Title I than budgeted
Special Education Funding	3,493	-	(3,493)	41,910	43,611	1,701	
<b>Total Public Revenue</b>	<b>319,463</b>	<b>271,333</b>	<b>(48,129)</b>	<b>3,833,551</b>	<b>3,835,252</b>	<b>1,701</b>	
Private Revenues	54,167	-	(54,167)	650,000	650,000	-	
Other Revenue	3,804	6	(3,798)	45,650	45,650	-	
<b>Total Revenue</b>	<b>377,433</b>	<b>271,340</b>	<b>(106,094)</b>	<b>4,529,201</b>	<b>4,530,902</b>	<b>1,701</b>	
<b>School Expenses</b>							
<b>Personnel Expenses</b>							
School Salaries and Wages	204,173	210,858	6,685	2,450,076	2,481,614	31,538	Slightly higher salaries than budgeted
Other Personnel Costs	5,896	1,730	(4,166)	70,747	63,000	(7,747)	
Bonuses	1,488	-	(1,488)	17,850	18,275	425	
Payroll Taxes & Benefits	37,454	42,777	5,323	449,446	459,112	9,665	
Temporary Staff	2,445	3,200	755	29,340	29,340	-	
<b>Total Personnel Expenses</b>	<b>251,455</b>	<b>258,565</b>	<b>7,110</b>	<b>3,017,459</b>	<b>3,051,340</b>	<b>33,881</b>	
<b>Non-Personnel Expenses</b>							
Program Support Activities	8,385	-	(8,385)	100,620	98,020	(2,600)	
Program Materials & Supplies	17,695	1,439	(16,256)	212,338	189,513	(22,825)	Lower materials costs than budgeted
Operations	16,120	16,605	485	193,440	193,440	-	
Technology	16,568	34,307	17,739	198,817	199,273	456	
General & Administrative	8,249	10,721	2,472	98,990	98,990	(0)	
Physical Plant	23,167	17,568	(5,598)	278,000	278,000	-	
Supplemental Program	-	-	-	-	-	-	
8205 - AF Charter Management Fee	30,646	27,133	(3,513)	367,755	367,925	170	
8216 - Ancillary Services Fees	4,833	4,833	(0)	58,000	58,000	-	
<b>Total Non-Personnel Expenses</b>	<b>125,663</b>	<b>112,607</b>	<b>(13,057)</b>	<b>1,507,960</b>	<b>1,483,161</b>	<b>(24,799)</b>	
9903 - Contingencies	-	-	-	-	-	-	
<b>Total School Expenses</b>	<b>377,118</b>	<b>371,172</b>	<b>(5,947)</b>	<b>4,525,419</b>	<b>4,534,501</b>	<b>9,082</b>	
<b>Net Income - Surplus/Deficit</b>	<b>315</b>	<b>(99,832)</b>	<b>(100,147)</b>	<b>3,782</b>	<b>(3,600)</b>	<b>(7,382)</b>	



Accounts	YTD as of July-2015			2016			Comments
	YTD Budget	YTD Actuals	YTD Variance	FY16 Budget	July Forecast	Variance	
<b>Revenue</b>							
<b>Public Revenue</b>							
General Operating Revenue	165,000	-	(165,000)	1,980,000	1,980,000	-	Enrollment on track to meet budget
Other Public Revenues	10,139	-	(10,139)	121,666	121,666	-	
Special Education Funding	-	-	-	-	-	-	
<b>Total Public Revenue</b>	<b>175,139</b>	<b>-</b>	<b>(175,139)</b>	<b>2,101,666</b>	<b>2,101,666</b>	<b>-</b>	
Private Revenues	-	-	-	-	-	-	
Other Revenue	167	-	(167)	2,000	2,000	-	
<b>Total Revenue</b>	<b>175,306</b>	<b>-</b>	<b>(175,306)</b>	<b>2,103,666</b>	<b>2,103,666</b>	<b>-</b>	
<b>School Expenses</b>							
<b>Personnel Expenses</b>							
School Salaries and Wages	-	-	-	-	-	-	
Other Personnel Costs	-	-	-	-	-	-	
Bonuses	-	-	-	-	-	-	
Payroll Taxes & Benefits	2,327	-	(2,327)	27,928	27,928	-	
Temporary Staff	1,675	-	(1,675)	20,100	20,100	-	
<b>Total Personnel Expenses</b>	<b>4,002</b>	<b>-</b>	<b>(4,002)</b>	<b>48,028</b>	<b>48,028</b>	<b>-</b>	
<b>Non-Personnel Expenses</b>							
Program Support Activities	3,653	-	(3,653)	43,830	43,830	-	
Program Materials & Supplies	19,668	-	(19,668)	236,020	236,020	-	
Operations	9,300	-	(9,300)	111,600	111,600	-	
Technology	23,439	-	(23,439)	281,272	281,272	-	
General & Administrative	5,777	-	(5,777)	69,320	69,320	-	
Physical Plant	52,773	-	(52,773)	633,275	633,275	-	
Supplemental Program	-	-	-	-	-	-	
8205 - AF Charter Management Fee	17,514	-	(17,514)	210,167	210,167	-	
8216 - Ancillary Services Fees	6,333	-	(6,333)	76,000	76,000	-	
<b>Total Non-Personnel Expenses</b>	<b>138,457</b>	<b>-</b>	<b>(138,457)</b>	<b>1,661,484</b>	<b>1,661,484</b>	<b>-</b>	
9903 - Contingencies	-	-	-	-	-	-	
<b>Total School Expenses</b>	<b>142,459</b>	<b>-</b>	<b>(142,459)</b>	<b>1,709,512</b>	<b>1,709,512</b>	<b>-</b>	
<b>Net Income - Surplus/Deficit</b>	<b>32,846</b>	<b>-</b>	<b>(32,846)</b>	<b>394,154</b>	<b>394,154</b>	<b>-</b>	



Accounts	YTD as of July-2015			2016			Comments
	YTD Budget	YTD Actuals	YTD Variance	FY16 Budget	July Forecast	Variance	
<b>Revenue</b>							
<b>Public Revenue</b>							
General Operating Revenue	110,917	210,833	99,917	1,331,000	1,331,000	-	Enrollment on track to meet budget
Other Public Revenues	17,632	-	(17,632)	211,589	211,589	0	
Special Education Funding	3,243	-	(3,243)	38,912	38,912	-	
<b>Total Public Revenue</b>	<b>131,792</b>	<b>210,833</b>	<b>79,042</b>	<b>1,581,501</b>	<b>1,581,501</b>	-	
Private Revenues	69,750	-	(69,750)	837,000	837,000	-	
Other Revenue	167	6	(160)	2,000	2,000	-	
<b>Total Revenue</b>	<b>201,708</b>	<b>210,840</b>	<b>9,131</b>	<b>2,420,501</b>	<b>2,420,501</b>	-	
<b>School Expenses</b>							
<b>Personnel Expenses</b>							
School Salaries and Wages	100,465	101,576	1,111	1,205,582	1,205,582	-	
Other Personnel Costs	1,797	5,504	3,708	21,560	21,560	-	
Bonuses	620	-	(620)	7,438	7,438	0	
Payroll Taxes & Benefits	21,346	33,000	11,654	255,352	255,352	(0)	
Temporary Staff	678	288	(390)	8,140	8,140	-	
<b>Total Personnel Expenses</b>	<b>124,906</b>	<b>140,368</b>	<b>15,462</b>	<b>1,498,072</b>	<b>1,498,072</b>	<b>(0)</b>	
<b>Non-Personnel Expenses</b>							
Program Support Activities	1,308	-	(1,308)	15,696	15,696	-	
Program Materials & Supplies	5,026	2,683	(2,343)	60,313	60,313	(0)	
Operations	6,613	-	(6,613)	79,360	79,360	-	
Technology	7,263	15,245	7,982	87,152	87,152	-	
General & Administrative	3,627	4,097	470	43,520	43,520	(0)	
Physical Plant	35,792	26,733	(9,059)	429,500	429,500	-	
Supplemental Program	-	9,600	9,600	-	-	-	
8205 - AF Charter Management Fee	12,379	21,083	8,704	148,550	148,550	-	
8216 - Ancillary Services Fees	4,833	4,833	(0)	58,000	58,000	-	
<b>Total Non-Personnel Expenses</b>	<b>76,841</b>	<b>84,274</b>	<b>7,433</b>	<b>922,092</b>	<b>922,092</b>	<b>(0)</b>	
9903 - Contingencies	-	-	-	-	-	-	
<b>Total School Expenses</b>	<b>201,747</b>	<b>224,642</b>	<b>22,895</b>	<b>2,420,163</b>	<b>2,420,163</b>	-	
<b>Net Income - Surplus/Deficit</b>	<b>(39)</b>	<b>(13,802)</b>	<b>(13,763)</b>	<b>338</b>	<b>338</b>	<b>0</b>	



Accounts	YTD as of July-2015			2016			Comments	2016		
	YTD Budget	YTD Actuals	YTD Variance	FY16 Budget	July Forecast	Variance		Amistad share	Elm City share	Bridgeport share
<b>Revenue</b>								40.5%	24.9%	34.5%
<b>Public Revenue</b>								<u>FY16 Forecast</u>	<u>FY16 Forecast</u>	<u>FY16 Forecast</u>
General Operating Revenue	431,750	397,459	(34,291)	5,181,000	5,278,167	97,167	Enrollment forecast 9 higher than budget	1,965,984	1,198,771	1,630,328
Other Public Revenues	21,322	-	(21,322)	255,861	255,861	-		154,986	94,504	128,525
Special Education Funding	18,340	-	(18,340)	220,083	220,083	-		49,979	30,475	41,446
<b>Total Public Revenue</b>	<b>471,412</b>	<b>397,459</b>	<b>(73,953)</b>	<b>5,656,944</b>	<b>5,754,111</b>	<b>97,167</b>		<b>2,170,949</b>	<b>1,323,750</b>	<b>1,800,299</b>
<b>Private Revenues</b>	<b>204,167</b>	<b>-</b>	<b>(204,167)</b>	<b>2,450,000</b>	<b>2,450,000</b>	<b>(0)</b>		<b>984,000</b>	<b>600,000</b>	<b>816,000</b>
<b>Other Revenue</b>	<b>167</b>	<b>213</b>	<b>46</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>		<b>1,025</b>	<b>625</b>	<b>850</b>
<b>Total Revenue</b>	<b>675,745</b>	<b>397,672</b>	<b>(278,073)</b>	<b>8,108,944</b>	<b>8,206,111</b>	<b>97,167</b>		<b>3,155,974</b>	<b>1,924,375</b>	<b>2,617,149</b>
<b>School Expenses</b>										
<b>Personnel Expenses</b>										
School Salaries and Wages	331,833	347,538	15,706	3,981,992	4,082,244	100,252	Higher salaries than budgeted	1,468,672	895,532	1,217,923
Other Personnel Costs	17,313	21,221	3,909	207,750	201,800	(5,950)		80,176	48,888	66,487
Bonuses	2,404	-	(2,404)	28,846	29,187	341		57,122	34,831	47,369
Payroll Taxes & Benefits	60,785	59,674	(1,112)	728,723	749,492	20,769		269,975	164,619	223,882
Temporary Staff	1,292	7,893	6,601	15,500	15,500	-		10,045	6,125	8,330
<b>Total Personnel Expenses</b>	<b>413,626</b>	<b>436,326</b>	<b>22,700</b>	<b>4,962,811</b>	<b>5,078,223</b>	<b>115,412</b>		<b>1,885,990</b>	<b>1,149,994</b>	<b>1,563,991</b>
<b>Non-Personnel Expenses</b>										
Program Support Activities	25,400	12,289	(13,111)	304,795	302,621	(2,174)		142,229	86,725	117,946
Program Materials & Supplie	17,233	32,344	15,112	206,793	190,794	(15,999)		131,303	80,063	108,885
Operations	52,303	(64)	(52,367)	627,640	646,640	19,000		213,405	130,125	176,970
Technology	12,666	13,998	1,332	151,986	152,967	980		119,526	72,881	99,119
General & Administrative	13,496	14,837	1,341	161,953	161,953	-		66,046	40,272	54,770
Physical Plant	83,076	48,623	(34,453)	996,912	996,912	0		263,165	160,466	218,234
Supplemental Program	7,708	41,870	34,162	92,500	91,400	(1,100)		29,110	17,750	24,140
8205 - AF Charter Managem	45,187	16,117	(29,070)	542,244	551,961	9,717		203,839	124,292	169,037
8216 - Ancillary Services Fees	4,833	4,833	(0)	58,000	58,000	-		29,930	18,250	24,820
<b>Total Non-Personnel Expense</b>	<b>261,902</b>	<b>184,848</b>	<b>(77,054)</b>	<b>3,142,824</b>	<b>3,153,248</b>	<b>10,424</b>		<b>1,198,552</b>	<b>730,824</b>	<b>993,921</b>
9903 - Contingencies	-	-	-	-	-	-		9430	5750	7820
<b>Total School Expenses</b>	<b>675,528</b>	<b>621,174</b>	<b>(54,354)</b>	<b>8,105,635</b>	<b>8,231,471</b>	<b>125,836</b>		<b>3093971.678</b>	<b>1886568.096</b>	<b>2565732.611</b>
<b>Net Income - Surplus/Deficit</b>	<b>217</b>	<b>(223,502)</b>	<b>(223,719)</b>	<b>3,309</b>	<b>(25,360)</b>	<b>(28,669)</b>		<b>62,003</b>	<b>37,806</b>	<b>51,417</b>

