



APPENDIX A: 2014-15 CHARTER SCHOOL ANNUAL REPORT

PART 1: SCHOOL INFORMATION AND EXECUTIVE SUMMARY

Name of Charter School:	Year School Opened:
Interdistrict School for Arts and Communication (ISAAC)	1997
Street Address:	City/Zip Code:
190 Governor Winthrop Blvd.	New London, CT 06320
School Director:	School Director Contact Information:
David C. Howes	david_howes@isaacschool.org /860-447-1003 ext. 103
Grades Authorized to Serve in 2014-15:	Charter Term:
6-8	2015-2020

1. Executive Summary: Provide a cover letter or executive summary highlighting school progress, performance, accomplishments, and major changes during the 2014-15 school year. Include a brief narrative on the school's unique model and student population.

The Interdistrict School for Arts and Communication was founded in 1997 and is proud of its on-going tradition of providing student-owned learning in a multi-cultural community. ISAAC continues to be a unique middle school experience integrating Visual Arts, Music and Performing Arts and Technology within its core curriculum. The curriculum at ISAAC is designed to be engaging, rigorous and authentic. Our goal is to create inquisitive and high achieving students who are leaders of their own learning and ready to be difference makers in the 21st century.

As specified in the school's charter, ISAAC evenly splits enrollment between its host district, New London, and surrounding districts. The student body at ISAAC is socioeconomically and racially integrated, with a population that is 66% low-income and 45% Hispanic, 28% white, 17% black, and 10% other races and ethnicities.

In 2014-15, ISAAC entered its third year of school improvement initiatives with Expeditionary Learning (EL). EL is a leading national K-12 education network comprised of over 160 schools and is a comprehensive school-wide program that promotes rigorous and engaging curriculum; active, inquiry-based instruction; and a school culture that teaches compassion and good citizenship. The EL model challenges students to think critically and to take active roles in their classrooms and communities, resulting in higher achievement and greater engagement in school. EL provides ISAAC with ongoing professional development, coaching and online tools to improve curriculum, instruction, assessment, school culture and leadership practices. As part of a rigorous review process, ISAAC scored above expectations in Year 3 of our implementation of EL's practices indicating we are implementing practices with fidelity and consistency.

ISAAC remains fiscally solvent, with clean audits indicating effective management and effective internal controls. Our Board of Directors has been extremely supportive of our school improvement initiatives and is proactively engaged in applying proper policies and procedures to their governance practices.

ISAAC continues to build upon strong student support structures including co-taught classrooms for students with special needs. In addition, ISAAC provides ELL support both in the classroom and in separate language labs for our second language learners.

ISAAC believes students learn best by doing and engaging in real-world application of their learning. These




authentic learning experiences drive student engagement and provide our teachers and students with a wealth of resources for both inside and outside of the classroom. We continue to partner with community organizations including the United State Coast Guard Research and Development Center, Dominion Power, Connecticut College, the Eugene O'Neill Theater Center, and many more. Additional enrichment partnerships with the Writer's Block and the Hygienic Arts, Do the Write Thing programs have provided extended day learning opportunities in creative writing, photojournalism, and self-expression via performing arts.

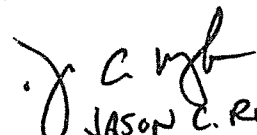
We have three clear priorities for next year:

- 1) To continue our work to build a rigorous academic program aligned with Common Core State Standards that will serve as a model in our region for top quality middle school education and will prepare our students to excel in high school and beyond.
- 2) To grow parent engagement initiatives including initiating the Welcoming Walk Through protocol, developing the Parent Action Team in support of student success, and providing parent and family educational forums on such issues as social media responsibility and financial literacy.
- 3) To strengthen extended day learning opportunities for our students that continue to focus on enrichment opportunities in the areas of arts, communication and adventure.

As a public charter school, we are dependent upon consistent and reliable state funding in order to sustain our strong program and to implement the new state initiatives before us. Your support and advocacy for equitable funding will ensure that ISAAC can continue to provide educational excellence for our diverse student population.

Together with the State Department of Education, our community partners, and regional arts, cultural, educational and social service institutions, ISAAC will continue to be a vibrant place of learning for our students through the arts, character development and authentic learning experiences.


 David C. Howes
 Principal and Executive Director


 JASON C. RUSK
 Board President

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:

ISAAC inspires excellence through the arts and project-based learning in a collaborative, multicultural community.

Goal Statement:	Evidence of Progress toward Goal:	
<p>Student Achievement Goal: All students will use reasoning with evidence to effectively demonstrate their understanding of academic concepts through writing.</p> <p>Rationale: "Students learn to write effectively to inform, to build arguments substantiated with evidence, and to write with literary power in narrative and poetic genres. Through writing,</p>	<p>% of Students who demonstrated growth from Fall 2014-Spring 2015 based a school-wide writing rubric:</p> <p>6th Grade- 95% 7th Grade- 89% 8th Grade- 87%</p>	<p>% of Students who met or exceeded the standard Spring 2015 based a school-wide writing rubric:</p> <p>6th Grade- 73%</p>

<p>students learn more deeply about content and communicate what they know. They craft quality writing in a variety of contexts. Students write to learn while learning to write." EL Core Practice 14</p>				<p>7th Grade- 54% 8th Grade- 53%</p>																		
<p>School Conditions Goal: We will build a unified crew of adults who work as "every day" leaders with a single purpose in mind: "doing what is best for our students." Rationale: "A cohesive clear vision for teaching and learning aligns all aspects of an EL school to student learning. This vision transforms schools into powerful places of learning where both students and teachers are fully engaged, working toward a common vision." EL Core Practice 31</p>	<p>Expeditionary Implementation Review Scores* (Scale 1-5): * EL Implementation Review Report attached</p> <table border="1" data-bbox="722 499 1469 976"> <thead> <tr> <th>Power Practice</th> <th>Spring 2014</th> <th>Spring 2015</th> </tr> </thead> <tbody> <tr> <td>School Vision:</td> <td>1</td> <td>5</td> </tr> <tr> <td>Using Data:</td> <td>3</td> <td>4</td> </tr> <tr> <td>Supporting planning, assessment, and instruction:</td> <td>3</td> <td>4</td> </tr> <tr> <td>Positive School Culture:</td> <td>2</td> <td>5</td> </tr> <tr> <td>Professional Learning:</td> <td>4</td> <td>4</td> </tr> </tbody> </table>				Power Practice	Spring 2014	Spring 2015	School Vision:	1	5	Using Data:	3	4	Supporting planning, assessment, and instruction:	3	4	Positive School Culture:	2	5	Professional Learning:	4	4
Power Practice	Spring 2014	Spring 2015																				
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Positive School Culture:	2	5																				
Professional Learning:	4	4																				
<p>Parent/Student Feedback Goal: We will grow in the following key areas of school climate and student engagement as measured by school-wide survey data. Safety: My school feels safe, orderly, and friendly. Respect and Hard work: Students in my classes are respectful, hard-working, and supportive of a productive working environment. Engagement: We use a variety of activities in classes that keep us focused and actively participating. Craftsmanship: I am challenged to produce high quality work.</p>	<p><u>Spring 2014/ Spring 2015</u> (% of students responding <i>somewhat</i> or <i>very much</i>) Safety: 66%/ 86% Respect and Hard work: 55%/ 66% Engagement: 60%/ 78% Craftsmanship: 81%/ 87%</p>	<p><u>Fall 2014/Spring 2015</u> (% of parents responding <i>somewhat</i> or <i>very much</i>) Safety: 98%/ 97% Respect and Hard work: 97%/ 99% Engagement: 97%/ 99% Craftsmanship: 97%/ 97%</p>																				
<p>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.</p>																						
<p>Performance Metric:</p>	<p>*2011-12:</p>	<p>*2012-13:</p>	<p>*2013-14:</p>	<p>2014-15:</p>																		
<p>Average daily attendance rate: See June 2015 PSIS Report for data</p>	<p>95.4</p>	<p>95.3</p>	<p>94.8</p>	<p>94.8</p>																		
<p>Chronic absenteeism rate: See June 2015 PSIS Report for data</p>	<p>8.8</p>	<p>9.7</p>	<p>11.2</p>	<p>12.3</p>																		
<p>Number of in-school suspensions:</p>	<p>122</p>	<p>37</p>	<p>26</p>	<p>73</p>																		
<p>Number of out-of-school suspensions:</p>	<p>34</p>	<p>19</p>	<p>33</p>	<p>35</p>																		

Number of expulsions:	0	0	2	0
Percent of students with 1+ suspension/expulsion:	28.8	16.8	13.8	19.4
Cohort graduation rate (if applicable):				N/A
Holding power rate (if applicable):				N/A
Overall School Performance Index CMT (SPI):	65	70		N/A
Overall host District Performance Index CMT (DPI):	61	61.4		N/A

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

In 2014-2015, ISAAC used a professional learning system comprised of Data Inquiry Teams, Instructional Coaching, and whole staff professional development to support student success. A school-wide achievement goal was set in our annual work plan: *All students will use reasoning with evidence to effectively demonstrate their understanding of academic concepts.* A School Designer from Expeditionary Learning worked with the Instructional Leadership Team (ILT) made up of the principal, instructional coach, and team leaders to develop professional learning targets and support structures implemented throughout the year to support this goal. Student progress was measured using both formative curriculum-embedded assessments and three school-wide benchmark writing assessments. Data Inquiry Teams (DIT) met weekly to review student work using protocols and determined adjustments to instructional practices. The Instructional Coach led this process. Adjustments to bi-weekly staff professional development was made based on the needs of students revealed through the DITs. The Instructional Coach also worked with individual teachers to support their practice based on student data.

Tiered interventions were also used to support student progress toward the school-wide goal throughout the year. Individual students were identified in need of interventions through the benchmark writing assessments and MAP assessments in reading, language usage, and math. These students were placed in Tier 2 academic workshops where they received small group instruction. In addition, Literacy Interventionists and an ELL Instructor pushed into language arts classrooms to support identified students, specifically in the areas of reading and writing. The growth of ISAAC students exhibited between the Fall and Spring writing assessments is the strongest indicator of the success of the system of professional development and interventions implemented in 2014-15. 95% of 6th graders, 89% of 7th graders, and 87% of 8th graders demonstrated growth over the course of the year on these benchmark assessments.

PART 3: STEWARDSHIP, GOVERNANCE, AND MANAGEMENT

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

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

Total margin (net income / total revenue):	.05
Debt to asset ratio (total liabilities / total assets):	.19
Debt service coverage ratio (net income + depreciation + interest expense) / (principal + interest payments):	1.22
Current asset ratio (current assets / current liabilities):	1.84
Days of unrestricted cash ((total expenditures - depreciation) / 365):	89
Cash flow (change in cash balance):	280,479

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:
Stephanie Brown	United Way of SECT	Governance/2	Email: stephanie.brown@uwsect.org	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Ellen Calkins	Consultant & Founding Parent	Academic Excellence/2	E-mail: ercalkins@yahoo.com	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Steve Castagnaro	Court Square Group & Past Parent	President/2	E-mail: steve.castagnaro@snet.net	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Guy Hermann	Museum Insights	Treasurer/2	Email: guy@museuminsights.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Carol Hervey	Pfizer, Inc.	Secretary/2	E-mail: herveyci@gmail.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Christopher Jones	Grasso Technical High School	Finance/1	E-mail: crfrogg@aol.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Diana McMasters	ISAAC Teacher	Teacher Director	E-mail: diana_mcmasters@isaacschool.org	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Russell Learned	Centerbrook Architects & Planners, Past Parent	Parent Director	E-mail: learned@centerbrook.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Alejandro Melendez-Cooper	Hispanic Alliance of SECT	Vice President/1	E-Mail: pacopeco48@gmail.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Richard Muckle	Ret. EB/General Dynamics	Governance/2	E-mail: rmuckle@sbcglobal.net or rmuckle1940a@gmail.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Jason Rusk	Dominion Millstone Station & Past Parent	Governance/1	E-mail: chief.rusk@gmail.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Sharon Smith	Ret. CFO, Glastonbury School District	Finance/1	E-mail: eloise67@comcast.net	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No



8. Renewal Terms and Corrective Items: Provide an update on terms and conditions established in the charter school's most recent renewal; summarize actions taken and progress data to substantiate efforts to address such terms and conditions of renewal. Please note the chart below is pre-populated to include terms and conditions identified in the school's last renewal resolution.		
Standard/Indicator:	Term or Condition:	Progress Update:
1.3 School Culture and Climate	Plan to target chronic absenteeism reduction. Plan due to CSDE on September 30, 2015.	<p>Efforts to improve school attendance at ISSAC will be centered on the Response to Intervention model.</p> <p>Tier I - Prevention</p> <ol style="list-style-type: none"> 1. Preventative measures include employing a challenging curriculum and reinforcing high expectations for academics, behavior, and social responsibility. 2. Students who were chronically absent during the 2014-2015 school year will receive a letter stressing the importance of attending school every day and an invitation for parents to meet with the Student Support Team to identify barriers and set a plan of action to avoid this pattern to continue during the 2015-2016 school year. 3. Daily call to families of students who are absent. 4. Ensuring accurate documentation of student absences. <p>Tiers 2 and 3- Identification and Supports</p> <ol style="list-style-type: none"> 1. Monday Team Meetings have been designated at ISAAC as Student Days. Factors that are getting in the way of student learning are discussed, including attendance. 2. Students who have 2 or more absences in a month are identified, reasons for the absences are explored and an action plan is developed based on whether the absences are due to medical, family, school or economic factors. 3. Planning and Placement Team and 504 meetings are scheduled for students with 4 or more absences in a month or are nearing the 10% absenteeism rate in order to identify and implement strategies and monitor progress. 4. Regular education students with 4 or more absences in a month or are nearing the 10% absenteeism rate are referred to the Student Supports Team. A meeting is scheduled with the parents, teacher representatives, and support staff in order to identify and implement strategies and monitor progress. 5. A Referral is made to the Department of Children and Families when a student is truant.
2.2 Financial Management	Update policies and procedures for routine accounting functions and financial controls.	The Head of Operations is working with the Business Manager in conducting a year-long assessment, and working on the development of the schools policies and procedures for routine accounting functions and financial controls. This special project will work in conjunction with the Finance Committee of the Board.



<p>2.3 Governance and Management</p>	<p>Update board policies for background checks, nepotism and posting public meetings on the school's Web site requirements.</p>	<p>At the June 10, 2015 meeting the Board of Directors adopted changes to the Board By Laws and signed new Conflict of Interest and anti-nepotism policy in full compliance with Connecticut General Statutes (C.G.S.) Section 1066bb(d). As results of changes adopted, background checks are required of all Board Members and staff. In accordance with the statutes, the posting of public meetings on the school's website is now a requirement.</p>
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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.

In 2014-15, ISAAC took advantage of the charter renewal process to reexamine itself through the lens of the charter school framework and took several important steps toward refining its structures and practices in the areas of stewardship, governance and management. One key outcome was a Strategic Plan. Educational programming, operations and community partnerships were the three areas identified as focus for the plan.

Through an implementation review by Expeditionary Learning in the Spring of 2014, leadership and communication of a shared vision and mission were identified to be areas of weakness for the school. As a result, one of the first steps of the Strategic Planning process was to examine the leadership structure and to develop a more sustainable and more effective structure to better support the school improvement efforts. A new model for organizational leadership was developed with a Leadership Team made up of three divisions: Academic, Student Life and Operations. ISAAC hired a new Head of Student Life and a new Head of School Operations and appointed the Interim Director to be Principal and Executive Director for 2015-16.

Also revealed was the need to strengthen Board member training. As a result, 8 of 12 Board members attended trainings offered through the state on Board responsibilities. Governance, Academic Oversight and Development will be areas of focus. Board recruitment was also identified as an area for growth and improvement.

Lastly, it is worth mentioning the continued improvements and renovations to ISAAC's facilities. ISAAC completed a \$600,000 renovation last March that included 5 new classrooms, expansion of the cafeteria and additional office space for the Student Support Center. These improvements will support the academic initiatives of the school program. Additionally, ISAAC invested \$115,000 to make several significant upgrades to its security systems. All of these upgrades were made possible through state and federal grants, bank loans ongoing grant writing efforts.

PART 4: STUDENT POPULATION

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

Grades Served:	6-8	Student Enrollment:	262
% Free/Reduced-Price Lunch:	65%	% Black:	14%
% Special Education:	15%	% Hispanic:	49%
% Limited English Proficiency:	12%	% Caucasian:	24%

2014-15 Enrollment by Grade Level:														
PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
0	0	0	0	0	0	0	90	89	83	0	0	0	0	262

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.



ISAAC promotes equity by effectively attracting, enrolling, and retaining students from its target populations. At the heart of the school's mission and charter is a strong commitment to economic, demographic diversity and decreasing racial isolation in Southeastern Connecticut.

This commitment drives the school recruitment strategy and enrollment targets (12) surrounding towns / districts. In the three-years 2012-2014 the top four sending districts were New London 63%, Groton 18%, Montville 7% and Ledyard 5%. The remaining sending districts constitute 7% of the student population

Our commitment to demographic diversity drives the school's recruitment initiatives, the implementation of which allows the school to successfully meet its admissions objectives. These initiatives include an intensive target marketing campaign directed to 5th grade families throughout Southeastern Connecticut. The School's recruitment focuses on nurturing collaborative relationships with the sending districts utilizing focus on online visibility and social media.

ISAAC's student population is ethnically diverse (Chart 1), In the most recent three-years, 2012-2014, 46% of students have been Latino, 24% white and 15% African-American, the remainder are Asian, American Indian and unclassified. It is important to note that the 46% Latino students are themselves ethnically diverse: White European, Black, Indigenous, Mulatto, Mestizo and Asian. ISAAC's commitment to reducing economic isolation is also evident in its demographics. In the three-year period, 2012-2014, 64% of students qualified for Free and Reduced Lunch and 36% qualified as over the federal qualification.

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:
105	139	138	96

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.

ISAAC actively recruits students from twelve surrounding school districts. The recruitment strategies are centered upon maintaining strong working relationships with the surrounding public school districts. As result an average of eight districts support the school's recruitment efforts by facilitating access to the Charter School Choice information to 5th grade families in their districts and ensuring that 100% of their constituents receive information about the school. ISAAC also partners with area private and Choice schools and holds student recruitment fairs in key strategic sites, throughout the region. These are complimented by two well-attended Prospective Family Information Sessions held each Winter.

In March of 2015, ISAAC conducted its first Student Led Conferences. As an Expeditionary Learning School, ISAAC believes students are most engaged when they are leaders of their own learning. As a result, we decided to make the move from traditional parent teacher conferences to Student Led Conferences. We set parent participation for the conferences at 100% and used our Crew/Morning Advisory structure as the vehicle to engage parents in the process. We engaged in professional learning around Student Led Conferences in November, December and January in order for teachers to feel prepared. Then the Crew teachers spent January, February, and March preparing the students for the conferences.

The conferences exceeded expectations. We did in fact reach 100% participation and as a result of the experiences, Student Led Conferences (SLCs) are now a permanent part of our practices for assessment. In 2015-16, ISAAC will hold SLCs after each trimester.

APPENDIX B: STATEMENT OF ASSURANCES

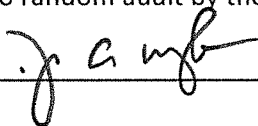
It is imperative that charter schools – as with all other public schools – adopt and uphold the highest ethical and legal standards while delivering excellent academic opportunities for students and their families.

As the authorized representative of Interdistrict School for Arts and Communication (ISAAC), 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 ISAAC and available for random audit by the Connecticut State Department of Education (CSDE).
5. ISAAC 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 ISAAC serves on the board of another charter school or CMO.
7. All public funds received by ISAAC 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 ISAAC 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. ISAAC 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 ISAAC, 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 ISAAC may be subject to random audit by the CSDE to verify these statements.

Signature:



Name of Board Chairperson:

Jason Rusk, President

Date:

9/29/15



APPENDIX C: 2016-17 PRELIMINARY ENROLLMENT REQUEST

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

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

1. Complete the table below providing the school’s enrollment and growth history. Submit an enrollment request and growth projections for the upcoming school year.															
School Year:	Actual Enrollment:														
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2012-13								67	63	61					191
2013-14								83	83	80					246
2014-15								90	89	83					262
2015-16								91	91	89					271
School Year:	2016-17 Enrollment Request:														
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2016-17								90	90	90					270
2. Based on the request entered above, is the school seeking a waiver to the enrollment cap described in C.G.S. § 10-66bb(c)(2)?														<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
3. Provide a rationale for the enrollment request, including a synopsis of all relevant assumptions.															
<p>Our growth projection for 2016-17 is flat. 90 students per grade is the optimal number of students for ISAAC at this time. Given our physical space and human resources, ISAAC is not yet ready to expand beyond this size. 90 students per grade level create an ideal ratio of students to teachers and will enable ISAAC to effectively implement the right systems for maximizing teaching and learning.</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>Non-applicable as there is no plan to expand or increase enrollment at this time.</p>															



EXPEDITIONARY LEARNING

Dear School Staff,

The attached materials present the findings from the **Spring 2015 Expeditionary Learning (EL) Implementation Review**. The Implementation Review (IR) scores for your school have meaning locally and nationally, since the scores are standardized across the network. The IR is designed to help:

1. Determine the level of implementation of EL practices in your school and all EL schools,
2. Track growth of your school's implementation practices levels over time,
3. Provide standardized scores that allow individual schools and researchers to analyze the relationships between level of implementation and other outcomes (e.g. growth in achievement, engagement, motivation, etc.), and
4. Inform the work plan and professional development activities for your school and EL schools nationally.

While the official scores for your school are reflected in the School Designer score, school staff scores are analyzed as they provide a valuable and critical contribution to the validation of the instrument (so that there is independent confirmation that the instrument measures what it is supposed to measure).

The IR score is meant to be an accurate measure of the actual extent of implementation of 26 key EL practices in your school, called the *EL Power Practices*. The Power Practices are essential components of the EL model that are hypothesized to have an impact on student achievement either directly or indirectly. By establishing Power Practices, EL is not saying that anything in our Core Practices is unimportant; rather, we are attempting to prioritize those aspects of our design that we believe are most correlated with increased achievement.

Accompanying this letter are the following documents:

- Table of Scores – A numerical report showing Implementation Review scores for each power practice
- Chart of Scores – A bar chart showing Implementation Review scores for each power practice
- IR Progress Report – A visual report that indicates your school's overall raw score on a scale of targeted outcomes for schools by length of partnership
- An electronic copy of the Implementation Review Instrument

An important step in benefiting from these materials is to review each report carefully. The Individual School Chart provides a graphical view of the score report. The scores for each Power Practice correspond to the individual rubric in the IR Instrument, which is provided for your reference. Column 5 describes the exemplary implementation of that Power Practice, and School Designers and school leadership teams should use this column to identify specific targets for work plan goals and objectives. For Power Practices that a school is not implementing at an exemplary level, the IR instrument and Core Practices can be used as tools to establish explicit goals for improvement.

The Progress Report provides an additional way of viewing your school's overall progress towards implementation of the EL design and IR target score. The EL staff has identified IR score targets for each year of partnership, beginning with year 1 and ending with year 4 or higher. This report displays a graphic that shows your school's score in relation to its target score and last year's IR score (if applicable).

As you deepen your understanding of the Implementation Review instrument, we believe that you will gain new insight into the power of this instrument as it relates to achieving your school's goals and documentation of progress along the way. We appreciate your partnership and look forward to working with you on your annual work plan.

Respectfully,

The EL Implementation Review Research Team



EXPEDITIONARY LEARNING

Interdistrict School for Arts and Communication 2015 Implementation Review Scores

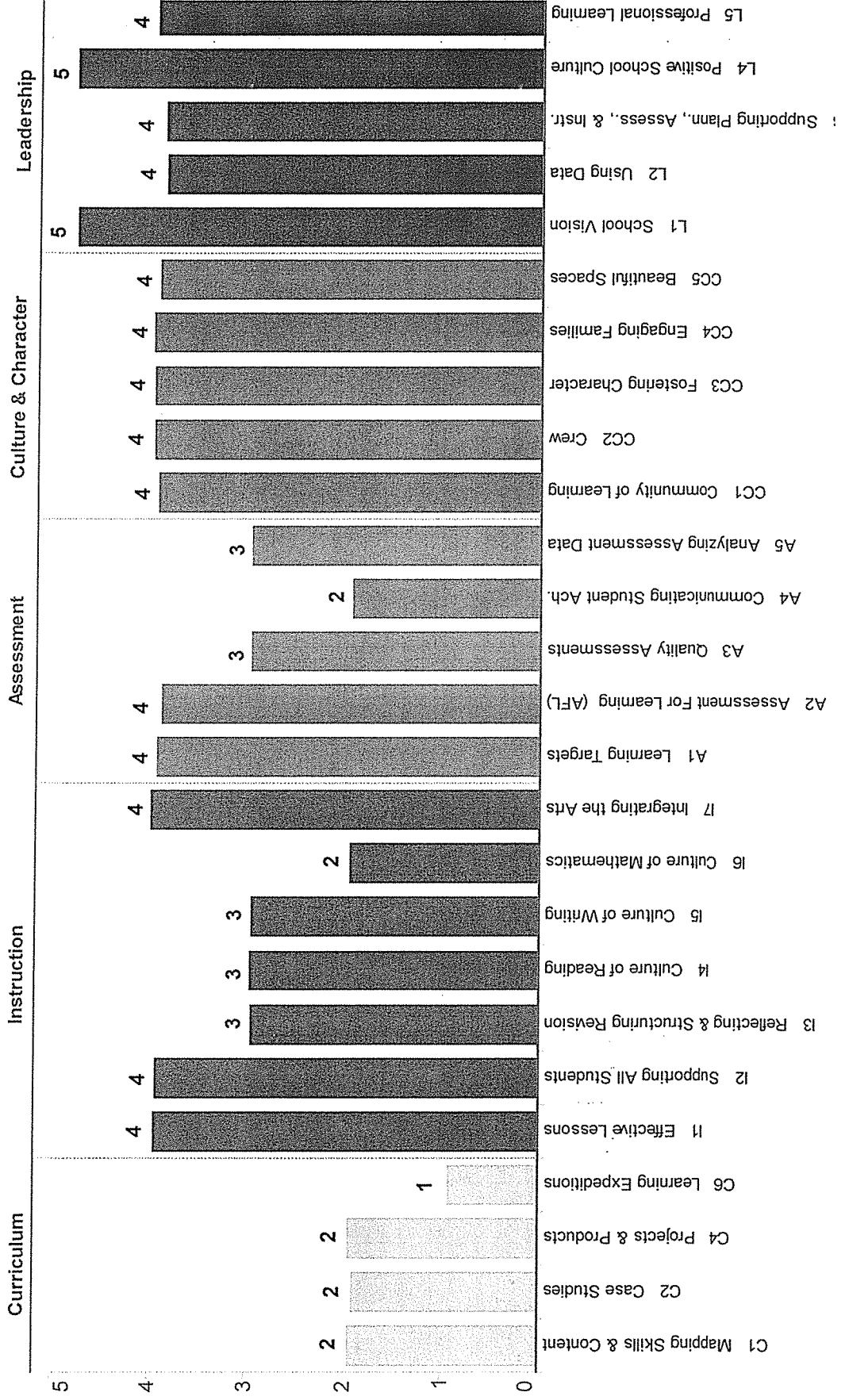
Dimension	Practice	Score
Curriculum	1 Mapping Skills & Content	2
	2 Case Studies	2
	4 Projects & Products	2
	6 Learning Expeditions	1
Instruction	1 Effective Lessons	4
	2 Supporting All Students	4
	3 Reflecting & Structuring Revision	3
	4 Culture of Reading	3
	5 Culture of Writing	3
	6 Culture of Mathematics	2
	7 Integrating the Arts	4
Assessment	1 Learning Targets	4
	2 Assessment For Learning (AFL)	4
	3 Quality Assessments	3
	4 Communicating Student Achievement	2
	5 Analyzing Assessment Data	3
Culture & Character	1 Learning Community	4
	2 Crew	4
	3 Fostering Character	4
	4 Engaging Families	4
	5 Beautiful Spaces	4
Leadership	1 School Vision	5
	2 Using Data	4
	3 Supporting Planning, Assessment, & Instruction	4
	4 Positive School Culture	5
	5 Professional Learning	4

TOTAL SCORE: **88**



**EXPEDITIONARY
LEARNING**

**Interdistrict School for Arts and Communication
2015 Implementation Review Scores**





EXPEDITIONARY LEARNING

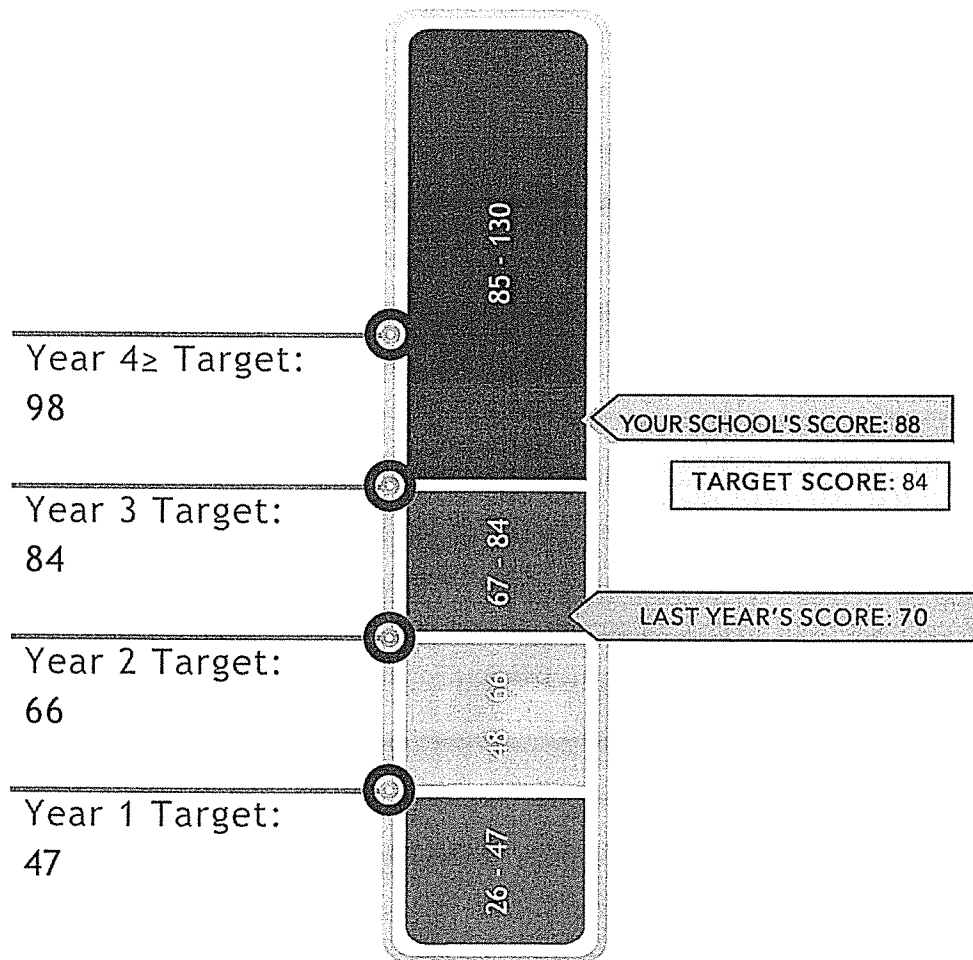
Interdistrict School for Arts and Communication

2015 Implementation Review Progress Report

POINTS FROM TARGET SCORE
+4

TOTAL SCORE	88
YEARS OF PARTNERSHIP	3

Highest Possible Score: 130



Lowest Possible Score: 26

**Interdistrict School for Arts and
Communication, Inc.**

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

**June 30, 2014
(With Summarized Information for 2013)**

Interdistrict School for Arts and Communication, Inc.

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Statement of Activities and Changes in Net Assets	6
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State Single Audit

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Independent Auditor's Report

Board of Directors
Interdistrict School for Arts and Communication, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Interdistrict School for Arts and Communication, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and changes in net assets 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 Interdistrict School for Arts and Communication, 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.

Report on Summarized Comparative Information

We have previously audited the Interdistrict School for Arts and Communication, Inc.'s 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 19, 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 Matters

Other Information

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, as required by the State Single Audit Act, is presented for purposes of additional analysis 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2014 on our consideration of the Interdistrict School for Arts and Communication, 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 Interdistrict School for Arts and Communication, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CohnReznick LLP".

New London, Connecticut
October 29, 2014

Interdistrict School for Arts and Communication, Inc.

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

<u>Assets</u>	2014	2013
Current assets:		
Cash and cash equivalents	\$ 524,946	\$ 450,013
Accounts receivable	133,556	123,445
Pledges receivable, current portion	45,000	45,000
Prepaid expenses	29,087	14,380
Total current assets	732,589	632,838
Property and equipment, net	5,276,965	5,066,334
Long-term assets:		
Pledges receivable, net of current portion	43,890	86,698
Total assets	\$ 6,053,444	\$ 5,785,870
 <u>Liabilities and Net Assets</u> 		
Current liabilities:		
Accounts payable	\$ 96,812	\$ 43,852
Accrued liabilities and deposits	178,375	161,881
Deferred revenue	53,470	150,470
Capital lease payable, current portion	12,708	11,503
Loan payable, current portion	6,167	26,096
Total current liabilities	347,532	393,802
Long-term liabilities:		
Capital lease payable, net of current portion	-	12,708
Tenant security deposit	-	3,447
Loan payable, net of current portion	347,926	1,471,939
Total long-term liabilities	347,926	1,488,094
Total liabilities	695,458	1,881,896
Commitments		
Net assets:		
Unrestricted	5,305,372	3,855,887
Temporarily restricted	52,614	48,087
Total net assets	5,357,986	3,903,974
Total liabilities and net assets	\$ 6,053,444	\$ 5,785,870

See Notes to Financial Statements.

Interdistrict School for Arts and Communication, Inc.

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

	2014			2013
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
Public support and revenues:				
Federal and state grants	\$ 4,281,091	\$ -	\$ 4,281,091	\$ 2,225,619
Tuition	-	671,041	671,041	573,474
Contributions	22,002	-	22,002	39,157
Student activities	-	10,403	10,403	14,235
Rental income	21,420	-	21,420	27,360
Interest and dividends	3,700	-	3,700	4,829
Miscellaneous	10,477	-	10,477	17,283
Net assets released from restrictions:				
Restrictions satisfied by purpose	676,917	(676,917)	-	-
Total public support and revenue	<u>5,015,607</u>	<u>4,527</u>	<u>5,020,134</u>	<u>2,901,957</u>
Expenses:				
State enrollment-based foundation grant	2,572,727	-	2,572,727	1,931,559
Special education	671,049	-	671,049	573,473
Student activities	13,242	-	13,242	8,834
Teachers' retirement	84,000	-	84,000	78,000
Rental expenses	28,414	-	28,414	28,361
Interest expense	25,766	-	25,766	25,869
Depreciation and amortization	170,924	-	170,924	122,287
Total expenses	<u>3,566,122</u>	<u>-</u>	<u>3,566,122</u>	<u>2,768,383</u>
Changes in net assets	1,449,485	4,527	1,454,012	133,574
Net assets, beginning of year	<u>3,855,887</u>	<u>48,087</u>	<u>3,903,974</u>	<u>3,770,400</u>
Net asset, end of year	<u>\$ 5,305,372</u>	<u>\$ 52,614</u>	<u>\$ 5,357,986</u>	<u>\$ 3,903,974</u>

Interdistrict School for Arts and Communication, Inc.

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

	<u>2014</u>	<u>2013</u>
Operating activities:		
Changes in net assets	\$ 1,454,012	\$ 133,574
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	170,924	122,287
Changes in operating assets and liabilities:		
Accounts receivable	(10,111)	(19,747)
Pledges receivable	(2,192)	66,751
Prepaid expenses	(14,707)	7,812
Accounts payable	52,960	(31,838)
Accrued liabilities and deposits	13,047	21,841
Deferred revenue	(97,000)	(123,284)
Net cash provided by operating activities	<u>1,566,933</u>	<u>177,396</u>
Investing activities:		
Purchase of property and equipment	<u>(381,555)</u>	<u>(2,053,168)</u>
Financing activities:		
Contributions restricted for long-term purposes	45,000	-
Payments on capital lease	(11,503)	(10,412)
Proceeds from loan payable	222,000	1,500,000
Payments on loan payable	(1,365,942)	(1,965)
Net cash provided by (used in) financing activities	<u>(1,110,445)</u>	<u>1,487,623</u>
Net increase (decrease) in cash and cash equivalents	74,933	(388,149)
Cash and cash equivalents, beginning of year	<u>450,013</u>	<u>838,162</u>
Cash and cash equivalents, end of year	<u>\$ 524,946</u>	<u>\$ 450,013</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 26,978</u>	<u>\$ 26,954</u>

See Notes to Financial Statements.

Interdistrict School for Arts and Communication, Inc.

**Notes to Financial Statements
June 30, 2014
(With Summarized Information for 2013)**

Note 1 - Organization and summary of significant accounting policies

Nature of operations

The Interdistrict School for Arts and Communication, Inc. (the "School") is a nonprofit corporation engaged in all activities pertinent to operating a state-chartered public middle school for Grades 6 to 8. The School, located in New London, Connecticut, opened in the fall of 1997.

The School features an academically rigorous curriculum whose various disciplines are integrated through the arts - both visual and performing - and through modern communication skills. The curriculum supports a learning community that is multicultural. The School is run by its Board of Directors and a Management Team. The Board of Directors and Management Team are educators, arts and communication experts, financial experts, community leaders, teachers, parents, and students.

The School's activities began with its incorporation on February 4, 1997.

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 subject to donor-imposed stipulations that may or will be met, either by actions of the School and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

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

Contributions

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.

Interdistrict School for Arts and Communication, Inc.

**Notes to Financial Statements
June 30, 2014
(With Summarized Information for 2013)**

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.

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 or 2013. The School'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 management and general expenses in the statement of activities and changes in net assets and include accrued interest and penalties in accrued expenses in the statement of financial position. The School did not recognize any interest or penalties associated with tax matters for the years ended June 30, 2014 and 2013.

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.

Recognition of grant support

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. Deferred revenue is recognized when grant advances exceed eligible costs incurred.

Cash equivalents

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.

Interdistrict School for Arts and Communication, Inc.

Notes to Financial Statements
June 30, 2014
(With Summarized Information for 2013)

Accounts receivable

Allowances for accounts receivable are determined by management based on an assessment of their collectability. Management considers past history, current economic conditions and overall viability of the third party. Receivables are written off only when management believes amounts will not be collected. Based on this assessment, management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded.

Property and equipment

The School follows the practice of capitalizing expenditures for equipment in excess of \$1,000; the fair value of donated assets is similarly capitalized. Depreciation is provided on a straight-line basis over the estimated useful lives as follows:

Building	45 years
Furniture and equipment	4 - 7 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.

Concentrations of credit risk

The School maintains cash and cash equivalent balances in several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation. From time to time, the School's balances may exceed these limits. At June 30, 2014, the School's uninsured bank balances totaled \$291,878. The School limits its credit risk by selecting financial institutions considered to be highly creditworthy.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events

Management has evaluated subsequent events through October 29, 2014, the date the financial statements were available to be issued.

Interdistrict School for Arts and Communication, Inc.

**Notes to Financial Statements
June 30, 2014
(With Summarized Information for 2013)**

Note 2 - Pledges receivable

Pledges receivable consists of unconditional promises to the School and are restricted for the purpose of renovating the school. Pledges that are promised over more than one year are discounted to their net present value.

Pledges receivable consisted of the following at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Pledges:		
Due within 1 year	\$ 45,000	\$ 45,000
Due within 2-5 years	45,000	90,000
Less: unamortized discount, 2.5%	<u>(1,110)</u>	<u>(3,302)</u>
	<u>\$ 88,890</u>	<u>\$ 131,698</u>

Note 3 - Concentrations

The School currently receives approximately 85% of its revenue, which is subject to specific requirements, from the Federal and State Departments of Education.

Note 4 - Operating lease

The School is the lessor of office suites located at 190 Governor Winthrop Boulevard, New London, Connecticut, for the purpose of providing its programs and services. The lease will continue on a monthly basis, which can be canceled by either party with a 30 day notice. Rental income received during 2014 and 2013 was \$21,420 and \$27,360, respectively.

Note 5 - Capital lease

The School is the lessee of computer equipment under a noncancelable capital lease expiring in 2015 with a capitalized cost of \$48,503. Accumulated depreciation relating to the leased computers in the statement of financial position as of June 30, 2014 and 2013 was \$46,789 and \$33,062, respectively. Depreciation expense for the leased computers reported in the statement of activities and changes in net assets during 2014 and 2013 was \$13,727 and \$15,558, respectively. The lease provides that the School can purchase the equipment at the end of the lease term for \$1. Minimum future lease payments are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2015	\$ 14,039
Less amount representing interest	<u>(1,331)</u>
Present value of net minimum capital lease payments	<u>\$ 12,708</u>

Interdistrict School for Arts and Communication, Inc.

**Notes to Financial Statements
June 30, 2014
(With Summarized Information for 2013)**

Note 6 - On-behalf payments

The amount recognized in Federal and state grants and teachers' retirement expenses for contributions made by the State on-behalf of the School's teachers was \$84,000 in 2014 and \$78,000 in 2013.

Note 7 - Grants

The following grants were awarded for use during the years ended June 30, 2014 and 2013:

1. A State Enrollment-Based Foundation Grant in the amount of \$2,683,000 for 2014 and \$2,070,009 for 2013, for the purposes of financing public education.
2. Various grants for the purpose of providing education programs.

Certain grants require the fulfillment of various conditions as set forth by the grantor. Failure to fulfill the conditions could result in the return of the funds to the grantors. Although that is a possibility, the Board deems the contingency remote, since by accepting the grants and their terms; the School has accommodated the objectives of the grantors to the provisions of the grants.

Note 8 - Temporarily restricted net assets

Temporarily restricted net assets are available for the following purposes:

	<u>2014</u>	<u>2013</u>
Funds to be used to conduct education for special education students	\$ 2,887	\$ 2,895
Funds to be used for musical instruments	34,114	26,740
Funds to be used for student fundraising activities	<u>15,613</u>	<u>18,452</u>
Total temporarily restricted net assets	<u>\$ 52,614</u>	<u>\$ 48,087</u>

Note 9 - Property and equipment

The following is a summary of property and equipment:

	<u>2014</u>	<u>2013</u>
Construction in progress	\$ 73,370	\$ -
Land	80,000	80,000
Building	5,848,992	5,643,646
Furniture and equipment	<u>214,016</u>	<u>111,177</u>
	6,216,378	5,834,823
Less: accumulated depreciation	<u>939,413</u>	<u>768,489</u>
Net property and equipment	<u>\$ 5,276,965</u>	<u>\$ 5,066,334</u>

Interdistrict School for Arts and Communication, Inc.

**Notes to Financial Statements
June 30, 2014
(With Summarized Information for 2013)**

Depreciation and amortization expense was \$170,924 and \$122,287 for the years ended June 30, 2014 and 2013, respectively.

Note 10 - Functional classification of expenses

The expenses as summarized in the statement of activities and changes in net assets have been allocated as follows:

	<u>2014</u>	<u>2013</u>
Program services	\$ 3,238,728	\$ 2,501,696
Management and general	279,449	229,813
Fundraising	<u>47,945</u>	<u>36,874</u>
Total expenses	<u>\$ 3,566,122</u>	<u>\$ 2,768,383</u>

Note 11 - Construction loan

Loan payable consists of a commercial construction mortgage loan with an original balance of \$1,500,000 dated August 7, 2012 for the demolition and construction of the new gym. The loan bears interest at 4.07% per annum until such adjustment date which will be adjusted to a fixed rate per annum equal to two and one half percent above the Index rate. The interest rate shall never be less than 4.07% nor greater than 18%. At June 30, 2014, the interest rate was 4.07%. The loan is secured by all school property. On September 11, 2013, the School received a Charter School Building Project and Improvements grant of \$1,356,398 to pay down the construction loan balance. On September 12, 2013, the loan was then modified based on the new balance plus an additional advance of \$150,000 for a total loan balance of \$285,531 for the third floor modifications. The loan was modified again on May 15, 2014 based on the balance plus an additional advance of \$72,000 to be used for the fourth floor modifications. Based on the modification, the monthly payments payable to Charter Oak Federal Credit Union were revised to \$1,759 including principal and interest through the loan's maturity date of August 1, 2027 when the entire outstanding balance shall be due and payable in full.

The future scheduled maturities of long-term debt as of June 30, 2014 are as follows:

Year Ending <u>June 30</u>	
2015	\$ 6,167
2016	7,081
2017	7,375
2018	7,680
2019	7,999
Thereafter	<u>317,791</u>
	<u>\$ 354,093</u>

**State
Single
Audit**

Interdistrict School for Arts and Communication, Inc.
 Schedule of Expenditures of State Financial Assistance
 Year Ended June 30, 2014

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State Grant Program Core – CT Number</u>	<u>Expenditures</u>
State Department of Education:		
Charter Schools	11000-SDE64000-17041-84179	\$ 2,683,000
Charter School Facility, General Improvements, and Debt Repayment	12052-SDE64000-43003	1,356,398
High Quality Schools Start Up	12052-SDE64370-43538	<u>90,485</u>
Total State Financial Assistance		<u>\$ 4,129,883</u>

See Note to Schedule of Expenditures of State Financial Assistance.

Interdistrict School for Arts and Communication, Inc.

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

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Interdistrict School for Arts and Communication, 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 to the Interdistrict School for Arts and Communication, Inc., through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including education.

Summary of Significant Accounting Policies

The accounting policies of the Interdistrict School for Arts and Communication, 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.

Interdistrict School for Arts and Communication, Inc.

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

Section 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 _____x no

Significant deficiency(ies) identified? _____x yes _____none reported

Noncompliance material to financial statements noted? _____yes _____x no

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____yes _____x no

Significant deficiency(ies) identified? _____yes _____x none reported

Type of auditor's report issued on compliance
for major programs: _____ Unmodified _____

Any audit findings disclosed that are required
to be reported in accordance with Section 4-236-24
of the Regulations to the State Single Audit Act? _____yes _____x no

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

<u>State Grantor and Program</u>	<u>State Core - CT Number</u>	<u>Expenditures</u>
State Department of Education:		
Charter Schools	11000-SDE64000-17041-84179	\$ 2,683,000
Charter School Facility, General Improvements, and Debt Repayment	12052-SDE64000-43003	1,356,398
Dollar threshold used to distinguish between Type A and Type B programs:		<u>\$ 200,000</u>

Interdistrict School for Arts and Communication, Inc.

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

Section II - Financial Statement Findings

Finding 2012-1 - Preparation of Financial Statements

Criteria

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.

Condition

The School does not prepare complete financial statements and notes to the financial statements in preparation of the audit in accordance with accounting principles generally accepted in the United States of America.

Cause

The School has insufficient expertise in selecting and applying accounting policies that are in conformity with accounting principles generally accepted in the United States of America. Due to the continuing issuance of new accounting principles and auditing standards, this deficiency is not uncommon in small organizations.

Effect

There is no effect.

Recommendation

The School should evaluate available options in order to access the expertise necessary to prepare financial statements in accordance with accounting principles generally accepted in the United States of America.

Views of Responsible Officials and Planned Corrective Actions

The School agrees with the finding but lacks the financial resources to fully address the finding at this time.

Section III - State Financial Assistance Findings and Questioned Costs

There were no findings or questioned costs reported relating to State Financial Assistance programs.

Interdistrict School for Arts and Communication, Inc.

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

Finding 2012-1 - Preparation of Financial Statements

Condition

The School does not prepare complete financial statements and notes to the financial statements in preparation of the audit in accordance with accounting principles generally accepted in the United States of America.

Current Status

The finding has not been adequately addressed and is repeated in the schedule of findings and questioned costs.

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
Interdistrict School for Arts and Communication, 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 the Interdistrict School for Arts and Communication, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 29, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Interdistrict School for Arts and Communication, 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 Interdistrict School for Arts and Communication, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Interdistrict School for Arts and Communication, 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 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 2012-1).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Interdistrict School for Arts and Communication, 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*.

Interdistrict School for Arts and Communication, Inc.'s Response to Findings

Interdistrict School for Arts and Communication, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Interdistrict School for Arts and Communication, 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.



New London, Connecticut
October 29, 2014

Independent Auditor's Report on Compliance for Each
Major State Program and Report on Internal Control over
Compliance Required by the State Single Audit Act

To the Board of Directors
Interdistrict School for Arts and Communication, Inc.

Report on Compliance for Each Major State Program

We have audited the Interdistrict School for Arts and Communication, 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 Interdistrict School for Arts and Communication, Inc.'s major state programs for the year ended June 30, 2014. Interdistrict School for Arts and Communication, 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 Interdistrict School for Arts and Communication, 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 Interdistrict School for Arts and Communication, 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 Interdistrict School for Arts and Communication, Inc.'s compliance.

Opinion on Each Major State Program

In our opinion, Interdistrict School for Arts and Communication, 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 Interdistrict School for Arts and Communication, 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 Interdistrict School for Arts and Communication, 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 Interdistrict School for Arts and Communication, 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

CohnReznick LLP

New London, Connecticut
October 29, 2014

Interdistrict School for Arts and Communication
 Income/Expense Budget vs. Actual
 Monthly Report
 FY 15-16
 Summary

	Actual Income/Expense 7/1/14-6/30/2015	270 Students Approved 9-9-15 Current Fiscal Year Budget	
Income			
Contributions/Fundraising	984	5,000	
Grants - Private	19,500	-	
Grants - Titles (State & Federal)	495,698	63,000	Title Grants only
Interest income	5,505	5,000	
Misc. Revenue	10,721	5,000	
Per Pupil Allocation	2,882,000	2,970,000	Increase in Student numbers from 262-270
Extended Day Tuition	4,383	3,000	
Special Education	601,227	612,535	
Special Education - SPED Wages Reimbursed	67,165	76,446	
Total Income	4,087,184	3,739,981	
Expense			
Wages			
Administration	316,385	340,000	Full Staffing for 12 months (Head of School, Head of Student Life, Head of Operations)
Certified Teachers	1,375,376	1,524,135	Add .75 Music Teacher + 4% increase per Union contract
Instructional Support Staff	279,050	316,930	Expanded Afterschool program, increases hours Literacy interventionist, 4% increase wages
Non-Instructional Support Staff	325,582	348,326	Increased custodial hours, 4% increase wages
Total Wages	2,296,392	2,529,391	
Total Benefits	370,554	431,062	
Total Wages and Benefits	2,666,947	2,960,453	Increased Health Insurance costs, FICA, Medicare, W/C, SUTA
Total Operating Expenses	496,078	754,469	Increased cost for Managed IT services, Nursing, insurance, includes \$125,000 in unanticipated expenses
Total Property/Site Development	136,863	157,700	Utility increase estimated
Total Debt Service	328,623	57,207	12 month Principal and Interest Payments
Total Operating Expense	3,628,511	3,929,829	
Total Building Modifications	786,222	7,400	No capital projects scheduled
Total Expenses	4,414,733	3,937,229	
Excess (Deficiency) of revenues over Expenditures	(327,549)	(197,248)	
Other Financing Sources (Uses)			
Transfer In			
Loan Proceeds	600,000	-	
Prior Year Carryover	98,029	288,200	
Net Change	370,480	90,952	

Interdistrict School for Arts and Communication
 Income/Expense Budget vs. Actual
 FY 14-15
 Summary

	Approved BOD (Sept) FY 14-15 Budget	General Operating Funds Year-to-date Income/Expenditures Jul 1 - June 30	Variance Budget to Actual	
Income				
Total Contributions	5,000	984	(4,016)	
Grants - Titles	61,300	83,201	21,901	
Grants	-	19,500	19,500	Two Extended Day Program grants received
Interest Income	5,000	5,505	505	
Total Misc. Revenue	8,000	10,721	2,721	
Per Pupil Allocation	2,882,000	2,882,000	-	
Rental Income	-	-	-	
Extended Day Tuition	-	4,383	4,383	
Special Education	600,000	601,227	1,227	
Special Education - SPED Wages Reimbursed	-	67,165	67,165	Direct reimbursement from districts for one on one paraprofessionals
Loan Proceeds	-	-	-	
Charter School Building Projects and Improv.	-	412,497	412,497	Grant received for Debt retirement and new construction
Prior Year Carryover	-	-	-	
Total Income	3,561,300	4,087,184	525,884	
Expense				
Wages				
Administration	377,115	316,385	(60,730)	New Head of Operations position not filled until June.
Certified Teachers	1,436,921	1,393,377	(43,544)	Staffing changes during school year
Instructional Support Staff	182,340	261,049	78,709	Hired two part-time literacy tutors, 5 One on One Para's for SPED IEP's
Non-Instructional Support Staff	334,205	325,582	(8,623)	Hourly employees hours less due to snow changes in scheduled work days
Total Wages	2,330,581	2,296,392	(34,189)	
Total Benefits	394,707	370,554	(24,153)	Health insurance increases less than anticipated
Total Wages and Benefits	2,725,288	2,666,947	(58,341)	
Total Operating Expenses	714,528	489,144	(225,384)	Inservice, Nursing Services, Employee Negotiations, other contracted services less than anticipated, budget included \$125,000 in unanticipated expenses as an emergency fund which if not used provides a carry over for next year
Total Property/Site Development	174,500	136,863	(37,637)	Increase in Utility cost less than had been predicted No longer paying Property Tax on space previously rented
Total Debt Service	41,984	335,558	293,574	Charter School Grant paid down debt
Total Operating Expense	3,656,300	3,628,512	(27,788)	
Total Building Modifications	600,000	786,222	186,222	Includes Security upgrades, additional building modifications:
Total Expenses	4,256,300	4,414,734	158,434	Expanded cafeteria space, converted regular classroom to dance classroom
Excess (Deficiency) of revenues over Expenditures	(695,000)	(327,550)	367,450	
Other Financing Sources (Uses)				
Transfer In				
Loan Proceeds	600,000	600,000	-	
Prior Year Carryover	95,000	98,029	3,029	
Net Change	-	370,479	370,479	2014-2015 Carry over and Capital Reserve