

CONNECTICUT STATE BOARD OF EDUCATION

IN RE:	:	PETITION FOR DECLARATORY RULING
PETITION OF BRASS CITY CHARTER SCHOOL FOR A DECLARATORY RULING	: : : : :	CASE NO. _____ May 26, 2023

PETITION FOR A DECLARATORY RULING

I. Introduction

Pursuant to Connecticut General Statutes § 4-176, and Regulations of Connecticut State Agencies § 10-4-21, *et seq.*, Petitioner, the Brass City Charter School (“Brass City”), a public state charter school established pursuant to Title 10 of the Connecticut General Statutes having a business address at 289 Willow Street, Waterbury, Connecticut 06710, hereby submits this petition for declaratory ruling to the Connecticut State Board of Education (“SBE”). This petition arises from a dispute between Brass City and the Waterbury Board of Education (“WBOE”), a local board of education having a business address at 236 Grand Street, Waterbury, Connecticut 06702. Brass City petitions for a declaratory ruling regarding the interpretation and application of Connecticut General Statute § 10-66ee, as it relates to the reimbursement by WBOE for the cost of providing special education and related services to Waterbury resident students who attend Brass City, and specifically concerning the following issues:

1. Does Conn. Gen. Stat. § 10-66ee require a resident local or regional board of education (“Resident District”) to reimburse a State Charter School for the actual cost of providing special education and related services based on the services and minutes enumerated each resident student’s Individualized Education Program (“IEP”), so long as the total amount of reimbursement requested by the State Charter School for all enrolled students with disabilities does not exceed the State Charter School’s actual cost of providing special education and related services to all enrolled students?

2. Are there any federal, state, local or private revenue sources that are paid directly to State Charter Schools specifically for the provision of special education and related services that should be deducted from the reimbursement amount due from the Resident District?
3. Does the actual cost of providing special education and related services include the percentage of time charter school personnel spend on administrative and planning activities directly related to the provision of special education and related services to Resident Students, in addition to the time spent on direct instruction?
4. Is a Resident District's obligations to provide reimbursement for special education and related services to State Charter Schools under Conn. Gen. Stat. § 10-66ee identical to the obligations of Resident Districts to provide reimbursement for special education and related services to Interdistrict Magnet School Operators under Conn. Gen. Stat. § 10-264I?
5. Does a Resident District violate the educational interests of the state when it refuses to reimburse a State Charter School for the cost of providing special education and related services to its Resident Students, giving the SBE the authority to order the local board of education to comply, and seek an order from the Superior Court compelling the local board of education to do so if it fails to comply?

For reasons arising from the factual circumstances detailed below, Brass City further requests that the SBE take into consideration the time-sensitive nature of many of the issues identified above, the concerns underlying them, and the current and potential future impact on the educational interests of the state, namely the obligation to ensure that all students with disabilities who attend Connecticut public schools, including State Charter Schools, have access to a Free Appropriate Public Education ("FAPE") as required by the Individuals with Disabilities Education Act, 20 U.S.C. § 1400, *et. seq.* and the regulations adopted thereunder ("IDEA"), state laws concerning children requiring special education at Connecticut General Statutes §§ 10-76a to 10-76ii, inclusive, and Regulations of Connecticut State Agencies at §§ 10-76-1 to 10-76I-1, inclusive.

II. Relevant Statutory Language

Connecticut General Statutes § 10-66ee provides:

In the case of a student identified as requiring special education, the school district in which the student resides shall: (A) Hold the planning and placement team meeting for such student and shall invite representatives from the charter school to participate in such meeting; and (B) pay the state charter school, on a quarterly basis, an amount equal to the difference between the reasonable cost of educating such student and the sum of the amount received by the state charter school for such student pursuant to subdivision (1) of this subsection and amounts received from other state, federal, local or private sources calculated on a per pupil basis. Such school district shall be eligible for reimbursement pursuant to section 10-76g. The charter school a student requiring special education attends shall be responsible for ensuring that such student receives the services mandated by the student's individualized education program whether such services are provided by the charter school or by the school district in which the student resides.

III. Factual Background

Brass City is a public State Charter School located in Waterbury, Connecticut. One hundred percent (100%) of the students who attend Brass City are Resident Students of Waterbury, Connecticut. Pursuant to Conn. Gen. Stat. § 10-66ee, Brass City ensures that the students who attend Brass City and are identified as having disabilities under IDEA receive the services mandated in each student's IEP. At least since the 2018-19 school year, Brass City has sent detailed invoices to the WBOE requesting reimbursement for one hundred percent (100%) of the actual cost of providing special education and related services to Waterbury Resident Students. Since the 2018-19 school year to present, the WBOE has refused to pay.

This dispute began on June 18, 2019, when the City of Waterbury's Corporation Counsel sent a letter ("June 18, 2019 Letter") to Brass City refusing to reimburse Brass City for the actual cost of providing special education and related services to Waterbury Resident Students (see Exhibit A). Instead, the June 18, 2019 Letter detailed how the

WBOE intended to calculate the annual reimbursement amount to be paid to Brass City for special education and related services (see Exhibit A). The reimbursement formula proposed in the June 18, 2019 Letter was completely divorced from the actual costs of providing special education and related services (see Exhibit A). Instead, the proposed formula calculated the reimbursement amount based on the difference between Brass City's and Waterbury Public Schools' ("WPS") per pupil expenditures, as calculated annually by the Connecticut State Department of Education ("CSDE").

On July 31, 2019, Brass City's executive director, Dr. Barbara Ruggiero, objected to the use of this proposed formula in a detailed email to WPS superintendent Dr. Verna Ruffin, maintaining that reimbursement for special education and related services must be based on the actual cost of providing those services to Waterbury's Resident Students (see Exhibit B). Dr. Ruffin replied to Dr. Ruggiero on August 20, 2019 refusing to reimburse Brass City based on actual costs, citing lack of state funding and the need to balance various legal obligations, writing:

"It is my responsibility to balance the various legal responsibilities to adhere to the standards under the law and to support the needs of all students within the School District who require Special Education services. Sadly, the state has traditionally underfunded the District with respect to ECS funds and many other areas of support have remained flat or similarly underfunded, including funding for Special Education. As you know there are also considerable unfunded mandates that apply in a variety of areas which seem to grow annually. So, the consequence is that we must work to find solutions where we can while we meet our various legal obligations."

(See Exhibit C).

In school years 2019-20, 2020-21 and 2021-22, WBOE continued to provide partial reimbursement to Brass City based on the arbitrary formula proposed in the July 18, 2019 Letter, and Brass City continued to object by sending invoices for the actual cost of

providing special education and related services to Waterbury resident students (see Exhibit D).

In Spring 2022, Brass City engaged this firm’s counsel to assist in resolving this dispute. This firm’s counsel has made multiple attempts to resolve this dispute through WBOE’s counsel, including by engaging in a mediated conversation by and through the Connecticut State Department of Education’s director of legal affairs, Attorney Mike McKeon. However, the parties remain unable to resolve their dispute primarily due to disagreement on the issues Brass City raises via this petition. As of the date of this Petition, Brass City is owed \$748,893.07 by WBOE¹ for the actual cost of providing special education and related services to Waterbury Resident Students since school year 2018-19 (see Exhibit E). This size of outstanding balance is causing financial hardship for Brass City. As a result, Brass City seeks a resolution of this Petition by the close of this fiscal year (June 30, 2023).

IV. Discussion

- i. Issue 1: Is Conn. Gen. Stat. § 10-66ee properly interpreted as requiring a Resident District to reimburse a State Charter School for the actual cost of providing special education and related services based on the services and minutes enumerated in each student’s Individualized Education Program (“IEP”)?**

Resident Districts must reimburse State Charter Schools for the actual cost of providing special education and related services to their Resident Students.

The plain language of Conn. Gen. Stat. § 10-66ee requires, “...the school district in which the student resides...,” to “...pay the state charter school, on a quarterly basis, an amount equal to the difference between the reasonable cost of educating such student

¹ \$748,893.07 is the current outstanding balance owed to Brass City by WBOE after taking partial payments into account.

and the sum of the amount received by the state charter school for such student pursuant to subdivision (1) of this subsection and amounts received from other state, federal, local or private sources calculated on a per pupil basis....”

To provide additional clarification about the meaning of this statute, division director of CSDE’s Turnaround Office Lisa Lamenzo sent a formal memorandum addressed to all charter school leadership on April 1, 2021 (“April 1, 2021 CSDE Guidance”) with specific guidance on how this statute should be interpreted for purposes of billing of Resident Districts for reimbursement of special education and related services. She stated:

...The intent of [Conn. Gen. Stat. § 10-66ee] is that the receiving school have neither a fiscal advantage nor disadvantage when delivering special education and related services to a student...[I]n all cases **eligible costs must be based on actual costs incurred by the charter school to educate such student, which should be substantiated by requirements outlined in such student’s IEP**....It is incumbent on the Charter schools to maintain documentation that details how they arrived at the special education costs they are billing the home district for each student receiving services. For example, while there may be a rate agreed to for certain services, the actual hours billed must be per individual child.”

(Exhibit F, emphasis added.)

The April 1, 2021 CSDE Guidance clearly states that State Charter Schools are required to bill Resident Districts based the actual cost of providing the special education and related services as required by each student’s IEP. Ipso facto, Resident Districts are required to reimburse State Charter Schools based on the actual cost of providing special education and related services as required by each student’s IEP.

Since at least school year 2018-19, Brass City has provided WBOE with invoices that clearly detail the actual cost of providing special education and related services to each Waterbury resident student who attends Brass City. Additionally, Brass City’s

invoices confirm that the amount billed confers no fiscal advantage upon the school, with Brass City explicitly stipulating on a separate page of the invoice that the total amount invoiced equals the actual cost of the salaries, taxes, and benefits paid to those Brass City personnel who spend 100 percent of their time providing these services.

Despite the fact that Brass City's invoices align with CSDE guidance, WBOE has continuously refused to reimburse Brass City for the actual cost of providing special education and related services to Waterbury Resident Students. Instead, WBOE provided Brass City with an amount based on the formula in the June 18, 2019 Letter for school years 2018-19, 2019-20, 2020-21, and 2021-22. For school year 2022-23, WBOE has provided \$0 (zero dollars) of reimbursement.

Since at least school year 2018-19, Brass City has requested reimbursement for special education and related services for Waterbury Resident Students as required by Conn. Gen. Stat. § 10-66ee and the April 1, 2021 CSDE Guidance.

Therefore, the Petitioner requests that the SBE issue a declaratory ruling that Resident Districts must reimburse State Charter Schools for the actual cost of providing special education and related services to their Resident Students, and consequently, WBOE must reimburse Brass City for the actual cost of providing special education and related services to Waterbury Resident students retroactive to school year 2018-19.

- ii. **Issue 2: Are there any state, federal, local or private revenue sources that are paid directly to State Charter Schools specifically for the provision of special education and related services that should be deducted from the reimbursement amount due from the Resident District?**

State Charter Schools do not receive any funding pursuant to subdivision (1) of Conn. Gen. Stat. § 10-66ee, or from other state, federal, local, or private sources for the purposes of providing of special education and related services. Therefore, Resident

Districts are responsible for 100 percent of the actual cost of providing these services to their Resident Students.

a. State Charter Schools do not receive funding for the provision of special education and related services pursuant to Conn. Gen. Stat. § 10-66ee subdivision (1)

Connecticut funds State Charter Schools pursuant to subdivision (1) of Conn. Gen. Stat. § 10-66ee, which provides, in relevant part:

(A) “Total charter need students” means the sum of (i) **the number of students enrolled in state charter schools** under the control of the governing authority for such state charter schools for the school year, and (ii) for the school year commencing July 1, 2021, and each school year thereafter, (I) **thirty per cent of the number of children enrolled in such state charter schools eligible for free or reduced price meals or free milk**, (II) **fifteen per cent of the number of such children eligible for free or reduced price meals or free milk in excess of the number of such children eligible for free or reduced price meals or free milk that is equal to sixty per cent of the total number of children enrolled in such state charter schools**, and (III) **twenty-five per cent of the number of students enrolled in such state charter schools who are English language learners**, as defined in section 10-76kk.

(B) “Foundation” has the same meaning as provided in section 10-262f.

(C) “Charter full weighted funding per student” means the quotient of (i) the product of the total charter need students and the foundation, and (ii) the number of students enrolled in state charter schools under the control of the governing authority for such state charter schools for the school year.

(Emphasis added.)

Pursuant to this section, the “Charter full weighted funding per student” is based on a foundation amount, which is intended to represent the cost of educating a general education student, with additional funding provided for students who are eligible for free or reduced price meals or free milk and students who are English language learners. Notably, the statute provides no additional funding for students with disabilities.

Brass City's financial statements for the school years in question confirm that Brass City is a Connecticut State Charter School with its primary source of revenue shown as the Connecticut State Charter School grant (see Exhibit G).

Therefore, the petitioner requests that SBE issue a declaratory ruling that subdivision (1) of Conn. Gen. Stat. § 10-66ee does not provide funding for the provision of special education and related services.

b. Brass City does not receive revenue for the provision of special education and related services from any other state, federal, local, or private sources.

There are no other sources of state, federal, local, or private revenue available to State Charter Schools for the provision of special education and related services.

In Connecticut, the only other sources of revenue available to public schools for the purposes of providing of special education and related services are Conn. Gen. Stat. § 10-76g *State aid for special education* (more commonly referred to as the "Excess Cost Grant") and the Individuals with Disabilities Education Act (IDEA) Part B funding, which flows from the federal government through the Connecticut State Department of Education. State Charter Schools do not receive funding from either source.

Conn. Gen. Stat. § 10-66ee specifically states that it is the Resident District—not the State Charter School—that is eligible for reimbursement under Conn. Gen. Stat. § 10-76g. A review of Connecticut's *Annual Report of the Individuals with Disabilities Education Improvement Act Part B Grant Federal Fiscal Year 2019/Fiscal Year 2020* and *Annual Report of the Individuals with Disabilities Education Improvement Act Part B Grant*

Federal Fiscal Year 2020/Fiscal Year 2021 (Exhibit H) shows that no State Charter School received IDEA Part B funding.²

A review of Brass City's financial statements for the school years in question (see Exhibit G) confirm that Brass City did not receive any other state, federal, local or private funding for the provision of special education and related services.

Therefore, the petitioner requests that SBE issue a declaratory ruling that State Charter Schools do not receive revenue from state, federal, local sources for the provision of special education and related services, and as long as a State Charter School's audited financial statements show that no private revenue was received for the provision of special education and related services, Resident District must pay one hundred percent (100%) of the actual cost of providing special education and related services.

- iii. **Issue 3: Does the actual cost of providing special education and related services include the percentage of time school personnel spend on administrative and planning activities directly related to the provision of special education and related services, in addition to the time spent on direct instruction?**

The actual cost of providing special education and related services should include the percentage of time school personnel spend on administrative and planning activities directly related to the provision of special education and related services, in addition to the time spent on direct instruction.

Conn. Gen. Stat. § 10-66ee requires Resident Districts to pay State Charter Schools for the "reasonable cost of educating students [requiring special education.]"

² Additional years of Connecticut's *Annual Report of the Individuals with Disabilities Education Improvement Act Part B Grant* are publicly available on the CSDE website, and CSDE can confirm that no State Charter School received IDEA Part B funding through its own records.

In addition to the time that teachers spend on direct instruction, the provision of special education services in accordance with applicable state and federal statutes and regulations requires school personnel to perform many additional tasks including, but not limited to: conducting assessments, administering interim benchmarks, and collecting data regarding students' responses to interventions and progress towards IEP goals; drafting mandatory IEP progress monitoring reports; planning time to modify grade-level curriculum and methods of instruction to ensure accessibility and alignment with students' individualized needs and accommodations; and preparing for and attending planning and placement team meetings (PPTs), including drafting IEPs and time spent providing prior written notice of PPT meetings and IEP decisions. As a result, these activities are part and parcel to providing special education and related services to students with disabilities, and in fact, are essential to maintaining legal compliance. Thus, these activities should be considered part of the reasonable cost of providing special education and related services.

Brass City employs a part-time special education coordinator who spends one hundred percent (100%) of their time on responsibilities related to providing special education and related services. Prior to 2022-23, the special education coordinator worked 20 hours per week; in 2022-23, the special education coordinator's hours expanded to 30 hours per week based on a request from WPS to have Brass City's special education coordinator perform special education-related administrative functions that were previously performed by WPS. The responsibilities of the special education coordinator include:

- Ensuring compliance with IEPs, including ensuring that compensatory education hours are delivered and services are logged;
- Conducting educational achievement testing and classroom observations for purposes of special education evaluations;
- Supporting teachers in modifying curriculum and instruction to align with requirements of students' IEPs;
- Meeting with teachers during summer PD to discuss students with disabilities who will be in their classroom and discuss IEPs to ensure appropriately delivery of instruction and compliance with IEP requirements;
- Providing special education-related administrative services on behalf of WPS at WPS' request, including: scheduling PPTs, sending out notifications to parents, and completing all PPT and IEP related paperwork. WPS has asked Brass City to have the special education coordinator perform these administrative functions because WPS does not currently have district staff who are able to fulfill these responsibilities due to vacancies.

Because the special education coordinator's job responsibilities are one hundred (100%) percent related to the provision of special education and related services and represent essential functions necessary to maintaining basic legal compliance, Brass City has included the cost of their cost of employment in their invoices to WBOE as a reimbursable expense. Via their counsel, WBOE has communicated that they have deemed the services provided by the special education coordinator to be "non-essential" and have not agreed to include the cost of the special education coordinator as a reimbursable expense (see Exhibit I).

Because planning and administrative activities directly related to the provision of special education and related services are essential to complying with state and federal statutes and regulations governing special education, the Petitioner requests that the SBE issue a declaratory ruling that the percentage of time school personnel spend on administrative and planning activities directly related to the provision of special education and related services, in addition to time spent on direct instruction, should be considered part of the actual cost of providing special education and related services, and therefore, a cost that Resident Districts are required to reimburse to State Charter Schools.

iv. Is a Resident District's obligations to provide reimbursement for special education and related services to State Charter Schools under Conn. Gen. Stat. § 10-66ee identical to the obligations of Resident Districts to provide reimbursement for special education and related services to interdistrict magnet school operators under Conn. Gen. Stat. § 10-264I?

The statutory language governing reimbursement for the cost of educating students requiring special education who attend State Charter Schools and Interdistrict Magnet Schools is identical; therefore, the obligations of Resident Districts to provide reimbursement for special education and related services to State Charter Schools and Interdistrict Magnet Schools should be identical.

Conn. Gen. Stat. § 10-264I, which governs reimbursement for the cost of educating students requiring special education who attend Interdistrict Magnet Schools provides, in relevant part:

In the case of a student identified as requiring special education, the school district in which the student resides shall: ... (B) pay the interdistrict magnet school an amount equal to the difference between the reasonable cost of educating such student and the sum of the amount received by the interdistrict magnet school for such student pursuant to subsection (c) of this section and amounts received from other state, federal, local or private sources calculated on a per pupil basis. Such school district shall be eligible for reimbursement pursuant to section 10-76g.

While there is a dispute regarding how Resident Districts should reimburse State Charter Schools for special education and related services, there is a well-established system of reimbursement for special education and related services between Resident Districts and receiving Interdistrict Magnet Schools. In all observed instances, receiving Interdistrict Magnet Schools bill Resident Districts for the actual cost of providing special education and related services based on the services and minutes enumerated in individual students' IEPs (see Exhibit J). As evidenced by Exhibit K, WBOE engages in this practice when billing for out-of-district students who attend WBOE-operated magnet schools.

Therefore, the petitioner requests the SBE issue a declaratory ruling that the obligations of Resident Districts to provide reimbursement for special education and related services to State Charter Schools under Conn. Gen. Stat. § 10-66ee are identical to the obligations of Resident Districts to provide reimbursement for special education and related services to Interdistrict Magnet School operators under Conn. Gen. Stat. § 10-264I, and these statutes should be uniformly interpreted by all impacted parties.

v. Does a Resident District violate the educational interests of the state when it refuses to reimburse a State Charter School for the cost of providing special education and related services to its Resident Students?

When a Resident District refuses to reimburse a State Charter School for the cost of providing special education and related services to its Resident Students, it violates the education interests of the state, pursuant to Conn. Gen. Stat. § 10-4a.

Pursuant to Conn. Gen. Stat. § 10-4a, the educational interests of the state include that "... (1) each child shall have...equal opportunity to receive a suitable program of educational experiences;" and "... (3) in order to reduce racial, ethnic and economic

isolation, each school district shall provide educational opportunities for its students to interact with students and teachers from other racial, ethnic, and economic backgrounds and may provide such opportunities with students from other communities;...” Additionally, the SBE and Commissioner of Education are charged with state supervision of special education programs and services, and the SBE is charged with ensuring that each board of education complies with IDEA, pursuant to Conn. Gen. Stat. §§10-76a to 10-76ii, inclusive, and Reg. of Conn. Stat. Agen. §§10-76a-1 to 10-76d-19, inclusive.

The Connecticut General Assembly enacted Conn. Gen. Stat. § 10-66ee to provide State Charter Schools with the funding necessary to ensure students with disabilities who choose to attend charter schools have consistent access to special education and related services. When a Resident District refuses to provide reimbursement for special education and related services pursuant to Conn. Gen. Stat. § 10-66ee, it infringes upon the rights of students with disabilities—including their right to have the same access to educational opportunities as their non-disabled peers and their right to access a free appropriate public education (FAPE).

By refusing to reimburse Brass City for the cost of providing special education and related services to Waterbury Resident Students, the WBOE threatens to undermine Connecticut’s system of school choice and the civil rights of students with disabilities.

Therefore, the Petitioner requests that the SBE issue a declaratory ruling that a Resident District violates the educational interests of the state when it fails to reimburse a state charter school for the cost of providing special education and related services to its resident students.

V. Conclusion and Requested Remedies

For all the foregoing reasons, Petitioner requests the SBE issue the following declaratory rulings:

1. Local and regional boards of education are required to reimburse State Charter Schools for the actual cost of providing special education and related services to their Resident Students, based on the services and minutes enumerated in each Resident Student's IEP, and therefore, WBOE must reimburse Brass City for the actual cost of providing special education and related services to Waterbury Resident Students retroactive to school year 2018-19.
2. State Charter Schools do not receive revenue pursuant to subdivision (1) of Conn. Gen. Stat. § 10-66ee or from other state, federal, local, or private sources for the purposes of providing special education and related services, and therefore, resident local and regional boards of education are required to reimburse State Charter Schools one hundred percent (100%) of the cost of providing special education and related services to their Resident Students.
3. The actual cost of providing special education and related services includes the percentage of time school personnel spend on administrative and planning activities directly related to the provision of special education and related services, in addition to time spent on direct instruction.
4. The obligations of resident local and regional boards of education to provide reimbursement for special education and related services to State Charter Schools under Conn. Gen. Stat. § 10-66ee are identical to the obligations of resident local and regional boards of education to provide reimbursement for special education and related services to Interdistrict Magnet School operators under Conn. Gen. Stat. § 10-264I, and these statutes should be uniformly interpreted by all impacted parties.
5. A resident local or regional board of education violates the educational interests of the state when it fails to reimburse a State Charter School for the cost of providing special education and related services to its Resident Students.

**PETITIONER,
BRASS CITY CHARTER SCHOOL**



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Petition for Declaratory Ruling has been served upon the following by certified mail, and email, this 26th day of May, 2023.

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c/o Office of the Commissioner Connecticut State Department of Education
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By: _____
Kathryn A. Roy, Esq.

EXHIBIT A

Brass City

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CONNECTICUT

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**Also admitted in New York



June 18, 2019

Dr. Barbara Ruggiero, Executive Director
Brass City Charter School
21 Chestnut Avenue
Waterbury, CT 06710

Re: Funding for Special Education Teacher and Provision of In-Kind Services
CRT18-147

Dear Dr. Ruggiero:

The District has been spending an enormous amount of time attempting to calculate a fair and reasonable reimbursement of costs for the provision of special education services at the Brass City Charter School. As you know, the District has been ready, able and willing to provide the statutory reimbursement to Brass City Charter. To that end, a check is enclosed that represents the statutory required reimbursement in the amount of \$36,941.35 for the academic year 2018-2019.

The reimbursement is calculated pursuant to Connecticut General Statutes §10-66ee (d)(2), providing that in the case of a student residing in the Waterbury School District and identified as requiring special education services, the Board is obligated to pay to the Charter School:

"an amount equal to the difference between the reasonable cost of educating such student and the sum of the amounts received by the Charter School from all state, federal, local or private sources calculated on a per pupil basis."

The Board and the Charter School acknowledge and agree that the Board's per pupil cost of educating a special education student is \$19,973.00 and that the Brass City Charter School receives \$14,422.00 per pupil from all state, federal, local or private sources. The difference between the two aforementioned numbers, \$5,551.00, is the per pupil amount the Board must provide to the Charter School x 23 Students identified 2018-2019 school year x \$30.67/day = \$127,679.21.

Six additional students were identified for a total of 436 school days at \$30.67/day = \$13,372.12. (2 students did not qualify under special education services). This resulted in a net total reimbursement cost of \$141,051.33

Deducted from the reimbursement cost, the District provided in kind services to Brass City Charter in the total amount of \$104,109.98. The breakdown follows:

Staff	Cost	Benefits	Total
Paraprofessional (133 days)	\$16,825.56	\$9,026.91	\$25,852.47
Social Worker	\$10,154.76	\$4,818.43	\$14,973.19
Speech and Lan- guage	\$30,097.00	\$14,281.03	\$44,378.03
School Psycholo- gists	\$5,416.97	\$2,570.35	\$7,987.32
Special Education Supervisor	\$7,405.20	\$3,513.77	\$10,918.97
Total	\$69,899.49	\$34,210.49	\$104,109.98

Taking the total net reimbursement of \$141,051.33. from the in-kind services of \$104,109.98, leaves a remaining balance of Monies owed to Brass City equaling \$36,941.35, for the academic year 2018-2019.

Under the Ordinances of the City of Waterbury, this funding arrangement does not require a contract between the Board and the Charter School, as the payment being made to the Charter School is less than the \$50,000.00 threshold amount which triggers the requirement of a contract. However, as there has been an ongoing disagreement regarding the amount of reimbursement, I recommend that we commit to writing the reimbursement formula in the future so that both the District and Brass City may plan funding resources appropriately.

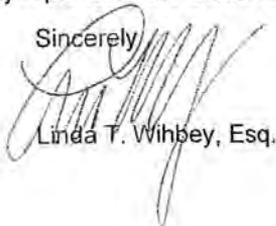
For example, as you are aware, the State of Connecticut Department of Education confirmed that indirect costs claimed by Brass City were not reimbursable or recoverable from the District. Additionally, the State also advised that the cost of a second teacher was not necessary. Lastly, the City of Waterbury did not include in its in kind services, the cost of evaluations

To: Dr. Barbara Ruggiero, Executive Director
Re: Funding for Special Education Teacher and Provision of In-Kind Services
File No: CRT18-147
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paid by the District (psychological cognitive at \$2,500 and speech and language evaluations at a cost of \$1,200 each) as such were equalized by Brass City's payment of achievement evaluations (\$1,200 each).

If these items continue to remain at issue, again I recommend that we memorialize with a written agreement between to two parties. However, I am confident that you will agree that the sums tendered fairly and accurately represents the District's obligations under statute.

Sincerely



Linda T. Wihbey, Esq.

encl: (1)

cc: Melissa Baldwin
Doreen Biolo
Atty. Dawn E. DeSantis

EXHIBIT B

On Wed, Jul 31, 2019 at 3:11 PM Barbara Ruggiero <bruggiero@brasscitycharter.org> wrote:

Dear Verna,

Attached, please find the rationale for our requested reimbursement for special education services for the 2018-2019 school year as well as for the upcoming school year. I am also including the calculated in-kind amounts that the Waterbury school business office has provided us since we opened as requested by you.

I hope that we will meet as soon as possible so that at the very least we can plan for the upcoming school year.

Thank you for your help in this matter.

Barbara

Barbara L. Ruggiero, Ph.D.
Executive Director
Brass City Charter School
www.brasscitycharter.org

Looking back at the historical in-kind numbers which have been provided to us by the Waterbury school business office, there was some inconsistency in what was included in the figures each year. In 2015-16 and in 2016-17, no breakdown was provided, but in other years some positions were included while others were not. The reported numbers, therefore, are difficult to compare on a year to year basis and cannot be reliably used to come up with historical District costs for various services.

We believe that the \$36,941 reimbursement to Brass City Charter School (BCCS) is unrealistic.

First, the IEPs which mandate specific services are developed by the PPT which is run by District personnel. Both the District and BCCS agree that those services are necessary for the individual students. One can conclude that the cost of all IEP services are reasonable costs of the special education program.

In the past, the District has provided personnel who have provided all services. This has included certified teachers, paraprofessionals, social workers, speech/language therapists, school psychologists, OT/PT, and special education supervisors. Therefore, it is reasonable to assume that the District would reimburse BCCS for the actual cost of any such personnel providing these services.

The salary of our certified, FT special education teacher for 2018-19 was \$53,000. She worked with 21-28 students throughout the school year. At the beginning of the 2018-19 year, she had 5 years' experience and an MA. The WTA agreement for a 5th-year teacher with an MA provides for a salary of \$55,632 plus, I believe, an extra \$300 for special education teachers. Our salary, then, is a bit less than that of a comparable District teacher. We would, therefore, consider this to be a reasonable amount for reimbursement.

(Looking at historical numbers - In 2014-15, the in-kind for certified staff was \$53,179. At that time, we had only 12 students, and she was here part-time. In 2017-18, the in-kind was \$34,643 for 22 students, 4 days per week. If 4 days per week is considered .8 FTE, that would equate to a FT total cost of \$43,304. Using your 47.4% benefits percentage, that would mean the 1.0 FTE teacher salary was \$29,378, which seems highly unlikely. It seems, then, that the 2017-18 reported amount for certified staff is underreported and would not be a reliable comparison point for reasonable 2018-19 expenses.)

We also hired a paraprofessional (who is also a certified teacher) at a rate of \$17.50 per hour. According to the UPSEU Local 424 Unit 68 contract, in 2017 a paraprofessional with a BA made \$18.94 after one year. Numbers for 2018-19 were not posted, but one may assume they would not have decreased. Again, our cost as compared to District costs for a similar position is quite reasonable.

Third, we hired a part-time person who did testing as well as consulting with teachers regarding modifications for special education students. We understand that the District does not believe that this person was necessary and are willing to pick up the cost of the consultations; however, the testing is a necessary component of the special education program and as such, should be considered as part of the cost. In order to remain in compliance with IEP hours, the special education teacher does not have enough time to also administer tests. Using the District calculation of \$1,200 per achievement evaluation x 18 tests (14 + 4 FBAs), we are requesting reimbursement of \$21,600 for these services.

Our benefits are calculated at a rate of 18%. In looking at the breakdown of District in-kind costs, benefits are calculated at a rate of 47.4%, with paraprofessional benefits at a rate of 53.6%. BCCS benefits, then, are more than reasonable in comparison.

In summary, 2018-19 direct expenditures for which Brass City Charter School requests reimbursement:

2018-19	Salary	Benefits 18%	Total
Paraprofessional Dec-June	17,041	3,067	20,108
Special Ed teacher FT	53,000	9,540	62,540
Testing (18 x \$1200)	21,600	3,888	25,488
Total			108,136

We disagree with the District method of determining reimbursement to BCCS.

A total cost of \$141,051 (the “pie”, if you will) for providing services to BCCS students was determined. The District then deducted their calculated costs of one paraprofessional, school social worker, speech/language, school psychologist, and special education supervisor. The stated cost of these services is \$104,110, or 73.8% of the total “pie”.

The remainder was sent to BCCS as our reimbursement.

We believe the line for speech and language has been miscalculated. Speech and language services required by IEPs amount to 4.5 hours per week. Using a 36-week school year, that amounts to 162 hours per year. The total in-kind cost of \$44,378 equates to an hourly rate of \$273.94 per hour when benefits are added (\$185.78 without benefits). Indeed.com lists the average hourly rate for a speech/language person in CT as \$43.62 per hour.

Social work services under IEPs are 6.5 hours per week or 234 hours per year. If the expected workweek is 35 hours, this would equate to 18.5% of her weekly hours and an FTE salary of around \$55,000, which seems reasonable.

The hourly rate for the paraprofessional does not seem out of line.

While we do not know the basis for the calculations for the school psychologist or the supervisor, as there are no specific IEP hours attached to their services, we will assume those numbers to be reasonable.

The benefits allocation of 47.4%-53.6% does seem to be very high, though.

When these in-kind services are subtracted from the total, only \$36,941, or 26% of the “pie” remains to cover the cost of both a FT paraprofessional (Dec-June) AND a FT certified teacher. If the District had provided the paraprofessional at a similar rate to the one already provided, that would leave about \$11,000 as the reimbursement for the certified teacher. Since the certified teacher provides the yeoman’s share of IEP services (currently 81.5 hours per week), it is illogical that the amount allocated for that position is so small. Over the course of 36 weeks, it amounts to a reimbursement of approximately \$3.75 per service hour for a fully certified teacher with 5 years’ experience and an MA.

Even more disturbing - using the current calculation logic, when the District provides the additional paraprofessionals required by IEPs in the 2019-20 school year, BCCS will end up with no money whatsoever, as those paras will cost more than the residual amount which is the proposed BCCS share of the pie. It would presumably then be the position of the District that all monies for 2019-20 will have been spent and there is NO money allotted for certified staff to service the students. That just makes no sense.

It would seem, then, that an adjustment in the size of the overall “pie” and/or the calculation of in-kind amounts, is in order if we are to comply with IEP requirements.

2019-20

Paraprofessional (estimated)	32,500	5,850	38,350
Special Ed teacher	54,590	9,826	64,416
Testing (estimated – flat)	21,600	3,888	25,488
Total			128,254

This assumes current service levels remain constant in 2019-20.

EXHIBIT C

From: **Dr. Verna D. Ruffin** <vruffin@waterbury.k12.ct.us>
Date: Mon, Aug 19, 2019 at 4:27 PM
Subject: Response from Superintendent WPS to Brass City Charter August 19, 2019
To: bruggiero@brasscitycharter.org <bruggiero@brasscitycharter.org>
Cc: MELISSA BALDWIN <mbaldwin@waterbury.k12.ct.us>, Doreen Biolo <dbiolo@waterbury.k12.ct.us>, William Clark <wclark@waterbury.k12.ct.us>, Dr. Verna D. Ruffin <vruffin@waterbury.k12.ct.us>

Dr. Ruggiero,

I have followed up with my staff since our meeting and have reviewed the additional documentation that your staff prepared. Please consider the following a good faith offer to move forward.

Be advised that it is my position that the District has met its obligation to Brass City for the 18-19 School year. As we discussed in our meeting, funding for education is a critical issue in Connecticut generally as well as with respect to Special Education specifically. It is my responsibility to balance the various legal responsibilities to adhere to the standards under the law and to support the needs of all students within the School District who require Special Education services. Sadly, the state has traditionally underfunded the District with respect to ECS funds and many other areas of support have remained flat or similarly underfunded, including funding for Special Education. As you know there are also considerable unfunded mandates that apply in a variety of areas which seem to grow annually. So, the consequence is that we must work to find solutions where we can while we meet our various legal obligations.

In reviewing the issues at hand here I am willing to consider an adjusted level of support for Brass City whereby the District adjusts the in-kind calculations in such a manner as to provide some additional fiscal support while Brass City confirms the responsibility to use such support to staff the teaching and paraprofessional elements necessary.

It seems that we largely all agree on the base pot of funds at play here. Using the same calculation method as applied in prior years we project the pot for 2019-20 to be \$154,000.

In an effort to resolve the issues moving forward I recommend the following:

1. The 2018-19 be closed out consistent with the payments and in-kind services provided;

2. The 2019-20 will be calculated as follows:

In-Kind will be calculated Related Services: 45,144.53

1 day/week. Speech and language services and testing

1 day/week School Psychologist services and testing

Social work services for counseling hours

OT/PT as needed.

Supervisor: PPTs, oversight, etc.

10,918.97

Balance of 97,936.5

Quarterly: 24,484.125

Brass City responsible for SPED teacher and Paras.

3. Our respective staffs will review the student population and needs at least quarterly in order to adjust as needed.

Therefore, I am proposing that we begin the school year with the approval of a first payment of \$24,484.125. This sum will be reviewed based on the student numbers and needs in order to continue with the next three quarters.

Dr. Verna D. Ruffin

Superintendent of Schools

Department of Education

Chase Building * Room 158

[236 Grand Street](#)

[Office: \(203\) 574 -8000](#)

Fax: (203) 574-8010

vruffin@waterbury.k12.ct.us

EXHIBIT D

----- Forwarded message -----

From: **Barbara Ruggiero** <bruggiero@brasscitycharter.org>

Date: Tue, Aug 20, 2019 at 10:47 AM

Subject: Response

To: Dr. Verna D. Ruffin <vruffin@waterbury.k12.ct.us>

Dear Dr. Ruffin,

Thank you for your proposal. We do not consider that the school year 2018-2019 has been closed and that cashing the single check that we received constitutes agreement that in fact this is the amount owed us. We believe we are owed significantly more money.

We also do not agree that the pot is \$154,000. We are clearly not using the same calculations and this will not cover the cost of meeting the requirements of our students' IEP's.

For the upcoming year, \$97,936.50 does not in any way represent the cost of special education for BCCS for special educators as well as paras.

At this point, the city has provided one full-time para for a child. Will the person assigned to him return to BCCS this year? In addition to her, we have two other children requiring full-time paras and two others requiring 7 hours weekly and 5 hours weekly respectively.

We have just lost our special education teacher as she was faced with the uncertainty of her position because the city had not, in a timely manner, met with us to address the issue of special education reimbursement. Will you provide us with a teacher?

I look forward to your response.

Barbara

Barbara L. Ruggiero, Ph.D.
Executive Director
Brass City Charter School
www.brasscitycharter.org

EXHIBIT E

**Brass City Charter School
Special Education Costs Due from Waterbury Public Schools as of 12/31/22**

Past Due

Year		Billed	Remove Testing Charge	Add SpEd Coordinator Salary & Ben	Adjusted Total Due	Amount Paid to Date by WPS	Outstanding Balance
2018-19		\$108,136.00	-\$25,488.00	\$47,200.00	\$129,848.00	-\$36,941.35	\$92,906.65
2019-20	Aug-Dec	\$31,332.00	-\$7,080.00	\$19,889.00	\$44,141.00		
	Jan-Jun	\$81,638.00	-\$1,416.00	\$28,727.00	\$108,949.00		
		<u>\$112,970.00</u>	<u>-\$8,496.00</u>	<u>\$48,616.00</u>	<u>\$153,090.00</u>	-\$65,669.26	\$87,420.74
2020-21		\$238,604.00	-\$27,840.00	\$49,226.00	\$259,990.00	-\$83,414.12	\$176,575.88
2021-22	Aug-Dec	\$109,213.00	-\$12,852.00	\$21,278.00	\$117,639.00		
	Jan-Jun	\$211,680.00	-\$32,844.00	\$30,735.00	\$209,571.00		
		<u>\$320,893.00</u>	<u>-\$45,696.00</u>	<u>\$52,013.00</u>	<u>\$327,210.00</u>	-\$113,135.20	\$214,074.80
Total Past Due		<u>\$780,603.00</u>	<u>-\$107,520.00</u>	<u>\$197,055.00</u>	<u>\$870,138.00</u>	<u>-\$299,159.93</u>	\$570,978.07

Current Invoice

2022-23	Aug-Dec	\$177,915.00	0	0	\$177,915.00	0	\$177,915.00
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Total Due

\$748,893.07

Adjustment to Prior Bills for Testing:

Testing was previously billed at \$1200, the flat amount established by WPS. We billed no other costs for the Special Ed Coordinator. However, it has been determined that the full cost of coordinator's salary should have been charged.

		Amount	Benefits	Billed previously	Full Salary	Benefits	Total adjusted amt	Adjustment to bill
2018-19	18 tests	\$21,600	\$3,888	\$25,488	\$40,000	\$7,200	\$47,200	\$21,712
2019-20	Aug-Dec 5 tests	\$6,000	\$1,080	\$7,080	\$16,855	\$3,034	\$19,889	\$12,809
	Jan-June 1 test	\$1,200	\$216	\$1,416	\$24,345	\$4,382	\$28,727	\$27,311
2020-21	20 tests	\$24,000	\$3,840	\$27,840	\$42,436	\$6,790	\$49,226	\$21,386
2021-22	Aug-Dec 9 tests	\$10,800	\$2,052	\$12,852	\$17,881	\$3,397	\$21,278	\$8,426
	Jan-June 23 tests	\$27,600	\$5,244	\$32,844	\$25,828	\$4,907	\$30,735	-\$2,109
		<u>\$91,200</u>	<u>\$16,320</u>	<u>\$107,520</u>	<u>\$167,345</u>	<u>\$29,710</u>	<u>\$197,055</u>	<u>\$89,535</u>

Brass City Charter School Special Education Costs 2022-23

Partial bill - for services provided through Dec 31 2022

Billed to Waterbury Public Schools

Certified Staff:

Augelli	\$24,545	
Brody	\$20,455	
Reilly	\$18,417	
Reilly	\$9,209	additional salary for SpEd admin duties formerly performed by district staff
Scalzo	\$3,645	95 hrs site : site 1 only
Blair	\$1,862	

Paraprofessionals:

Ciervo	\$855	45 hrs site 1
Gutierrez	\$846	43 hrs site 1
Poeta	\$1,824	96 hrs site 1
Riedl	\$1,026	54 hrs site 1
Templeton	\$176	9 hrs site 1
West	\$684	36 hrs site 1
Ramirez	\$3,431	site 1 start 11/7
Mann	\$12,430	AW
Malloy	\$8,455	JM
Roth	\$12,948	MC/KM
McElroy	\$12,759	ACR 94.64%/CV 36 hrs 5.36%
Rumble	\$13,470	BrCa/TD/DF TD 10 hrs per wk

Total \$147,037

Benefits @ 21% \$30,878 actual percentage YTD

Total Due \$177,915

Payable to:

Brass City Charter School
289 Willow St.
Waterbury, CT 06710

203-527-5942 x156
Nancy Landona

EXHIBIT F



STATE OF CONNECTICUT
DEPARTMENT OF EDUCATION



TO: Charter School Leadership

FROM: Lisa Lamenzo, Division Director, Turnaround Office LL

DATE: April 1, 2021

SUBJECT: Charter School Billing for Special Education and Related Services

It has come to the attention of the Connecticut State Department of Education (CSDE) that there are questions about billing and costs related to Charter school students receiving special education and related services.

As a reminder, a charter school's process for billing must be consistent with Connecticut General Statute section 10-66ee, which requires payment from a student's resident town:

on a quarterly basis, an amount equal to the difference between the reasonable cost of educating such student and the sum of the amount received by the state charter school for such student pursuant to subdivision (1) of this subsection and amounts received from other state, federal, local or private sources calculated on a per pupil basis. . . .

We acknowledge that there may be some complexities with the application of this law. The intent of this statute is that the receiving school have neither a fiscal advantage nor disadvantage when delivering special education and related services to a student. **A technical assistance session to answer any questions on this topic is scheduled for April 12, 2021 from 2:45-3:30 p.m.** In addition, the charter renewal process will include charter school's submission of Special Education billing process and billing allocation methodology, which will be an additional touch point for technical support.

The CSDE recognizes the specific methods by which special education costs are calculated and billed vary across the state. However, in all cases eligible costs must be based on actual costs incurred by the charter school to educate such student, which should be substantiated by requirements outlined in such student's IEP. In developing the final billing to a district, charter schools must apply a reduction of the amounts received from other state, federal, local or private sources calculated on a per pupil basis and any in-kind services provided by the sending district.

It is incumbent on the Charter schools to maintain documentation that details how they arrived at the special education costs they are billing the home district for each student receiving services. For example, while there may be a rate agreed to for certain services, the actual hours billed must be per individual child.

While there may be varying approaches to billing, certain methods are not appropriate, such as billing an average hourly rate for students without regard to the actual costs incurred by the specific special education and related services provided to that student. In no case is it permissible for a receiving

school let a student's special education or related services lapse due to a billing dispute with the sending district. With regard to students that attend a program that includes both general education and special education, receiving districts must avoid "double billing" for the special education component of the tuition. This has occurred in the past when tuition was determined by adding the special education costs for the individual student to the receiving district's net current expenditures per pupil. The reason this is considered double billing is that the district's net current expenditures per pupil includes districtwide special education costs.

We anticipate all charter schools will align their billing practices with this reminder effective immediately.

Should there be additional questions prior to our technical assistance programming, please reach out to Special Education Division Director Bryan Klimkiewicz at Bryan.Klimkiewicz@ct.gov and myself at Lisa.Lamenzo@ct.gov.

LL:cg

cc: Desi Nesmith, Deputy Commissioner of Education for Academics and Innovation
Kathy Demsey, Chief Financial Officer, Finance and Internal Operations
Jessa Mirtle, Legal Director, Division of Legal and Governmental Affairs
Bryan Klimkiewicz, Division Director, Bureau of Special Education
Robert Kelly, Charter School Program Manager, Turnaround Office
Felicia Canty, Charter School Liaison, Turnaround Office
Shakira Jacobs-Vazquez, Education Service Assistant, Turnaround Office

EXHIBIT G

BRASS CITY CHARTER SCHOOL, INC.

Annual Financial Statements

For the Year Ended June 30, 2019

BRASS CITY CHARTER SCHOOL, INC.

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For the Year Ended June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Brass City Charter School, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the Brass City Charter School, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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 the Brass City Charter School, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of state financial assistance on page 18 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.

The schedule of financial position (unaudited), schedule of activities (unaudited), schedule of cash flows (unaudited), and schedule of ratio calculations (unaudited) on pages 12 -15 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2019, on our consideration of the Brass City Charter School, 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 the effectiveness of Brass City Charter School, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Brass City Charter School, Inc.'s internal control over financial reporting and compliance.



King, King & Associates, CPAs
Winsted, CT
October 11, 2019

BRASS CITY CHARTER SCHOOL, INC.
 Statements of Financial Position
 June 30, 2019
 (With Comparative Totals For June 30, 2018)

ASSETS	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019</u>	<u>2018</u>
Current Assets				
Cash	\$ 1,245,418	\$ 350,000	\$ 1,595,418	\$ 718,420
Restricted Cash - Webster Interest Reserve	56,362	-	56,362	-
Grants Receivable	92,737	-	92,737	32,077
Other Receivables, Net of Allowance	38,893	-	38,893	5,660
Prepaid Expenses	26,438	-	26,438	20,150
Total Current Assets	<u>1,459,848</u>	<u>350,000</u>	<u>1,809,848</u>	<u>776,307</u>
Property and Equipment				
Land & Buildings	8,273,833	-	8,273,833	1,272,157
Computers/Technology	164,494	-	164,494	140,110
Furniture and Equipment	299,481	-	299,481	228,870
Construction in Progress	61,382	-	61,382	1,073,491
Less: Accumulated Depreciation	(526,187)	-	(526,187)	(191,849)
Total Property and Equipment, Net	<u>8,273,003</u>	<u>-</u>	<u>8,273,003</u>	<u>2,522,779</u>
Total Assets	<u>\$ 9,732,851</u>	<u>\$ 350,000</u>	<u>\$ 10,082,851</u>	<u>\$ 3,299,086</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable	\$ 73,753	\$ -	\$ 73,753	\$ 364,314
Accrued Expenses	13,375	-	13,375	13,099
Deferred Revenue	-	-	-	525,000
Payroll Liabilities	62,439	-	62,439	51,114
Current Portion of Mortgage	-	-	-	115,000
Total Current Liabilities	<u>149,567</u>	<u>-</u>	<u>149,567</u>	<u>1,068,527</u>
Longterm Liabilities				
Mortgage	6,200,000	-	6,200,000	-
Total Liabilities	<u>6,349,567</u>	<u>-</u>	<u>6,349,567</u>	<u>1,068,527</u>
Net Assets				
Without Donor Restrictions	3,383,284	-	3,383,284	2,230,559
With Donor Restrictions	-	350,000	350,000	-
Total Net Assets	<u>3,383,284</u>	<u>350,000</u>	<u>3,733,284</u>	<u>2,230,559</u>
Total Liabilities and Net Assets	<u>\$ 9,732,851</u>	<u>\$ 350,000</u>	<u>\$ 10,082,851</u>	<u>\$ 3,299,086</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.
 Statements of Activities
 For the Year Ended June 30, 2019
 (With Comparative Totals For June 30, 2018)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019</u>	<u>2018</u>
Revenues and Support				
State Charter School Income	\$ 3,228,750	-	\$ 3,228,750	\$ 2,783,000
State Charter School Construction Grant	736,000	-	736,000	850,000
School Nutrition Income	255,980	-	255,980	186,643
Title I Grant	91,647	-	91,647	80,994
Foundation/Corporate Grants	523,461	350,000	873,461	465,500
Construction Grants	375,000	-	375,000	-
Other Grant Income	125,961	-	125,961	21,320
In-kind (Contributed) Services & Goods	668,691	-	668,691	603,854
Contributions	35,290	-	35,290	35,632
Parent Fundraising	13,883	-	13,883	16,407
Other Income	933	-	933	370
Total Revenues, and Support	<u>6,055,596</u>	<u>350,000</u>	<u>6,405,596</u>	<u>5,043,720</u>
Expenses				
Education	4,662,842	-	4,662,842	3,665,513
Management and General Fundraising	233,510	-	233,510	203,299
	6,519	-	6,519	6,812
Total Expenses	<u>4,902,871</u>	<u>-</u>	<u>4,902,871</u>	<u>3,875,624</u>
Change in Net Assets				
Net Assets - Beginning of Year	1,152,725	350,000	1,502,725	1,168,096
	2,230,559	-	2,230,559	1,062,463
Net Assets - End of Year	<u>\$ 3,383,284</u>	<u>\$ 350,000</u>	<u>\$ 3,733,284</u>	<u>\$ 2,230,559</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Statements of Cash Flows

For the Year Ended June 30, 2019

(With Comparative Totals For June 30, 2018)

OPERATING ACTIVITIES	<u>2019</u>	<u>2018</u>
Change in Net Assets	\$ 1,502,725	\$ 1,168,096
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	342,538	66,129
Loss on Disposal of Fixed Assets	8,353	-
(Increase) / Decrease In:		
Grants Receivable	(60,660)	(3,772)
Other Receivable	(33,233)	(995)
Prepaid Expenses	(6,288)	11,753
(Decrease) / Increase In:		
Accounts Payable	(290,561)	306,973
Accrued Expenses	276	840
Deferred Revenue	(525,000)	150,000
Payroll Liabilities	11,325	2,375
Net Cash Provided by Operating Activities	<u>949,475</u>	<u>1,701,399</u>
 INVESTING ACTIVITIES		
Purchase of Fixed Assets	<u>(6,101,115)</u>	<u>(1,760,951)</u>
Net Cash Used For Investing Activities	<u>(6,101,115)</u>	<u>(1,760,951)</u>
 FINANCING ACTIVITIES		
Proceeds from Financing	6,200,000	965,000
Repayment of Financing	<u>(115,000)</u>	<u>(850,000)</u>
Net Cash Provided by Financing Activities	<u>6,085,000</u>	<u>115,000</u>
Increase in Cash and Cash Equivalents	933,360	55,448
Cash, Beginning of Year	<u>718,420</u>	<u>662,972</u>
Cash, End of Year	<u>\$ 1,651,780</u>	<u>\$ 718,420</u>

Supplemental Information

Income Taxes Paid	\$ -	-
Interest Paid	\$ 256,367	1,133

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Statements of Functional Expenses

For the Year Ended June 30, 2019

EXPENSES:	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$2,464,424	\$ 156,335	\$ 4,747	\$ 2,625,506
Employee Benefits and Payroll Taxes	348,097	28,140	854	377,091
Total Salaries & Related Expenses	<u>2,812,521</u>	<u>184,475</u>	<u>5,601</u>	<u>3,002,597</u>
Office Expense	3,768	7,114	-	10,882
Alarm	8,204	37	-	8,241
Bad Debt	71,195	-	-	71,195
Books	40,801	-	-	40,801
Parent Fundraising Expense	-	-	918	918
Communications	7,311	566	-	7,877
Depreciation	340,690	1,848	-	342,538
Dues and Fees	3,128	9,255	-	12,383
Employee Training	26,333	535	-	26,868
Insurance	28,550	9,319	-	37,869
Interest	255,214	1,153	-	256,367
Loss on Disposal of Fixed Assets	8,353	-	-	8,353
Miscellaneous	3	479	-	482
Printing and Copying	5,914	84	-	5,998
Professional Fees	3,223	17,753	-	20,976
Pupil Services	37,363	-	-	37,363
Repairs and Maintenance	87,829	390	-	88,219
School Nurse - In-kind	85,903	-	-	85,903
Special Education - In-kind	104,110	-	-	104,110
Student Related Activities	42,409	-	-	42,409
Student Lunch	121,623	-	-	121,623
Supplies	50,606	-	-	50,606
Transportation - In-kind	404,814	-	-	404,814
Trash Removal	12,301	56	-	12,357
Travel & Meetings	3,038	5	-	3,043
Utilities	97,638	441	-	98,079
Total Other Expenses	<u>1,850,321</u>	<u>49,035</u>	<u>918</u>	<u>1,900,274</u>
Total Expenses	<u>\$4,662,842</u>	<u>\$ 233,510</u>	<u>\$ 6,519</u>	<u>\$ 4,902,871</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Statements of Functional Expenses

For the Year Ended June 30, 2018

EXPENSES:	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$2,195,103	\$156,077	\$ -	\$2,351,180
Employee Benefits	326,209	21,952	-	348,161
Total Salaries & Related Expenses	<u>2,521,312</u>	<u>178,029</u>	<u>-</u>	<u>2,699,341</u>
Office Expense	2,490	1,071	90	3,651
Alarm	4,508	-	-	4,508
Books	61,208	-	-	61,208
Parent Fundraising Expense	-	-	6,722	6,722
Communications	9,295	484	-	9,779
Depreciation	65,750	379	-	66,129
Dues and Fees	2,856	5,791	-	8,647
Employee Training	59,148	2,206	-	61,354
Insurance	30,160	5,448	-	35,608
Interest	1,133	-	-	1,133
Miscellaneous	1,816	-	-	1,816
Printing and Copying	5,940	84	-	6,024
Professional Fees	7,320	9,282	-	16,602
Pupil Services	28,675	-	-	28,675
Rent	9,700	-	-	9,700
Repairs and Maintenance	125,232	407	-	125,639
School Nurse - In-kind	87,348	-	-	87,348
Special Education - In-kind	97,792	-	-	97,792
Student Related Activities	29,245	-	-	29,245
Student Lunch	107,937	-	-	107,937
Supplies	42,060	-	-	42,060
Transportation - In-kind	279,000	-	-	279,000
Trash Removal	7,325	-	-	7,325
Utilities	78,263	118	-	78,381
Total Other Expenses	<u>1,144,201</u>	<u>25,270</u>	<u>6,812</u>	<u>1,176,283</u>
Total Expenses	<u>\$ 3,665,513</u>	<u>\$ 203,299</u>	<u>\$ 6,812</u>	<u>\$ 3,875,624</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.
Notes to the Financial Statements

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Brass City Charter School, Inc. (BCCS) provides a rigorous academic and holistic social - emotional learning program that will eliminate the achievement gap for underserved students. BCCS enables students to soar academically, develop as people of character, and lead meaningful and productive lives both for themselves and for their community. BCCS is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and has been classified as other than a private foundation. The school is funded primarily through state grants and donated services from Waterbury Public Schools and Waterbury Department of Public Health.

Income Tax Status

BCCS is organized as a Connecticut non-stock corporation and is exempt from federal income taxes under section 501 (c)(3) of the Internal Revenue Code. In addition, BCCS qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509 (a)(2).

Basis of Accounting

The financial statements of BCCS have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities. Revenue is recognized when earned and expenditures when incurred.

Recent Accounting Pronouncement

BCCS adopted ASU2016-14 – *Not for Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance and cash flow. Main provisions of this guidance include: presentation of two classes of net asset versus the previously required three classes, recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service, and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification. Certain amounts in the prior year are reclassified to conform to current year presentation, when necessary.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. BCCS reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Support that is restricted by the donor is reported as an increase in unrestricted assets if the restriction expires in the same reporting period in which the support is recognized.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, BCCS considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Executive Director will decide when an accounts receivable balance should be written off. At June 30, 2019, BCCS carried an allowance for doubtful accounts balance of \$71,195 related to special education costs billed to the City of Waterbury.

BRASS CITY CHARTER SCHOOL, INC.
Notes to the Financial Statements

Property and Equipment

Purchases of Property and Equipment over \$750 are capitalized and are carried at cost. Depreciation is computed using the straight-line method over the estimated useful life of the assets as follows:

Buildings & Improvements	25-40 years
Computers	5 years
Furniture & Equipment	7 years

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, BCCS reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. BCCS reclassifies net assets with donor restrictions to net assets without donor restriction at that time.

Donated Services

The majority of voluntary services donated by individuals have not been reflected in the financial statements. These services provided do not meet the criteria for recognition under ASC 958-605-25-16; however, special voluntary services that meet the criteria for recognition are reported as donated services and expensed in the same year as discussed in Note 6.

Deferred Revenue

Deferred Revenue consists of a grant for general operating support. The revenue is recognized when services are rendered.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Each expenditure is examined and then classified to one of the following functional categories; program, management and general, and fundraising. For certain expenditures a ratio based on time and effort is used to allocate to the appropriate aforementioned categories.

Estimates

Management uses estimates and assumptions in preparing financial statements, as required by generally accepted accounting principles (GAAP). Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Net Assets Without Donor Restrictions

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

Review for Subsequent Events

In connection with the preparation of the financial statements of BCCS as of and for the year ended June 30, 2019, events and transactions subsequent to June 30, 2019 through October 11, 2019, the date the financial statements were available to be issued, have been evaluated by BCCS's management for possible adjustment and/or disclosure.

BRASS CITY CHARTER SCHOOL, INC.
Notes to the Financial Statements

Note 2 – DETAIL NOTES ON ASSETS, LIABILITIES, AND NET ASSETS

Cash and Cash Equivalents

At June 30, 2019 and 2018, the carrying amounts of BCCS deposits were \$1,651,680 and \$718,420 and the bank balance was \$1,653,451 and \$759,917, respectively. \$250,000 of the bank balance was insured by the FDIC both years. \$1,403,451 and \$509,917 was uninsured in each year, respectively.

Restricted Cash of \$56,362 is held in a Capitalized Investment account to be used to pay interest on mortgages.

Availability and Liquidity Information

The Organization's following financial assets are available within one year of the statement of financial position date for general expenditure. As part of Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. BCCS construction financing includes loan covenants that require BCCS to maintain specific ratios for debt coverage and number of days cash on hand.

Cash and Cash Equivalents	<u>\$ 1,651,780</u>
Financial assets, at year end	1,651,780
Less those unavailable for general expenditures within one year, due to:	
Donor restrictions:	
2019-2020 Operating Expenses	<u>(350,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,301,780</u>

Line of Credit

BCCS also maintains a \$100,000 line of credit with a bank to help finance its cash flows while waiting for grant funds to be received. The line of credit is linked to a BCCS checking account and funds are deposited as needed. There was no outstanding balance at June 30, 2019 or 2018.

Note 3 – CONCENTRATION OF SUPPORT

BCCS received per-pupil allocation funds from the State of Connecticut and significant operating grants from two foundations that collectively represented approximately 63% and 63% of its annual income for the years ending June 30, 2019 and 2018, respectively.

Note 4 – LEASES, MORTGAGES, AND AGREEMENTS

The BCCS entered into a lease agreement for a copier in November of 2014; the lease calls for 60 monthly payments of \$79.42 and expires in November 2019.

Total lease and rental expense for the year ended June 30, 2019 and 2018 was \$983 and \$11,935, respectively.

The following is a summary of the future lease payments.

2019-2020	\$ 397
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BRASS CITY CHARTER SCHOOL, INC.
Notes to the Financial Statements

BCCS entered into a Series A Bond Loan Agreement held by Webster Public Finance Corporation. The interest rate was fixed under an interest rate swap agreement at 3.92%. Commencing with the fiscal year beginning on July 1, 2021, and continuing each fiscal year thereafter, the Institution shall pay to the Purchaser an annual fee equal to 0.5% of the outstanding balance of the Note as of June of the preceding fiscal year, 50% of such fee being payable on October 15 and April 15 of each such fiscal year.

BCCS entered into a Loan Agreement held by BlueHub Loan Fund, Inc. Interest only payments are to be made through August 2020. Commencing thereafter the Institution shall pay to the Purchaser a monthly principal and interest payment through August 1, 2023, at which point the rate shall be reset at the then 5-year daily Treasury Yield Curve Rate plus 316 basis points. The minimum rate will be 6% and the maximum rate will be 8%.

The following is a summary of the future mortgage principal payments under the Series A Loan Agreement and the BlueHub Loan Agreement:

2019-2020	\$ -
2020-2021	112,633
2021-2022	127,547
2022-2023	132,987
2023-2024	127,134

Note 5 – NET ASSETS

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Subject to Purpose Restrictions:		
2019-2020 Operating Expenses	\$ 350,000	\$ -

Note 6 – IN-KIND (CONTRIBUTED) SERVICES

BCCS received in-kind services during the year for legal services capitalized for \$73,666 from Robinson & Cole. They also received in-kind service from the Waterbury Department of Public Health for a school nurse in the amount of \$85,903, and from Waterbury Public Schools for the special education program in the amount of \$104,110, and for transportation in the amount of \$404,814.

Note 7 – RETIREMENT PLANS

BCCS adopted a defined contribution plan covering all employees from the date of employment. Employees are fully vested in the plan upon enrollment whereby eligible employees under age 50 can defer up to \$18,500 of wages annually and eligible employees over age 50 may defer up to \$24,500 of wages. If no alternative deferral amount is selected, BCCS will automatically defer 3%. The expenses to administer the plan in 2019 and 2018 were \$3,743 and \$3,125, respectively, there were no employer contributions to the plan.

Note 8 – SUBSEQUENT EVENTS

As of October 11, 2019, an agreement has not been reached with the City of Waterbury for special education cost reimbursement for 2019-20. Subsequent to June 30, 2019, BCCS borrowed an additional \$170,000 under an amendment to the BlueHub Loan Agreement, increasing the total loan outstanding with BlueHub from \$2,800,000 to \$2,970,000.

BRASS CITY CHARTER SCHOOL, INC.

Schedule of Financial Position (unaudited)

June 30, 2019

	Period Ended 6/30/2019
ASSETS	
Current Assets	
Cash	\$ 1,245,418
Restricted Cash - Without Donor Restrictions	56,362
Restricted Cash - With Donor Restrictions	350,000
Grants Receivable	92,737
Other Receivable, Net of Allowance	38,893
Prepaid Expenses	26,438
Total Current Assets	<u>1,809,848</u>
Property and Equipment	
Land & Buildings	8,273,833
Computers/Technology	164,494
Furniture and Equipment	299,481
Construction in Progress	61,382
Less: Accumulated Depreciation	<u>(526,187)</u>
Total Property and Equipment, Net	<u>8,273,003</u>
Total Assets	<u>\$ 10,082,851</u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable	\$ 73,753
Accrued Expenses	13,375
Deferred Revenue	-
Payroll Liabilities	<u>62,439</u>
Total Current Liabilities	<u>149,567</u>
Long-Term Liabilities	
Mortgage Payable	<u>6,200,000</u>
Total Liabilities	<u>6,349,567</u>
Net Assets	
Without Donor Restrictions	3,383,284
With Donor Restrictions	<u>350,000</u>
Total Net Assets	<u>3,733,284</u>
Total Liabilities and Net Assets	<u>\$ 10,082,851</u>

See the Independent Auditor's Report.

BRASS CITY CHARTER SCHOOL, INC.
Schedule of Activities (unaudited)
For the Trailing Twelve Month Period Ended
June 30, 2019

	12-month Period Ended <u>6/30/2019</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS	
Revenues and Support	
State Charter School Income	\$ 3,228,750
State Charter School Construction Grant	736,000
School Nutrition Income	255,980
Title I Grant	91,647
Foundation/Corporate Grants	523,461
Construction Grants	375,000
Other Grant Income	125,961
In-kind (Contributed) Services & Goods	668,691
Contributions	35,290
Parent Fundraising	13,883
Other Income	933
Total Revenues, and Support	<u>6,055,596</u>
Expenses	
Salaries and Wages	2,625,506
Payroll Taxes	141,881
Employee Benefits	235,210
Office Expense	10,882
Alarm	8,241
Bad Debt	71,195
Books	40,801
Parent Fundraising Expense	919
Communications	7,877
Depreciation	342,538
Loss on Disposal of Fixed Assets	8,353
Dues and Fees	12,383
Employee Training	26,868
Insurance	37,869
Interest Expense - Not Paid from Reserves	90,357
Interest Expense - Paid from Reserves	166,010
Miscellaneous	3,524
Printing and Copying	5,998
Professional Fees	20,976
Pupil Services	37,363
Repairs and Maintenance	88,219
In-kind Services & Goods	594,827
Student Related Activities	42,409
Student Lunch	121,623
Supplies	50,606
Trash Removal	12,357
Utilities	98,079
Total Expenses	<u>4,902,871</u>
<i>Change in Net Assets Without Donor Restrictions</i>	1,152,725
Net Assets - Beginning of Period	<u>2,230,559</u>
Net Assets - End of Period	<u>\$ 3,383,284</u>

See the Independent Auditor's Report.

BRASS CITY CHARTER SCHOOL, INC.

Schedule of Cash Flows (unaudited)

For the Trailing Twelve Month Period Ended

June 30, 2019

	12-month Period Ended <u>6/30/2019</u>
OPERATING ACTIVITIES	
Change in Net Assets Without Donor Restrictions	\$ 1,152,725
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	342,538
Loss on Disposal of Fixed Assets	8,353
(Increase) / Decrease In:	
Restricted Cash - Without Donor Restrictions	(56,362)
Grants Receivable	(60,660)
Other Receivable	(33,233)
Prepaid Expenses	(6,288)
(Decrease) / Increase In:	
Accounts Payable	(290,561)
Accrued Expenses	276
Deferred Revenue	(525,000)
Payroll Liabilities	11,325
Net Cash Provided by Operating Activities	<u>543,113</u>
INVESTING ACTIVITIES	
Purchase of Fixed Assets	(6,101,115)
Net Cash Used For Investing Activities	<u>(6,101,115)</u>
FINANCING ACTIVITIES	
Proceeds from Financing	6,200,000
Repayment of Financing	(115,000)
Net Cash Provided by Financing Activities	<u>6,085,000</u>
(Decrease) / Increase in Cash and Cash Equivalents	526,998
Cash Without Donor Restrictions, Beginning of Period	<u>718,420</u>
Cash Without Donor Restrictions, End of Period	<u>\$ 1,245,418</u>
Supplemental Information	
Income Taxes Paid	\$ -
Interest Paid	\$ 256,367

See the Independent Auditor's Report.

BRASS CITY CHARTER SCHOOL, INC.
Schedule of Ratio Calculations (unaudited)
For the Trailing Twelve Month Period Ended
June 30, 2019

<u>Fixed Charge Coverage Ratios Calculation</u>	<u>12-month Period Ended 6/30/2019</u>
Change in Operating Net Assets	\$ 1,152,725
Depreciation Expense	342,538
Loss on Disposal of Fixed Assets	8,353
Interest Paid	256,367
Interest Expense - Paid from Reserves	(166,010)
Capital Asset Activity	
State Charter School Construction Grant	(736,000)
Construction Grants	(375,000)
In-Kind Activity	
Inkind Services & Goods Income	(594,827)
Inkind Service Income for Construction	(73,864)
Inkind Services & Goods Expense	594,827
Adjusted Change in Operating Net Assets	409,109
Interest Expense - Not Paid from Reserves	
Webster Interest Expense	-
BlueHub Interest Expense	90,357
Principal Payments on LTD	
Webster Principal Payments	-
BlueHub Principal Payments	-
	÷ \$ 90,357
Combined Fixed Charge Coverage Ratio	452.77%
Senior Fixed Charge Coverage Ratio	- *

* All interest not paid from the reserves was for the subordinate loan which is excluded from the senior fixed charge ratio. As a result, there is no measurable ratio.

Days Cash on Hand Calculation

Cash & Cash Equivalents	\$ 1,651,780
Restricted Cash	
Donor Restricted	(350,000)
Project Account	-
Construction Account	-
Capitalized Interest Accounts	(56,362)
Unrestricted Liquid Assets	1,245,418
Days in a Year	× <u>365</u>
	454,577,570
Total Expenses	÷ 4,902,871
Depreciation	(342,538)
Loss on Disposal on Fixed Assets	(8,353)
Inkind Services & Goods Expense	(594,827)
Net Operating Expense	\$ 3,957,153
Days Cash on Hand	114.87

See the Independent Auditor's Report.

**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***

Independent Auditor's Report

To the Board of Directors of
Brass City Charter School, 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 the Brass City Charter School, Inc., which comprise the statement of financial position as of June 30, 2019 and the related statements of activities, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated October 11, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Brass City Charter School, 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 the Brass City Charter School, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Brass City Charter School, 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

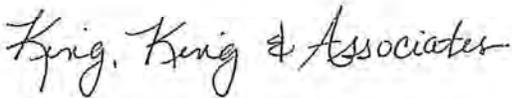
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Brass City Charter School, 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*.

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 Brass City Charter School, Inc.'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 Brass City Charter School, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



King, King & Associates, CPAs
Winsted, CT
October 11, 2019

BRASS CITY CHARTER SCHOOL, INC.
 Schedule of Expenditures of State Financial Assistance
 For the Year Ended June 30, 2019

<u>State Grantor Pass-Through Grantor Program Title:</u>	<u>State Grant Program CORE-CT Number</u>	<u>Expenditures</u>
CT Department of Education		
Child Nutrition State Match	11000-SDE64370-16211-82051	\$ 1,921
School Breakfast Program	11000-SDE64370-17046-82057	2,898
Healthy Food Initiative	11000-SDE64370-16212-82010	3,661
Talent Development	11000-SDE64370-12552-84131	3,182
Charter School Construction	12052-SDE64370-43003-82079	736,000
Charter Schools	11000-SDE64370-16119-84179	<u>3,228,750</u>
Total State Financial Assistance		\$ <u>3,976,412</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2019

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Brass City Charter School, Inc. under programs of the State of Connecticut for the fiscal year ended June 30, 2019. 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 educational programs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Brass City Charter School, 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 financial statements contained in the Brass City Charter School, Inc.'s annual audit report are prepared on the accrual basis of accounting. The following is a summary of such basis:

- Revenues are recognized when earned.
- Expenditures are recorded when incurred.

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, 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.

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

Independent Auditor's Report

To the Board of Directors of
Brass City Charter School, Inc.

Report on Compliance for Each Major State Program

We have audited the Brass City Charter School, Inc.'s compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Brass City Charter School, Inc.'s major state programs for the year ended June 30, 2019. The Brass City Charter School, Inc.'s major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Brass City Charter School, Inc.'s compliance.

Opinion on Each Major State Program

In our opinion, the Brass City Charter School, 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, 2019.

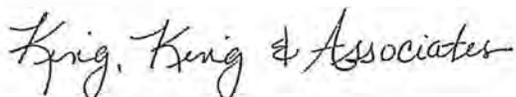
Report on Internal Control over Compliance

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

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

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

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



King, King & Associates, CPAs
Winsted, CT
October 11, 2019

BRASS CITY CHARTER SCHOOL, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

We audited the financial statements of the Brass City Charter School, Inc. as of and for the year ended June 30, 2019 and issued our unmodified report thereon dated October 11, 2019.

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Noncompliance material to financial statements
noted?

Yes No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

We have issued an unmodified opinion relating to compliance for major State programs.

Any audit findings disclosed that are required to be
reported in accordance with Section 4-236-24 of the
Regulations to the State Single Audit Act?

Yes No

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

State Grantor and Program	State Core - CT Number	<u>Expenditures</u>
CT Department of Education:		
Charter Schools	11000-SDE64370-16119-84179	\$3,228,750
• Dollar threshold used to distinguish between type A and type B programs		<u>\$200,000</u>

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated October 11, 2019 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*.
- Our report on compliance indicated no reportable instances of noncompliance.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

- No findings or questioned costs are reported relating to State Financial Assistance Programs.

BRASS CITY CHARTER SCHOOL, INC.

Annual Financial Statements

For the Year Ended June 30, 2020

BRASS CITY CHARTER SCHOOL, INC.

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For the Year Ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Brass City Charter School, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the Brass City Charter School, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 the Brass City Charter School, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of state financial assistance on page 20 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.

The schedule of financial position (unaudited), schedule of activities (unaudited), schedule of cash flows (unaudited), and schedule of ratio calculations (unaudited) on pages 14 -17 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2020, on our consideration of the Brass City Charter School, 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 the effectiveness of Brass City Charter School, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Brass City Charter School, Inc.'s internal control over financial reporting and compliance.



King, King & Associates, CPAs
Winsted, CT
December 7, 2020

BRASS CITY CHARTER SCHOOL, INC.

Statements of Financial Position

June 30, 2020

(With Comparative Totals For June 30, 2019)

ASSETS	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020</u>	<u>2019</u>
Current Assets				
Cash	\$ 566,434	\$ 375,000	\$ 941,434	\$ 1,595,419
Restricted Cash - Webster Interest Reserve	-	-	-	56,361
Investments	500,000	-	500,000	-
Grants Receivable	82,500	-	82,500	65,269
Other Receivables, Net of Allowance	116,795	-	116,795	38,893
Prepaid Expenses	223,057	-	223,057	26,438
Total Current Assets	<u>1,488,786</u>	<u>375,000</u>	<u>1,863,786</u>	<u>1,782,380</u>
Property and Equipment				
Land & Buildings	9,393,166	-	9,393,166	8,273,833
Computers/Technology	176,341	-	176,341	164,494
Furniture and Equipment	370,126	-	370,126	299,481
Construction in Progress	-	-	-	61,382
Less: Accumulated Depreciation	<u>(953,456)</u>	<u>-</u>	<u>(953,456)</u>	<u>(526,187)</u>
Total Property and Equipment, Net	<u>8,986,177</u>	<u>-</u>	<u>8,986,177</u>	<u>8,273,003</u>
Total Assets	<u>\$ 10,474,963</u>	<u>\$ 375,000</u>	<u>\$ 10,849,963</u>	<u>\$ 10,055,383</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable	\$ 106,290	\$ -	\$ 106,290	\$ 73,753
Accrued Expenses	11,636	-	11,636	13,375
Payroll Liabilities	82,562	-	82,562	62,439
Current Portion of Long Term Liabilities	112,633	-	112,633	-
Total Current Liabilities	<u>313,121</u>	<u>-</u>	<u>313,121</u>	<u>149,567</u>
Long Term Liabilities				
Paycheck Protection Program	632,857	-	632,857	-
Mortgage	6,257,367	-	6,257,367	6,200,000
Total Long Term Liabilities	<u>6,890,224</u>	<u>-</u>	<u>6,890,224</u>	<u>6,200,000</u>
Total Liabilities	<u>7,203,345</u>	<u>-</u>	<u>7,203,345</u>	<u>6,349,567</u>
Net Assets				
Without Donor Restrictions	3,271,618	-	3,271,618	3,705,816
With Donor Restrictions	<u>-</u>	<u>375,000</u>	<u>375,000</u>	<u>-</u>
Total Net Assets	<u>3,271,618</u>	<u>375,000</u>	<u>3,646,618</u>	<u>3,705,816</u>
Total Liabilities and Net Assets	<u>\$ 10,474,963</u>	<u>\$ 375,000</u>	<u>\$ 10,849,963</u>	<u>\$ 10,055,383</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Statements of Activities

For the Year Ended June 30, 2020

(With Comparative Totals For June 30, 2019)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020</u>	<u>2019</u>
Revenues and Support				
State Charter School Income	\$ 3,656,250	-	\$ 3,656,250	\$ 3,228,750
State Charter School Construction Grant	-	-	-	736,000
School Nutrition Income	178,998	-	178,998	228,512
Title I Grant	109,706	-	109,706	91,647
Foundation/Corporate Grants	239,000	375,000	614,000	873,461
Construction Grants	-	-	-	375,000
Other Grant Income	135,319	-	135,319	125,961
In-kind (Contributed) Services & Goods	446,036	-	446,036	668,691
Contributions	20,085	-	20,085	35,290
Parent Fundraising	11,120	-	11,120	13,883
Other Income	17,288	-	17,288	933
Net Assets Released from Restrictions	350,000	(350,000)	-	-
Total Revenues, and Support	<u>5,163,802</u>	<u>25,000</u>	<u>5,188,802</u>	<u>6,378,128</u>
Expenses				
Education	4,990,801	-	4,990,801	4,662,842
Management and General	251,640	-	251,640	233,510
Fundraising	5,559	-	5,559	6,519
Total Expenses	<u>5,248,000</u>	<u>-</u>	<u>5,248,000</u>	<u>4,902,871</u>
Change in Net Assets	<u>(84,198)</u>	<u>25,000</u>	<u>(59,198)</u>	<u>1,475,257</u>
Net Assets - Beginning of Year, as restated	3,355,816	350,000	3,705,816	2,230,559
Net Assets - End of Year	<u>\$ 3,271,618</u>	<u>\$ 375,000</u>	<u>\$ 3,646,618</u>	<u>\$ 3,705,816</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Statements of Cash Flows
For the Year Ended June 30, 2020
(With Comparative Totals For June 30, 2019)

OPERATING ACTIVITIES	<u>2020</u>	<u>2019</u>
Change in Net Assets	\$ (59,198)	\$ 1,475,257
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	427,269	342,538
Loss on Disposal of Fixed Assets	-	8,353
(Increase) / Decrease In:		
Grants Receivable	(17,231)	(33,192)
Other Receivable	(77,902)	(33,233)
Prepaid Expenses	(196,619)	(6,288)
(Decrease) / Increase In:		
Accounts Payable	32,537	(290,561)
Accrued Expenses	(1,739)	276
Deferred Revenue	-	(525,000)
Payroll Liabilities	20,123	11,325
Net Cash Provided by Operating Activities	<u>127,240</u>	<u>949,475</u>
INVESTING ACTIVITIES		
Purchase of Investments	(500,000)	-
Purchase of Fixed Assets	<u>(1,140,443)</u>	<u>(6,101,115)</u>
Net Cash Used For Investing Activities	<u>(1,640,443)</u>	<u>(6,101,115)</u>
FINANCING ACTIVITIES		
Proceeds from Financing	802,857	6,200,000
Repayment of Financing	<u>-</u>	<u>(115,000)</u>
Net Cash Provided by Financing Activities	<u>802,857</u>	<u>6,085,000</u>
Increase in Cash and Cash Equivalents	(710,346)	933,360
Cash, Beginning of Year	<u>1,651,780</u>	<u>718,420</u>
Cash, End of Year	<u>\$ 941,434</u>	<u>\$ 1,651,780</u>

Supplemental Information

Income Taxes Paid	\$ -	-
Interest Paid	\$ 314,170	256,367

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Statements of Functional Expenses

For the Year Ended June 30, 2020

EXPENSES:	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 2,827,401	\$ 172,775	\$ 4,889	\$ 3,005,065
Employee Benefits and Payroll Taxes	464,217	26,386	670	491,273
Total Salaries & Related Expenses	<u>3,291,618</u>	<u>199,161</u>	<u>5,559</u>	<u>3,496,338</u>
Office Expense	2,289	2,718	-	5,007
Alarm	7,967	36	-	8,003
Books	48,861	-	-	48,861
Communications	14,258	1,382	-	15,640
Depreciation	427,269	-	-	427,269
Dues and Fees	1,360	14,189	-	15,549
Employee Training	13,426	15,007	-	28,433
Insurance	41,818	-	-	41,818
Interest	312,749	1,421	-	314,170
Miscellaneous	5,995	426	-	6,421
Printing and Copying	4,753	-	-	4,753
Professional Fees	2,212	16,308	-	18,520
Pupil Services	7,897	-	-	7,897
Repairs and Maintenance	130,895	577	-	131,472
School Nurse - In-kind	77,296	-	-	77,296
Special Education - In-kind	68,179	-	-	68,179
Student Related Activities	16,056	-	-	16,056
Student Lunch	88,515	-	-	88,515
Supplies	34,144	-	-	34,144
Transportation - In-kind	300,561	-	-	300,561
Trash Removal	13,418	61	-	13,479
Travel & Meetings	939	-	-	939
Utilities	78,326	354	-	78,680
Total Other Expenses	<u>1,699,183</u>	<u>52,479</u>	<u>-</u>	<u>1,751,662</u>
Total Expenses	<u>\$ 4,990,801</u>	<u>\$ 251,640</u>	<u>\$ 5,559</u>	<u>\$ 5,248,000</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Statements of Functional Expenses

For the Year Ended June 30, 2019

EXPENSES:	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$2,464,424	\$156,335	\$ 4,747	\$2,625,506
Employee Benefits	348,097	28,140	854	377,091
Total Salaries & Related Expenses	<u>2,812,521</u>	<u>184,475</u>	<u>5,601</u>	<u>3,002,597</u>
Office Expense	3,768	7,114	-	10,882
Alarm	8,204	37	-	8,241
Bad Debt	71,195	-	-	71,195
Books	40,801	-	-	40,801
Parent Fundraising Expense	-	-	918	918
Communications	7,311	566	-	7,877
Depreciation	340,690	1,848	-	342,538
Dues and Fees	3,128	9,255	-	12,383
Employee Training	26,333	535	-	26,868
Insurance	28,550	9,319	-	37,869
Interest	255,214	1,153	-	256,367
Loss on Disposal of Fixed Assets	8,353	-	-	8,353
Miscellaneous	3	479	-	482
Printing and Copying	5,914	84	-	5,998
Professional Fees	3,223	17,753	-	20,976
Pupil Services	37,363	-	-	37,363
Repairs and Maintenance	87,829	390	-	88,219
School Nurse - In-kind	85,903	-	-	85,903
Special Education - In-kind	104,110	-	-	104,110
Student Related Activities	42,409	-	-	42,409
Student Lunch	121,623	-	-	121,623
Supplies	50,606	-	-	50,606
Transportation - In-kind	404,814	-	-	404,814
Trash Removal	12,301	56	-	12,357
Travel & Meetings	3,038	5	-	3,043
Utilities	97,638	441	-	98,079
Total Other Expenses	<u>1,850,321</u>	<u>49,035</u>	<u>918</u>	<u>1,900,274</u>
Total Expenses	<u>\$ 4,662,842</u>	<u>\$ 233,510</u>	<u>\$ 6,519</u>	<u>\$ 4,902,871</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Notes to the Financial Statements

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Brass City Charter School, Inc. (BCCS) provides a rigorous academic and holistic social - emotional learning program that will eliminate the achievement gap for underserved students. BCCS enables students to soar academically, develop as people of character, and lead meaningful and productive lives both for themselves and for their community. BCCS is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and has been classified as other than a private foundation. The school is funded primarily through state grants and donated services from Waterbury Public Schools and Waterbury Department of Public Health.

Income Tax Status

BCCS is organized as a Connecticut non-stock corporation and is exempt from federal income taxes under section 501 (c)(3) of the Internal Revenue Code. In addition, BCCS qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509 (a)(2).

Basis of Accounting

The financial statements of BCCS have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities. Revenue is recognized when earned and expenditures when incurred.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. BCCS reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Support that is restricted by the donor is reported as an increase in unrestricted assets if the restriction expires in the same reporting period in which the support is recognized.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, BCCS considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Executive Director will decide when an accounts receivable balance should be written off. At June 30, 2020, BCCS carried an allowance for doubtful accounts balance of \$71,195 related to special education costs billed to the City of Waterbury in fiscal year 2019.

Property and Equipment

Purchases of Property and Equipment over \$750 are capitalized and are carried at cost. Depreciation is computed using the straight-line method over the estimated useful life of the assets as follows:

Buildings & Improvements	25-40 years
Computers	5 years
Furniture & Equipment	7 years

BRASS CITY CHARTER SCHOOL, INC.
Notes to the Financial Statements

Investments

Investments are comprised of money market funds and are reported at fair value with realized gains and losses included in the accompanying statement of activities. The carrying value of money market funds approximates fair value.

Fair Value of Financial Instruments

In accordance with ASC 820-10, BCCS measures the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the asset or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The inputs or methodology used in valuing securities are not necessarily an indication of the risk associated with investing in those securities. BCCS's mutual funds were valued using Level 1 measurements.

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, BCCS reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. BCCS reclassifies net assets with donor restrictions to net assets without donor restriction at that time.

Donated Services

The majority of voluntary services donated by individuals have not been reflected in the financial statements. These services provided do not meet the criteria for recognition under ASC 958-605-25-16; however, special voluntary services that meet the criteria for recognition are reported as donated services and expensed in the same year as discussed in Note 6.

BRASS CITY CHARTER SCHOOL, INC.
Notes to the Financial Statements

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Each expenditure is examined and then classified to one of the following functional categories; education, management and general, and fundraising. For certain expenditures a ratio based on time and effort is used to allocate to the appropriate aforementioned categories.

Estimates

Management uses estimates and assumptions in preparing financial statements, as required by generally accepted accounting principles (GAAP). Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Net Assets Without Donor Restrictions

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

Net Assets With Donor Restrictions

Restricted revenue consists of a grant for general operating support. The revenue is released from restrictions when services are rendered.

Review for Subsequent Events

In connection with the preparation of the financial statements of BCCS as of and for the year ended June 30, 2020, events and transactions subsequent to June 30, 2020 through December 7, 2020, the date the financial statements were available to be issued, have been evaluated by BCCS's management for possible adjustment and/or disclosure.

Note 2 – DETAIL NOTES ON ASSETS, LIABILITIES, AND NET ASSETS

Cash and Cash Equivalents

At June 30, 2020 and 2019, the carrying amounts of BCCS deposits were \$941,434 and \$1,651,680 and the bank balance was \$1,201,248 and \$1,653,451, respectively. \$250,000 of the bank balance was insured by the FDIC both years. \$951,248 and \$1,403,451 was uninsured in each year, respectively.

Fair Value Measurements

At June 30, 2020, the inputs used in valuing BCCS's investments, which are carried at fair value, were as follows:

<u>Description</u>	June 30, <u>2020</u>	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	500,000	500,000	-	-
Total	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ -</u>

BRASS CITY CHARTER SCHOOL, INC.

Notes to the Financial Statements

Availability and Liquidity Information

The Organization’s following financial assets are available within one year of the statement of financial position date for general expenditure. As part of Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. BCCS construction financing includes loan covenants that require BCCS to maintain specific ratios for debt coverage and number of days cash on hand.

Cash and Cash Equivalents	\$ 941,434
Investments	500,000
Receivables	<u>199,295</u>
Financial assets, at year end	1,640,729
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,640,729</u>

Line of Credit

BCCS also maintains a \$100,000 line of credit with a bank to help finance its cash flows while waiting for grant funds to be received. The line of credit is linked to a BCCS checking account and funds are deposited as needed. There was no outstanding balance at June 30, 2020 or 2019.

Note 3 – CONCENTRATION OF SUPPORT

BCCS received per-pupil allocation funds from the State of Connecticut and significant operating grants from two foundations that collectively represented approximately 81% and 63% of its annual income for the years ending June 30, 2020 and 2019, respectively.

Note 4 – LONG TERM LIABILITIES

BCCS entered into a Series A Bond Loan Agreement held by Webster Public Finance Corporation. The interest rate was fixed under an interest rate swap agreement at 3.92%. Commencing with the fiscal year beginning on July 1, 2021, and continuing each fiscal year thereafter, the Institution shall pay to the Purchaser an annual fee equal to 0.5% of the outstanding balance of the Note as of June of the preceding fiscal year, 50% of such fee being payable on October 15 and April 15 of each such fiscal year.

BCCS entered into a Loan Agreement held by BlueHub Loan Fund, Inc. Interest only payments are to be made through August 2020. Commencing thereafter the Institution shall pay to the Purchaser a monthly principal and interest payment through August 1, 2023, at which point the rate shall be reset at the then 5-year daily Treasury Yield Curve Rate plus 316 basis points. The minimum rate will be 6% and the maximum rate will be 8%.

The following is a summary of the future mortgage principal payments under the Series A Loan Agreement and the BlueHub Loan Agreement:

2020-2021	\$ 112,633
2021-2022	127,547
2022-2023	132,987
2023-2024	127,134
2024-2025	132,987

BRASS CITY CHARTER SCHOOL, INC.

Notes to the Financial Statements

Paycheck Protection Program Loan

In May 2020 BCCS received \$632,857 from Webster Bank through the Small Business Association's Paycheck Protection Program to cover eligible payroll and other costs. The loan is deferred and has an interest rate of 1%; however, per the loan agreement the loan will be forgiven if the funds are used to cover eligible payroll and other costs, which BCCS fully anticipates.

Note 5 – NET ASSETS

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of June 30, 2020 and 2019:

	2020	2019
Subject to Purpose Restrictions:		
2019-2020 Operating Expenses	\$ -	\$ 350,000
2020-2021 Operating Expenses	\$ 375,000	\$ -

Note 6 – IN-KIND (CONTRIBUTED) SERVICES

BCCS received in-kind services during the year from the Waterbury Department of Public Health for a school nurse in the amount of \$77,296, and from Waterbury Public Schools for the special education program in the amount of \$68,179, and for transportation in the amount of \$300,561.

Note 7 – RETIREMENT PLAN

BCCS adopted a defined contribution plan covering all employees from the date of employment. Employees are fully vested in the plan upon enrollment whereby eligible employees under age 50 can defer up to \$19,000 of wages annually and eligible employees over age 50 may defer up to \$25,000 of wages. If no alternative deferral amount is selected, BCCS will automatically defer 3%. The expenses to administer the plan in 2020 and 2019 were \$4,290 and \$3,743, respectively, there were no employer contributions to the plan.

Note 8 – CORRECTION OF AN ERROR

During the year ended June 30, 2020, it was determined that the grants receivable for October 2018 were inadvertently accounted for twice in the prior year. As a result, the accompanying financial statements for the year ended June 30, 2019 have been restated to adjust the revenues, grants receivable, and net assets without donor restrictions by (\$27,468) as shown in the table below.

	School Nutrition <u>Income</u>	Grant <u>Receivable</u>	Net Assets without <u>Restictions</u>	Total <u>Net Assets</u>
Amount at June 30, 2019, as reported	\$ 255,980	\$ 92,737	\$ 3,383,284	\$ 3,733,284
adjustment	<u>(27,468)</u>	<u>(27,468)</u>	<u>(27,468)</u>	<u>(27,468)</u>
Amount at, June 30, 2019, as corrected	<u>\$ 228,512</u>	<u>\$ 65,269</u>	<u>\$ 3,355,816</u>	<u>\$ 3,705,816</u>

BRASS CITY CHARTER SCHOOL, INC.

Notes to the Financial Statements

Note 9 – RISKS AND UNCERTAINTIES

The World Health Organization declared the coronavirus outbreak (“COVID-19”) a pandemic. The impact of COVID-19 could negatively affect BCCS’s operations, costs, and vendors. The extent to which the COVID-19 impacts BCCS’s financial position will depend upon future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or its impact, among others. BCCS has recognized funding from the Paycheck Protection Program as a loan in the current year. The potential loan forgiveness is subject to review and approval by the lender and SBA.

BRASS CITY CHARTER SCHOOL, INC.

Schedule of Financial Position (unaudited)

June 30, 2020

ASSETS	Period Ended 12/31/2019	Period Ended 6/30/2020
Current Assets		
Cash	\$ 1,712,114	\$ 566,434
Restricted Cash - With Donor Restrictions	-	375,000
Investment	-	500,000
Grants Receivable	11,711	82,500
Other Receivable, Net of Allowance	33,284	116,795
Prepaid Expenses	48,139	223,057
Total Current Assets	<u>1,805,248</u>	<u>1,863,786</u>
Property and Equipment		
Land & Buildings	9,348,174	9,393,166
Computers/Technology	180,774	176,341
Furniture and Equipment	310,713	370,126
Less: Accumulated Depreciation	(697,456)	(953,456)
Total Property and Equipment, Net	<u>9,142,205</u>	<u>8,986,177</u>
Total Assets	<u>\$ 10,947,453</u>	<u>\$ 10,849,963</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 81,888	\$ 106,290
Accrued Expenses	4,534	11,636
Deferred Revenue	914,063	-
Payroll Liabilities	12,105	82,562
Current Portion of Long Term Debt	-	112,633
Total Current Liabilities	<u>1,012,590</u>	<u>313,121</u>
Long Term Liabilities		
Paycheck Protection Program	-	632,857
Mortgage Payable	6,370,000	6,257,367
Total Long Term Liabilities	<u>6,370,000</u>	<u>6,890,224</u>
Total Liabilities	<u>7,382,590</u>	<u>7,203,345</u>
Net Assets		
Without Donor Restrictions	3,564,863	3,271,618
With Donor Restrictions	-	375,000
Total Net Assets	<u>3,564,863</u>	<u>3,646,618</u>
Total Liabilities and Net Assets	<u>\$ 10,947,453</u>	<u>\$ 10,849,963</u>

See the Independent Auditor's Report.

BRASS CITY CHARTER SCHOOL, INC.

Schedule of Activities (unaudited)

For the Trailing Twelve Month Period Ended

June 30, 2020

	6-month Period Ended <u>12/31/2019</u>	6-month Period Ended <u>6/30/2020</u>	12-month Period Ended <u>6/30/2020</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS			
Revenues and Support			
State Charter School Income	\$ 1,828,126	\$ 1,828,124	\$ 3,656,250
School Nutrition Income	76,907	102,091	178,998
Title I Grant	-	109,706	109,706
Foundation/Corporate Grants	124,500	114,500	239,000
Other Grant Income	31,332	103,987	135,319
In-kind (Contributed) Services & Goods	-	446,036	446,036
Contributions	4,567	15,517	20,084
Parent Fundraising	3,601	7,519	11,120
Other Income	-	17,289	17,289
Net Assets Released from Restrictions	350,000	-	350,000
Total Revenues, and Support	<u>2,419,033</u>	<u>2,744,769</u>	<u>5,163,802</u>
Expenses			
Salaries and Wages	1,350,075	1,654,991	3,005,066
Payroll Taxes	65,642	98,832	164,474
Employee Benefits	150,710	176,089	326,799
Office Expense	3,222	1,785	5,007
Alarm	4,077	3,926	8,003
Books	49,402	(541)	48,861
Parent Fundraising Expense	-	-	-
Communications	3,723	11,917	15,640
Depreciation	171,269	256,000	427,269
Dues and Fees	14,887	662	15,549
Employee Training	22,027	6,406	28,433
Insurance	13,048	28,770	41,818
Interest Expense - Not Paid from Reserves	107,985	157,007	264,992
Interest Expense - Paid from Reserves	48,846	332	49,178
Miscellaneous	521	5,899	6,420
Printing and Copying	3,062	1,691	4,753
Professional Fees	13,167	5,353	18,520
Pupil Services	2,210	5,687	7,897
Repairs and Maintenance	62,706	68,766	131,472
In-kind Services & Goods	-	446,036	446,036
Student Related Activities	4,555	11,501	16,056
Student Lunch	59,102	29,413	88,515
Supplies	19,987	14,157	34,144
Trash Removal	7,783	5,696	13,479
Travel	-	939	939
Utilities	31,980	46,700	78,680
Total Expenses	<u>2,209,986</u>	<u>3,038,014</u>	<u>5,248,000</u>
Change in Net Assets Without Donor Restrictions	209,047	(293,245)	(84,198)
Net Assets - Beginning of Period, as restated	<u>3,355,816</u>	<u>3,564,863</u>	<u>3,355,816</u>
Net Assets - End of Period	<u>\$ 3,564,863</u>	<u>\$ 3,271,618</u>	<u>\$ 3,271,618</u>

See the Independent Auditor's Report.

BRASS CITY CHARTER SCHOOL, INC.Schedule of Cash Flows (unaudited)
For the Trailing Twelve Month Period Ended
June 30, 2020

	6-month Period Ended <u>12/31/2019</u>	6-month Period Ended <u>6/30/2020</u>	12-month Period Ended <u>6/30/2020</u>
OPERATING ACTIVITIES			
Change in Net Assets Without Donor Restrictions	\$ 209,047	\$ (293,245)	\$ (84,198)
Adjustments to reconcile change in net assets to net cash provided by operating activities			
Depreciation	171,269	256,000	427,269
(Increase) / Decrease In:			
Restricted Cash - Without Donor Restrictions	56,362	-	56,362
Grants Receivable	53,558	(98,257)	(44,699)
Other Receivable	5,609	(83,511)	(77,902)
Prepaid Expenses	(21,701)	(174,918)	(196,619)
(Decrease) / Increase In:			
Accounts Payable	8,135	24,402	32,537
Accrued Expenses	(8,841)	7,102	(1,739)
Deferred Revenue	914,063	(914,063)	-
Payroll Liabilities	(50,334)	70,457	20,123
Net Cash Provided by Operating Activities	<u>1,337,167</u>	<u>(1,206,033)</u>	<u>131,134</u>
INVESTING ACTIVITIES			
Purchases of investments	-	(500,000)	(500,000)
Purchase of Fixed Assets	(1,040,471)	(99,972)	(1,140,443)
Net Cash Used For Investing Activities	<u>(1,040,471)</u>	<u>(599,972)</u>	<u>(1,640,443)</u>
FINANCING ACTIVITIES			
Proceeds from Financing	170,000	632,857	802,857
Net Cash Provided by Financing Activities	<u>170,000</u>	<u>632,857</u>	<u>802,857</u>
(Decrease) / Increase in Cash and Cash Equivalents	466,696	(1,173,148)	(706,452)
Cash Without Donor Restrictions, Beginning of Period	<u>1,245,418</u>	<u>1,712,114</u>	<u>1,245,418</u>
Cash Without Donor Restrictions, End of Period	<u>\$ 1,712,114</u>	<u>\$ 538,966</u>	<u>\$ 538,966</u>
Supplemental Information			
Income Taxes Paid	\$ -	\$ -	\$ -
Interest Paid	\$ 156,831	\$ 157,339	\$ 314,170

See the Independent Auditor's Report.

BRASS CITY CHARTER SCHOOL, INC.
Schedule of Ratio Calculations (unaudited)
For the Trailing Twelve Month Period Ended
June 30, 2020

<u>Fixed Charge Coverage Ratios Calculation</u>	6-month Period Ended <u>12/31/2019</u>	6-month Period Ended <u>6/30/2020</u>	12-month Period Ended <u>6/30/2020</u>
Change in Operating Net Assets	\$ 209,047	\$ (293,245)	\$ (84,198)
Depreciation Expense	171,269	256,000	427,269
Interest Paid	156,831	157,339	314,170
Capital Asset Activity			
In-Kind Activity			
Inkind Services & Goods Income	-	(446,036)	(446,036)
Inkind Services & Goods Expense	-	446,036	446,036
Adjusted Change in Operating Net Assets	537,147	120,094	657,241
Interest Expense - Not Paid from Reserves			
Webster Interest Expense	19,645	67,010	86,655
BlueHub Interest Expense	88,247	90,090	178,337
Principal Payments on LTD			
Webster Principal Payments	-	-	-
BlueHub Principal Payments	-	-	-
	÷ \$ 107,892	\$ 157,100	\$ 264,992
Combined Fixed Charge Coverage Ratio	497.86%	76.44%	248.02%
Senior Fixed Charge Coverage Ratio	2734.27%	179.22%	758.46%

Days Cash on Hand Calculation

		6-month Period Ended <u>12/31/2019</u>	12-month Period Ended <u>6/30/2020</u>
Cash & Cash Equivalents		\$ 1,712,114	\$ 941,434
Liquid Investments		-	500,000
Restricted Cash			
Donor Restricted		-	(375,000)
Released for fiscal year 2020-2021		-	375,000
Project Account		-	-
Construction Account		-	-
Capitalized Interest Accounts		-	-
Unrestricted Liquid Assets		1,712,114	1,441,434
Days in a Year	×	<u>365</u>	<u>365</u>
		624,921,610	526,123,410
Total Expenses	÷	2,209,986	5,248,000
Depreciation		(171,269)	(427,269)
Inkind Services & Goods Expense		-	(446,036)
Net Operating Expense		\$ 2,038,717	\$ 4,374,695
Days Cash on Hand		306.53	120.27

See the Independent Auditor's Report.

**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***

Independent Auditor's Report

To the Board of Directors of
Brass City Charter School, 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 the Brass City Charter School, Inc., which comprise the statement of financial position as of June 30, 2020 and the related statements of activities, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated December 7, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Brass City Charter School, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 the Brass City Charter School, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Brass City Charter School, 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Brass City Charter School, 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 financial statements. 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*.

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 Brass City Charter School, Inc.'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 Brass City Charter School, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



King, King & Associates, CPAs
Winsted, CT
December 7, 2020

BRASS CITY CHARTER SCHOOL, INC.
 Schedule of Expenditures of State Financial Assistance
 For the Year Ended June 30, 2020

State Grantor Pass-Through <u>Grantor Program Title:</u>	State Grant Program <u>CORE-CT Number</u>	<u>Expenditures</u>
CT Department of Education		
Child Nutrition State Match	11000-SDE64370-16211-82051	\$ 2,443
School Breakfast Program	11000-SDE64370-17046-82057	2,867
Healthy Food Initiative	11000-SDE64370-16212-82010	4,654
Talent Development	11000-SDE64370-12552-84131	3,086
Charter Schools	11000-SDE64370-16119-84179	<u>3,656,250</u>
Total State Financial Assistance		<u>\$ 3,669,300</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2020

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Brass City Charter School, Inc. under programs of the State of Connecticut for the fiscal year ended June 30, 2020. 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 educational programs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Brass City Charter School, 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 financial statements contained in the Brass City Charter School, Inc.'s annual audit report are prepared on the accrual basis of accounting. The following is a summary of such basis:

- Revenues are recognized when earned.
- Expenditures are recorded when incurred.

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, 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.

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

Independent Auditor's Report

To the Board of Directors of
Brass City Charter School, Inc.

Report on Compliance for Each Major State Program

We have audited the Brass City Charter School, Inc.'s compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Brass City Charter School, Inc.'s major state programs for the year ended June 30, 2020. The Brass City Charter School, Inc.'s major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Brass City Charter School, Inc.'s compliance.

Opinion on Each Major State Program

In our opinion, the Brass City Charter School, 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, 2020.

Report on Internal Control over Compliance

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

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

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

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



King, King & Associates, CPAs
Winsted, CT
December 7, 2020

BRASS CITY CHARTER SCHOOL, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

We audited the financial statements of the Brass City Charter School, Inc. as of and for the year ended June 30, 2020 and issued our unmodified report thereon dated December 7, 2020.

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Noncompliance material to financial statements noted?

Yes No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

We have issued an unmodified opinion relating to compliance for major State programs.

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

Yes No

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

State Grantor and Program	State Core - CT Number	<u>Expenditures</u>
CT Department of Education:		
Charter Schools	11000-SDE64370-16119-84179	\$3,656,250
• Dollar threshold used to distinguish between type A and type B programs		<u>\$200,000</u>

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated December 7, 2020 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*.
- Our report on compliance indicated no reportable instances of noncompliance.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

- No findings or questioned costs are reported relating to State Financial Assistance Programs.

BRASS CITY CHARTER SCHOOL, INC.

Annual Financial Statements

For the Year Ended June 30, 2021

BRASS CITY CHARTER SCHOOL, INC.

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For the Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Brass City Charter School, Inc.

We have audited the accompanying financial statements of the Brass City Charter School, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 the Brass City Charter School, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

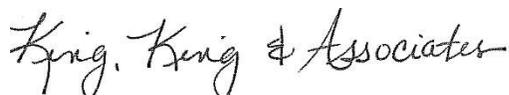
Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of state financial assistance on page 19 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.

The schedule of financial position (unaudited), schedule of activities (unaudited), schedule of cash flows (unaudited), and schedule of ratio calculations (unaudited) on pages 13 -16 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2021, on our consideration of the Brass City Charter School, 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 the effectiveness of Brass City Charter School, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Brass City Charter School, Inc.'s internal control over financial reporting and compliance.



King, King & Associates, CPAs
Winsted, CT
December 12, 2021

BRASS CITY CHARTER SCHOOL, INC.

Statements of Financial Position

June 30, 2021

(With Comparative Totals For June 30, 2020)

ASSETS	<u>2021</u>	<u>2020</u>
Current Assets		
Cash	\$ 1,407,032	\$ 941,434
Investments	505,402	500,000
Grants Receivable	41,297	82,500
Other Receivables, Net of Allowance	287,353	116,795
Prepaid Expenses	10,568	223,057
Total Current Assets	<u>2,251,652</u>	<u>1,863,786</u>
Property and Equipment		
Land & Buildings	9,585,341	9,393,166
Computers/Technology	247,180	176,341
Furniture and Equipment	395,509	370,126
Less: Accumulated Depreciation	<u>(1,394,494)</u>	<u>(953,456)</u>
Total Property and Equipment, Net	<u>8,833,536</u>	<u>8,986,177</u>
Total Assets	<u>\$ 11,085,188</u>	<u>\$ 10,849,963</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 197,087	\$ 106,290
Accrued Expenses	13,429	11,636
Payroll Liabilities	93,253	82,562
Deferred Revenue	550,000	375,000
Current Portion of Long Term Liabilities	<u>103,746</u>	<u>112,633</u>
Total Current Liabilities	<u>957,515</u>	<u>688,121</u>
Long Term Liabilities		
Paycheck Protection Program	632,857	632,857
Mortgage	<u>6,173,730</u>	<u>6,257,367</u>
Total Long Term Liabilities	<u>6,806,587</u>	<u>6,890,224</u>
Total Liabilities	<u>7,764,102</u>	<u>7,578,345</u>
Net Assets		
Without Donor Restrictions	<u>3,321,086</u>	<u>3,271,618</u>
Total Net Assets	<u>3,321,086</u>	<u>3,271,618</u>
Total Liabilities and Net Assets	<u>\$ 11,085,188</u>	<u>\$ 10,849,963</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Statements of Activities
For the Year Ended June 30, 2021
(With Comparative Totals For June 30, 2020)

	<u>2021</u>	<u>2020</u>
Revenues and Support Without Donor Restrictions		
State Charter School Income	\$ 4,050,000	\$ 3,656,250
School Nutrition Income	128,563	178,998
Title I Grant	134,474	109,706
Foundation/Corporate Grants	485,000	589,000
Other Grant Income	499,328	135,319
In-kind (Contributed) Services & Goods	403,118	446,036
Contributions	20,360	20,085
Parent Fundraising	3,205	11,120
Other Income	568	17,288
Investment Income	5,402	-
Total Revenues, and Support	<u>5,730,018</u>	<u>5,163,802</u>
Expenses		
Education	5,397,856	4,990,801
Management and General	276,766	251,640
Fundraising	5,928	5,559
Total Expenses	<u>5,680,550</u>	<u>5,248,000</u>
Change in Net Assets Without Donor Restrictions	49,468	(84,198)
Net Assets - Beginning of Year, as restated	<u>3,271,618</u>	<u>3,355,816</u>
Net Assets - End of Year	<u>\$ 3,321,086</u>	<u>\$ 3,271,618</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Statements of Cash Flows
For the Year Ended June 30, 2021
(With Comparative Totals For June 30, 2020)

OPERATING ACTIVITIES	<u>2021</u>	<u>2020</u>
Change in Net Assets	\$ 49,468	\$ (84,198)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	441,038	427,269
Investment Income	(5,402)	-
(Increase) / Decrease In:		
Grants Receivable	41,203	(17,231)
Other Receivable	(170,558)	(77,902)
Prepaid Expenses	212,489	(196,619)
(Decrease) / Increase In:		
Accounts Payable	90,797	32,537
Accrued Expenses	1,793	(1,739)
Deferred Revenue	175,000	25,000
Payroll Liabilities	10,691	20,123
Net Cash Provided by Operating Activities	<u>846,519</u>	<u>127,240</u>
INVESTING ACTIVITIES		
Purchase of Investments	-	(500,000)
Purchase of Fixed Assets	(288,397)	(1,140,443)
Net Cash (Used) by Investing Activities	<u>(288,397)</u>	<u>(1,640,443)</u>
FINANCING ACTIVITIES		
Proceeds from Financing	-	802,857
Repayment of Financing	(92,524)	-
Net Cash (Used) Provided by Financing Activities	<u>(92,524)</u>	<u>802,857</u>
Net Change in Cash flows	465,598	(710,346)
Cash, Beginning of Year	941,434	1,651,780
Cash, End of Year	<u>\$ 1,407,032</u>	<u>\$ 941,434</u>

Supplemental Information

Income Taxes Paid	\$ -	-
Interest Paid	\$ 313,529	314,170

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Statements of Functional Expenses

For the Year Ended June 30, 2021

EXPENSES:	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 3,106,654	\$ 176,266	\$ 4,985	\$ 3,287,905
Employee Benefits and Payroll Taxes	456,673	28,203	798	485,674
Total Salaries & Related Expenses	<u>3,563,327</u>	<u>204,469</u>	<u>5,783</u>	<u>3,773,579</u>
Office Expense	1,233	2,460	145	3,838
Alarm	8,765	40	-	8,805
Books	201,764	-	-	201,764
Communications	-	7,073	-	7,073
Depreciation	440,333	705	-	441,038
Dues and Fees	-	14,692	-	14,692
Employee Training	16,424	-	-	16,424
Insurance	14,645	33,221	-	47,866
Interest	312,119	1,410	-	313,529
Covid Expense	75,638	-	-	75,638
Miscellaneous	200	572	-	772
Printing and Copying	2,302	-	-	2,302
Professional Fees	42,787	11,277	-	54,064
Pupil Services	9,760	-	-	9,760
Repairs and Maintenance	97,834	406	-	98,240
School Nurse - In-kind	20,000	-	-	20,000
Special Education - In-kind	60,959	-	-	60,959
Student Related Activities	6,067	-	-	6,067
Student Lunch	80,327	-	-	80,327
Supplies	23,512	-	-	23,512
Transportation - In-kind	322,159	-	-	322,159
Trash Removal	11,766	53	-	11,819
Utilities	85,935	388	-	86,323
Total Other Expenses	<u>1,834,529</u>	<u>72,297</u>	<u>145</u>	<u>1,906,971</u>
Total Expenses	<u>\$ 5,397,856</u>	<u>\$ 276,766</u>	<u>\$ 5,928</u>	<u>\$ 5,680,550</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Statements of Functional Expenses

For the Year Ended June 30, 2020

EXPENSES:	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$2,827,401	\$172,775	\$ 4,889	\$3,005,065
Employee Benefits	464,217	26,386	670	491,273
Total Salaries & Related Expenses	<u>3,291,618</u>	<u>199,161</u>	<u>5,559</u>	<u>3,496,338</u>
Office Expense	2,289	2,718	-	5,007
Alarm	7,967	36	-	8,003
Books	48,861	-	-	48,861
Communications	14,258	1,382	-	15,640
Depreciation	427,269	-	-	427,269
Dues and Fees	1,360	14,189	-	15,549
Employee Training	13,426	15,007	-	28,433
Insurance	41,818	-	-	41,818
Interest	312,749	1,421	-	314,170
Miscellaneous	5,995	426	-	6,421
Printing and Copying	4,753	-	-	4,753
Professional Fees	2,212	16,308	-	18,520
Pupil Services	7,897	-	-	7,897
Repairs and Maintenance	130,895	577	-	131,472
School Nurse - In-kind	77,296	-	-	77,296
Special Education - In-kind	68,179	-	-	68,179
Student Related Activities	16,056	-	-	16,056
Student Lunch	88,515	-	-	88,515
Supplies	34,144	-	-	34,144
Transportation - In-kind	300,561	-	-	300,561
Trash Removal	13,418	61	-	13,479
Travel & Meetings	939	-	-	939
Utilities	78,326	354	-	78,680
Total Other Expenses	<u>1,699,183</u>	<u>52,479</u>	<u>-</u>	<u>1,751,662</u>
Total Expenses	<u>\$ 4,990,801</u>	<u>\$ 251,640</u>	<u>\$ 5,559</u>	<u>\$ 5,248,000</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.
Notes to the Financial Statements

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Brass City Charter School, Inc. (BCCS) provides a rigorous academic and holistic social - emotional learning program that will eliminate the achievement gap for underserved students. BCCS enables students to soar academically, develop as people of character, and lead meaningful and productive lives both for themselves and for their community. BCCS is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and has been classified as other than a private foundation. The school is funded primarily through state grants and donated services from Waterbury Public Schools and Waterbury Department of Public Health.

Income Tax Status

BCCS is organized as a Connecticut non-stock corporation and is exempt from federal income taxes under section 501 (c)(3) of the Internal Revenue Code. In addition, BCCS qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509 (a)(2).

Basis of Accounting

The financial statements of BCCS have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities. Revenue is recognized when earned and expenditures when incurred.

Change in Accounting Principle

BCCS adopted ASU 2018-08 – Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The application of ASU 2018-08 decreased the beginning net assets by \$375,000 for revenue previously recognized as restricted revenue that is now being recognized as deferred revenue at June 30, 2020 under ASU 2018-08 guidance.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. BCCS reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Support that is restricted by the donor is reported as an increase in unrestricted assets if the restriction expires in the same reporting period in which the support is recognized.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, BCCS considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. BCCS establishes allowances for amounts that may not be collectible.

Property and Equipment

Purchases of Property and Equipment over \$750 are capitalized and are carried at cost. Depreciation is computed using the straight-line method over the estimated useful life of the assets as follows:

Buildings & Improvements	25-40 years
Computers	5 years
Furniture & Equipment	7 years

BRASS CITY CHARTER SCHOOL, INC.
Notes to the Financial Statements

Investments

Investments are comprised of money market funds and are reported at fair value with realized gains and losses included in the accompanying statement of activities. The carrying value of money market funds approximates fair value.

Fair Value of Financial Instruments

In accordance with ASC 820-10, BCCS measures the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the asset or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The inputs or methodology used in valuing securities are not necessarily an indication of the risk associated with investing in those securities. BCCS's mutual funds were valued using Level 1 measurements.

Deferred Revenue

Deferred revenue consists of a grant received for general operating support. The revenue is restricted to general operating expenditures and any unspent support must be returned to the grantor.

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, BCCS reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. BCCS reclassifies net assets with donor restrictions to net assets without donor restriction at that time.

Donated Services

The majority of voluntary services donated by individuals have not been reflected in the financial statements. These services provided do not meet the criteria for recognition under ASC 958-605-25-16; however, special voluntary services that meet the criteria for recognition are reported as donated services and expensed in the same year as discussed in Note 4.

BRASS CITY CHARTER SCHOOL, INC.
Notes to the Financial Statements

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Each expenditure is examined and then classified to one of the following functional categories; education, management and general, and fundraising. For certain expenditures a ratio based on time and effort is used to allocate to the appropriate aforementioned categories.

Estimates

Management uses estimates and assumptions in preparing financial statements, as required by generally accepted accounting principles (GAAP). Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Review for Subsequent Events

In connection with the preparation of the financial statements of BCCS as of and for the year ended June 30, 2021, events and transactions subsequent to June 30, 2021 through December 12, 2021, the date the financial statements were available to be issued, have been evaluated by BCCS's management for possible adjustment and/or disclosure.

Note 2 – DETAIL NOTES ON ASSETS, LIABILITIES, AND NET ASSETS

Cash and Cash Equivalents

At June 30, 2021 and 2020, the carrying amounts of BCCS deposits were \$1,407,132 and \$941,434 and the bank balance was \$1,449,138 and \$1,201,248, respectively. \$250,000 of the bank balance was insured by the FDIC both years. \$1,199,138 and \$951,248 was uninsured in each year, respectively.

Fair Value Measurements

At June 30, 2021, the inputs used in valuing BCCS's investments, which are carried at fair value, were as follows:

<u>Description</u>	June 30, <u>2021</u>	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	505,402	505,402	-	-
Total	<u>\$ 505,402</u>	<u>\$ 505,402</u>	<u>\$ -</u>	<u>\$ -</u>

Receivables

At June 30, 2021, BCCS had \$41,297 and \$358,548 in gross grants and other receivables, respectively. BCCS reported the other receivables net of an allowance for doubtful accounts balance of \$71,195 related to special education costs billed to the City of Waterbury in fiscal year 2019. \$357,099 of the gross other receivables are due to BCCS from the City of Waterbury for special education costs, of which \$238,604 was billed to the City in fiscal year 2021.

BRASS CITY CHARTER SCHOOL, INC.

Notes to the Financial Statements

Liabilities

BCCS entered into a Series A Bond Loan Agreement held by Webster Public Finance Corporation. The interest rate was fixed under an interest rate swap agreement at 3.92%. Commencing with the fiscal year beginning on July 1, 2021, and continuing each fiscal year thereafter, the Institution shall pay to the Purchaser an annual fee equal to 0.5% of the outstanding balance of the Note as of June of the preceding fiscal year, 50% of such fee being payable on October 15 and April 15 of each such fiscal year.

BCCS entered into a Loan Agreement held by BlueHub Loan Fund, Inc. Interest only payments are to be made through August 2020. Commencing thereafter the Institution shall pay to the Purchaser a monthly principal and interest payment through August 1, 2023, at which point the rate shall be reset at the then 5-year daily Treasury Yield Curve Rate plus 316 basis points. The minimum rate will be 6% and the maximum rate will be 8%.

The following is a summary of the future mortgage principal payments under the Series A Loan Agreement and the BlueHub Loan Agreement:

2021-2022	\$ 103,746
2022-2023	107,687
2023-2024	126,343
2024-2025	134,619
2025-2026	142,918

Paycheck Protection Program Loan

In May 2020 BCCS received \$632,857 from Webster Bank through the Small Business Association's Paycheck Protection Program to cover eligible payroll and other costs. The loan is deferred and has an interest rate of 1%; however, per the loan agreement the loan will be forgiven if the funds are used to cover eligible payroll and other costs, which BCCS fully anticipates.

Availability and Liquidity Information

The Organization's following financial assets are available within one year of the statement of financial position date for general expenditure. As part of Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. BCCS construction financing includes loan covenants that require BCCS to maintain specific ratios for debt coverage and number of days cash on hand.

Cash and Cash Equivalents	\$1,407,032
Investments	505,402
Receivables	<u>328,649</u>
Financial assets, at year end	2,241,083
Financial assets available to meet cash needs for general expenditures within one year	<u>\$2,241,083</u>

Line of Credit

BCCS also maintains a \$100,000 line of credit with a bank to help finance its cash flows while waiting for grant funds to be received. The line of credit is linked to a BCCS checking account and funds are deposited as needed. There was no outstanding balance at June 30, 2021 or 2020.

BRASS CITY CHARTER SCHOOL, INC.

Notes to the Financial Statements

Note 3 – CONCENTRATION OF SUPPORT

BCCS received per-pupil allocation funds from the State of Connecticut and significant operating grants from two foundations that collectively represented approximately 79% and 81% of its annual income for the years ending June 30, 2021 and 2020, respectively.

Note 4– IN-KIND (CONTRIBUTED) SERVICES

BCCS received in-kind services during the year from Waterbury Public Schools for the special education program in the amount of \$60,959, and for transportation in the amount of \$322,159. BCCS also received in-kind services during the year from the Waterbury Department of Public Health for a school nurse. The Waterbury Department of Public Health did not provide a valuation of the in-kind school nurse services provided. BCCS estimated the value of the in-kind school nurse services to be \$20,000.

Note 5 – RETIREMENT PLAN

BCCS maintains a defined contribution plan covering all employees from the date of employment. Employees are fully vested in the plan upon enrollment whereby eligible employees under age 50 can defer up to \$19,500 of wages annually and eligible employees over age 50 may defer up to \$26,000 of wages. If no alternative deferral amount is selected, BCCS will automatically defer 3%. The expenses to administer the plan in 2021 and 2020 were \$3,703 and \$4,290, respectively, there were no employer contributions to the plan.

BRASS CITY CHARTER SCHOOL, INC.

Schedule of Financial Position (unaudited)

June 30, 2021

ASSETS	Period Ended <u>12/31/2020</u>	Period Ended <u>6/30/2021</u>
Current Assets		
Cash	\$ 2,131,929	\$ 1,407,032
Investment	505,000	505,402
Grants Receivable	130,254	41,297
Other Receivable, Net of Allowance	47,300	287,353
Prepaid Expenses	129,689	10,568
Total Current Assets	<u>2,944,172</u>	<u>2,251,652</u>
Property and Equipment		
Land & Buildings	9,398,366	9,585,341
Computers/Technology	221,998	247,180
Furniture and Equipment	383,535	395,509
Less: Accumulated Depreciation	<u>(1,167,091)</u>	<u>(1,394,494)</u>
Total Property and Equipment, Net	<u>8,836,808</u>	<u>8,833,536</u>
Total Assets	<u>\$ 11,780,980</u>	<u>\$ 11,085,188</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 157,660	\$ 197,087
Accrued Expenses	-	13,429
Deferred Revenue	1,012,500	550,000
Payroll Liabilities	15,246	93,253
Current Portion of Long Term Debt	124,180	103,746
Total Current Liabilities	<u>1,309,586</u>	<u>957,515</u>
Long Term Liabilities		
Paycheck Protection Program	632,857	632,857
Mortgage Payable	6,205,728	6,173,730
Total Long Term Liabilities	<u>6,838,585</u>	<u>6,806,587</u>
Total Liabilities	<u>8,148,171</u>	<u>7,764,102</u>
Net Assets		
Without Donor Restrictions	<u>3,632,809</u>	<u>3,321,086</u>
Total Net Assets	<u>3,632,809</u>	<u>3,321,086</u>
Total Liabilities and Net Assets	<u>\$ 11,780,980</u>	<u>\$ 11,085,188</u>

See the Independent Auditor's Report.

BRASS CITY CHARTER SCHOOL, INC.

Schedule of Activities (unaudited)

For the Trailing Twelve Month Period Ended

June 30, 2021

	6-month Period Ended <u>12/31/2020</u>	6-month Period Ended <u>6/30/2021</u>	12-month Period Ended <u>6/30/2021</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS			
Revenues and Support			
State Charter School Income	\$ 2,025,000	\$ 2,025,000	\$ 4,050,000
School Nutrition Income	46,976	81,587	128,563
Title I Grant	75,378	59,096	134,474
Foundation/Corporate Grants	485,000	-	485,000
Other Grant Income	99,146	400,182	499,328
In-kind (Contributed) Services & Goods	-	403,118	403,118
Contributions	5,133	15,227	20,360
Parent Fundraising	-	3,205	3,205
Other Income	829	(261)	568
Investment Income	5,000	402	5,402
Total Revenues and Support	<u>2,742,462</u>	<u>2,987,556</u>	<u>5,730,018</u>
Expenses			
Salaries and Wages	1,444,015	1,843,890	3,287,905
Employee Benefits and Payroll Taxes	240,858	244,816	485,674
Office Expense	1,387	2,451	3,838
Alarm	4,351	4,454	8,805
Books	94,863	106,901	201,764
Parent Fundraising Expense	-	-	-
Communications	3,578	3,495	7,073
Depreciation	213,635	227,403	441,038
Dues and Fees	9,504	5,188	14,692
Employee Training	5,645	10,779	16,424
Insurance	16,170	31,696	47,866
Interest Expense - Not Paid from Reserves	159,500	154,029	313,529
Interest Expense - Paid from Reserves	-	-	-
Miscellaneous	1,167	(395)	772
Printing and Copying	1,507	795	2,302
Professional Fees	12,638	41,426	54,064
Pupil Services	8,000	1,760	9,760
Repairs and Maintenance	36,527	61,713	98,240
In-kind Services & Goods	-	403,118	403,118
Student Related Activities	1,385	4,682	6,067
Student Lunch	29,988	50,339	80,327
Supplies	8,292	15,220	23,512
Trash Removal	5,141	6,678	11,819
Travel	-	-	-
Utilities	32,172	54,151	86,323
COVID Expense	50,948	24,690	75,638
Total Expenses	<u>2,381,271</u>	<u>3,299,279</u>	<u>5,680,550</u>
Change in Net Assets Without Donor Restrictions	361,191	(311,723)	49,468
Net Assets - Beginning of Period	<u>3,271,618</u>	<u>3,632,809</u>	<u>3,271,618</u>
Net Assets - End of Period	<u>\$ 3,632,809</u>	<u>\$ 3,321,086</u>	<u>\$ 3,321,086</u>

See the Independent Auditor's Report.

BRASS CITY CHARTER SCHOOL, INC.Schedule of Cash Flows (unaudited)
For the Trailing Twelve Month Period Ended
June 30, 2021

	6-month Period Ended <u>12/31/2020</u>	6-month Period Ended <u>6/30/2021</u>	12-month Period Ended <u>6/30/2021</u>
OPERATING ACTIVITIES			
Change in Net Assets Without Donor Restrictions	\$ 361,191	\$ (311,723)	\$ 49,468
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities			
Depreciation	243,635	197,403	441,038
Investment Income	(5,000)	(402)	(5,402)
(Increase) / Decrease In:			
Grants Receivable	(47,754)	88,957	41,203
Other Receivable	69,495	(240,053)	(170,558)
Prepaid Expenses	93,368	119,121	212,489
(Decrease) / Increase In:			
Accounts Payable	51,370	39,427	90,797
Accrued Expenses	(11,636)	13,429	1,793
Deferred Revenue	1,012,500	(462,500)	550,000
Payroll Liabilities	(67,316)	78,007	10,691
Net Cash (Used) Provided by Operating Activities	<u>1,699,853</u>	<u>(478,334)</u>	<u>1,221,519</u>
INVESTING ACTIVITIES			
Purchase of Fixed Assets	(64,266)	(224,131)	(288,397)
Net Cash Used For Investing Activities	<u>(64,266)</u>	<u>(224,131)</u>	<u>(288,397)</u>
FINANCING ACTIVITIES			
Repayment of Financing	(40,092)	(52,432)	(92,524)
Net Cash Used by Financing Activities	<u>(40,092)</u>	<u>(52,432)</u>	<u>(92,524)</u>
(Decrease) / Increase in Cash and Cash Equivalents	1,595,495	(754,897)	840,598
Cash Without Donor Restrictions, Beginning of Period	566,434	2,161,929	566,434
Cash Without Donor Restrictions, End of Period	<u>\$ 2,161,929</u>	<u>\$ 1,407,032</u>	<u>\$ 1,407,032</u>
Supplemental Information			
Income Taxes Paid	\$ -	\$ -	\$ -
Interest Paid	\$ 159,500	\$ 154,029	\$ 313,529

See the Independent Auditor's Report.

BRASS CITY CHARTER SCHOOL, INC.
Schedule of Ratio Calculations (unaudited)
For the Trailing Twelve Month Period Ended
June 30, 2021

<u>Fixed Charge Coverage Ratios Calculation</u>	6-month Period Ended <u>12/31/2020</u>	6-month Period Ended <u>6/30/2021</u>	12-month Period Ended <u>6/30/2021</u>
Change in Operating Net Assets	\$ 361,191	\$ (311,723)	\$ 49,468
Depreciation Expense	213,635	227,403	441,038
Unrealized (Gain/Loss) on Investments	(1,513)	-	(1,513)
Interest Paid	159,500	154,029	313,529
In-Kind Activity			
Inkind Services & Goods Income	-	(403,118)	(403,118)
Inkind Services & Goods Expense	-	403,118	403,118
Adjusted Change in Operating Net Assets	732,813	69,709	802,522
Interest Expense - Not Paid from Reserves			
Webster Interest Expense	69,055	65,168	134,223
BlueHub Interest Expense	90,445	88,861	179,306
Principal Payments on LTD			
Webster Principal Payments	23,962	31,816	55,778
BlueHub Principal Payments	16,130	20,616	36,746
	÷ \$ 199,592	\$ 206,461	\$ 406,053
Combined Fixed Charge Coverage Ratio	367.16%	33.76%	197.64%
Senior Fixed Charge Coverage Ratio	787.83%	71.88%	422.38%

Days Cash on Hand Calculation

	6-month Period Ended <u>12/31/2020</u>	12-month Period Ended <u>6/30/2021</u>
Cash & Cash Equivalents	\$ 2,131,929	\$ 1,407,032
Liquid Investments	505,000	505,402
Liquid Assets	2,636,929	1,912,434
Days in a Year	× 365	365
	962,479,085	698,038,410
Total Expenses	2,381,271	5,680,550
Depreciation	(213,635)	(441,038)
Inkind Services & Goods Expense	-	(403,118)
Net Operating Expense ÷	\$ 2,167,636	\$ 4,836,394
Days Cash on Hand	444.02	144.33

See the Independent Auditor's Report.

**Independent Auditors' 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 of
Brass City Charter School, 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 the Brass City Charter School, Inc., which comprise the statement of financial position as of June 30, 2021 and the related statements of activities, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated December 12, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Brass City Charter School, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 the Brass City Charter School, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Brass City Charter School, 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Brass City Charter School, 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 financial statements. 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*.

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 Brass City Charter School, Inc.'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 Brass City Charter School, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



King, King & Associates, CPAs
Winsted, CT
December 12, 2021

BRASS CITY CHARTER SCHOOL, INC.
 Schedule of Expenditures of State Financial Assistance
 For the Year Ended June 30, 2021

State Grantor Pass-Through <u>Grantor Program Title:</u>	State Grant Program <u>CORE-CT Number</u>	<u>Expenditures</u>
CT Department of Education		
Child Nutrition State Match	11000-SDE64370-16211-82051	\$ 2,581
School Breakfast Program	11000-SDE64370-17046-82057	2,716
Healthy Food Initiative	11000-SDE64370-16212-82010	4,652
Talent Development	11000-SDE64370-12552-84131	1,936
Charter Schools	11000-SDE64370-16119-84179	<u>4,050,000</u>
Total State Financial Assistance		<u>\$ 4,061,885</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Brass City Charter School, Inc. under programs of the State of Connecticut for the fiscal year ended June 30, 2021. 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 educational programs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Brass City Charter School, 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 financial statements contained in the Brass City Charter School, Inc.'s annual audit report are prepared on the accrual basis of accounting. The following is a summary of such basis:

- Revenues are recognized when earned.
- Expenditures are recorded when incurred.

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, 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.

**Independent Auditors' 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 of
Brass City Charter School, Inc.

Report on Compliance for Each Major State Program

We have audited the Brass City Charter School, Inc.'s compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Brass City Charter School, Inc.'s major state programs for the year ended June 30, 2021. The Brass City Charter School, Inc.'s major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Brass City Charter School, Inc.'s compliance.

Opinion on Each Major State Program

In our opinion, the Brass City Charter School, 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, 2021.

Report on Internal Control over Compliance

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

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

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

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



King, King & Associates, CPAs
Winsted, CT
December 12, 2021

BRASS CITY CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

We audited the financial statements of the Brass City Charter School, Inc. as of and for the year ended June 30, 2021 and issued our unmodified report thereon dated December 12, 2021.

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes ✓ No
- Significant deficiency(ies) identified? _____ Yes ✓ None Reported

Noncompliance material to financial statements noted?

_____ Yes ✓ No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? _____ Yes ✓ No
- Significant deficiency(ies) identified? _____ Yes ✓ None Reported

We have issued an unmodified opinion relating to compliance for major State programs.

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

_____ Yes ✓ No

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

State Grantor and Program	State Core - CT Number	<u>Expenditures</u>
CT Department of Education:		
Charter Schools	11000-SDE64370-16119-84179	\$4,050,000
• Dollar threshold used to distinguish between type A and type B programs		<u>\$200,000</u>

BRASS CITY CHARTER SCHOOL, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021
(CONTINUED)**

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated December 12, 2021 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*.
- Our report on compliance indicated no reportable instances of noncompliance.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

- No findings or questioned costs are reported relating to State Financial Assistance Programs.

BRASS CITY CHARTER SCHOOL, INC.

Annual Financial Statements

For the Year Ended June 30, 2022

BRASS CITY CHARTER SCHOOL, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Brass City Charter School, Inc.

Opinion

We have audited the accompanying financial statements of the Brass City Charter School, Inc., which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brass City Charter School, Inc. as of June 30, 2022, and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Brass City Charter School, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Brass City Charter School, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Brass City Charter School, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Brass City Charter School, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

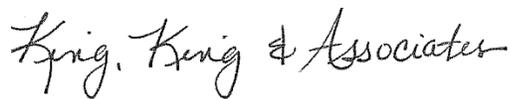
Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of state financial assistance, as required by the Connecticut State Single Audit Act, on page 20 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.

The schedule of financial position (unaudited), schedule of activities (unaudited), schedule of cash flows (unaudited), and schedule of ratio calculations (unaudited) on pages 14 -17 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Report on Supplementary Information

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2022, on our consideration of Brass City Charter School, 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 solely 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 the effectiveness of Brass City Charter School, Inc.'s 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 Brass City Charter School, Inc.'s internal control over financial reporting and compliance



King, King & Associates, CPAs
Winsted, CT
November 30, 2022

BRASS CITY CHARTER SCHOOL, INC.

Statements of Financial Position

June 30, 2022

(With Comparative Totals For June 30, 2021)

ASSETS	<u>2022</u>	<u>2021</u>
Current Assets		
Cash	\$ 1,044,956	\$ 1,407,032
Investments	501,990	505,402
Grants Receivable	100,382	41,297
Other Receivables, Net of Allowance	523,390	287,353
Prepaid Expenses	54,305	10,568
Total Current Assets	<u>2,225,023</u>	<u>2,251,652</u>
Property and Equipment		
Land & Buildings	10,018,784	9,585,341
Computers/Technology	287,418	247,180
Furniture and Equipment	405,270	395,509
Less: Accumulated Depreciation	<u>(1,850,815)</u>	<u>(1,394,494)</u>
Total Property and Equipment, Net	<u>8,860,657</u>	<u>8,833,536</u>
Total Assets	<u>\$ 11,085,680</u>	<u>\$ 11,085,188</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 151,230	\$ 197,087
Accrued Expenses	5,390	13,429
Payroll Liabilities	172,391	93,253
Deferred Revenue	500,000	550,000
Current Portion of Long Term Liabilities	<u>107,687</u>	<u>103,746</u>
Total Current Liabilities	<u>936,698</u>	<u>957,515</u>
Long Term Liabilities		
Paycheck Protection Program	-	632,857
Mortgage	<u>6,066,092</u>	<u>6,173,730</u>
Total Long Term Liabilities	<u>6,066,092</u>	<u>6,806,587</u>
Total Liabilities	<u>7,002,790</u>	<u>7,764,102</u>
Net Assets		
Without Donor Restrictions	<u>4,082,890</u>	<u>3,321,086</u>
Total Net Assets	<u>4,082,890</u>	<u>3,321,086</u>
Total Liabilities and Net Assets	<u>\$ 11,085,680</u>	<u>\$ 11,085,188</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Statements of Activities
For the Year Ended June 30, 2022
(With Comparative Totals For June 30, 2021)

	<u>2022</u>	<u>2021</u>
Revenues and Support Without Donor Restrictions		
State Charter School Income	\$ 4,178,160	\$ 4,050,000
School Nutrition Income	397,056	128,563
Title I Grant	159,352	134,474
PPP Loan Forgiveness	632,857	-
ESSER Grants	453,189	146,750
Special Ed Reimbursement	320,893	238,604
Foundation/Corporate Grants	650,000	485,000
Other Grant Income	12,504	113,974
In-kind (Contributed) Services & Goods	539,792	403,118
Contributions	14,231	20,360
Parent Fundraising	9,680	3,205
Other Income	1,213	568
Investment Income	(3,413)	5,402
Total Revenues, and Support	<u>7,365,514</u>	<u>5,730,018</u>
Expenses		
Education	6,244,105	5,397,856
Management and General	353,068	276,766
Fundraising	6,537	5,928
Total Expenses	<u>6,603,710</u>	<u>5,680,550</u>
Change in Net Assets Without Donor Restrictions	761,804	49,468
Net Assets - Beginning of Year	<u>3,321,086</u>	<u>3,271,618</u>
Net Assets - End of Year	<u>\$ 4,082,890</u>	<u>\$ 3,321,086</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Statements of Cash Flows
For the Year Ended June 30, 2022
(With Comparative Totals For June 30, 2021)

OPERATING ACTIVITIES	<u>2022</u>	<u>2021</u>
Change in Net Assets	\$ 761,804	\$ 49,468
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	456,321	441,038
Investment Income	3,413	(5,402)
PPP Loan Forgiveness	(632,857)	-
(Increase) / Decrease In:		
Grants Receivable	(59,085)	41,203
Other Receivable	(236,037)	(170,558)
Prepaid Expenses	(43,737)	212,489
(Decrease) / Increase In:		
Accounts Payable	(45,857)	90,797
Accrued Expenses	(8,039)	1,793
Deferred Revenue	(50,000)	175,000
Payroll Liabilities	79,138	10,691
Net Cash Provided by Operating Activities	<u>225,064</u>	<u>846,519</u>
INVESTING ACTIVITIES		
Purchase of Fixed Assets	<u>(483,442)</u>	<u>(288,397)</u>
Net Cash (Used) by Investing Activities	<u>(483,442)</u>	<u>(288,397)</u>
FINANCING ACTIVITIES		
Repayment of Financing	<u>(103,698)</u>	<u>(92,524)</u>
Net Cash (Used) Provided by Financing Activities	<u>(103,698)</u>	<u>(92,524)</u>
Net Change in Cash flows	(362,076)	465,598
Cash, Beginning of Year	<u>1,407,032</u>	<u>941,434</u>
Cash, End of Year	<u>\$ 1,044,956</u>	<u>\$ 1,407,032</u>
Supplemental Information		
Income Taxes Paid	\$ -	\$ -
Interest Paid	\$ 309,212	\$ 313,529
Supplemental Disclosure of Non-cash Financing Activities:		
Forgiveness of PPP Loan	\$ 632,857	\$ -

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Statements of Functional Expenses

For the Year Ended June 30, 2022

EXPENSES:	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 3,478,878	\$ 215,819	\$ 5,493	\$ 3,700,190
Employee Benefits and Payroll Taxes	518,105	41,006	1,044	560,155
Total Salaries & Related Expenses	<u>3,996,983</u>	<u>256,825</u>	<u>6,537</u>	<u>4,260,345</u>
Office Expense	9,347	-	-	9,347
Alarm	9,075	41	-	9,116
Books	43,745	-	-	43,745
Communications	-	12,920	-	12,920
Depreciation	455,842	479	-	456,321
Dues and Fees	-	22,013	-	22,013
Employee Training	22,132	10,000	-	32,132
Insurance	16,123	36,249	-	52,372
Interest	307,821	1,391	-	309,212
Miscellaneous	2,923	564	-	3,487
Printing and Copying	2,990	323	-	3,313
Professional Fees	125,123	11,224	-	136,347
Pupil Services	62,698	-	-	62,698
Repairs and Maintenance	257,246	453	-	257,699
School Nurse - In-kind	28,529	-	-	28,529
Special Education - In-kind	59,785	-	-	59,785
Student Related Activities	35,713	-	-	35,713
Student Lunch	148,655	-	-	148,655
Supplies	78,297	-	-	78,297
Transportation - In-kind	451,478	-	-	451,478
Trash Removal	18,612	84	-	18,696
Utilities	110,988	502	-	111,490
Total Other Expenses	<u>2,247,122</u>	<u>96,243</u>	<u>-</u>	<u>2,343,365</u>
Total Expenses	<u>\$ 6,244,105</u>	<u>\$ 353,068</u>	<u>\$ 6,537</u>	<u>\$ 6,603,710</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Statements of Functional Expenses

For the Year Ended June 30, 2021

EXPENSES:	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$3,106,654	\$176,266	\$ 4,985	\$3,287,905
Employee Benefits	456,673	28,203	798	485,674
Total Salaries & Related Expenses	<u>3,563,327</u>	<u>204,469</u>	<u>5,783</u>	<u>3,773,579</u>
Office Expense	1,233	2,460	145	3,838
Alarm	8,765	40	-	8,805
Books	201,764	-	-	201,764
Communications	-	7,073	-	7,073
Depreciation	440,333	705	-	441,038
Dues and Fees	-	14,692	-	14,692
Employee Training	16,424	-	-	16,424
Insurance	14,645	33,221	-	47,866
Interest	312,119	1,410	-	313,529
Covid Expense	75,638	-	-	75,638
Miscellaneous	200	572	-	772
Printing and Copying	2,302	-	-	2,302
Professional Fees	42,787	11,277	-	54,064
Pupil Services	9,760	-	-	9,760
Repairs and Maintenance	97,834	406	-	98,240
School Nurse - In-kind	20,000	-	-	20,000
Special Education - In-kind	60,959	-	-	60,959
Student Related Activities	6,067	-	-	6,067
Student Lunch	80,327	-	-	80,327
Supplies	23,512	-	-	23,512
Transportation - In-kind	322,159	-	-	322,159
Trash Removal	11,766	53	-	11,819
Travel & Meetings	-	-	-	-
Utilities	85,935	388	-	86,323
Total Other Expenses	<u>1,834,529</u>	<u>72,297</u>	<u>145</u>	<u>1,906,971</u>
Total Expenses	<u>\$ 5,397,856</u>	<u>\$ 276,766</u>	<u>\$ 5,928</u>	<u>\$ 5,680,550</u>

The accompanying notes are an integral part of financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Notes to the Financial Statements

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Brass City Charter School, Inc. (BCCS) provides a rigorous academic and holistic social - emotional learning program that will eliminate the achievement gap for underserved students. BCCS enables students to soar academically, develop as people of character, and lead meaningful and productive lives both for themselves and for their community. BCCS is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and has been classified as other than a private foundation. The school is funded primarily through state grants and donated services from Waterbury Public Schools and Waterbury Department of Public Health.

Income Tax Status

BCCS is organized as a Connecticut non-stock corporation and is exempt from federal income taxes under section 501 (c)(3) of the Internal Revenue Code. In addition, BCCS qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509 (a)(2).

Basis of Accounting

The financial statements of BCCS have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities. Revenue is recognized when earned and expenditures when incurred.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. BCCS reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Support that is restricted by the donor is reported as an increase in unrestricted assets if the restriction expires in the same reporting period in which the support is recognized.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, BCCS considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. BCCS establishes allowances for amounts that may not be collectible.

Property and Equipment

Purchases of Property and Equipment over \$750 are capitalized and are carried at cost. Depreciation is computed using the straight-line method over the estimated useful life of the assets as follows:

Buildings & Improvements	25-40 years
Computers	5 years
Furniture & Equipment	7 years

Investments

Investments are comprised of money market funds and are reported at fair value with realized gains and losses included in the accompanying statement of activities. The carrying value of money market funds approximates fair value.

BRASS CITY CHARTER SCHOOL, INC.
Notes to the Financial Statements

Fair Value of Financial Instruments

In accordance with ASC 820-10, BCCS measures the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the asset or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The inputs or methodology used in valuing securities are not necessarily an indication of the risk associated with investing in those securities. BCCS's mutual funds were valued using Level 1 measurements.

Deferred Revenue

Deferred revenue consists of a grant received for general operating support. The revenue is restricted to general operating expenditures and any unspent support must be returned to the grantor.

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, BCCS reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. BCCS reclassifies net assets with donor restrictions to net assets without donor restriction at that time.

Donated Services

The majority of voluntary services donated by individuals have not been reflected in the financial statements. These services provided do not meet the criteria for recognition under ASC 958-605-25-16; however, special voluntary services that meet the criteria for recognition are reported as donated services and expensed in the same year as discussed in Note 4.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Each expenditure is examined and then classified to one of the following functional categories; education, management and general, and fundraising. For certain expenditures a ratio based on time and effort is used to allocate to the appropriate aforementioned categories.

BRASS CITY CHARTER SCHOOL, INC.
Notes to the Financial Statements

Estimates

Management uses estimates and assumptions in preparing financial statements, as required by generally accepted accounting principles (GAAP). Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Review for Subsequent Events

In connection with the preparation of the financial statements of BCCS as of and for the year ended June 30, 2022, events and transactions subsequent to June 30, 2022 through November 30, 2022, the date the financial statements were available to be issued, have been evaluated by BCCS's management for possible adjustment and/or disclosure.

Note 2 – DETAIL NOTES ON ASSETS, LIABILITIES, AND NET ASSETS

Cash and Cash Equivalents

At June 30, 2022 and 2021, the carrying amounts of BCCS deposits were \$1,044,856 and \$1,407,132 and the bank balance was \$1,077,268 and \$1,449,138, respectively. \$250,000 of the bank balance was insured by the FDIC both years. \$827,268 and \$1,199,138 was uninsured in each year, respectively.

Fair Value Measurements

At June 30, 2022, the inputs used in valuing BCCS's investments, which are carried at fair value, were as follows:

<u>Description</u>	June 30, <u>2022</u>	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	501,990	501,990	-	-
Total	<u>\$ 501,990</u>	<u>\$ 501,990</u>	<u>\$ -</u>	<u>\$ -</u>

Receivables

At June 30, 2022, BCCS had \$100,382 in grants receivable and \$594,585 in gross other receivables, respectively. BCCS reported the other receivables net of an allowance for doubtful accounts balance of \$71,195 related to special education costs billed to the City of Waterbury in fiscal year 2019. \$594,585 of the gross other receivables are due to BCCS from the City of Waterbury for special education costs, of which \$320,893 was billed to the City in fiscal year 2022.

BRASS CITY CHARTER SCHOOL, INC.

Notes to the Financial Statements

Liabilities

BCCS entered into a Series A Bond Loan Agreement held by Webster Public Finance Corporation. The interest rate was fixed under an interest rate swap agreement at 3.92%. Commencing with the fiscal year beginning on July 1, 2021, and continuing each fiscal year thereafter, the Institution shall pay to the Purchaser an annual fee equal to 0.5% of the outstanding balance of the Note as of June of the preceding fiscal year, 50% of such fee being payable on October 15 and April 15 of each such fiscal year.

BCCS entered into a Loan Agreement held by BlueHub Loan Fund, Inc. Interest only payments are to be made through August 2020. Commencing thereafter the Institution shall pay to the Purchaser a monthly principal and interest payment through August 1, 2023, at which point the rate shall be reset at the then 5-year daily Treasury Yield Curve Rate plus 316 basis points. The minimum rate will be 6% and the maximum rate will be 8%.

The following is a summary of the future mortgage principal payments under the Series A Loan Agreement and the BlueHub Loan Agreement:

2022-2023	\$ 107,687
2023-2024	126,343
2024-2025	134,319
2025-2026	142,918
2026-2027	151,185

Paycheck Protection Program Loan

In May 2020 BCCS received \$632,857 from Webster Bank through the Small Business Association's Paycheck Protection Program to cover eligible payroll and other costs. The loan was deferred and had an interest rate of 1%; however, per the loan agreement the loan is to be forgiven if the funds are used to cover eligible payroll and other costs. As of June 30, 2022 the total amount of the loan has been forgiven by Webster Bank and the SBA. BCCS recognized the full \$632,857 as revenue when it was forgiven.

Availability and Liquidity Information

The Organization's following financial assets are available within one year of the statement of financial position date for general expenditure. As part of Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. BCCS construction financing includes loan covenants that require BCCS to maintain specific ratios for debt coverage and number of days cash on hand.

Cash and Cash Equivalents	\$1,044,956
Investments	501,990
Receivables	<u>623,772</u>
Financial assets, at year end	2,170,718
Financial assets available to meet cash needs for general expenditures within one year	<u>\$2,170,718</u>

Line of Credit

BCCS also maintains a \$100,000 line of credit with a bank to help finance its cash flows while waiting for grant funds to be received. The line of credit is linked to a BCCS checking account and funds are deposited as needed. There was no outstanding balance at June 30, 2022 or 2021.

BRASS CITY CHARTER SCHOOL, INC.
Notes to the Financial Statements

Note 3 – CONCENTRATION OF SUPPORT

BCCS received per-pupil allocation funds from the State of Connecticut and significant operating grants from two foundations that collectively represented approximately 66% and 79% of its annual income for the years ending June 30, 2022 and 2021, respectively.

Note 4– IN-KIND (CONTRIBUTED) SERVICES

BCCS received in-kind services during the year from Waterbury Public Schools. Waterbury Public school provided BCCS with the actual in-kind expenses for a school nurse in the amount of \$28,529, special education program in the amount of \$59,785, and for transportation in the amount of \$451,478.

Note 5 – RETIREMENT PLAN

BCCS maintains a defined contribution plan covering all employees from the date of employment. Employees are fully vested in the plan upon enrollment whereby eligible employees under age 50 can defer up to \$20,500 of wages annually and eligible employees over age 50 may defer up to \$27,000 of wages. If no alternative deferral amount is selected, BCCS will automatically defer 3%. The expenses to administer the plan in 2022 and 2021 were \$4,010 and \$3,703, respectively, there were no employer contributions to the plan.

BRASS CITY CHARTER SCHOOL, INC.

Schedule of Financial Position (unaudited)

June 30, 2022

ASSETS	Period Ended <u>12/31/2021</u>	Period Ended <u>6/30/2022</u>
Current Assets		
Cash	\$ 2,052,177	\$ 1,044,956
Investment	505,709	501,990
Grants Receivable	38,211	100,382
Other Receivable, Net of Allowance	202,497	523,390
Prepaid Expenses	10,568	54,305
Total Current Assets	<u>2,809,162</u>	<u>2,225,023</u>
Property and Equipment		
Land & Buildings	9,603,834	10,018,784
Computers/Technology	284,718	287,418
Furniture and Equipment	402,957	405,270
Less: Accumulated Depreciation	<u>(1,615,013)</u>	<u>(1,850,815)</u>
Total Property and Equipment, Net	<u>8,676,496</u>	<u>8,860,657</u>
Total Assets	<u>\$ 11,485,658</u>	<u>\$ 11,085,680</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 61,745	\$ 151,230
Accrued Expenses	24,412	5,390
Payroll Liabilities	9,828	172,391
Deferred Revenue	1,044,450	500,000
Current Portion of Long Term Debt	<u>106,680</u>	<u>107,687</u>
Total Current Liabilities	<u>1,247,115</u>	<u>936,698</u>
Long Term Liabilities		
Paycheck Protection Program	-	-
Mortgage Payable	<u>6,129,005</u>	<u>6,066,092</u>
Total Long Term Liabilities	<u>6,129,005</u>	<u>6,066,092</u>
Total Liabilities	<u>7,376,120</u>	<u>7,002,790</u>
Net Assets		
Without Donor Restrictions	<u>4,109,538</u>	<u>4,082,890</u>
Total Net Assets	<u>4,109,538</u>	<u>4,082,890</u>
Total Liabilities and Net Assets	<u>\$ 11,485,658</u>	<u>\$ 11,085,680</u>

See the Independent Auditor's Report.

BRASS CITY CHARTER SCHOOL, INC.

Schedule of Activities (unaudited)

For the Trailing Twelve Month Period Ended

June 30, 2022

	6-month Period Ended <u>12/31/2021</u>	6-month Period Ended <u>6/30/2022</u>	12-month Period Ended <u>6/30/2022</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS			
Revenues and Support			
State Charter School Income	\$ 2,089,080	\$ 2,089,080	\$ 4,178,160
School Nutrition Income	117,498	279,558	397,056
Title I Grant	-	159,352	159,352
PPP Loan Forgiveness	632,857	-	632,857
ESSER Grants	-	453,189	453,189
Special Ed Reimbursement	-	320,893	320,893
Foundation/Corporate Grants	650,000	-	650,000
Other Grant Income	-	12,504	12,504
In-kind (Contributed) Services & Goods	-	539,792	539,792
Contributions	868	13,363	14,231
Parent Fundraising	2,671	7,009	9,680
Other Income	1,213	-	1,213
Investment Income	306	(3,719)	(3,413)
Total Revenues and Support	<u>3,494,493</u>	<u>3,871,021</u>	<u>7,365,514</u>
Expenses			
Salaries and Wages	1,616,741	2,083,449	3,700,190
Employee Benefits and Payroll Taxes	240,930	319,225	560,155
Office Expense	6,721	2,626	9,347
Alarm	4,569	4,547	9,116
Books	39,988	3,757	43,745
Communications	2,871	10,049	12,920
Depreciation	220,519	235,802	456,321
Dues and Fees	13,926	8,087	22,013
Employee Training	14,391	17,741	32,132
Insurance	17,813	34,559	52,372
Interest Expense - Not Paid from Reserves	130,249	178,963	309,212
Miscellaneous	2,492	995	3,487
Printing and Copying	983	2,330	3,313
Professional Fees	63,892	72,455	136,347
Pupil Services	18,898	43,800	62,698
Repairs and Maintenance	125,596	132,103	257,699
In-kind Services & Goods	-	539,792	539,792
Student Related Activities	8,105	27,608	35,713
Student Lunch	64,635	84,020	148,655
Supplies	58,526	19,771	78,297
Trash Removal	8,336	10,360	18,696
Utilities	44,928	66,562	111,490
COVID Expense	932	(932)	-
Total Expenses	<u>2,706,041</u>	<u>3,897,669</u>	<u>6,603,710</u>
Change in Net Assets Without Donor Restrictions	788,452	(26,648)	761,804
Net Assets - Beginning of Period	3,321,086	4,109,538	3,321,086
Net Assets - End of Period	<u>\$ 4,109,538</u>	<u>\$ 4,082,890</u>	<u>\$ 4,082,890</u>

See the Independent Auditor's Report.

BRASS CITY CHARTER SCHOOL, INC.

Schedule of Cash Flows (unaudited)
For the Trailing Twelve Month Period Ended
June 30, 2022

	6-month Period Ended <u>12/31/2021</u>	6-month Period Ended <u>6/30/2022</u>	12-month Period Ended <u>6/30/2022</u>
OPERATING ACTIVITIES			
Change in Net Assets Without Donor Restrictions	\$ 788,452	\$ (26,648)	\$ 761,804
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities			
Depreciation	220,519	235,802	456,321
Investment Income	(307)	3,720	3,413
PPP Loan Forgiveness	(632,857)	-	(632,857)
(Increase) / Decrease In:			
Grants Receivable	3,086	(62,171)	(59,085)
Other Receivable	84,856	(320,893)	(236,037)
Prepaid Expenses	-	(43,737)	(43,737)
(Decrease) / Increase In:			
Accounts Payable	(135,342)	89,485	(45,857)
Accrued Expenses	10,983	(19,022)	(8,039)
Deferred Revenue	494,450	(544,450)	(50,000)
Payroll Liabilities	(83,425)	162,563	79,138
Net Cash (Used) Provided by Operating Activities	<u>750,415</u>	<u>(525,351)</u>	<u>225,064</u>
INVESTING ACTIVITIES			
Purchase of Fixed Assets	<u>(63,479)</u>	<u>(419,963)</u>	<u>(483,442)</u>
Net Cash Used For Investing Activities	<u>(63,479)</u>	<u>(419,963)</u>	<u>(483,442)</u>
FINANCING ACTIVITIES			
Repayment of Financing	<u>(41,791)</u>	<u>(61,907)</u>	<u>(103,698)</u>
Net Cash Used by Financing Activities	<u>(41,791)</u>	<u>(61,907)</u>	<u>(103,698)</u>
(Decrease) / Increase in Cash and Cash Equivalents	645,145	(1,007,221)	(362,076)
Cash Without Donor Restrictions, Beginning of Period	<u>1,407,032</u>	<u>2,052,177</u>	<u>1,407,032</u>
Cash Without Donor Restrictions, End of Period	<u>\$ 2,052,177</u>	<u>\$ 1,044,956</u>	<u>\$ 1,044,956</u>
Supplemental Information			
Income Taxes Paid	\$ -	\$ -	\$ -
Interest Paid	\$ 130,249	\$ 178,963	\$ 309,212
Supplemental disclosure of Non-Cash Financing Activities:			
Forgiveness of PPP Loan	\$ 632,857	\$ -	\$ 632,857

See the Independent Auditor's Report.

BRASS CITY CHARTER SCHOOL, INC.
Schedule of Ratio Calculations (unaudited)
For the Trailing Twelve Month Period Ended
June 30, 2022

<u>Fixed Charge Coverage Ratios Calculation</u>	6-month Period Ended <u>12/31/2021</u>	6-month Period Ended <u>6/30/2022</u>	12-month Period Ended <u>6/30/2022</u>
Change in Operating Net Assets	\$ 788,452	\$ (26,648)	\$ 761,804
Depreciation Expense	220,519	235,802	456,321
Unrealized (Gain/Loss) on Investments	-	-	-
Interest Paid	130,249	178,963	309,212
In-Kind Activity			
Inkind Services & Goods Income	-	(539,792)	(539,792)
Inkind Services & Goods Expense	-	539,792	539,792
Adjusted Change in Operating Net Assets	1,139,220	388,117	1,527,337
Interest Expense - Not Paid from Reserves			
Webster Interest Expense	55,552	76,264	131,816
BlueHub Interest Expense	74,697	102,699	177,396
Principal Payments on LTD			
Webster Principal Payments	25,258	36,882	62,140
BlueHub Principal Payments	16,534	25,022	41,556
	÷ \$ 172,041	\$ 240,867	\$ 412,908
Combined Fixed Charge Coverage Ratio	662.18%	161.13%	369.90%
Senior Fixed Charge Coverage Ratio	1409.75%	343.02%	787.47%

Days Cash on Hand Calculation

		6-month Period Ended <u>12/31/2021</u>	12-month Period Ended <u>6/30/2022</u>
Cash & Cash Equivalents		\$ 2,052,177	\$ 1,044,956
Liquid Investments		505,709	501,990
	Liquid Assets	2,557,886	1,546,946
Days in a Year	×	365	365
		933,628,390	564,635,290
Total Expenses	÷	2,706,041	6,603,710
Depreciation		(220,519)	(456,321)
Inkind Services & Goods Expense		-	(539,792)
	Net Operating Expense	\$ 2,485,522	\$ 5,607,597
	Days Cash on Hand	375.63	100.69

See the Independent Auditor's Report.

**Independent Auditors' 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 of
Brass City Charter School, 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 the Brass City Charter School, Inc., which comprise the statement of financial position as of June 30, 2022 and the related statements of activities, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Brass City Charter School, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 the Brass City Charter School, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Brass City Charter School, 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

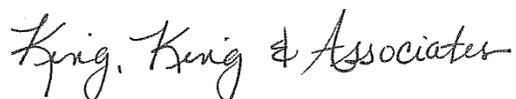
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Brass City Charter School, 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 financial statements. 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*.

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 Brass City Charter School, Inc.'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 Brass City Charter School, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



King, King & Associates, CPAs
Winsted, CT
November 30, 2022

BRASS CITY CHARTER SCHOOL, INC.
 Schedule of Expenditures of State Financial Assistance
 For the Year Ended June 30, 2022

State Grantor Pass-Through <u>Grantor Program Title:</u>	State Grant Program <u>CORE-CT Number</u>	<u>Expenditures</u>
CT Department of Education		
Child Nutrition State Match	11000-SDE64370-16211-82051	\$ 1,890
School Breakfast Program	11000-SDE64370-17046-82057	2,649
Healthy Food Initiative	11000-SDE64370-16212-82010	4,566
Talent Development	11000-SDE64370-12552-84131	2,045
Charter Schools	11000-SDE64370-16119-84179	<u>4,178,160</u>
Total State Financial Assistance		<u>\$ 4,189,310</u>

See notes to schedule.

BRASS CITY CHARTER SCHOOL, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2022

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Brass City Charter School, Inc. under programs of the State of Connecticut for the fiscal year ended June 30, 2022. 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 educational programs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Brass City Charter School, 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 financial statements contained in the Brass City Charter School, Inc.'s annual audit report are prepared on the accrual basis of accounting. The following is a summary of such basis:

- Revenues are recognized when earned.
- Expenditures are recorded when incurred.

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, 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.

**Independent Auditors' 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 of
Brass City Charter School, Inc.

Report on Compliance for Each Major State Program
Opinion on Each major State Program

We have audited the Brass City Charter School, Inc.'s compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Brass City Charter School, Inc.'s major state programs for the year ended June 30, 2022. The Brass City Charter School, Inc.'s major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Brass City Charter School, Inc. complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Brass City Charter School, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Brass City Charter School, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Brass City Charter School, Inc.'s state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Brass City Charter School, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the State Single Audit will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Brass City Charter School, Inc.'s compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the State Single Audit Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Brass City Charter School, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Brass City Charter School, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Brass City Charter School, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

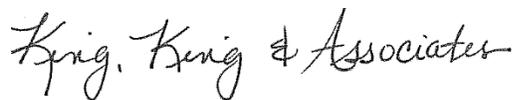
Report on Internal Control Over Compliance

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 Auditor's Responsibilities for the Audit of Compliance section above 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

A handwritten signature in cursive script that reads "King, King & Associates".

King, King & Associates, CPAs
Winsted, CT
November 30, 2022

BRASS CITY CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

We audited the financial statements of the Brass City Charter School, Inc. as of and for the year ended June 30, 2022 and issued our unmodified report thereon dated November 30, 2022.

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes No
- Significant deficiency(ies) identified? _____ Yes None Reported

Noncompliance material to financial statements noted? _____ Yes No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? _____ Yes No
- Significant deficiency(ies) identified? _____ Yes None Reported

We have issued an unmodified opinion relating to compliance for major State programs.

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

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

State Grantor and Program	State Core - CT Number	Expenditures
CT Department of Education:		
Charter Schools	11000-SDE64370-16119-84179	\$4,178,160
• Dollar threshold used to distinguish between type A and type B programs		<u>\$200,000</u>

BRASS CITY CHARTER SCHOOL, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022
(CONTINUED)**

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated November 30, 2022 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*.
- Our report on compliance indicated no reportable instances of noncompliance.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

- No findings or questioned costs are reported relating to State Financial Assistance Programs.

EXHIBIT H

**ANNUAL REPORT OF THE INDIVIDUALS WITH
DISABILITIES EDUCATION ACT PART B GRANTS
FFY 2019/FY 2020**



Connecticut State Department of Education



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The Connecticut State Department of Education is committed to a policy of affirmative action/equal opportunity for all qualified persons. The Connecticut State Department of Education does not discriminate in any employment practice, education program, or educational activity on the basis of age, ancestry, color, civil air patrol status, criminal record (in state employment and licensing), gender identity or expression, genetic information, intellectual disability, learning disability, marital status, mental disability (past or present), national origin, physical disability (including blindness), race, religious creed, retaliation for previously opposed discrimination or coercion, sex (pregnancy or sexual harassment), sexual orientation, veteran status or workplace hazards to reproductive systems, unless there is a bona fide occupational qualification excluding persons in any of the aforementioned protected classes. Inquiries regarding the Connecticut State Department of Education’s nondiscrimination policies should be directed to: Levy Gillespie, Equal Employment Opportunity Director/Americans with Disabilities Act (ADA) Coordinator, Connecticut State Department of Education, 450 Columbus Boulevard, Suite 505, Hartford, CT 06103, 860-807-2071, Levy.gillespie@ct.gov.



Annual Report of the IDEA Part B Grants FFY2019/FY 2020

I. INTRODUCTION

The Connecticut General Assembly (CGA) requires an annual report regarding federal funds received pursuant to the federal Individuals with Disabilities Education Act (IDEA), 20 USC 1400 et seq., as amended from time to time, to the joint standing committee of the CGA having cognizance of matters relating to education, in accordance with the provisions of Section 11-4a of the Connecticut General Statutes. Such report shall include, but need not be limited to: (1) The total amount of federal funds received pursuant to said IDEA, (2) the total amount of such federal funds paid by the department to local and regional boards of education, (3) the total amount of such federal funds paid by the department to each local or regional board of education, and (4) a description of how such federal funds are being spent including, but not limited to, which programs are receiving such federal funds from the department.

The annual report identifies:

1. The total amount of IDEA Part B, Sections 611 and 619 federal funds the Connecticut State Department of Education (CSDE) received for federal fiscal year (FFY) 2019/Connecticut fiscal year (FY) 2020.
2. The total amount of those funds the CSDE paid to local education agencies (LEAs).
3. The total amount of those funds the CSDE paid to subgrantees (broken down by LEA).
4. How the federal funds are being allocated between LEA programs and the CSDE's other state activities as well as a brief description of the purpose and background of the IDEA grant.

II. BACKGROUND INFORMATION

The CSDE annually submits an application to the federal government for the *Assistance to States for the Education of Children with Disabilities and Preschool Grants for Children with Disabilities: IDEA Part B, Sections 611 (ages 3–21) and 619 (ages 3–5)* (34 Code of Federal Regulations [CFR] Sections 300 and 301). The two-year grant allows the CSDE to provide federal entitlement funding in order to assist with the excess costs of providing special education and related services to children with disabilities in accordance with IDEA. The maximum grant amount that a state may receive is based on a formula delineated in federal law (34 CFR Section 300.700 (b)) through an established base rate, which is adjusted annually as determined by two factors of the state's school census (85 percent of the state's population of children ages 3–21 who are of the same age as children with disabilities for whom the state ensures the availability of a free and appropriate public education [FAPE] under Part B of the act) and level of poverty (15 percent of the state's population of children who are living in poverty).

IDEA Part B maximum distributions are separated by the federal government into three areas:

1. State administration - for the purpose of administering Part B of the act (34 CFR Section 300.704(a));
2. Other state-level activities - reserved allocations for monitoring, enforcement and complaint investigation, and to establish and implement the mediation process, including providing for the costs of mediators and hearing officers for due process; support and direct services, including technical assistance (TA), personnel preparation and professional development (PD) and training; support paperwork reduction activities, including expanding the use of technology in the individualized education program (IEP) process; assist LEAs in providing positive behavioral



interventions and supports and mental health services for children with disabilities; improve the use of technology in the classroom to enhance learning; support the use of technology, including technology with universal design principles and assistive technology devices, to maximize accessibility to the general education curriculum for children with disabilities; development and implementation of transition programs, including coordination of services with agencies involved in supporting the transition of students with disabilities to postsecondary activities; to assist LEAs in meeting personnel shortages; support capacity building activities and improve the delivery of services by LEAs to improve results for children with disabilities; alternative programming for children with disabilities who have been expelled from school, services for children with disabilities in correctional facilities, children enrolled in state-operated or state-supported schools, and children with disabilities in charter schools; support the development and provision of appropriate accommodations for children with disabilities or the development and provision of alternate assessments that are valid and reliable for assessing the performance of children with disabilities; and provide TA to schools and LEAs and direct services, including supplemental educational services to children with disabilities and in schools or LEAs identified for improvement on the sole basis of the assessment results of the disaggregated subgroup of children with disabilities, including providing PD to special and regular education teachers, who teach children with disabilities, based on scientifically-based research to improve educational instruction, in order to improve academic achievement to meet or exceed the objectives established by the state (34 CFR Section 300.704(b); and

3. Subgrants to eligible LEAs in Connecticut - An eligible LEA is a subgrantee of the grant with the calculations determined by a base payment, school census in public and private schools within the jurisdiction, and children identified as living in poverty within the LEA (34 CFR Section 300.705).

III. PURPOSE OF THE PROGRAM

IDEA Part B, Sections 611 and 619 allow the CSDE to provide federal entitlement funding in order to assist with the excess costs of providing special education and related services to children with disabilities ages 3–21 (as defined by 34 CFR Sections 300.16 and 300.202). IDEA Part B funds are intended to supplement and not supplant local and state funding. (34 CFR Section 300.203(a) and (b)). Assurances that awarded funds will be expended in accordance with the applicable conditions as stated under IDEA, federal law, and Connecticut statutes are noted on both the CSDE state application and the LEA sub-grantee application.

IV. TOTAL AMOUNT OF FEDERAL FUNDS RECEIVED

A. IDEA Part B, Section 611 - Allocations for Grants to States (ages 3–21)

The total amount of federal 611 funds is noted on the Office of Special Education Programs' (OSEP's) *Fiscal Year 2019 Allocations for Grants to States IDEA – Part B, Section 611 - Table I*. (see attached Appendix A). The table delineates the country's distribution of grant monies for all the states' awards with established thresholds.

Connecticut is listed to receive for FFY 19 a total award of \$140,425,382. The CSDE chose the *Maximum Available for Allowable Administration* set-aside and indicated *Maximum Other Set-Aside* from the FFY 2019 allocations. The Bureau of Special Education (BSE) uses the thresholds to generate a request for grant calculation from the Bureau of Fiscal Services (BFS). (see Chart A)



NOTE: *Maximum Other Set-Aside* amount is taken from the column - *Maximum Other Set-Aside if ACTUAL Administrative is Greater than \$850,000 Without Risk Pool* (this column is the reference due to Connecticut’s actual administration, is greater than \$850,000, and without the federal risk pool – Connecticut has a risk pool called the “Special Education Excess Cost Grant.”)

CHART A

FFY19 IDEA Part B, Section 611	Total Award	Maximum Available for Administration	Maximum Other Set- Aside	Flow through to LEAs
Connecticut Calculation 7/1/2019	\$140,425,382	\$3,216,959	\$13,996,230	\$123,212,193

Chart A above delineates an abbreviated allocation table of the FFY 19 IDEA Part B 611 award.

The calculation below demonstrates the computation for the amount of the IDEA Part B, Section 611 entitlements to be distributed to eligible subgrantees who apply for flow-through funds to LEAs:

$$\$140,425,382 - (\$3,216,959 + \$13,996,230) \$17,213,189 = \$123,212,193$$

Federal Grant Award of \$140,425,382 minus the combination of the *Maximum Available for Allowable Administration* (\$3,216,959) and the *Maximum Other Set-Aside* (\$13,996,230) for a sum of \$17,213,189. The computation is a total distribution of \$123,212,193 or 88 percent *Flow through to LEAs* as subgrantees.

B. IDEA Part B, Section 619 – Allocations for Preschool Grants (ages 3–5)

The total amount of federal 619 funds is noted on the OSEP’s *Fiscal Year 2019 Allocations for Preschool Grants IDEA – Part B, Section 619 -Table II*. (see attached Appendix B). The table delineates the country’s distribution of grant monies for all the states’ awards with established thresholds.

The State of Connecticut is listed to receive for FFY 19 a total award of \$5,028,809. The CSDE chose the allowable *Maximum Available for Administration* set-aside (\$264,829). However, due to historical practices of level funding for 619, the CSDE reduced *Maximum State Set-Aside* in order to provide comparable funding to LEAs year to year; thus the total dollar amount was adjusted 75 percent of the available amount (\$1,324,148 changed to \$993,111). The BSE uses these references to generate a request for grant calculation from the BFS. (see Chart B).

CHART B

IDEA Part B Section 619	Total Award	Maximum Available for Administration	Other Set- Aside	Flow through to LEAs
Connecticut Calculation 7/1/2019	\$5,028,809	\$264,829	\$993,111	\$3,770,869

Chart B above delineates an abbreviated allocation table of the FFY 19 IDEA Part B 619 award.



The calculation below demonstrates the computation for the amount of IDEA Part B, Section 619 entitlements to be distributed to eligible subgrantees who apply for flow-through funds to LEAs:

$$\$5,028,809 - (\$264,829 + \$993,111) \$1,157,940 = \$3,770,869$$

Federal Grant Award of \$5,028,809 minus the combination of the maximum amount allowable for Maximum Available for Administration (\$264,829) and the adjusted amount for Other Set-Aside of (\$993,111) for a sum of \$1,157,940. The computation is a total distribution of \$3,770,869 or 75 percent Flow through to LEAs as subgrantees.

V. TOTAL IDEA PART B AWARD BROKEN DOWN BY LEA (34 CFR Section 300.705)

A. Total IDEA Part B, Section 611 Award Flow through to LEAs

FFY 19 IDEA Part B, Section 611 (ages 3–21) - The total IDEA Part B 611 Award is \$140,425,382 and the sub-grantee award is \$123,212,193 or 88 percent flow through to the LEAs.

Connecticut State Department of Education FFY19/FY 20 IDEA Part B, Section 611 Entitlements		
District Code	LEA/Sub-grantee Name	FFY 19 IDEA Part B 611 Entitlements
1	ANDOVER	45,475
2	ANSONIA	593,565
3	ASHFORD	108,694
4	AVON	603,794
5	BARKHAMSTED ***	60,813
7	BERLIN	609,799
8	BETHANY	77,207
9	BETHEL	663,706
11	BLOOMFIELD	567,174
12	BOLTON	157,078
13	BOZRAH	62,802
14	BRANFORD	721,396



15	BRIDGEPORT	5,444,454
17	BRISTOL	1,976,435
18	BROOKFIELD	521785
19	BROOKLYN	249595
21	CANAAN *	26,255
22	CANTERBURY	151,972
23	CANTON	302,794
24	CHAPLIN ****	41,501
25	CHESHIRE	964,893
26	CHESTER **	56,383
27	CLINTON	411,236
28	COLCHESTER	522,065
29	COLEBROOK ***	26,484
30	COLUMBIA	115,171
31	CORNWALL	39,741
32	COVENTRY	369,458
33	CROMWELL	390,673
34	DANBURY	2,480,909
35	DARIEN	811,798
36	DEEP RIVER **	66,347
37	DERBY	338,590
39	EASTFORD	40,330



40	EAST GRANBY	157,588
41	EAST HADDAM	238,157
42	EAST HAMPTON	392,545
43	EAST HARTFORD	1,895,918
44	EAST HAVEN	662,675
45	EAST LYME	520,217
46	EASTON *****	196,301
47	EAST WINDSOR	239,877
48	ELLINGTON	46,3006
49	ENFIELD	1,338,946
50	ESSEX **	66,167
51	FAIRFIELD	2,267,875
52	FARMINGTON	760,801
53	FRANKLIN	38,427
54	GLASTONBURY	1,164,207
56	GRANBY	366,646
57	GREENWICH	2,473,837
58	GRISWOLD	378,655
59	GROTON	108,1443
60	GUILFORD	695,479
62	HAMDEN	1,583,417
63	HAMPTON	26,888



64	HARTFORD	6,455,932
65	HARTLAND ***	41,308
67	HEBRON	143,910
68	KENT *	169,382
69	KILLINGLY	625,757
71	LEBANON	235,012
72	LEDYARD	524,803
73	LISBON	113,372
74	LITCHFIELD	244,287
76	MADISON	600,762
77	MANCHESTER	1,836,908
78	MANSFIELD	274,739
79	MARLBOROUGH	100,128
80	MERIDEN	2,224,358
83	MIDDLETOWN	1,340,469
84	MILFORD	1,469,780
85	MONROE	620,303
86	MONTVILLE	581,502
88	NAUGATUCK	1,092,339
89	NEW BRITAIN	3,140,373
90	NEW CANAAN	850,908
91	NEW FAIRFIELD	446,617



92	NEW HARTFORD	102,412
93	NEW HAVEN	6,223,373
94	NEWINGTON	761,335
95	NEW LONDON	1,109,145
96	NEW MILFORD	893,595
97	NEWTOWN	863,248
98	NORFOLK ***	26,417
99	NORTH BRANFORD	405,311
100	NORTH CANAAN *	71,011
101	NORTH HAVEN	559,162
102	NORTH STONINGTON	172,742
103	NORWALK	2,257,545
104	NORWICH	1,484,888
106	OLD SAYBROOK	282,882
107	ORANGE	302,237
108	OXFORD	343,301
109	PLAINFIELD	552,129
110	PLAINVILLE	509,801
111	PLYMOUTH	342,078
112	POMFRET	175,955
113	PORTLAND	260,381
114	PRESTON	123,187



116	PUTNAM	333,121
117	REDDING *****	194,373
118	RIDGEFIELD	886,102
119	ROCKY HILL	523,217
121	SALEM	104,026
122	SALISBURY *	231,417
123	SCOTLAND	26,620
124	SEYMOUR	515,750
125	SHARON *	51,967
126	SHELTON	907,650
127	SHERMAN	62,861
128	SIMSBURY	978,423
129	SOMERS	293,982
131	SOUTHINGTON	1,444,969
132	SOUTH WINDSOR	853,854
133	SPRAGUE	101,401
134	STAFFORD	362,553
135	STAMFORD	3,796,187
136	STERLING	99,285
137	STONINGTON	49,4279
138	STRATFORD	1,530,974
139	SUFFIELD	446,929



140	THOMASTON	231,342
141	THOMPSON	316,455
142	TOLLAND	439,245
143	TORRINGTON	990,775
144	TRUMBULL	1,464,465
145	UNION	10,145
146	VERNON	873,893
147	VOLUNTOWN	77,226
148	WALLINGFORD	1,303,099
151	WATERBURY	5,294,074
152	WATERFORD	557,283
153	WATERTOWN	709,932
154	WESTBROOK	138,706
155	WEST HARTFORD	2,333,828
156	WEST HAVEN	1,617,043
157	WESTON	46,3016
158	WESTPORT	1,092,008
159	WETHERSFIELD	729,645
160	WILLINGTON	102,558
161	WILTON	818,956
162	WINCHESTER	300,934
163	WINDHAM	925,655



164	WINDSOR	970,288
165	WINDSOR LOCKS	381,583
166	WOLCOTT	469,806
167	WOODBIDGE	188,933
169	WOODSTOCK	331,708
201	DISTRICT NO. 1 *	97,091
204	DISTRICT NO. 4 **	187,515
205	DISTRICT NO. 5	416,994
206	DISTRICT NO. 6	179,806
207	DISTRICT NO. 7 ***	217,887
208	DISTRICT NO. 8	268,897
209	DISTRICT NO. 9 *****	165,508
210	DISTRICT NO. 10	425,127
211	DISTRICT NO. 11 ****	66,562
212	DISTRICT NO. 12	282,227
213	DISTRICT NO. 13	362,012
214	DISTRICT NO. 14	414,319
215	DISTRICT NO. 15	818,545
216	DISTRICT NO. 16	419,619
217	DISTRICT NO. 17	440,252
218	DISTRICT NO. 18	274,675
219	DISTRICT NO. 19	238,134



301	CTHSS	2,544,873
336	DEPT CORRECTION/USD1	218,548
347	DCF/USD2	216,533
FFY 19 IDEA Part B, Section 611	Total Entitlements	123,212,193
* - Delineates as part of Regional School District 1		
** - Delineates as part of Regional School District 4		
*** - Delineates as part of Shared Services / Region School District 7		
**** - Delineates as part of Regional School District 11		
***** - Delineates as part of Regional School District 9		

B. Total IDEA Part B, Section 619 Award Flow through to LEAs

FFY 19 IDEA Part B, Section 619 (ages 3–5) - The total IDEA Part B 619 Award is \$5,028,809 and the sub-grantee award is \$3,770,869 or 75 percent flow through to the LEAs.

Connecticut State Department of Education FFY 19/FY 20 IDEA Part B, Section 619 Entitlements		
District Code	LEA/Sub-grantee Name	FFY 19 Part B 619 Entitlements
1	ANDOVER	3,485
2	ANSONIA	7,557
3	ASHFORD	6,984
4	AVON	17,572
5	BARKHAMSTED ***	5,440
7	BERLIN	21,242
8	BETHANY	8,407
9	BETHEL	25,688
11	BLOOMFIELD	14,762
12	BOLTON	3,734



13	BOZRAH	3,977
14	BRANFORD	28,529
15	BRIDGEPORT	160,722
17	BRISTOL	59,585
18	BROOKFIELD	20,146
19	BROOKLYN	10,676
21	CANAAN *	519
22	CANTERBURY	14,303
23	CANTON	9,898
24	CHAPLIN ****	4,935
25	CHESHIRE	31,285
26	CHESTER **	7,860
27	CLINTON	16,301
28	COLCHESTER	27,743
29	COLEBROOK ***	1,990
30	COLUMBIA	5,053
31	CORNWALL *	1,511
32	COVENTRY	21,155
33	CROMWELL	10,084
34	DANBURY	74,385
35	DARIEN	20,946
36	DEEP RIVER **	6,425



37	DERBY	15,320
39	EASTFORD	2,014
40	EAST GRANBY	850
41	EAST HADDAM	8,712
42	EAST HAMPTON	13,947
43	EAST HARTFORD	61,129
44	EAST HAVEN	36,008
45	EAST LYME	11,371
46	EASTON *****	3,362
47	EAST WINDSOR	10,204
48	ELLINGTON	11,402
49	ENFIELD	50,817
50	ESSEX **	3,554
51	FAIRFIELD	55,187
52	FARMINGTON	16,941
53	FRANKLIN	1,533
54	GLASTONBURY	29,758
56	GRANBY	10,980
57	GREENWICH	49,299
58	GRISWOLD	19,298
59	GROTON	58,023
60	GUILFORD	20,834



62	HAMDEN	44,819
63	HAMPTON	1,512
64	HARTFORD	201,793
65	HARTLAND ***	2,494
67	HEBRON	5,649
68	KENT *	4,339
69	KILLINGLY	31,408
71	LEBANON	9,668
72	LEDYARD	20,038
73	LISBON	9,902
74	LITCHFIELD	7,356
76	MADISON	9,528
77	MANCHESTER	65,420
78	MANSFIELD	16,592
79	MARLBOROUGH	4,580
80	MERIDEN	74,858
83	MIDDLETOWN	37,921
84	MILFORD	63,055
85	MONROE	23,647
86	MONTVILLE	14,273
88	NAUGATUCK	23,519
89	NEW BRITAIN	98,301



90	NEW CANAAN	15,929
91	NEW FAIRFIELD	12,621
92	NEW HARTFORD	8,942
93	NEW HAVEN	114,297
94	NEWINGTON	20,791
95	NEW LONDON	30,161
96	NEW MILFORD	33,519
97	NEWTOWN	26,822
98	NORFOLK ***	1,988
99	NORTH BRANFOR	17,273
100	NORTH CANAAN *	7,390
101	NORTH HAVEN	23,247
102	NORTH STONINGTON	4,704
103	NORWALK	80,393
104	NORWICH	37,134
106	OLD SAYBROOK	9,832
107	ORANGE	11,851
108	OXFORD	10,485
109	PLAINFIELD	14,746
110	PLAINVILLE	10,376
111	PLYMOUTH	14,787
112	POMFRET	4,806



113	PORTLAND	8,845
114	PRESTON	4,088
116	PUTNAM	23,455
117	REDDING*****	8,152
118	RIDGEFIELD	31,868
119	ROCKY HILL	12,344
121	SALEM	5,044
122	SALISBURY *	8,872
123	SCOTLAND	1,992
124	SEYMOUR	26,232
125	SHARON *	3,948
126	SHELTON	40,018
127	SHERMAN	1,588
128	SIMSBURY	31,836
129	SOMERS	9,830
131	SOUTHINGTON	46,154
132	SOUTH WINDSOR	19,854
133	SPRAGUE	7,013
134	STAFFORD	13,328
135	STAMFORD	96,305
136	STERLING	3,569
137	STONINGTON	11,756



138	STRATFORD	51,446
139	SUFFIELD	14,706
140	THOMASTON	18,832
141	THOMPSON	14,289
142	TOLLAND	14,122
143	TORRINGTON	27,289
144	TRUMBULL	36,159
145	UNION	1,478
146	VERNON	46,823
147	VOLUNTOWN	3,040
148	WALLINGFORD	38,467
151	WATERBURY	140,617
152	WATERFORD	17,652
153	WATERTOWN	15,769
154	WESTBROOK	6,619
155	WEST HARTFORD	54,957
156	WEST HAVEN	56,936
157	WESTON	9,231
158	WESTPORT	22,117
159	WETHERSFIELD	14,837
160	WILLINGTON	5,050
161	WILTON	33,324



162	WINCHESTER	13,743
163	WINDHAM	36,542
164	WINDSOR	33,663
165	WINDSOR LOCKS	22,086
166	WOLCOTT	19,424
167	WOODBIDGE	11,080
169	WOODSTOCK	12,469
206	DISTRICT NO. 6	7,680
210	DISTRICT NO. 10	6,801
212	DISTRICT NO. 12	11,846
213	DISTRICT NO. 13	12,494
214	DISTRICT NO. 14	14,333
215	DISTRICT NO. 15	27,830
216	DISTRICT NO. 16	18,926
217	DISTRICT NO. 17	20,279
218	DISTRICT NO. 18	15,098
347	DCF/USD2	516
FFY 19 IDEA Part B, Section 619	Total Entitlements	3,770,869
* - Delineates as part of Regional School District 1		
** - Delineates as part of Regional School District 4		
*** - Delineates as part of Shared Services / Region School District 7		
**** - Delineates as part of Regional School District 11		
***** - Delineates as part of Regional School District 9		



VI. HOW IDEA PART B FEDERAL FUNDS ARE ALLOCATED

Payment to an LEA is made on a monthly basis upon request from the LEA. Monthly requests are processed by the Bureau of Grants Management (BGM) with support from the BFS and budget revisions or follow up for unexpended funds are completed as needed by the CSDE, BSE IDEA funds manager. Throughout the process, eligible LEAs must meet the requirements contained in the IDEA, including the use of a separate accounting system that includes an audit trail of the expenditure of funds received under this act and prohibition of commingling funds (as defined by 34 CFR Section 300.162 (b)).

IDEA Part B funds must be used to supplement state, local, and other federal funds and not to supplant or reduce the level of expenditures for the education of children with disabilities unless exceptions and adjustments are requested and granted. To ensure that IDEA Part B funding is utilized as mandated and to determine eligibility for receipt of IDEA Part B, Sections 611 and 619 entitlement grants, each district must demonstrate maintenance of effort (MOE) for special education expenditures from year to year in two areas (1) MOE eligibility standard and (2) MOE compliance standard.

The MOE eligibility standard compares the amount budgeted for the year for which the LEA is applying for Part B funds to the amount expended in the most recent prior year for which data are available (Section 300.203(a)). The MOE compliance standard addresses a district's need to maintain or increase the amount of local or state and local funds it spends for the education of children with disabilities (special education expenditures) when compared to the preceding fiscal year which met the subsequent year rule or the last year when MOE was met. MOE can be demonstrated through four methods (1) comparing local to local, (2) comparing the combination of local and state, (3) comparing the per capita local to per capita local, or (4) comparing the per capita combination of local and state to per capita combination of local and state (Section 300.203(b)).

There is also a maintenance of state financial support requirement for the State of Connecticut—it must not reduce the amount of state financial support for special education and related services for children with disabilities below the amount of that fiscal support for the preceding fiscal year in order to receive IDEA Part B funds in the subsequent year (as defined by 34 CFR Section 300.163).

The LEAs use the CSDE Prepayment Grant system as a means to track and explain how funds are allocated. (see attached Appendix C) The BGM uses object code definitions from the *Financial Accounting for Local and State School Systems* (a United States Department of Education publication). The State utilizes nine major object categories with subcategories and qualifiers for the IDEA Part B grant.

1. **Personal Services - Salaries** - Amounts paid to both permanent and temporary grantee employees, including personnel substituting for those in permanent positions. This includes gross salary for personal services rendered while on the payroll of the grantees. The category is split into two subcategories:
 - i. non-instructional - amounts paid to administrative employees not involved in providing direct services to pupils/clients. This includes all gross salary payments for these individuals while they are on the payroll, including overtime salaries or salaries paid to employees of a temporary nature and cannot exceed more than 10 percent of the total budget; and
 - ii. instructional - salaries for employees providing direct instruction/counseling to pupils/clients. Includes employees who are on the payroll with benefits (a person who is paid a fee with no obligation for benefits is not included).

2. **Personal services - Employee Benefits** - Amounts paid on behalf of the non-instructional and instructional employees (see above - 1 (i) and (ii)). These amounts are not included in the gross salary but are fringe benefit payments and while not paid directly to employees, nevertheless, are part of the cost of personal services such as the employer's cost of group insurance, social security contribution, retirement contribution, tuition reimbursement, unemployment compensation, and workers compensation insurance.
3. **Purchased Professional and Technical Services** - Services that can be performed only by persons or firms with specialized skills and knowledge. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided. The category is split into 12 subcategories:
 - i. professional educational services - services supporting the instructional program and its administration, including curriculum improvement services, assessment, counseling and guidance services, library and media support, and contracted instructional services;
 - ii. tutors - payments for services performed by qualified persons directly engaged in providing learning experiences for students, including the services of teachers and teachers' aides who are not on the payroll or in the instructional non-payroll services;
 - iii. in-service - payments for services performed by persons qualified to assist teachers and supervisors, which includes instructional program improvement services to enhance the quality of the teaching process, including curriculum consultants, in-service training specialists, etc. who are not on the payroll;
 - iv. pupil services expense - a non-payroll services expense for certified or licensed individuals who are not on the payroll and who assist in solving pupils' mental and physical problems, including medical doctors, therapists, audiologists, neurologists, psychologists, and psychiatrists;
 - v. field trips - costs incurred for conducting educational activities off site, including admission costs to educational centers and fees for tour guides;
 - vi. parental activities - expenditures related to services for parenting, including workshop presenters, counseling services, babysitting services, and overall seminar/workshop costs;
 - vii. employee training and development services - services supporting the professional and technical development of school district personnel, including instructional, administrative, and service employees; course registration fees (fees that are not tuition reimbursement); charges from external vendors to conduct training courses (at school district facilities or off site); and other expenditures associated with training or PD by third-party vendors are included;
 - viii. other professional services - professional services other than educational services that support the operation of the school district, including medical doctors, lawyers, architects, auditors, accountants, therapists, audiologists, dieticians, editors, negotiations specialists, paying agents, systems analysts, and planners;
 - ix. audit - direct cost for the audit of the grant program by an independent auditor;
 - x. technical services - services to the school district that are not regarded as professional but require basic scientific knowledge, manual skills, or both, including data-processing services, purchasing and warehousing services, and graphic arts;
 - xi. data-processing and coding services - data entry, formatting, and processing services other than programming; and
 - xii. other technical services - technical services other than data-processing/related services.

4. **Purchased Property Services** - Services purchased to operate, repair, maintain, and rent property owned or used by the grantee. These services are performed by persons other than grantee employees and while a product may or may not result from the transaction, the primary reason for the purchase is the service provided. The category is split into four subcategories:
 - i. repairs and maintenance services - expenditures for repairs and maintenance services not provided directly by school district personnel;
 - ii. rentals - costs for renting or leasing land, buildings, equipment, and vehicles;
 - iii. construction services - includes amounts for constructing, renovating, and remodeling buildings or infrastructure assets paid to contractors. This accounts for the costs of non-permanent site improvements, such as fencing, walkways, and roads that are related to buildings and the building site; and expenditures for the contracted construction of buildings for major permanent structural alterations and for the initial or additional installation of heating and ventilating systems, fire protection systems, and other service systems; and
 - iv. other purchased property services - purchased property services that are not classified above.
5. **Other Purchased Services** - Amounts paid for services rendered by organizations or personnel not on the payroll and separate from professional and technical services or property services. The category is split into five subcategories:
 - i. student transportation services - expenditures for transporting pupils to and from school and other activities;
 - ii. communication - services provided by persons or businesses to assist in transmitting and receiving messages or information, including voice communication services; data communication services to establish or maintain computer-based communications, networking, and internet services; video communications services to establish or maintain one- or two-way video communications via satellite, cable, or other devices; and postal communications services to establish or maintain postage machine rentals, postage, express delivery services, and couriers);
 - iii. advertising - expenditures for announcements in professional publications, newspapers, or broadcasts over radio and television for such purposes as personnel recruitment, legal ads, new and used equipment, and sale of property. Costs for professional advertising or public relations services are not recorded here;
 - iv. tuition - expenditures to reimburse other educational agencies for instructional services to pupils; and
 - v. travel - expenditures for transportation, meals, hotel, and other expenses associated with staff travel.
6. **Supplies** - Amounts paid for items that are consumed, worn out, or deteriorated through use or items that lose their identity through fabrication or incorporation into different or more complex units or substances. The category is split into two subcategories:
 - i. books and periodicals - expenditures for books, textbooks, and periodicals prescribed and available for general use, including reference books, the cost of workbooks, textbook binding or repairs, textbooks that are purchased to be resold or rented, and costs of binding or other repairs to school library books; and
 - ii. supplies—technology-related - includes supplies that are typically used in conjunction with technology-related hardware or software such as CDs, flash or jump drives, parallel cables, and monitor stands.



7. **Property** - Expenditures for acquiring fixed assets, including land or existing buildings, improvements of grounds, initial equipment, additional equipment, and replacement of equipment. In accordance with the Connecticut State Comptroller's definition of equipment, included in this category are all items of equipment (machinery, tools, furniture, vehicles, apparatus, etc.) with a value of over \$5,000 and the useful life of more than one year, and data processing equipment that has a unit price under \$1,000 and a useful life of not less than five years. The category is split into five subcategories:
 - i. land and land improvements - expenditures for the purchase of land and the improvements thereon. Purchases of air and mineral rights, for example, are included in this category. Also included are special assessments against the school district for capital improvements such as streets, curbs, and drains;
 - ii. buildings - expenditures for acquiring existing buildings, except payments to public school housing authorities or similar agencies; expenditures for the contracted construction of buildings for major permanent structural alterations; and for the initial or additional installation of heating and ventilating systems, fire protection systems, and other service systems in existing buildings are recorded under object code 450. Buildings built and alterations performed by the school district's own staff are charged to object codes 100, 200, and 600 and equipment object code 730 [specify unit(s) and cost(s)] is used for tangible property having a useful life of more than one year and an acquisition cost equal to or greater than \$5000 as appropriate. This code is used with governmental funds only;
 - iii. equipment - expenditures for initial, additional, and replacement items of equipment such as machinery, furniture and fixtures, and vehicles, which will allow children to benefit from special education and related services;
 - iv. technology-related hardware - expenditures for technology-related equipment and technology infrastructure. These costs include those associated with the purchase of network equipment, servers, PCs, printers, other peripherals, and devices. Technology-related supplies should be coded to object code supplies—technology related; and
 - v. technology software - expenditures for purchased software used for educational or administrative purposes that exceed the capitalization threshold. Expenditures for software that meet the standards for classification as a supply should be coded to object code 650, supplies—technology related.
8. **Debt Service and Miscellaneous** - Amounts paid for goods and services not otherwise classified above.
9. **Other Items** - Series of codes used to classify transactions, which are not properly recorded as expenditures to the grantee but require budgetary or accounting control. The category is split into two subcategories:
 - i. internal transfers - includes all transactions conveying financial resources from one fund to another within the district; and
 - ii. indirect costs - costs incurred by the grantee, which are not directly related to the program but are a result thereof. Grantees must submit indirect cost proposals to the CSDE to apply for a restricted and unrestricted rate. Only grantees that have received rate approvals are eligible to claim indirect costs. **Note:** Grantees who receive the majority of their grant funds other than through the CSDE may use the rate approved by another federal agency.



VII. IDEA PART B – CSDE USE OF FUNDS

The CSDE expends the administration portion of the IDEA Part B grant on payroll and Other Set-Aside for State Level Activities to fund components of IDEA such as general monitoring and supervision, dispute resolution process activities including complaint investigations, mediations, and due process. The funds are used to support personnel, surrogate parent programs, contracted mediators to establish and implement the mediation process, and for the costs of hearing officers for due process.

Additionally, there are multiple contracts established between the CSDE and outside contractors such as the State Education Resource Center and memoranda of agreements with local regional educational service centers, to address training demands and professional development such as, but not limited to, IEP development, planning-and-placement-team (PPT) chair training, universal design principles, and assistive technology devices to meet the needs of children with disabilities.

VIII. IDEA PART B - LEA SUBGRANTEE USE OF FUNDS

LEAs expend IDEA Part B funds for many programs and activities for students with disabilities based upon the goals and objectives identified by the LEA, in alignment with the intent of the IDEA, on the sub-grantee application. Some examples of the expenditures include hiring special education teachers and paraprofessionals, PD, developing unique programs around literacy or for students with specific needs, tuition for students publicly placed in private schools to meet their unique needs, preschool special education programs for 3–5 year olds, and transition services and programs for students ages 18–21.

School districts receiving IDEA Part B funding must expend a proportionate amount of funding for the benefit of eligible students who had FAPE made available to them and whose parents elected to place them in private schools. As noted in the *Provisions Related to Children with Disabilities Enrolled by Their Parent in Private Schools - U.S. Department of Education (February 2008)*, “IDEA is designed to improve educational results for all children with disabilities. Therefore, it provides benefits and services to children with disabilities in public schools and requires school districts to make services and benefits available to children with disabilities enrolled by their parents in nonpublic (private) schools. The law includes language requiring state education agencies and LEAs to ensure the equitable participation of parentally placed children with disabilities in programs assisted by or carried out under the equitable participation requirements that apply to them.”

An LEA, as part of an annual, timely, and meaningful consultation with private schools (nonpublic schools within the geographic boundaries of the district) is required to determine the number of students with disabilities enrolled in the school/district. Children with disabilities enrolled in public schools or publicly placed in private schools are entitled to FAPE and must receive the full range of services under the IDEA Section 300.133 (c). IEPs for children publicly placed in private schools are generally more comprehensive than the services plans developed for parentally placed private school students (PPPSS) since PPPSS do not have an individual entitlement to any or all of the services they would receive if they were enrolled in a public school. A services plan only reflects the services offered to them. The LEA is obligated to spend a proportionate amount of IDEA Part B funds to provide equitable services as determined by the meaningful consultation, to children with disabilities enrolled by their parents in private schools (34 CFR Section 300.130 through 300.144).



The LEA also has the opportunity to use IDEA Part B funds to conduct coordinated early intervening services (CEIS) for students without disabilities. Under Section 300.226, “An LEA may not use more than 15 percent of the amount the LEA receives under Part B of the Act for any fiscal year...to develop and implement coordinated early intervening services, which may include interagency financing structures for students in kindergarten through grade 12 (with a particular emphasis on students in Kindergarten through grade three) who are not currently identified as needing special education or related services but who need additional academic and behavioral support to succeed in a general education environment.”

CEIS is noted on the IDEA Part B grant application as a voluntary component unless the LEA has been identified through the BSE’s monitoring system as having significant disproportionality in either the identification, placement, or discipline of students with disabilities in which case 15 percent of IDEA Part B funds for comprehensive CEIS is required to be used for students with and without disabilities to address the data of concern.

Summary:

The CSDE and LEAs work collaboratively to ensure that the principles of IDEA are realized all over Connecticut. The IDEA Part B, Sections 611 and 619 enriches this partnership to assist with the excess costs of providing special education and related services for children and students with disabilities ages 3–21 in order to ensure educational access, participation, and progress throughout the state.

A - C Attachments

FISCAL YEAR 2019 ALLOCATIONS FOR GRANTS TO STATES
INDIVIDUALS WITH DISABILITIES EDUCATION ACT - PART B, SECTION 611 - TABLE I

A	B	C	D	E	F	G	H	I	J
Total Award	LEA Base Allocation	Maximum Available for Administration	Maximum Other Set-Aside If ACTUAL Administration is Greater than \$850,000 With Risk Pool	Maximum Other Set-Aside If ACTUAL Administration is Greater than \$850,000 Without Risk Pool	Maximum Other Set-Aside If ACTUAL Administration is Less than or Equal to \$850,000 Without Risk Pool	July 1 to September 30 Regular Awards	Regular Awards After October 1		
\$12,384,392,000	\$3,165,887,905	\$255,115,534	\$1,325,994,125	\$1,193,947,711	\$1,392,293,833	3,081,009,000	\$9,283,383,000		
Alabama	191,704,256	4,110,627	21,269,570	19,142,613	22,333,048	46,573,443	145,130,813		
Alaska	39,092,997	9,185,518	1,092,957	4,117,476	3,705,728	3,911,602	28,595,579		
Arizona	215,703,278	45,947,295	3,338,254	20,596,213	18,536,592	52,403,869	163,299,409		
Arkansas	118,077,245	30,654,695	2,333,097	13,119,507	11,807,556	12,463,932	89,391,059		
California	1,289,866,774	323,428,031	24,570,220	143,494,368	129,144,931	313,370,560	976,516,214		
Colorado	168,563,574	38,914,504	3,006,428	17,443,713	15,699,341	40,951,549	127,612,025		
Connecticut	140,425,382	39,795,094	3,216,959	15,551,367	13,996,230	34,115,537	106,309,845		
Delaware	38,070,309	8,418,502	1,092,957	3,773,655	3,395,290	3,954,972	28,921,347		
Florida	678,801,133	179,001,473	13,581,473	73,648,702	66,283,832	184,910,824	513,890,309		
Georgia	363,687,565	80,774,679	5,937,462	36,207,844	32,587,059	88,355,799	275,331,766		
Hawaii	41,965,838	10,617,384	1,092,957	4,689,366	4,202,430	4,435,898	31,785,621		
Idaho	59,642,504	14,289,101	1,092,957	6,348,654	5,713,789	6,031,222	45,152,701		
Illinois	534,100,818	145,798,830	11,128,513	59,234,153	53,310,738	129,756,716	404,344,102		
Indiana	273,052,993	76,006,114	5,819,144	29,910,831	26,919,748	28,415,290	206,716,342		
Iowa	128,973,897	36,799,117	2,862,035	14,278,350	12,851,415	13,563,383	97,640,432		
Kansas	112,636,007	30,299,450	2,328,848	12,488,937	11,248,044	13,123,864	85,273,252		
Kentucky	166,783,529	45,623,168	3,577,776	18,461,802	16,615,621	17,538,712	126,264,432		
Louisiana	198,963,616	49,394,457	3,903,165	22,141,429	19,927,286	21,034,357	148,337,064		
Maine	57,807,235	16,483,688	1,369,970	6,400,131	5,760,118	6,060,124	40,519,037		
Maryland	211,189,244	57,921,866	4,402,063	23,418,811	21,078,930	22,247,870	150,626,552		
Massachusetts	299,899,128	85,995,128	6,090,521	33,202,237	29,882,014	34,862,349	51,309,137		
Michigan	421,468,719	107,923,610	8,143,205	46,852,151	42,166,936	31,542,126	72,856,137		
Minnesota	200,246,668	55,057,097	2,758,748	22,202,202	19,981,982	23,312,313	102,393,144		
Mississippi	126,410,148	32,007,733	2,753,748	13,919,124	12,527,211	13,223,167	30,710,141		
Missouri	239,942,211	68,230,162	5,285,841	26,568,752	23,911,877	27,897,190	58,292,141		
Montana	39,843,244	9,748,203	1,092,957	4,288,593	3,868,733	4,513,522	30,679,679		
Nebraska	78,894,231	22,507,423	1,677,814	7,830,671	7,860,304	8,296,987	19,184,141		
Nevada	82,056,302	17,279,374	1,261,002	7,745,606	6,971,046	8,132,887	19,935,141		
New Hampshire	50,129,598	14,262,653	1,111,560	5,550,721	4,985,649	5,828,257	12,178,141		
New Jersey	381,857,840	108,952,520	8,515,338	42,277,407	38,048,666	44,391,277	92,770,141		
New Mexico	96,223,277	27,026,021	2,066,778	10,659,942	9,593,948	11,192,939	23,376,141		
New York	801,336,476	224,098,730	17,365,825	88,789,677	79,910,709	93,229,161	194,680,141		
North Carolina	355,551,567	85,734,091	6,463,833	36,596,303	32,936,672	38,426,118	86,379,141		
North Dakota	32,461,481	6,835,722	1,092,957	3,054,163	2,757,746	3,217,371	7,868,141		
Ohio	460,721,435	119,359,351	9,506,612	51,194,395	46,074,955	53,754,115	111,929,141		
Oklahoma	156,665,705	41,638,123	3,104,120	17,300,211	15,570,190	16,165,221	38,061,141		
Oregon	135,895,210	36,242,655	2,881,963	15,084,488	13,576,039	15,838,712	33,014,141		
Pennsylvania	449,731,894	117,400,583	9,064,468	48,959,628	44,963,668	52,457,610	109,259,141		
Rhode Island	46,196,168	13,161,363	1,092,957	5,114,832	4,603,349	5,370,574	34,974,599		
South Carolina	186,823,424	47,143,124	3,619,557	20,488,741	18,438,067	21,511,078	153,238,798		
South Dakota	37,703,138	8,143,124	1,092,957	3,650,215	3,283,193	3,832,726	28,543,378		
Tennessee	250,893,359	66,522,917	5,274,398	27,277,094	24,549,384	28,640,948	80,953,098		
Texas	1,075,065,895	252,423,854	18,415,544	112,704,101	101,433,691	118,339,307	813,907,542		
Utah	121,521,416	28,362,690	2,266,707	12,475,746	11,228,171	13,099,533	91,998,498		
Vermont	31,299,085	6,890,841	1,092,957	2,954,438	2,658,994	3,102,160	23,895,137		
Virginia	299,990,870	79,717,764	6,083,451	32,943,451	29,649,106	34,590,623	227,109,817		
Washington	323,881,501	59,195,558	4,502,489	25,888,343	23,289,509	27,182,761	176,304,282		
West Virginia	80,231,079	22,891,709	1,908,164	8,882,787	7,990,509	9,326,927	60,739,401		
Wisconsin	219,603,832	60,304,853	4,644,821	24,349,556	21,914,600	23,132,078	166,252,346		
Wyoming	32,835,822	6,914,550	1,092,957	3,099,498	2,789,548	3,254,473	24,858,548		
District of Columbia	20,100,949	4,232,848	1,092,957	1,897,405	1,707,664	1,992,275	15,217,539		
Puerto Rico	128,646,346	28,086,566	1,937,867	12,590,010	11,331,009	11,960,509	97,392,457		
Dept of the Interior	97,500,293	3,900,011				31,219,510	97,500,293		
American Samoa	7,130,299	356,515				1,732,285	5,398,034		
Guam	16,817,987	840,899				4,085,833	12,732,154		
Northern Marianas	5,088,893	254,445				1,286,317	3,802,576		
Virgin Islands	8,975,061	448,753				2,180,439	6,794,622		
Freely Associated	6,579,306					1,598,407	4,980,899		
Other	20,000,000					20,000,000			
Unallocated									

NOTE: The minimum total amount that a State must pass on to LEAs (excluding funds in a risk pool) is the Total Award (in Column B) less the amount set-aside for other activities (in either Column E, G, or H). If a State establishes a risk pool, at least 10 Percent of the amount ACTUALLY set aside (under Column E or G) must be used for the risk pool.

APPENDIX B FISCAL YEAR 2019 ALLOCATIONS FOR PRESCHOOL GRANTS INDIVIDUALS WITH DISABILITIES EDUCATION ACT - PART B, SECTION 619 - TABLE II

A	B	C	D	E	F	G
	Total Award	Maximum State Set-Aside	Maximum Available for Administration	Base Payment for LEAs (1997 Flow-Through)	Allocation to LEAs Based on Population/Poverty Factors	Minimum Flow-Through to LEAs
TOTAL	\$381,120,000	\$102,208,610	\$20,441,701	\$270,058,117	\$18,873,273	\$288,911,390
Alabama	\$5,819,670	\$1,506,410	\$301,282	\$3,981,010	\$332,250	\$4,313,260
Alaska	\$1,296,113	\$539,351	\$87,870	\$896,807	\$61,955	\$958,762
Arizona	\$5,624,873	\$1,423,462	\$284,592	\$3,756,686	\$444,725	\$4,201,411
Arkansas	\$5,499,802	\$1,448,187	\$289,933	\$3,827,091	\$224,544	\$4,051,635
California	\$39,237,861	\$10,237,861	\$2,047,572	\$27,055,716	\$1,944,210	\$28,999,926
Colorado	\$5,053,316	\$1,331,682	\$266,336	\$3,519,254	\$202,380	\$3,721,034
Connecticut	\$5,028,809	\$1,324,148	\$264,829	\$3,499,346	\$205,315	\$3,704,661
Delaware	\$1,291,639	\$337,513	\$87,502	\$891,952	\$62,174	\$954,126
Florida	\$19,072,961	\$4,989,555	\$993,911	\$13,133,108	\$970,298	\$14,103,406
Georgia	\$10,213,059	\$2,625,148	\$525,029	\$6,937,513	\$650,997	\$7,587,910
Hawaii	\$1,030,091	\$284,185	\$52,837	\$695,791	\$70,115	\$765,906
Idaho	\$2,241,927	\$590,327	\$118,065	\$1,560,066	\$91,534	\$1,651,600
Illinois	\$18,074,298	\$4,761,020	\$952,204	\$12,562,011	\$731,267	\$13,313,278
Indiana	\$9,123,308	\$2,402,282	\$480,456	\$6,348,542	\$372,484	\$6,721,026
Iowa	\$4,092,405	\$1,077,581	\$215,516	\$2,847,740	\$167,085	\$3,014,825
Kansas	\$4,443,384	\$1,169,998	\$233,999	\$3,089,197	\$181,415	\$3,273,386
Kentucky	\$10,471,395	\$2,757,250	\$551,450	\$7,268,622	\$427,524	\$7,714,146
Louisiana	\$6,710,795	\$1,744,525	\$348,905	\$4,610,280	\$355,990	\$4,966,270
Maine	\$2,575,855	\$678,518	\$138,703	\$1,793,129	\$105,208	\$1,898,337
Maryland	\$6,826,505	\$1,798,726	\$359,745	\$4,753,517	\$274,262	\$5,027,779
Massachusetts	\$10,142,049	\$2,670,529	\$534,105	\$7,057,443	\$414,077	\$7,471,520
Michigan	\$12,828,546	\$3,381,732	\$676,350	\$8,997,000	\$609,794	\$9,446,794
Minnesota	\$7,616,131	\$2,005,423	\$401,084	\$5,299,759	\$310,949	\$5,610,708
Mississippi	\$4,348,127	\$1,140,418	\$228,083	\$3,013,798	\$193,911	\$3,207,709
Missouri	\$6,146,007	\$1,606,543	\$321,308	\$4,245,633	\$293,831	\$4,539,464
Montana	\$1,219,131	\$316,942	\$63,388	\$837,571	\$64,618	\$902,189
Nebraska	\$2,308,999	\$608,333	\$121,666	\$1,607,650	\$93,016	\$1,700,666
Nevada	\$2,350,690	\$601,100	\$120,220	\$1,583,373	\$166,217	\$1,749,590
New Hampshire	\$1,597,190	\$420,560	\$84,112	\$1,111,420	\$65,210	\$1,176,630
New Jersey	\$11,665,277	\$3,071,614	\$614,322	\$8,117,395	\$476,268	\$8,593,663
New Mexico	\$3,277,093	\$860,595	\$172,119	\$2,274,308	\$142,190	\$2,416,498
New York	\$34,601,816	\$9,111,217	\$1,822,243	\$24,078,335	\$1,412,264	\$25,490,599
North Carolina	\$11,681,108	\$3,053,976	\$610,795	\$8,070,782	\$556,350	\$8,627,132
North Dakota	\$835,308	\$215,788	\$43,157	\$561,294	\$62,226	\$623,520
Ohio	\$12,858,167	\$3,358,418	\$671,883	\$8,875,335	\$624,414	\$9,499,749
Oklahoma	\$3,799,278	\$971,202	\$194,240	\$2,566,608	\$261,468	\$2,828,076
Oregon	\$3,596,801	\$1,035,214	\$207,042	\$2,735,579	\$166,008	\$2,901,587
Pennsylvania	\$14,289,103	\$3,765,566	\$753,113	\$9,851,311	\$572,226	\$10,523,537
Rhode Island	\$1,715,716	\$451,243	\$90,248	\$1,192,506	\$69,967	\$1,262,473
South Carolina	\$7,320,975	\$1,927,704	\$385,540	\$5,094,371	\$298,900	\$5,393,271
South Dakota	\$1,502,294	\$395,572	\$79,114	\$1,045,385	\$61,337	\$1,106,722
Tennessee	\$7,132,248	\$1,854,212	\$370,842	\$4,900,152	\$377,884	\$5,278,036
Texas	\$24,072,498	\$6,059,083	\$1,211,816	\$16,012,409	\$2,001,006	\$18,013,415
Utah	\$3,634,977	\$958,624	\$191,704	\$2,533,105	\$143,348	\$2,676,453
Vermont	\$897,688	\$228,707	\$45,741	\$599,167	\$69,814	\$668,981
Virginia	\$9,356,456	\$2,464,199	\$492,839	\$6,512,172	\$382,085	\$6,894,257
Washington	\$8,375,301	\$2,205,322	\$441,064	\$5,828,035	\$341,944	\$6,169,979
West Virginia	\$3,571,671	\$940,518	\$188,103	\$2,485,821	\$145,832	\$2,631,653
Wisconsin	\$9,711,527	\$2,557,167	\$511,433	\$6,757,860	\$396,500	\$7,154,360
Wyoming	\$1,094,183	\$281,499	\$56,299	\$743,860	\$68,824	\$812,684
District of Columbia	\$250,970	\$65,675	\$13,135	\$168,485	\$16,810	\$185,295
Puerto Rico	\$3,247,482	\$935,286	\$167,257	\$2,172,343	\$238,853	\$2,411,196
Dept of the Interior	\$0	\$0	\$0	\$0	\$0	\$0
American Samoa	\$0	\$0	\$0	\$0	\$0	\$0
Guam	\$0	\$0	\$0	\$0	\$0	\$0
Northern Marianas	\$0	\$0	\$0	\$0	\$0	\$0
Virgin Islands	\$0	\$0	\$0	\$0	\$0	\$0
Freely Associated	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0

APPENDIX C

**CONNECTICUT STATE DEPARTMENT OF EDUCATION
FINANCE AND INTERNAL OPERATIONS OFFICE**

BUREAU OF GRANTS MANAGEMENT

PREPAYMENT GRANTS

LOCAL FISCAL PROCESSING MANUAL

JULY 2017

Introduction

State and federal prepayment grants are awarded to achieve specific educational goals, to meet the needs of particular segments of school populations or to operate specialized educational programs. Funds distributed to grantees to accomplish these objectives are either entitlement-based where the amount of funds per grantee is determined by statutory formula and the funds are reserved for that grantee pending application and approval, or discretionary/competitive where the amount of funds and number of grantees is determined through a request for proposal (RFP) submission and evaluation.

The State Department of Education (SDE) currently processes over 50 state and federal prepayment grants which involve the approval of approximately 2,500 grantee projects on an annual basis. While the educational program needs of each project can vary substantially, the fiscal processing of these grants follows standard procedures with the submission of a budget, cash draw down requests, and a final statement of expenditures. This manual provides a brief description of the steps a grant recipient must follow to satisfy the fiscal requirements of prepayment grants.

Role of the Bureau of Grants Management

While the Bureau of Grants Management (BGM) does not approve individual grant projects and budgets, we are involved in the processing of prepayment grants through:

- the calculation of final entitlements for grants with statutory distribution formulas;
- the maintenance of the automated SDE Prepayment Grant System which includes the creation of budget (ED114) formats and documents and the collection and processing of statements of expenditures (ED141);
- the operation of the SDE Cash Management system which processes the monthly cash requests (ED111) and calculates monthly payment amounts; and
- the invoicing of payments.

General Grant Information

Coding:

In order to use automated systems in the processing of grants, it is imperative that grant project numbers use a similar format and remain the same throughout the project period. Grant numbers contain the following fields.

Vendor Code:

The five-digit vendor code specific to each grantee.

Fund Number:

Five digits to identify the source of the grant funds.

Examples: 11000 = State appropriation grants
12060 = Federal grants
12052 = State Bond Funded grants
13009 = State Bond Funded grants
13010 = State Bond Funded grants

The selection of the allowable line items of a particular grant is made by the SDE program manager who is guided by the grant's legislation or contractual agreement. While most grants allow for considerable latitude as to the number and variety of allowable line items, some grants are very restrictive. For example, grants awarded for the acquisition of educational materials would not allow salary, professional/technical, or pupil services, while grants awarded for instructional programs may not allow the purchase of equipment. If a line item does not appear on the grant's budget, grantees cannot expend funds for that purpose. Grantees must not try to place the expenditure in another category.

Questions regarding the allowability of a specific expenditure or its placement in a particular line-item must be referred to the grant program manager or contact person shown in the application or RFP.

Budgets must be submitted with grant program materials by the due date shown on the application/RFP.

2. Obtain Grant Award Letter which will include a copy of the approved budget.

After the program application/RFP and budget have been approved, a grant award letter is issued. The approved budget and grant award letter are available on the ED114 Prepayment Grant System under the ED114 reports area, "Approved Grant Award Letter" or "Approved Budgets".

It is important to review the letter and budget as follows:

1. Check the grant number. It is the same on the attached budget and should agree with the original budget submitted. This number will be used as the accounting code for all fiscal grant activities.
2. Check the terms of the letter. Note any special condition regarding the timing of expenditures, e.g. Title I grants are approved for a two-year period but 85% of the funds must be expended within the first fifteen months.
3. Check the corresponding budget. Ensure that the line-item amounts and the total approval agree with your records.
4. Check the grant award period. The award period assigned to a recipient's grant specifically identifies the operational life of the grant, i.e., the time allowed for the recipient to complete all program activities.

If there are any questions regarding the grant award letter or budget information, contact the grant program manager shown on the letter.

3. Operate the grant throughout the allowable period.

The start date is the date the grantee can begin program activities. No financial liabilities can be incurred prior to that date.

Grant award periods can allow expenditures over one or two years as follows:

One-year Grants/Carryover Projects:

Any grant which begins in a given fiscal year and ends by June 30 of that fiscal year is considered a one-year grant.

With rare exception, state prepayment grants are awarded as one-year grants. Grantees must complete program activities by June 30. They must fully encumber funds by June 30 but can liquidate encumbrances through July 30. These grants cannot be carried over and cannot be amended after June 30. No payments can be made in a subsequent year to cover prior year activities. Unexpended funds must be refunded and cannot be reallocated in a subsequent year.

Any exception to the one-year grant period for a state grant is made only under special circumstances. Specific provisions for processing the grant are determined on a case-by-case basis.

The ED111 must be filed through the Internet based Cash Management Reporting system. The amount listed for expenditures each month should only include expected expenditures through the report date and should be estimated as accurately as possible. The initial payment on a prepayment grant project is equal to the expenditure amount of the ED111. Subsequent monthly payments are equal to the cumulative (from the beginning date of the grant period through the ED111 reporting period) ED111 expenditure amount less any prior payments. Revisions to ED111s can be made up through the due date of the ED111.

The State Department of Education (SDE) will determine excess cash balances at the end of the fiscal year. Any subrecipient found to have an excess cash balance of \$100,000 will be required to submit a written explanation of the reason for the balance and the steps they will take to minimize excess cash balances in the future. Actual cash disbursements (for federal grants only) will also need to be reported in October and April of the state fiscal year. Districts will use the Department's ED111X form to submit this information.

In addition, federal regulations give SDE authority to place special conditions and restrictions on subrecipients if it is determined there is a history of unsatisfactory performance or if the subrecipient has a management system that does not meet financial standards. Special conditions include making payments on a reimbursement basis and requiring additional detailed financial reports.

If grant recipients have questions regarding the timing or amount of grant payments, they should contact Jeffrey Lindgren of the Bureau of Fiscal Services at 860-713-6624.

5. Monitor expenditures; request budget revisions as necessary.

Periodic checks of actual expenditures to the approved budget should be made throughout the life of a grant. If it appears expenditures may exceed individual line items, the budget should be modified.

Approval of changes to the categories of grant expenditures (budget revisions) must be requested when:

1. A revision could result in the need for additional funds (Competitive/Discretionary grants only).
2. Cumulative transfers among direct cost categories are expected to exceed ten percent of the total approved budget whenever the grant exceeds \$100,000, i.e. unallowed variances will be calculated by adding up all line item overexpenditures and comparing them to 10 percent of the total approval.
3. For Indirect Costs, the revision would increase line 917 by over \$200, or there are proposed costs of any amount when no line 917 was approved.

Please note that the above revisions are cost revisions only. The complete variance policy also requires approval of revisions that may not change a line item amount when certain programmatic changes are made. See Attachment 8 for the current Budget Revision (Variance) Policy.

Budget revision approval should be requested prior to implementing the new expenditure pattern but no later than:

- May 1- for one-year grants ending June 30, and two-year grants in the first year of approval.
- February 1 – for two-year grants ending June 30 in the second year of approval.
- Sixty days prior to the end of a grant with an ending date other than June 30.

A sample of a budget revision request form available is attached (Attachment 5). Also attached is a copy of the form used for notification of approval which will accompany the revised budget (Attachment 6). Changes to the total amount awarded will be approved through the issuance of a revised grant award.

7. Assist in resolution of line-item variances or questioned costs, if necessary.

If a grantee has a line item expenditure in excess of the approved budget which exceeds the State Department of Education's (SDE) variance policy (Attachment 8), the SDE will request that the grantee submit in writing any documentation that would eliminate the variance.

Questioned costs arise when the local auditor reports that funds have not been expended or classified appropriately. The SDE Office of Internal Audit is informed of these costs when the audit is submitted. Program managers will work with our Office of Internal Audit to resolve these issues.

If after reviewing variances or questioned costs, a determination is made that a refund must be collected from the grant recipient, a refund request will be issued from the SDE Bureau of Fiscal Services.

At that time, the grantee may either repay the funds or request a hearing with the SDE's Appeals Committee. This committee will reach a final decision whether the variance or questioned cost can be eliminated, or if the refund must be made.

Questions regarding questioned costs can be referred to the Office of Internal Audit at 860-713-6540.

Questions regarding variances can be referred to Jeffrey Lindgren in the Bureau of Fiscal Services at 860-713-6624.

Questions regarding refunds can be referred to Nashrin Bhura in the Bureau of Fiscal Services at 860-713-6674.

Budget Object Codes

I. General Description

The Connecticut State Department of Education is using object code definitions from the United States Department of Education publication "Financial Accounting for Local and State School Systems." (<http://nces.ed.gov/pubs2009/2009325.pdf>) Per federal definition, an object is used to describe the service or commodity obtained as the result of a specific expenditure. There are nine major object categories which are defined below. These major categories use a single digit followed by two zeroes; more specific object classifications replace one or both of the zeroes with other figures. (e.g., the major category "Purchased Professional and Technical Services" is code 300. At the second level of detail, the code is 340 for "Other Professional Services", 320 for "Professional Educational Services", and 330 for "Employee Training and Development Services". At the lowest level of detail, codes 321 and 322 further breakdown "Professional Educational Services" to "Tutors" and "In Service", respectively.) Letters A and B are used to further define the second level of detail for the Personal Services - Salaries category.

An analysis of object code usage throughout the department has allowed us to develop the attached master budget with object codes of varying levels of detail. A standard description of each is also provided.

For a specific grant, it may be necessary to modify what can be included in a given object based on the grant legislation. Please review the instructions for specific grant budget development carefully before requesting an ED114 form from the Bureau of Grants Management.

II. Major Object Code Definitions

100 Personal Services - Salaries

Amounts paid to both permanent and temporary grantee employees, including personnel substituting for those in permanent positions. This includes gross salary for personal services rendered while on the payroll of the grantees.

200 Personal Services - Employee Benefits

Amounts paid by the grantee on behalf of employees; these amounts are not included in the gross salary, but are in addition to that amount. Such payments are fringe benefit payments and, while not paid directly to employees, nevertheless are part of the cost of personal services.

300 Purchased Professional and Technical Services

Services which, by their nature, can be performed only by persons or firms with specialized skills and knowledge. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, accountants, etc.

400 Purchased Property Services

Services purchased to operate, repair, maintain, and rent property owned or used by the grantee. These services are performed by persons other than grantee employees. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

320 Professional Educational Services

Services supporting the instructional program and its administration. Included are curriculum improvement services, assessment, counseling and guidance services, library and media support, and contracted instructional services.

321 Tutors (Instructional Non-Payroll Services)

Payments for services performed by qualified persons directly engaged in providing learning experiences for students. Include the services of teachers and teachers' aides who are not on the payroll of the grantee.

322 In-service (Instructional Program Improvement Services)

Payments for services performed by persons qualified to assist teachers and supervisors to enhance the quality of the teaching process. This category includes curriculum consultants, in-service training specialists, etc., who are not on the grantee payroll.

323 Pupil Services (Non-Payroll Services)

Expense for certified or licensed individuals who are not on the grantee payroll and who assist in solving pupils' mental and physical problems. This category includes medical doctors, therapists, audiologists, neurologists, psychologists, psychiatrists, contracted guidance counselors, etc.

324 Field Trips

Costs incurred for conducting educational activities off site. Includes admission costs to educational centers, fees for tour guides, etc.

325 Parental Activities

Expenditures related to services for parenting including workshop presenters, counseling services, baby-sitting services, and overall seminar/workshop costs.

330 Employee Training and Development Services

Services supporting the professional and technical development of school district personnel, including instructional, administrative, and service employees. Included are course registration fees (that are not tuition reimbursement), charges from external vendors to conduct training courses (at either school district facilities or off-site), and other expenditures associated with training or professional development by third-party vendors.

340 Other Professional Services

Professional services other than educational services that support the operation of the school district. Included, for example, are medical doctors, lawyers, architects, auditors, accountants, therapists, audiologists, dieticians, editors, negotiations specialists, paying agents, systems analysts, and planners.

341 Audit

Direct cost for the audit of the grant program by an independent auditor. This category is separated from object code 340 as many grants do not include this cost as an eligible grant expenditure.

580 Travel

Expenditures for transportation, meals, hotel and other expenses associated with staff travel. Per diem payments to staff in lieu of reimbursement for subsistence (room and board) are also included.

640 Books and Periodicals

Expenditures for books, textbooks, and periodicals prescribed and available for general use, including reference books. This category includes the cost of workbooks, textbook binding or repairs, and textbooks that are purchased to be resold or rented. Also recorded here are the costs of binding or other repairs to school library books.

650 Supplies—Technology Related

Technology-related supplies include supplies that are typically used in conjunction with technology-related hardware or software. Some examples are CDs, flash or jump drives, parallel cables, and monitor stands. Software costs below the capitalization threshold should be reported here.

710 Land and Land Improvements

Expenditures for the purchase of land and the improvements thereon. Purchases of air and mineral rights, for example, are included here. Also included are special assessments against the school district for capital improvements such as streets, curbs, and drains.

720 Buildings

Expenditures for acquiring existing buildings, except payments to public school housing authorities or similar agencies. Expenditures for the contracted construction of buildings, for major permanent structural alterations, and for the initial or additional installation of heating and ventilating systems, fire protection systems, and other service systems in existing buildings are recorded under object 450. Buildings built and alterations performed by the school district's own staff are charged to objects 100, 200, 600 and 730, as appropriate. This code is used with governmental funds only.

730 Equipment

Expenditures for initial, additional, and replacement items of equipment, such as machinery, furniture and fixtures, and vehicles.

734 Technology-Related Hardware

Expenditures for technology-related equipment and technology infrastructure. These costs include those associated with the purchase of network equipment, servers, PCs, printers, other peripherals, and devices. Technology-related supplies should be coded to object code 650, Supplies—Technology Related.

735 Technology Software

Expenditures for purchased software used for educational or administrative purposes that exceed the capitalization threshold. Expenditures for software that meet the standards for classification as a supply should be coded to object code 650, Supplies—Technology Related.

914 Internal Transfers

Includes all transactions conveying financial resources from one fund to another within the district.

CONNECTICUT STATE DEPARTMENT OF EDUCATION
GRANT AWARD NOTIFICATION

1 Grant recipient

4 Award Notification

Grant Type: Entitlement
Statute: P.L. 105-17
CFDA#: 84.027

Grant Number: 00000-12060-20977-2018-82032- 170002-
(Vendor-Fund – SPID –Budget.Refer.-Program-Chartfield 1-Chartfield 2)

2 Grant Title

5 Award Period

7/01/2017-6/30/2019

IDEA-PART B, SECTION 611

3 Education Staff

6 Authorized Funding

Program Manager:
Name and Telephone Number of SDE Program Manager
Payment & Expenditure Inquiries:
Jeffrey Lindgren 860-713-6624

Grant Amount: \$2,026,393

Funding Status: Final

7 Terms and Conditions of Award

This grant is contingent upon the continuing availability of funds from the grant's funding source and the continuing eligibility of the State of Connecticut and your town/agency to receive such funds.

Fiscal and other reports relating to this grant must be submitted as required by the granting agency. Written requests for budget revisions for expenditures made between July 1, 2017 and June 30, 2018 must be received at least 60 days prior to the expiration of the grant period but no later than May 1. For grants awarded for two-year periods beginning July 1, 2017, final second-year budget revision requests covering the entire two-year period must be received at least 60 days prior to the expiration of the grant period but no later than February 1. The grantee shall provide for an audit acceptable to the granting agency in accordance with the provision of Sections 7-394a and 7-396a of the Connecticut General Statutes. The following attachment(s) are incorporated by reference: ED114.

The grant may be terminated upon 30 days written notice by either party. In the event of such action, all remaining funds shall be returned in a timely fashion to the granting agency.

Associate Commissioner

7/01/2017



State Department Of Education
Division of Finance And Internal Operations

ED111 Monthly Cash Management Report

Report Date: 07/2017

Selected District: 000-000 - TOWN

User: TOWN

Grant Code	Grant Description	Budget	Payments*	Cumulative Expenditures
12060-20679-2017-82070-170002-	TITLE I Improving Basic Programs	14,614	13,000	14,614
12060-20679-2017-82070-170002-	TITLE I Improving Basic Programs	12,294	0	3,000
12060-20826-2016-82079-170002-	TITLE II PART D TECHNOLOGY	260	260	0
12060-20826-2015-82079-170002-	TITLE II PART D TECHNOLOGY	94	94	0
12060-20858-2015-84131-170002-	TITLE II-PART A TEACHERS	5,537	3,000	5,537
12060-20858-2014-84131-170002-	TITLE II-PART A TEACHERS	5,249	0	1,000
12060-20873-2015-84131-170002-	TITLE IV - SAFE & DRUG FREE SCHOOLS	1,042	1,042	0
12060-20873-2015-84131-170002-	TITLE IV - SAFE & DRUG FREE SCHOOLS	786	0	300
12060-20909-2014-84131-170002-	TITLE V-INNOVATIVE EDUCATION STRATEGIES	1,107	1,107	0
12060-20909-2015-84131-170002-	TITLE V-INNOVATIVE EDUCATION STRATEGIES	519	0	200

* Payments appearing in this column may lag one month behind.



Attachment 6

STATE OF CONNECTICUT
DEPARTMENT OF EDUCATION



SUPERINTENDENT OF SCHOOLS

Date: 3/23/2017

Grantee:

Core-CT Grant No: 000-000 12060 - 20784 - 2018 - 84002

CFDA Number: 84.002A

Grant Title: ADULT EDUCATION

Grant Type: FEDERAL

Grant Amount: \$126,099

Grant Period: 7/1/2017 - 6/30/2018

Program Manager: Susan Pierson

Statute: P.L. 105-220

Dear :

This is to inform you that the requested Budget revision for the project noted above is approved. Attached is the approved ED114 budget form.

This budget has been approved by Program Manager, Susan Pierson, on 3/23/2017.

Enclosure: ED114 -19-

Grantee Name: _____ User ID: 000-000
 Grant Name: EDUCATION OF HOMELESS CHILDREN AND YOUTH Auth Amt: 30,230
 Fund: 12060 Spid: 20770 Bud Ref Yr: 2010 Prog Code: 82079 CF1: _____ CF2: _____
 Grant Period: 7/1/2010 - 6/30/2011

Code	Description	PGM BUD	FY 07-08 PGM EXP	EVAL BUD	FY 07-08 EVAL EXP
111A	ADMIN/SPVR				
111B	TEACHERS				
112A	EDUC.AIDES				
112B	CLERICAL				
119	OTHER				
200	EMPL.BEN.	1,685	1,335	0	0
321	TUTORS	14,400	13,100	0	0
322	IN SERVICE				
323	PUPIL SERV.				
324	FIELD TRIP	2,500		0	
325	PARENT ACT				
330	O.PRO/TCH/SV	1,000	1,000	0	0
331	AUDIT				
400	PURC/PROP/SV	0	0	230	230
510	PUPIL TRANS.	2,700		0	
530	COMM.				
580	TRAVEL				
611	INSTR.SUPP.	5,000		0	
612	ADMIN.SUPP.				
642	LIBR.BOOKS				
690	OTH.SUPP.	2,715		0	
700	PROPERTY				
940	INDIR.COST				
TOTL	TOTAL	30,000	15,435	230	230
X001	ELEM/SEC EXP				
X0FA	FISCAL AGENT	0	1	0	0

I hereby certify that the expenditures covered by this statement are proper and valid claims.

 Date

 Superintendent Of Schools
 Or
 Resc Director Or Agency Head

Prepayment Grant Budget Revision Policy
In accordance with Federal Regulations 34CFR 80.30

b. General Revisions

Prior approval must be requested for all grants regardless of approval amount when:

- b. there is a revision to the scope or objectives of the project (regardless of whether there is an associated budget revision requiring prior approval), i.e. *changes to grade levels being served, type or number of pupils served, project location, or a shift in the focus or outcome of the project.*
- b. there is a need to extend the period of availability of funds. *Requests to schedule project activities beyond the ending date are not routine and may not be approved due to legislative constraints.*
- c. there is a change in key persons *such as the local grant program manager* if the persons have been specified in an application or a grant award.
- d. if contracting out, subgranting or otherwise obtaining the services of a third party to perform activities which are central to the purposes of the award, if the activities were previously approved to be performed by local personnel, i.e. *the nature of the service is different than originally approved, as if it is no longer provided by the grantee. For example, if a grantee is approved to hire special education teachers, but pupils are instead served by an outside facility, prior approval would be required. However, if your application included clerical salaries but services are purchased through a temporary agency, no budget revision request is required, as that function is not central to the grant's objective.*

2. Direct Cost Revisions

Prior approval must be requested for:

- a. any revision which will result in the need for additional funds. *For the most part, expenditures over the approved grant award must come from local sources. However, while entitlement grants such as Title 1 cannot be increased, competitive grants awarded through a request for proposal process may, in rare cases, be awarded additional funds. Commitments over the original award approval should never be made without receiving a revised grant award.*
- b. cumulative transfers among direct cost categories which are expected to exceed ten percent of the current total approved budget, whenever the grant exceeds \$100,000. *In contrast with the previous policy the requirement for budget revisions is based on the total approval, not on individual line items. Unallowed variances will be calculated by adding up all line item overexpenditures and comparing them to 10 percent of the total approval.*
- c. transfer of funds allotted for training allowances (i.e. from direct payments to trainees to other expense categories). *Training allowances are direct payments to adults to acquire employable skills and do NOT include stipends or tuition reimbursement. Training allowances are not allowed under existing state and federal grant programs.*

3. Indirect Cost Revision (Line Item 917-Indirect Costs) No change from previous policy.

Prior approval must be requested for:

- a. any increase of over \$200 to an approved line item 917.
- b. any expenditure of indirect costs made when no line item 917 was approved.

Requests for prior approval must be addressed in writing to the State Department of Education grant program manager. Failure to request prior approval for any of the above conditions will result in unallowed expenditures that must be refunded at the close of the grant period.

**ANNUAL REPORT OF THE INDIVIDUALS
WITH DISABILITIES EDUCATION
IMPROVEMENT ACT PART B GRANTS
FEDERAL FISCAL YEAR 2020/FISCAL YEAR 2021**



Connecticut State Department of Education



The Individuals with Disabilities Education Act (IDEA) Annual Report identifies the total amount of the IDEA Part B, Section 611 and Section 619 funds the Connecticut State Department of Education (CSDE) receives, the total amount of those funds the CSDE disburses to local education agencies (LEAs), the total amount of these funds the CSDE disburses to sub-grantees (broken down by LEA), and how the federal funds are allocated between LEA programs and the CSDE with other state activities, as well as, a brief description of the purpose and background of the IDEA Part B grant.



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Annual Report of the IDEA Part B Grants Federal Fiscal Year (FFY) 2020/Fiscal Year (FY) 2021

I. INTRODUCTION

The Connecticut General Assembly (CGA) requires an annual report regarding federal funds received pursuant to the federal IDEA, 20 United States Code 1400 et seq., as amended from time to time, to the joint standing committee of the CGA having cognizance of matters relating to education, in accordance with the provisions of Section 11-4a of the general statutes. Such report shall include, but need not be limited to:

- (1) The total amount of federal funds the Department receives pursuant to said IDEA, (2) the total amount of such federal funds the Department disburses to local and regional boards of education, (3) the total amount of such federal funds the Department disburses *to each* local or regional board of education, and (4) a description of how such federal funds are being spent, including, but not limited to, which programs are receiving such federal funds from the Department.

II. BACKGROUND INFORMATION

The Connecticut State Department of Education (CSDE) submits an application annually to the Office of Special Education Programs (OSEP) for the “Assistance to States for the Education of Children with Disabilities and Preschool Grants for Children with Disabilities: IDEA Part B, Sections 611 (ages 3 through 21) and 619 (ages 3 through 5)” (34 Code of Federal Regulations [CFR] Sections 300 and 301, as amended in 2004). It is a two-year grant that supports the state with federal entitlement funding, to assist with the excess costs of providing special education and related services to children with disabilities in accordance with the IDEA. The maximum grant amount a state may receive is based on a formula delineated in federal law (34 CFR Section 300.700 (b)) through an established base rate, which is adjusted annually as determined by two factors of the state’s school census (85 percent of the state’s population of children ages 3 through 21 who are of the same age as children with disabilities for whom the state ensures the availability of a free appropriate public education [FAPE] under Part B of the act) and level of poverty (15 percent of the state’s population of children who are living in poverty).

IDEA Part B allocations to states (34 CFR Section 300.703) are divided by federal regulations into three areas:

1. State administration – for the purpose of administering Part B of the act (34 CFR Section 300.704(a));
2. Other state-level activities – reserved allocations for monitoring, enforcement and complaint investigation, and to establish and implement the mediation process, including providing for the costs of mediators and hearing officers for due process; support and direct services, including technical assistance (TA), personnel preparation and professional development (PD), and training; support paperwork reduction activities, including expanding the use of technology in the individualized education program (IEP) process; assist local education agencies (LEAs) in providing positive behavioral interventions and supports and mental health services for children with disabilities; improve the use of technology in the classroom to enhance learning; support the use of technology, including technology with universal design principles and assistive technology (AT) devices, to maximize accessibility to the general education curriculum for children with disabilities; development and implementation of transition programs, including coordination of services with agencies involved in supporting the transition of students with disabilities to postsecondary



activities; to assist LEAs in meeting personnel shortages; support capacity building activities and improve LEAs' services delivery to improve results for children with disabilities; alternative programming for children with disabilities who have been expelled from school, services for children with disabilities in correctional facilities, children enrolled in state-operated or state-supported schools, and children with disabilities in charter schools; support the development and provision of appropriate accommodations for children with disabilities or the development and provision of alternate assessments that are valid and reliable for assessing the performance of children with disabilities; and provide TA to schools and LEAs and direct services, including supplemental educational services to children with disabilities and in schools or LEAs identified for improvement on the sole basis of the assessment results of the disaggregated subgroup of children with disabilities, including providing PD to special and regular education teachers, who teach children with disabilities based on scientifically-based research, to improve educational instruction and academic achievement to meet or exceed the objectives established by the state (34 CFR Section 300.704(b)(i-xi)); and

3. Sub-grants to eligible LEAs in Connecticut – An eligible LEA is a grant subgrantee with the calculations determined by a base payment, school census in public and private schools within the jurisdiction, and children identified as living in poverty within the LEA (34 CFR Section 300.705).

The CSDE has a fiscal management system that monitors risk for the IDEA Part B grant through a collaborative effort between the Bureau of Special Education (BSE); Bureau of Fiscal Services (BFS), Grants Management Unit; Performance Office, Data Collection Unit; and the Office of Internal Audit (OIA).

Recipients of formula grants, under Uniform Grant Guidance (UGG), are required to complete risk assessments on each subgrantee (2 CFR Section 200.331), to ensure that potential risks are identified, and appropriate monitoring is established to mitigate those risks. The UGG further explains under 2 CFR Section 200.207, that during the course of the award and in appropriate circumstances, the state education agency [SEA] (may designate those conditions as “high risk,” and if the identified risks are significant) can impose specific conditions.

The CSDE has several internal and external mechanisms in place, to ensure LEA compliance with federal requirements as to the distribution and use of IDEA Part B funds at the local level (e.g., LEA attestations in the IDEA Part B grant application). The CSDE monitors LEAs' use of IDEA Part B funds through various activities to ensure legal requirements are met and performance goals are achieved. The BSE provides fiscal oversight for each LEA that applies as a subgrantee and receives IDEA Part B, Section 611 and Section 619 funds. If an LEA is identified as moderate or high risk, the BSE requires the LEA to examine policies and procedures, and if possible, change practices that address the concerns identified, to reduce the level of risk associated with the use of IDEA Part B funds.

III. PURPOSE OF THE PROGRAM

The IDEA Part B grants, Sections 611 and 619, allow the CSDE to provide federal entitlement funding to assist with the excess costs of providing special education and related services to children with disabilities ages 3 through 21 (as defined by 34 CFR Sections 300.16 and 300.202). (34 CFR Section 300.203(a) and (b)). Both the CSDE State application to OSEP and the LEA sub-grantee application for flow-through funds delineate assurances that awarded IDEA Part B funds will be expended in accordance with the applicable conditions as stated under the IDEA, federal law, and Connecticut statutes. IDEA Part B funds are intended to supplement and not supplant local and state funding (Section 613(a)(2)(A)(iii)).



IV. TOTAL AMOUNT OF FEDERAL FUNDS RECEIVED

A. IDEA Part B, Section 611 - Allocations for Grants to States (ages 3–21)

The total amount of federal 611 funds is noted on the *OSEP Federal Fiscal Year (FFY) 2020 Allocations for Grants to States IDEA – Part B, Section 611 - Table I* (see attachment with highlights added). The table delineates the country’s distribution of grant monies for all the states’ awards with established thresholds.

Connecticut is listed to receive a total award of \$144,547,867 for FFY 20. The CSDE chose the *Maximum Available for Allowable Administration* set-aside and indicated *Maximum Other Set-Aside* from the FFY 20 allocations. The BSE uses the thresholds to generate a request for grant calculation from the BFS, Grants Management Unit (see computation below).

Chart A below delineates an abbreviated allocation table of the FFY 20 IDEA Part B, Section 611 award.

CHART A

IDEA Part B, Section 611	Total Award	Maximum Available for Administration	Maximum Other Set-Aside	Flow through to LEAs
Connecticut Calculation 7/1/2020	\$144,547,867	\$3,275,157	\$14,249,432	\$127,023,278

The calculation below demonstrates the computation for the overall IDEA Part B, Section 611 entitlement amounts to be distributed to eligible subgrantees who apply for flow-through funds to LEAs:

$$\$144,547,867 - (\$3,275,157 + \$14,249,432) \$17,524,589 = \$127,023,278$$

The Federal Grant Award of \$144,547,867 minus the combination of the maximum amount allowable for Maximum Available for Administration (\$3,275,157) and the maximum amount allowable for Maximum Other Set-Aside (\$14,249,432) for a sum of \$17,524,589. The computation leaves a total distribution of \$127,023,278 or 88 percent flow through to the LEAs as subgrantees.

B. IDEA Part B, Section 619 – Allocations for Preschool Grants (ages 3–5)

The total amount of federal 619 funds is noted on the *OSEP FFY 2020 Allocations for Preschool Grants IDEA – Part B, Section 619 -Table II* (see attachment with highlights added). The table delineates the country’s distribution of grant monies for all the states’ awards with established thresholds.

The State of Connecticut is listed to receive a total award of \$5,063,524 for FFY 20. The CSDE chose the allowable *Maximum Available for Administration* set-aside (\$266,873). However, due to historical practices of level funding for 619, the CSDE reduced *Maximum State Set-Aside* to provide comparable funding to LEAs year to year. The total dollar amount for Maximum State Set-Aside has been adjusted to \$1,000,775 (75 percent of the available total \$1,334,366) leaving a total of \$3,795,876 to be distributed to the LEAs. The BSE uses these references to generate a request for grant calculation from the BFS (see computation below).



Chart B below delineates an abbreviated allocation table of the FFY 20 IDEA Part B, Section 619 award.

CHART B

IDEA Part B, Section 619	Total Award	Maximum Available for Administration	Other Set-Aside	Flow through to LEAs
Connecticut Calculation 7/1/2020	\$5,063,524	\$266,873	\$1,000,775	\$3,795,876

The calculation below demonstrates the computation for the overall IDEA Part B, Section 619 entitlement amounts to be distributed to eligible subgrantees who apply for flow-through funds to LEAs:

$$\$5,063,524 - (\$266,873 + \$1,000,775) \$1,267,648 = \$3,795,876$$

The Federal Grant Award of \$5,063,524 minus the combination of the Maximum Available for Administration (\$266,873) and the adjusted maximum amount allowable for Maximum State Set-Aside (\$1,000,775) for a sum of \$1,267,648. The computation leaves a total for distribution of \$3,795,876 or 75 percent flow through to the LEAs as subgrantees.

V. TOTAL IDEA PART B AWARD BROKEN DOWN BY LEA (34 CFR Section 300.705)

A. Total IDEA Part B, Section 611 Award Flow through to LEAs

FFY 20 IDEA Part B, Section 611 (ages 3 through 21) - The total IDEA Part B 611 Award is \$144,547,867 and the sub-grantee award is \$127,023,278 or 88 percent flow through to the LEAs.

Connecticut State Department of Education FFY 20/FY 21 IDEA Part B, Section 611 Entitlements		
District Code	LEA/Sub-grantee Name	FFY 20 IDEA Part B 611 Entitlements
1	ANDOVER	47,434
2	ANSONIA	627,432
3	ASHFORD	112,072
4	AVON	631,179
5	BARKHAMSTED ***	60,936
7	BERLIN	615,585



8	BETHANY	80,425
9	BETHEL	693,191
11	BLOOMFIELD	570,820
12	BOLTON	159,217
13	BOZRAH	62,513
14	BRANFORD	737,579
15	BRIDGEPORT	5,592,156
17	BRISTOL	2,077,423
18	BROOKFIELD	532,412
19	BROOKLYN	246,874
21	CANAAN *	26,671
22	CANTERBURY	149,775
23	CANTON	315,648
24	CHAPLIN ****	39,621
25	CHESHIRE	973,424
26	CHESTER **	56,992
27	CLINTON	411,848
28	COLCHESTER	539,959
29	COLEBROOK ***	25,493
30	COLUMBIA	114,498
31	CORNWALL	37,226
32	COVENTRY	376,260



33	CROMWELL	415,088
34	DANBURY	2,608,585
35	DARIEN	844,385
36	DEEP RIVER **	68,508
37	DERBY	349,055
39	EASTFORD	39,632
40	EAST GRANBY	161,459
41	EAST HADDAM	244,877
42	EAST HAMPTON	400,038
43	EAST HARTFORD	1,984,463
44	EAST HAVEN	668,333
45	EAST LYME	538,896
46	EASTON	198,187
47	EAST WINDSOR	259,621
48	ELLINGTON	468,843
49	ENFIELD	1,384,144
50	ESSEX **	67,532
51	FAIRFIELD	2,311,857
52	FARMINGTON	803,008
53	FRANKLIN	41,509
54	GLASTONBURY	1,193,001
56	GRANBY	371,016



57	GREENWICH	2,548,663
58	GRISWOLD	391,344
59	GROTON	1,106,504
60	GUILFORD	702,436
62	HAMDEN	1,678,817
63	HAMPTON	25,587
64	HARTFORD	6,526,511
65	HARTLAND ***	43,174
67	HEBRON	139,907
68	KENT *	170,493
69	KILLINGLY	649,565
71	LEBANON	241,555
72	LEDYARD	533,802
73	LISBON	117,618
74	LITCHFIELD	251,583
76	MADISON	611,887
77	MANCHESTER	192,4527
78	MANSFIELD	284,045
79	MARLBOROUGH	103,684
80	MERIDEN	2336,353
83	MIDDLETOWN	1,367,644
84	MILFORD	1,516,333



85	MONROE	640,645
86	MONTVILLE	604,479
88	NAUGATUCK	1,151,119
89	NEW BRITAIN	3,165,877
90	NEW CANAAN	888,950
91	NEW FAIRFIELD	449,680
92	NEW HARTFORD	103,584
93	NEW HAVEN	6,422,424
94	NEWINGTON	789,931
95	NEW LONDON	1,133,186
96	NEW MILFORD	923,834
97	NEWTOWN	883,480
98	NORFOLK ***	23,120
99	NORTH BRANFORD	415,905
100	NORTH CANAAN *	72,623
101	NORTH HAVEN	588,028
102	NORTH STONINGTON	182,407
103	NORWALK	2,389,171
104	NORWICH	1,542,073
106	OLD SAYBROOK	288,262
107	ORANGE	320,938
108	OXFORD	346,575



109	PLAINFIELD	570,721
110	PLAINVILLE	531,251
111	PLYMOUTH	347,648
112	POMFRET	182,439
113	PORTLAND	267,788
114	PRESTON	133,298
116	PUTNAM	333,307
117	REDDING	196,033
118	RIDGEFIELD	898,042
119	ROCKY HILL	536,507
121	SALEM	109,473
122	SALISBURY *	240,224
123	SCOTLAND	27,761
124	SEYMOUR	532,453
125	SHARON *	47,824
126	SHELTON	930,459
127	SHERMAN	61,248
128	SIMSBURY	1,013,506
129	SOMERS	296,803
131	SOUTHINGTON	1,478,870
132	SOUTH WINDSOR	901,953
133	SPRAGUE	97,933



134	STAFFORD	367,958
135	STAMFORD	3,923,625
136	STERLING	104,760
137	STONINGTON	504,521
138	STRATFORD	1,610,835
139	SUFFIELD	455,665
140	THOMASTON	240,648
141	THOMPSON	328,676
142	TOLLAND	453,970
143	TORRINGTON	1,016,521
144	TRUMBULL	1,525,151
145	UNION	9,702
146	VERNON	925,155
147	VOLUNTOWN	77,200
148	WALLINGFORD	1,342,636
151	WATERBURY	5,477,963
152	WATERFORD	571,335
153	WATERTOWN	719,491
154	WESTBROOK	141,153
155	WEST HARTFORD	2,389,403
156	WEST HAVEN	1,680,229
157	WESTON	475,388



158	WESTPORT	1,113,528
159	WETHERSFIELD	744,506
160	WILLINGTON	109,422
161	WILTON	829,917
162	WINCHESTER	299,237
163	WINDHAM	969,583
164	WINDSOR	1,016,572
165	WINDSOR LOCKS	400,080
166	WOLCOTT	475,283
167	WOODBIDGE	194,466
169	WOODSTOCK	341,488
201	DISTRICT NO. 1 *	91,782
204	DISTRICT NO. 4 **	190,286
205	DISTRICT NO. 5	432,935
206	DISTRICT NO. 6	189,843
207	DISTRICT NO. 7 ***	218,447
208	DISTRICT NO. 8	273,205
209	DISTRICT NO. 9	168,816
210	DISTRICT NO. 10	431,006
211	DISTRICT NO. 11 ****	63,740
212	DISTRICT NO. 12	300,343
213	DISTRICT NO. 13	361,458



214	DISTRICT NO. 14	416,439
215	DISTRICT NO. 15	836,745
216	DISTRICT NO. 16	427,836
217	DISTRICT NO. 17	448,754
218	DISTRICT NO. 18	286,586
219	DISTRICT NO. 19	242,734
336	DEPT CORRECTION/USD1	220,122
347	DCF/USD2	216,179
900/301	CTECS	2,699,391
FFY 20 IDEA Part B, Section 611	Total Entitlements	127,023,278
* - Delineates as part of Regional School District 1 consortium		
** - Delineates as part of Regional School District 4 consortium		
*** - Delineates as part of Shared Services / Region School District 7 consortium		
**** - Delineates as part of Regional School District 11 consortium		

B. Total IDEA Part B, Section 619 Award Flow through to LEAs

FFY 20 IDEA Part B, Section 619 (ages 3 through 5) - The total IDEA Part B 619 Award is \$5,063,524 and the sub-grantee award is \$3,795,876 or 75 percent flow through to the LEAs.

Connecticut State Department of Education FFY 20/FY 21 IDEA Part B, Section 619 Entitlements		
District Code	LEA/Sub-grantee Name	FFY 20 Part B 619 Entitlements
1	ANDOVER	3,496
2	ANSONIA	7,740
3	ASHFORD	7,009
4	AVON	17,738
5	BARKHAMSTED ***	5,443



7	BERLIN	21,324
8	BETHANY	8,425
9	BETHEL	25,855
11	BLOOMFIELD	14,828
12	BOLTON	3,757
13	BOZRAH	3,981
14	BRANFORD	28,647
15	BRIDGEPORT	161,859
17	BRISTOL	60,152
18	BROOKFIELD	20,238
19	BROOKLYN	10,688
21	CANAAN *	520
22	CANTERBURY	14,304
23	CANTON	9,974
24	CHAPLIN ****	4,931
25	CHESHIRE	31,414
26	CHESTER **	7,867
27	CLINTON	16,339
28	COLCHESTER	27,853
29	COLEBROOK ***	1,988
30	COLUMBIA	5,060
31	CORNWALL *	1,500



32	COVENTRY	21,215
33	CROMWELL	10,209
34	DANBURY	75,102
35	DARIEN	21,152
36	DEEP RIVER **	6,443
37	DERBY	15,390
39	EASTFORD	2,015
40	EAST GRANBY	880
41	EAST HADDAM	8,756
42	EAST HAMPTON	14,011
43	EAST HARTFORD	61,613
44	EAST HAVEN	36,099
45	EAST LYME	11,489
46	EASTON	3,389
47	EAST WINDSOR	10,295
48	ELLINGTON	11,476
49	ENFIELD	51,099
50	ESSEX **	3,564
51	FAIRFIELD	55,575
52	FARMINGTON	17,175
53	FRANKLIN	1,548
54	GLASTONBURY	29,975



56	GRANBY	11,032
57	GREENWICH	49,836
58	GRISWOLD	19,380
59	GROTON	58,212
60	GUILFORD	20,923
62	HAMDEN	45,315
63	HAMPTON	1,507
64	HARTFORD	202,717
65	HARTLAND ***	2,503
67	HEBRON	5,648
68	KENT *	4,362
69	KILLINGLY	31,552
71	LEBANON	9,711
72	LEDYARD	20,119
73	LISBON	9,926
74	LITCHFIELD	7,406
76	MADISON	9,625
77	MANCHESTER	65,923
78	MANSFIELD	16,654
79	MARLBOROUGH	4,605
80	MERIDEN	75,470
83	MIDDLETOWN	38,150



84	MILFORD	63,347
85	MONROE	23,778
86	MONTVILLE	14,410
88	NAUGATUCK	23,823
89	NEW BRITAIN	98,727
90	NEW CANAAN	16,168
91	NEW FAIRFIELD	12,676
92	NEW HARTFORD	8,955
93	NEW HAVEN	115,729
94	NEWINGTON	20,974
95	NEW LONDON	30,363
96	NEW MILFORD	33,714
97	NEWTOWN	26,986
98	NORFOLK ***	1,975
99	NORTH BRANFOR	17,344
100	NORTH CANAAN *	7,401
101	NORTH HAVEN	2,3412
102	NORTH STONINGTON	4,754
103	NORWALK	81,108
104	NORWICH	37,506
106	OLD SAYBROOK	98,78
107	ORANGE	11,946



108	OXFORD	10,531
109	PLAINFIELD	14,864
110	PLAINVILLE	10,503
111	PLYMOUTH	14,840
112	POMFRET	4,849
113	PORTLAND	8,898
114	PRESTON	4,134
116	PUTNAM	23,487
117	REDDING	8,176
118	RIDGEFIELD	32,012
119	ROCKY HILL	12,444
121	SALEM	5,071
122	SALISBURY *	8,928
123	SCOTLAND	1,999
124	SEYMOUR	26,335
125	SHARON *	3,930
126	SHELTON	40,196
127	SHERMAN	1,587
128	SIMSBURY	32,059
129	SOMERS	9,868
131	SOUTHINGTON	46,407
132	SOUTH WINDSOR	20,110



133	SPRAGUE	7,010
134	STAFFORD	13,380
135	STAMFORD	97,156
136	STERLING	3,598
137	STONINGTON	11,840
138	STRATFORD	51,879
139	SUFFIELD	14,787
140	THOMASTON	18,882
141	THOMPSON	14,364
142	TOLLAND	14,220
143	TORRINGTON	27,471
144	TRUMBULL	36,536
145	UNION	1,477
146	VERNON	47,078
147	VOLUNTOWN	3,046
148	WALLINGFORD	38,743
151	WATERBURY	14,1853
152	WATERFORD	17,753
153	WATERTOWN	15,879
154	WESTBROOK	6,642
155	WEST HARTFORD	55,398
156	WEST HAVEN	57,324



157	WESTON	9,319
158	WESTPORT	22,314
159	WETHERSFIELD	14,968
160	WILLINGTON	5,086
161	WILTON	33,444
162	WINCHESTER	13,763
163	WINDHAM	36,797
164	WINDSOR	33,920
165	WINDSOR LOCKS	22,182
166	WOLCOTT	19,487
167	WOODBIDGE	11,121
169	WOODSTOCK	12,540
206	DISTRICT NO. 6	7,734
210	DISTRICT NO. 10	6,866
212	DISTRICT NO. 12	11,941
213	DISTRICT NO. 13	12,530
214	DISTRICT NO. 14	14,374
215	DISTRICT NO. 15	27,968
216	DISTRICT NO. 16	18,999
217	DISTRICT NO. 17	20,347
218	DISTRICT NO. 18	15,165



347	DCF/USD2	517
FFY 20 IDEA Part B, Section 619	Total Entitlements	3,795,876
* - Delineates as part of Regional School District 1 consortium		
** - Delineates as part of Regional School District 4 consortium		
*** - Delineates as part of Shared Services / Region School District 7 consortium		
**** - Delineates as part of Regional School District 11 consortium		

VI. HOW IDEA PART B FEDERAL FUNDS ARE ALLOCATED

The BFS, Grants Management Unit calculates the LEA flow-through allocations based on a federal formula delineated in federal law (34 CFR Section 300.705 and 300.815) through an established base rate, which is adjusted annually as determined by two factors of census and level of poverty.

For both Section 611 and Section 619, LEAs are eligible to apply for subgrants if they meet the State’s definition of an LEA and are responsible for providing FAPE to children with disabilities under the IDEA. The eligible LEA must submit an application to the State and be substantially approved to receive IDEA Part B, Section 611 and Section 619 subgrants. The application provides assurances that the LEA meets specific requirements regarding the use of funds, has policies and procedures in place to ensure that children with disabilities receive FAPE, and demonstrates the funds are used to supplement not supplant local and state funding.

To ensure LEAs have funds available to identify or serve children with disabilities who subsequently enroll or are identified during the year, the LEA is eligible for the Section 611 and Section 619 subgrants even if the LEA is not serving children with disabilities. LEAs do not need to have preschool programs to be eligible for Section 619 subgrants. The subgrants are made based on the ages of children who may be served and not on the basis of existing programs for children with disabilities. If an LEA could serve 5-year-olds in kindergarten, regardless of whether the children have disabilities, the LEA is eligible for a Section 619 subgrant. However, if an LEA is not responsible for educating children ages 3 through 5, such as an LEA with only a high school, it is not eligible for a Section 619 subgrant.

NOTE: Under specific circumstances, an LEA may return Part B funds. If the BSE determines that any portion of a Section 611 or Section 619 subgrant is not needed by a particular LEA to provide FAPE to children with disabilities, the CSDE may reallocate those funds to other LEAs in the state that are “not adequately providing special education and related services to all children with disabilities residing in their jurisdictions.”

The CSDE may also redistribute Section 611 or Section 619 subgrants that had been allocated to an eligible LEA if that LEA is no longer serving any children with disabilities and the SEA determines that the LEA will not use the funds. The SEA may reallocate those funds to other LEAs in the state that are “not adequately providing special education and related services to all children with disabilities.” If the state has not reserved the maximum amount allowed for a state set-aside, then the SEA may choose to retain funds that have been returned from an LEA that does not need them or from an LEA not serving children with disabilities, for use at the state level. For more details, see 34 CFR Section 300.705(c) and 300.817.



Upon request, payment is made monthly to an LEA. The BFS, Grants Management Unit processes monthly requests with support from the BFS and the CSDE, BSE IDEA funds manager completes budget revisions or follow up for unexpended funds as needed. Throughout the process, eligible LEAs must meet the requirements contained in the IDEA, including the use of a separate accounting system that includes an audit trail for the expenditure of funds received under this act and prohibition of commingling funds (as defined by 34 CFR Section 300.162 (b)).

IDEA Part B funds must be used to supplement state, local, and other federal funds and not to supplant or reduce the level of expenditures for the education of children with disabilities unless exceptions and adjustments are requested and granted. To ensure that IDEA Part B funding is utilized as mandated and to determine the eligibility for receipt of IDEA Part B, Sections 611 and 619 entitlement grants, each district must demonstrate maintenance of effort (MOE) for special education expenditures from year to year in two areas (1) MOE eligibility standard and (2) MOE compliance standard.

The MOE eligibility standard compares the amount budgeted for the year in which the LEA is applying for Part B funds to the amount expended in the most recent prior year for which data are available (Section 300.203(a)). The MOE compliance standard addresses a district's need to maintain or increase the amount of local or state and local funds it spends for the education of children with disabilities (special education expenditures) when compared to the preceding fiscal year, which met the subsequent year rule or the last year when MOE was met. MOE can be demonstrated through four methods (1) comparing local to local, (2) comparing the combination of local and state, (3) comparing the per capita local to per capita local, or (4) comparing the per capita combination of local and state to per capita combination of local and state (Section 300.203(b)).

There is also a maintenance of state financial support requirement for the State of Connecticut—it must not reduce the amount of State financial support for special education and related services for children with disabilities below the amount of that fiscal support for the preceding fiscal year in order to receive IDEA Part B funds in the subsequent year (as established in the IDEA Section 618(a)(3)).

The LEAs used the CSDE Prepayment Grant (PPG) system to track and explain how funds were being allocated. The CSDE replaced the PPG with the eGrants Management System (eGMS) that LEAs currently use for their federal grant funds. This change was implemented at the beginning of the new state fiscal year, July 1, 2020. The system is entirely web based and the eGMS automates the entire grant lifecycle. All grant applications feature a consistent interface, which greatly simplifies training. The application process includes budgeting, program activities, and document upload. The system allows grantees to initiate and complete budget revisions. Changes are tracked between revisions so that reviewers can quickly approve or reject budget amendments—greatly improving efficiency.

The BFS, Grants Management Unit uses object code definitions from the *Financial Accounting for Local and State School Systems*, United States Department of Education publication. There are nine major object categories with subcategories and qualifiers for the IDEA Part B grant.

1. **Personal Services - Salaries** - Amounts paid to both permanent and temporary grantee employees, including personnel substituting for those in permanent positions. This includes gross salary for personal services rendered while on the payroll of the grantees. The category is split into two subcategories:



- i. non-instructional - amounts paid to administrative employees not involved in providing direct services to pupils/clients. This includes all gross salary payments for these individuals while they are on the payroll, including overtime salaries or salaries paid to employees of a temporary nature and cannot exceed more than 10 percent of the total budget; and
 - ii. instructional - salaries for employees providing direct instruction/counseling to pupils/clients. Include employees who are on the payroll with benefits (a person who is paid a fee with no obligation for benefits is not included).
2. **Personal Services - Employee Benefits** - Amounts paid on behalf of the non-instructional and instructional employees (see above - 1i and 1ii. These amounts are not included in the gross salary but are fringe benefit payments and while not paid directly to employees, nevertheless, are part of the cost of personal services such as the employer's cost of group insurance, social security contribution, retirement contribution, tuition reimbursement, unemployment compensation, and worker's compensation insurance.
3. **Purchased Professional and Technical Services** - Services that can be performed only by persons or firms with specialized skills and knowledge. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided. The category is split into 12 subcategories:
 - i. professional educational services - services supporting the instructional program and its administration, including curriculum improvement services, assessment, counseling and guidance services, library and media support, and contracted instructional services;
 - ii. tutors - payments for services performed by qualified persons directly engaged in providing learning experiences for students, including the services of teachers and teachers' aides who are not on the payroll or in the instructional non-payroll services;
 - iii. in-service - payments for services performed by persons qualified to assist teachers and supervisors, which includes instructional program improvement services, to enhance the quality of the teaching process, including curriculum consultants, in-service training specialists, etc., who are not on the payroll;
 - iv. pupil services expense - a non-payroll services expense for certified or licensed individuals who are not on the payroll and who assist in solving pupils' mental and physical problems, including medical doctors, therapists, audiologists, neurologists, psychologists, and psychiatrists;
 - v. field trips - costs incurred for conducting educational activities off site, including admission costs to educational centers and fees for tour guides;
 - vi. parental activities - expenditures related to services for parenting, including workshop presenters, counseling services, babysitting services, and overall seminar/workshop costs;
 - vii. employee training and development services - services supporting the professional and technical development of school district personnel, including instructional, administrative, and service employees; course registration fees (fees that are not tuition reimbursement); charges from external vendors to conduct training courses (at school district facilities or off site); and other expenditures associated with training or PD by third-party vendors are included;
 - viii. other professional services - professional services other than educational services that support the operation of the school district, including medical doctors, lawyers, architects, auditors, accountants, therapists, audiologists, dieticians, editors, negotiations specialists, paying agents, systems analysts, and planners;
 - ix. audit - direct cost for the audit of the grant program by an independent auditor;

- x. technical services -services to the school district that are not regarded as professional but require basic scientific knowledge, manual skills, or both, including data-processing services, purchasing and warehousing services, and graphic arts;
 - xi. data-processing and coding services - data entry, formatting, and processing services other than programming; and
 - xii. other technical services - technical services other than data-processing/related services.
4. **Purchased Property Services** - Services purchased to operate, repair, maintain, and rent property owned or used by the grantee. These services are performed by persons other than grantee employees and while a product may or may not result from the transaction, the primary reason for the purchase is the service provided. The category is split into four subcategories:
- i. repairs and maintenance services - expenditures for repairs and maintenance services not provided directly by school district personnel;
 - ii. rentals - costs for renting or leasing land, buildings, equipment, and vehicles;
 - iii. construction services - includes amounts for constructing, renovating, and remodeling buildings or infrastructure assets paid to contractors. This accounts for the costs of non-permanent site improvements, such as fencing, walkways, and roads that are related to buildings and the building site; and expenditures for the contracted construction of buildings for major permanent structural alterations and for the initial or additional installation of heating and ventilating systems, fire protection systems, and other service systems; and
 - iv. other purchased property services - purchased property services that are not classified above.
5. **Other Purchased Services** - Amounts paid for services rendered by organizations or personnel not on the payroll and separate from professional and technical services or property services. The category is split into five subcategories:
- i. student transportation services - expenditures for transporting pupils to and from school and other activities;
 - ii. communication - services provided by persons or businesses to assist in transmitting and receiving messages or information, including voice communication services; data communication services to establish or maintain computer-based communications, networking, and internet services; video communications services to establish or maintain one- or two-way video communications via satellite, cable, or other devices; postal communications services to establish or maintain postage machine rentals, postage, express delivery services, and couriers);
 - iii. advertising - expenditures for announcements in professional publications, newspapers, or broadcasts over radio and television for such purposes as personnel recruitment, legal ads, new and used equipment, and sale of property. Costs for professional advertising or public relations services are not recorded here;
 - iv. tuition - expenditures to reimburse other educational agencies for instructional services to pupils; and
 - v. travel - expenditures for transportation, meals, hotel, and other expenses associated with staff travel.
6. **Supplies** - Amounts paid for items that are consumed, worn out, or deteriorated through use or items that lose their identity through fabrication or incorporation into different or more complex units or substances. The category is split into two subcategories:
- i. books and periodicals - expenditures for books, textbooks, and periodicals prescribed and available for general use, including reference books, the cost of workbooks, textbook binding



- or repairs, textbooks that are purchased to be resold or rented, and costs of binding or other repairs to school library books; and
- ii. supplies—technology-related - includes supplies that are typically used in conjunction with technology-related hardware or software such as CDs, flash or jump drives, parallel cables, and monitor stands.
7. **Property** - Expenditures for acquiring fixed assets, including land or existing buildings, improvements of grounds, initial equipment, additional equipment, and replacement of equipment. In accordance with the Connecticut State Comptroller’s definition of equipment, included in this category are all items of equipment (machinery, tools, furniture, vehicles, apparatus, etc.) with a value of over \$5,000 and the useful life of more than one year and data processing equipment that has a unit price under \$1,000 and a useful life of not less than five years. The category is split into five subcategories:
- i. land and land improvements - expenditures for the purchase of land and the improvements thereon. Purchases of air and mineral rights, for example, are included in this category. Also included are special assessments against the school district for capital improvements such as streets, curbs, and drains;
 - ii. buildings - expenditures for acquiring existing buildings, except payments to public school housing authorities or similar agencies; expenditures for the contracted construction of buildings for major permanent structural alterations; and for the initial or additional installation of heating and ventilating systems, fire protection systems, and other service systems in existing buildings are recorded under object code 450. Buildings built and alterations performed by the school district’s own staff are charged to object codes 100, 200, and 600, and equipment object code 730 [specify unit(s) and cost(s)] is used for tangible property having a useful life of more than one year and an acquisition cost equal to or greater than \$5,000, as appropriate. This code is used with governmental funds only;
 - iii. equipment - expenditures for initial, additional, and replacement items of equipment, such as machinery, furniture and fixtures, and vehicles, which will allow children to benefit from special education and related services;
 - iv. technology-related hardware - expenditures for technology-related equipment and technology infrastructure. These costs include those associated with the purchase of network equipment, servers, PCs, printers, other peripherals, and devices. Technology-related supplies should be coded to object code 650, supplies—technology related; and
 - v. technology software - expenditures for purchased software used for educational or administrative purposes that exceed the capitalization threshold. Expenditures for software that meet the standards for classification as a supply should be coded to object code 650, supplies—technology related.
8. **Debt Service and Miscellaneous** - Amounts paid for goods and services not otherwise classified above.
9. **Other Items** - Series of codes used to classify transactions, which are not properly recorded as expenditures to the grantee but require budgetary or accounting control. The category is split into two subcategories:
- i. internal transfers - includes all transactions conveying financial resources from one fund to another within the district; and
 - ii. indirect costs - costs incurred by the grantee, which are not directly related to the program but are a result thereof. Grantees must submit indirect cost proposals to the CSDE to apply for a restricted and unrestricted rate. Only grantees that have received rate approvals are



eligible to claim indirect costs. **NOTE:** Grantees who receive most of their grant funds other than through the CSDE may use the rate approved by another federal agency.

VII. IDEA PART B – CSDE USE OF FUNDS

The CSDE aligns state level activities with state and federally required special education responsibilities. Priorities are established by analyzing data within, and across, general monitoring and supervision activities. The administration portion of the IDEA Part B grant supports a limited number of payroll positions and Other Set-Aside for State Level Activities to fund components of the IDEA such as general monitoring and supervision, dispute resolution process activities (including complaint investigations, mediations, and due process hearings). The funds are also used to support technical assistance activities, PD, and our surrogate parent program. The CSDE also utilizes *Other State Set-Aside* funds to establish special education stipend opportunities for school districts. Priority areas are established in the spring of each school year and stipend applications are available to school districts in the eGMS. Special Education Recovery activities were identified as priority areas during the previous two years.

The CSDE has established multiple partnerships to carry out special education activities throughout the state. IDEA funding supports our partnership with the Connecticut Parent Advocacy Center (CPAC). CPAC is our federally appointed parent training and information center. In addition to their call center, CPAC provides information and training to parents and families throughout the state. They also work closely with school districts to establish parent advisory structures. The State Education Resource Center (SERC) provides a comprehensive array of PD activities that are aligned with the State Performance Plan. SERC also supports stakeholder communication structures and special education committees throughout the year. The Regional Educational Service Centers Alliance plays a critical role in supporting regional special education activities and supports a variety of professional communities of practice. Public Consulting Group supports Connecticut's new IEP within a statewide special education data system. American Institute for Research supports this work with the design and implementation of IEP Quality training. New England Assistive Technology (NEAT) Center of Oak Hill School/Connecticut Institute for the Blind supports LEAs' access to AT services, evaluations, and needed resources for students with disabilities. The supports were expanded for all LEAs throughout the state to access a NEAT membership. The membership provides LEAs opportunities for specific trainings on AT and educational technology related to distance learning—matching the devices and learning tools to the needs of the LEAs and students (such as trialing technology before purchasing the items).

Additionally, there are multiple contracts established between the CSDE and outside contractors, such as the LRP Special Education Connections, Microscribe, and memoranda of agreements to address training demands and PD such as, but not limited to, IEP development, planning-and-placement team chair training, universal design principles, and AT devices to meet the needs of children with disabilities.

VIII. IDEA PART B - LEA SUBGRANTEE USE OF FUNDS

LEAs expend IDEA Part B funds for many programs and activities for students with disabilities based upon the goals and objectives identified by the LEA, in alignment with the intent of the IDEA, on the sub-grantee application. Some examples of the expenditures include hiring special education teachers and paraprofessionals, providing PD, developing unique programs around literacy or for students with specific needs, providing tuition for students publicly placed in private schools to meet their unique needs, funding preschool special education programs for 3–5-year-olds, and providing transition services and programs for students ages 18 through 21.



School districts receiving IDEA Part B funding must expend a proportionate amount of funding for the benefit of eligible students who had FAPE made available to them and whose parents elected to place them in private schools. As noted in the *Provisions Related to Children with Disabilities Enrolled by Their Parent in Private Schools* - U.S. Department of Education (February 2008), “IDEA is designed to improve educational results for all children with disabilities, providing benefits and services to children with disabilities in public schools, and also requires LEAs to make services and benefits available to children with disabilities enrolled by their parents in nonpublic (private) schools, to ensure the equitable participation of parentally placed children with disabilities in programs assisted by, or carried out under, the equitable participation requirements that apply to them.”

An LEA, as part of an annual, timely, and meaningful consultation with private schools (nonpublic schools within the geographic boundaries of the district), is required to determine the number of students with disabilities enrolled in the school/district. Children with disabilities enrolled in public schools or publicly placed in private schools are entitled to FAPE and must receive the full range of services under the IDEA Section 300.133 (c). IEPs for children publicly placed in private schools are generally more comprehensive than the services plans developed for parentally placed private school students (PPPSS), since PPPSS do not have an individual entitlement to any or all the services they would receive if they were enrolled in a public school. A services plan only reflects the services offered to them. The LEA is obligated to spend a proportionate amount of IDEA Part B funds to provide equitable services, as determined by the meaningful consultation, to children with disabilities enrolled in private schools by their parents. (34 CFR Section 300.130 through 300.144)

The LEA can also use IDEA Part B funds to conduct coordinated early intervening services (CEIS) for students without disabilities. Under Section 300.226, “An LEA may not use more than 15 percent of the amount the LEA receives under Part B of the act for any fiscal year...to develop and implement CEIS, which may include interagency financing structures for students in kindergarten through Grade 12 (with a particular emphasis on students in kindergarten through Grade 3) who are not currently identified as needing special education or related services but who need additional academic and behavioral support to succeed in a general education environment.”

CEIS is noted on the IDEA Part B grant application as a voluntary component unless the LEA has been identified through the BSE’s monitoring system as having significant disproportionality in either the identification, placement, or discipline of students with disabilities in which case 15 percent of IDEA Part B funds for comprehensive coordinated early intervening services is required to be used for students with and without disabilities to address the data of concern.

Summary:

The CSDE and LEAs work collaboratively to ensure that the principles of the IDEA are realized all over Connecticut. The IDEA Part B grant, Sections 611 and 619, enriches this partnership to assist with the excess costs of providing special education and related services for children and students with disabilities ages 3 through 21, to ensure educational access, participation, and progress throughout the state.

EXHIBIT I



Katie Roy <kroy@nonprofitscounsel.com>

Brass City/Waterbury SpEd Reimbursement Follow Up

Christine Sullivan <csullivan@berchemmoses.com>

Sun, Apr 23, 2023 at 10:16 PM

To: Katie Roy <kroy@nonprofitscounsel.com>, "McKeon, Mike" <Mike.McKeon@ct.gov>

Mike and Katie,

I have forwarded Katie's previous correspondence dated March 27, with attachments to the district for review. As I indicated in our meeting, it would be extremely helpful to have written guidance from the state in order to assist the district in determining next steps. Mike, can you let me know when that might be provided.

Katie, with regard to the adjustment made to the past billing, there is no agreement to add a special education coordinator to the past invoices. The discussion at the meeting concerned the nature of the testing that was being conducted and how this was being billed as there was a concern that the testing was being conducted by one of the special education teachers as part of his or her responsibilities already billed for. Please note there is no agreement regarding the appropriateness of any retroactive billing for a special education coordinator previously deemed not essential. I will review with the district the claim that the district requested an increase in the services to be performed by Brass City in connection with special education administrative functions, however, my understanding is that this relates to the current school year only.

Thank you.

Chris



Christine A. Sullivan
Berchem Moses PC



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📞 (203) 783-1200 🌐 www.berchemmoses.com
✉ csullivan@berchemmoses.com



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[Quoted text hidden]

-- WARNING: FRAUD ALERT. If you receive an e-mail appearing to be from this office which requests that you wire or otherwise transfer funds to any party, you must confirm the request and any corresponding instructions via telephone before you initiate any wire or other transfer. PLEASE CONFIRM BY CALLING THE ORIGINATOR OF THE EMAIL, USING PREVIOUSLY KNOWN CONTACT INFORMATION, PRIOR TO WIRING OR OTHERWISE TRANSFERRING FUNDS.

EXHIBIT J

Dear Colleagues,

The purpose of this letter is to notify you of the per pupil tuition rates for magnet school students for the 2020-21 school year, as well as special education and related services billing rates. The per pupil tuition rates for magnet school students for the 2020 – 2021 school year are \$4,635 for elementary students and \$5,253 for secondary students.

Below please find CREC’s special education and related services billing rates for magnet schools for the 2020-21 school year. These rates remain unchanged from the 2019 – 2020 school year. Over the course of the next several months we will be conducting a financial analysis to determine the rates for the 2021 – 2022 school year. It is our goal to have these rates out to you by November 2020.

2020–2021 Special Education/504 Billing Rates

All specialized instruction for students receiving special education and 504 will be \$43.69/hour of service.

Services Provided By:	Direct Service Name	Direct Service Rate	Evaluation Service Name	Evaluation Rate
Special Education Teacher	Academic Support	\$43.69/hour	Academic Evaluation	\$43.69/hour
Paraprofessional	1:1 Paraprofessional Support	\$32.73/hour	N/A	N/A
Social Worker	Counseling	\$45.00/hour	Counseling	\$45.00/hour
School Psychologist	Psychological Evaluation	\$117.50/hour	Psychological Evaluation	\$117.50/hour
Speech Therapist (SLP)	Speech Therapy (SLP)	\$117.50/hour	Speech Evaluation	\$117.50/hour
Speech Therapist Assistant (SLPA)	Speech Therapy Assistant (SLPA)	\$57.50/hour	N/A	N/A
Occupational Therapist (OT)	Occupational Therapy	\$115.00/hour	Occupational Therapy Evaluation	\$115.00/hour
Physical Therapist (PT)	Physical Therapy	\$115.00/hour	Physical Therapy Evaluation	\$115.00/hour
Nurse	Nursing Services	\$43.75/hour	N/A	N/A
Homebound Tutor	Homebound Tutoring	\$37.50/hour	N/A	N/A
BCBA*	BCBA	\$100.00/hour	FBA/BIP	\$100.00/hour

*Indicates services are offered if/when available.

Sincerely,



Timothy J. Sullivan
Superintendent of CREC Schools



Where the future is present.

Dr. Leslie Torres-Rodriguez
Superintendent

Sherri Davis-Googe
Executive Director
Office of Enrollment & School Choice

August 9, 2019

Vernon Public Schools
Joseph Macary, Superintendent
c/o Cheryl Pedemonti, Pupil Services
P.O. Box 600
30 Park Street
Vernon, CT 06066

To Whom It May Concern:

Outlined below are the Hartford Public School reimbursement rates for Special Education, 504, Special Education Evaluations/Testing, and Related Services for your resident students attending a Hartford Public School for the 2019-2020 school year. In order to maintain a consistent billing structure across the districts, adjustments were made to the billing schedule for school year 2019-2020.

Special Education: All specialized instruction will be billed at a rate of \$43.69 per hour.

Related Services: The fee structure for Special Education, 504, Evaluations/Testing, and related services is listed below:

Services	Fee	Services	Fee
BCBA	\$100.00/hour	Social Worker (Sped and 504)	\$45.00 /hour
Homebound Tutoring (Sped and 504)	\$37.50 /hour	Special Education Teacher	\$43.69 /hour
Nursing Services	\$43.75 /hour		
Occupational Therapist (Sped and 504)	\$115.00/hour	Evaluations/Testing	Fee
Paraprofessional (Sped and 504)	\$32.73 /hour	Occupational Therapist/ Evaluation	\$115.00 /hour
Physical Therapist (Sped and 504)	\$115.00/hour	Speech Therapist/ Evaluation	\$117.50 /hour
School Psychologist	\$117.50/hour	Physical Therapist/Evaluation	\$115.00 /hour
Speech Therapist	\$117.50	Psychologist/Psychological Evaluation	\$117.50 /hour

If you have any resident students, in late October/early November you will receive an invoice for your students receiving Special Education, Testing, and 504 services. The invoice will be based on the services defined in their IEP and/or their 504 plan and cost for the entire year. Please submit payments within 90 days after receipt of invoice unless other payment increment arrangements are made with our department. You will receive invoices, credit memos, and statements throughout the school year as services change for students. Please contact us immediately if adjustments need to be made so your statements reflect accurately and payments can be processed appropriately.

If you have any questions on this letter or the fee structure, please contact Lorena Emanuel at EMANL001@hartfordschools.org or 860-713-6993.

Sincerely,

Sherri Davis-Googe
Executive Director, Office of Enrollment & School Choice

Cc: Dr. Leslie Torres-Rodriguez, Superintendent - Hartford Public School

"The Hartford Public Schools is the State Capital's Portfolio District of Excellence"



NEW LONDON PUBLIC SCHOOLS

School
Nathan Hale Arts Magnet School
Facility Code: 0950911

Bill To:
East Lyme Public Schools 165 Boston Post Road P.O. Box 220 East Lyme, CT 06333

Please remit payment to:
New London Public Schools Special Services 134 Williams Street New London, CT 06320

Student's Name: _____
State ID: _____
DOB: _____

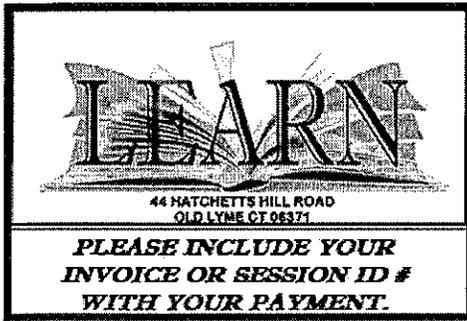
Dates of Service	Invoice Date	Invoice Number	Invoice Total
FY 2019-2020	10/31/2019	2020 - 7835	\$9,189.00

Service	Frequency	Qty	Rate per Hour	Total
Special Education Hours	2 Hours per week	80	\$91.89	\$7,351.20
Counseling	1 X Weekly, 30 mins	20	\$91.89	\$1,837.80

Notes: Self - Contained and Paraprofessional will be billed at an annual rate.

If you have any questions, please contact Hsin-Yi Huang at 860-447-6006 or huangh@newlondon.org.

134 Williams Street • New London, CT 06320 • (860) 447-6010
www.newlondon.org



CUSTOMER NUMBER 1570	INVOICE DATE 04/03/2020	INVOICE NUMBER 20201591
----------------------------	-------------------------------	-------------------------------

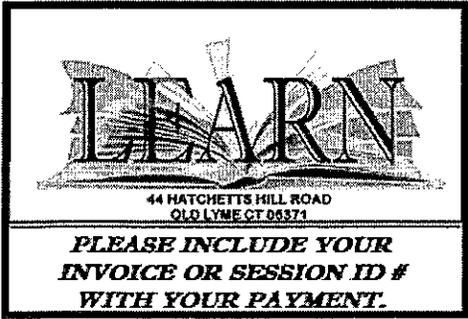
EAST LYME BOARD OF EDUCATION
EAST LYME PUBLIC SCHOOLS
ATTN: BUSINESS MANAGER
P.O. BOX 220
EAST LYME, CT 06333-0220

FOR/LOCATION
75001-43975 - 20201591 - SEE
BELOW FOR SASID # - REC ID # -
201071

DESCRIPTION	ORIG BILL	ADJUSTED	PAID	AMOUNT DUE
ELYME - 20201591 - SLP INDV SESS. -	640.00	.00	.00	640.00
MSMHS - SASID # - [REDACTED] -				
JAN-FEB - REC ID # - 201071				
QTY 5.00 @ 128.00 PER EACH				

TERMS BELOW: INVOICE TOTAL DUE 640.00

PAYMENT DUE UPON RECEIPT ~ PLEASE WRITE INVOICE NUMBER ON YOUR PAYMENT! FOR
ADJUSTMENTS CONTACT TAYNA CARBRAY AT TCARBRAY@LEARN.K12.CT.US
NEW NUMBER - 860-400-0840 EXT. 2103



CUSTOMER INVOICE INVOICE
 NUMBER DATE NUMBER
 1570 06/04/2020 20202165

EAST LYME BOARD OF EDUCATION
 EAST LYME PUBLIC SCHOOLS
 ATTN: BUSINESS MANAGER
 P.O. BOX 220
 EAST LYME, CT 06333-0220

FOR/LOCATION
 75001-43975 - 20202165 - MSMHS
 - SEE BELOW FOR SASID # -
 REC ID # - 201648

DESCRIPTION	ORIG BILL	ADJUSTED	PAID	AMOUNT DUE
ELYME - 20202165 - SLP - INDV SESS - MSMHS - SASID # - ██████████ - MAR - APR - 2020 - REC ID # -201648 QTY 8.00 @ 128.00 PER EACH	1024.00	.00	.00	1024.00

INVOICE TOTAL DUE 1,024.00

TERMS BELOW:

PAYMENT DUE UPON RECEIPT ~ PLEASE WRITE INVOICE NUMBER ON YOUR PAYMENT! FOR
 ADJUSTMENTS CONTACT TAYNA CARBRAY AT TCARBRAY@LEARN.K12.CT.US
 NEW NUMBER - 860-400-0840 EXT. 2103

LEARN
44 Hatchetts Hill Road
Old Lyme CT 06371

CUSTOMER INVOICE INVOICE
NUMBER DATE NUMBER
1570 06/29/2020 20202618

EAST LYME BOARD OF EDUCATION
EAST LYME PUBLIC SCHOOLS
ATTN: BUSINESS MANAGER
P.O. BOX 220
EAST LYME, CT 06333-0220

FOR/LOCATION
75001-43975 - 20202618 - MSMHS
- SEE BELOW FOR SASID # - REC
ID # - 202077

DESCRIPTION	ORIG BILL	ADJUSTED	PAID	AMOUNT DUE
ELYME - 20202618 - SLP INDV SESS - MSMHS - SASID # - ██████████ - MAY - JUNE 2020 - REC ID # - 202077 QTY 6.00 @ 128.00 PER EACH	768.00	.00	.00	768.00

TERMS BELOW:

INVOICE TOTAL DUE 768.00

PAYMENT DUE UPON RECEIPT ~ PLEASE WRITE INVOICE NUMBER ON YOUR PAYMENT! FOR
ADJUSTMENTS CONTACT TAYNA CARBRAY AT TCARBRAY@LEARN.K12.CT.US
NEW NUMBER - 860-400-0840 EXT. 2103

New Haven Public Schools

Business Office

54 Meadow Street

New Haven, CT 06519-1743

INVOICE

INVOICE NO:402

DATE: JUNE 16, 2020

Joseph Lucibello Pupil Personnel Director
 West Haven Public Schools
 P O Box 26010
 West Haven, CT 06516

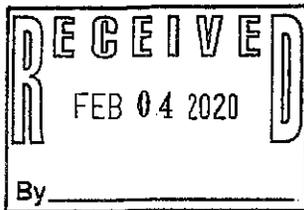
	P.O. NUMBER	SERVICE START DATE	SERVICE END T DATE	TERMS
Tuition				

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
37	Student attending BSUMS School 2019/20 Special Education hrs per week @ 37 weeks	\$208.24	\$0.00
			\$7,704.88
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
		SUBTOTAL	\$7,704.88
		TOTAL DUE	\$7,704.88

Make all checks payable to: New Haven Public Schools
 If you have any questions concerning this invoice, call: Joann D'Angelo, Phone: 475-220-1330 Fax: 203-946-7421

THANK YOU FOR YOUR BUSINESS!

New Haven Public Schools
 Business Office
 54 Meadow Street
 New Haven, CT 06519-1743



INVOICE
 INVOICE NO: 266
 DATE: January 29, 2020

Joseph Lucibello Pupil Personnel Director
 West Haven Public Schools
 P O Box 26010
 West Haven, CT 06516

	P.O. NUMBER	SERVICE START DATE	SERVICE END T DATE	TERMS
Tuition				

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
37	Student attending Barnard School 2019/20 Special Education 72922 .4hrs per week @ 37 weeks	\$208.24	\$7,704.88
37	Social worker 30 mins per week @ 37 weeks 72930	\$45.65	\$1,689.05
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
SUBTOTAL			\$9,393.93
TOTAL DUE			\$9,393.93

Make all checks payable to: New Haven Public Schools
 If you have any questions concerning this invoice, call: Joann D'Angelo, Phone: 475-220-1330 Fax: 203-946-7421

THANK YOU FOR YOUR BUSINESS!

New Haven Public Schools
Business Office
54 Meadow Street
New Haven, CT 06519-1743

INVOICE

INVOICE NO: 297
DATE: March 3, 2020

Joseph Lucibello Pupil Personnel Director
 West Haven Public Schools
 P O Box 26010
 West Haven, CT 06516

	P.O. NUMBER	SERVICE START DATE	SERVICE END T DATE	TERMS
Tuition				

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
37	Student attending HSC High School 2019/20 Special Education .7 hrs. 28 mins per week @ 37 weeks	\$388.78	\$14,384.86
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
		SUBTOTAL	\$14,384.86
		TOTAL DUE	\$14,384.86

Make all checks payable to: New Haven Public Schools
 If you have any questions concerning this invoice, call: Joann D'Angelo, Phone: 475-220-1330 Fax: 203-946-7421

THANK YOU FOR YOUR BUSINESS!

New Haven Public Schools

Business Office

54 Meadow Street

New Haven, CT 06519-1743

INVOICE

INVOICE NO:271

DATE: January 29, 2020

Joseph Lucibello Pupil Personnel Director

West Haven Public Schools

P O Box 26010

West Haven, CT 06516

	P.O. NUMBER	SERVICE START DATE	SERVICE END T DATE	TERMS
Tuition				

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
1	Student attending Metropolitan School 2019/20 Special Education 5 hrs 42 mins	\$23,531.52	\$0.00 \$23,531.52
37	Social worker 30 mins per week @37 weeks	\$45.65	\$1,689.05
37	Speech 30 mins per week @ 37 weeks	\$65.10	\$2,408.70
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
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			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
SUBTOTAL			\$27,629.27
TOTAL DUE			\$27,629.27

Make all checks payable to: New Haven Public Schools

If you have any questions concerning this invoice, call: Joann D'Angelo, Phone: 475-220-1330 Fax: 203-946-7421

THANK YOU FOR YOUR BUSINESS!

New Haven Public Schools
Business Office
54 Meadow Street
New Haven, CT 06519-1743

INVOICE

INVOICE NO:265
DATE: January 29, 2020

Joseph Lucibello Pupil Personnel Director
West Haven Public Schools
P O Box 26010
West Haven, CT 06516

	P.O. NUMBER	SERVICE START DATE	SERVICE END T DATE	TERMS
Tuition				

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
37	Student attending Barnard School 2019/20 Special Education hrs 15 mins per week @ 37 weeks	\$273.35	\$10,113.95
37	Speech 30 mins per week @ 37 weeks	\$65.10	\$2,408.70
37	Social worker 30 mins per week @ 37 weeks	\$45.65	\$1,689.05
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
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			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
	SUBTOTAL		\$14,211.70
	TOTAL DUE		\$14,211.70

Make all checks payable to: New Haven Public Schools
 If you have any questions concerning this invoice, call: Joann D'Angelo, Phone: 475-220-1330 Fax: 203-946-7421

THANK YOU FOR YOUR BUSINESS!

New Haven Public Schools
 Business Office
 54 Meadow Street
 New Haven, CT 06519-1743

INVOICE

INVOICE NO: 400
 DATE: JUNE 16, 2020

Joseph Lucibello Pupil Personnel Director
 West Haven Public Schools
 P O Box 26010
 West Haven, CT 06516

P.O. NUMBER	SERVICE START DATE	SERVICE END DATE	TERMS
Tuition			

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
37	Student attending ESUMS School 2019/20 Special Education 3 hrs 53 mins per week @ 37 weeks	\$202.29	\$7,484.73
37	Social Worker 15 mins per week @ 37 weeks	\$22.80	\$843.60
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
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			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
SUBTOTAL			\$8,328.33
TOTAL DUE			\$8,328.33

Make all checks payable to: New Haven Public Schools
 If you have any questions concerning this invoice, call: Joann D'Angelo, Phone: 475-220-1330 Fax: 203-946-7421

THANK YOU FOR YOUR BUSINESS!

New Haven Public Schools
Business Office
54 Meadow Street
New Haven, CT 06519-1743

INVOICE

INVOICE NO: 273
 DATE: January 29, 2020

Joseph Lucibello Pupil Personnel Director
 West Haven Public Schools
 P O Box 26010
 West Haven, CT 06516

	P.O. NUMBER	SERVICE START DATE	SERVICE END T DATE	TERMS
Tuition				

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
37	Student attending Daniels School 2019/20 Special Education 6 hrs 30 mins per week @ 37 weeks	\$286.33	\$10,594.21
37	Speech 30 mins per week @ 37 weeks	\$65.10	\$2,408.70
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
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			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
SUBTOTAL			\$13,002.91
TOTAL DUE			\$13,002.91

Make all checks payable to: New Haven Public Schools
 If you have any questions concerning this invoice, call: Joann D'Angelo, Phone: 475-220-1330 Fax: 203-946-7421

THANK YOU FOR YOUR BUSINESS!

New Haven Public Schools
 Business Office
 54 Meadow Street
 New Haven, CT 06519-1743

INVOICE
 INVOICE NO:264
 DATE: January 29, 2020

Joseph Lucibello Pupil Personnel Director
 West Haven Public Schools
 P O Box 26010
 West Haven, CT 06516

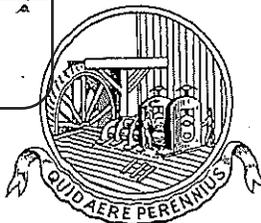
	P.O. NUMBER	SERVICE START DATE	SERVICE END T DATE	TERMS
Tuition				

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	Student attending Barnard School 2019/20 Special Education <i>72937</i>		\$0.00
37	30 mins per week @ 37 weeks	\$26.03	\$963.11
37	Speech 30 mins per week @ 37 weeks <i>72938</i>	\$65.10	\$2,408.70
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
SUBTOTAL			\$3,371.81
TOTAL DUE			\$3,371.81

Make all checks payable to: New Haven Public Schools
 If you have any questions concerning this invoice, call: Joann D'Angelo, Phone: 475-220-1330 Fax: 203-946-7421

THANK YOU FOR YOUR BUSINESS!

EXHIBIT K



Waterbury Public Schools

236 Grand Street ♦ Waterbury, Connecticut 06702 ♦ (203) 574-8017 ♦ Fax (203) 346-3509

Katharine Gabrielson
Director of Pupil Services

September 22, 2020

Dear Colleagues:

I hope that this letter finds you all well and enjoying the opening of another exciting school year!

Attached to this letter, you will find the newly adopted rates for special education services provided to students within the Waterbury Public Schools. Of note, is that has been many years since Waterbury has increased any of its special education rates. You are receiving this letter as you have students enrolled in one of our magnet schools, or you are the nexus district for a student in foster care who attends a Waterbury Public School.

To insure that you receive accurate quarterly invoices, please insure that Ms. Elaine Skoronski receives your students most up dated IEPs within 10 school days of the date a PPT occurred resulting in changes to services. You can forward electronic versions of the IEP to her at eskoronski@waterbury.k12.ct.us.

Should you have any questions or concerns with this information please do not hesitate to contact me.

Sincerely,

Kathie Gabrielson
Director of Pupil Services

Enc.

INVOICE

City of Waterbury
 236 Grand Street
 Waterbury, CT. 06702

Invoice No :
 Date : 6/19/2020

Student ID#	
Number of Days:	105
Meeting Date:	
Start Date:	
End Date:	
Town:	Naugatuck

20200921

Child name	Child Code	Town Code	Due Date
		800000	7/19/2020

HRS/ WK	Description	Unit Price	Line Total
1.5	CO-TEACHING	\$6.00	\$ 189.00
1	SPEECH	\$77.25	\$ 1,622.25
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -

Subtotal	\$ 1,811.25
Sales Tax @	\$ -
TOTAL	\$ 1,811.25

Make all checks payable to City of Waterbury.

THANK YOU FOR YOUR BUSINESS!

Any Questions Please Contact Elaine Skoronski at 203-346-3505 eskoronski@waterbury.k12.ct.us

INVOICE

Invoice Number: 1881

Invoice Date	Page
01/15/2020	1 of 1

OUT OF DISTRICT TUITION



MAKE CHECKS PAYABLE TO:
 City of Waterbury
 CHASE BUILDING - 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

AMOUNT ENCLOSED \$ _____

Net Amount Due: \$3,007.50

Bill To: 800000

Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

Ship To:
 Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

PLEASE DETACH AND RETURN THIS PORTION WITH REMITTANCE

Line	Item Description	Quantity	Rate	Net Amount
	BILLING PERIOD = 12 WEEKS 8/26/19 - 11/22/19			
1	MALONEY RESOURCE ROOM	30.00 HRS	66.95	2,008.50
2	SPEECH	12.00 HRS	77.25	927.00
3	SPECIAL EDUC CO-TEACHING	12.00 HRS	6.00	72.00

TERMS: Net 30

MAKE PAYABLE TO:
 City of Waterbury
 CHASE BUILDING 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

*For questions regarding this bill,
 Please call Nicholas Henebery -
 School Business Office (203) 574-8298*

Tax Amount: \$0.00
 Down Payment: \$0.00
 Freight Charge: \$0.00
 Gross Amount: \$3,007.50
 Invoice Credit: \$0.00
 Net Amount: \$3,007.50

Invoice Number: 1881
 Invoice Date: 01/15/2020
 Payment Due Date: 02/14/2020

Net Amount Due: \$3,007.50

THE CITY OF WATERBURY

Waterbury, CT

WPS008

INVOICE

City of Waterbury
 236 Grand Street
 Waterbury, CT. 06702

Invoice No :
 Date : 6/19/2020

Student ID#	
Number of Days:	105
Meeting Date:	
Start Date:	
End Date:	
Town:	Naugatuck

20200918

Child name	Child Code	Town Code	Due Date
		800000	7/19/2020

HRS/ WK	Description	Unit Price	Line Total
7.5	RESOURCE ROOM	\$66.95	\$ 10,544.63
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -

Subtotal

\$ 10,544.63

Sales Tax @

\$ -

TOTAL

\$ 10,544.63

Make all checks payable to City of Waterbury.

THANK YOU FOR YOUR BUSINESS!

Any Questions Please Contact Elaine Skoronski at 203-346-3505 eskoronski@waterbury.k12.ct.us

INVOICE

Invoice Number: 1880

OUT OF DISTRICT TUITION

Invoice Date	Page
01/15/2020	1 of 1



MAKE CHECKS PAYABLE TO:
 City of Waterbury
 CHASE BUILDING - 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

AMOUNT ENCLOSED \$ _____

Net Amount Due: \$5,021.25

Bill To: 800000

Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

Ship To:
 Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

PLEASE DETACH AND RETURN THIS PORTION WITH REMITTANCE

20200918

Line	Item Description	Quantity	Rate	Net Amount
	BILLING PERIOD = 12 WEEKS 8/26/19 - 11/22/19			
2	Maloney RESOURCE ROOM	75.00 HRS	66.95	5,021.25

Nicholas Henebery
 01/27/2020

TERMS: Net 30

MAKE PAYABLE TO:
 City of Waterbury
 CHASE BUILDING 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

*For questions regarding this bill,
 Please call Nicholas Henebery -
 School Business Office (203) 574-8298*

Tax Amount: \$0.00
 Down Payment: \$0.00
 Freight Charge: \$0.00
 Gross Amount: \$5,021.25
 Invoice Credit: \$0.00
 Net Amount: \$5,021.25

Invoice Number: 1880
 Invoice Date: 01/15/2020
 Payment Due Date: 02/14/2020

Net Amount Due: \$5,021.25

INVOICE

City of Waterbury
 236 Grand Street
 Waterbury, CT. 06702

Invoice No :
 Date : 6/19/2020

Student ID#	
Number of Days:	105
Meeting Date:	
Start Date:	
End Date:	
Town:	Naugatuck

20200914

Child name	Child Code	School	Due Date
		800000	7/19/2020

HRS/ WK	Description	Unit Price	Line Total
1.5	COUNSELING	\$73.65	\$ 2,319.98
1	PARA/SPECIAL ED	\$25.00	\$ 525.00
0.5	RESOURCE ROOM	\$66.95	\$ 702.98
0.5	SPEECH	\$77.25	\$ 811.13
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -

Subtotal

\$ 4,359.08

Sales Tax @

\$ -

TOTAL

\$ 4,359.08

Make all checks payable to City of Waterbury.

THANK YOU FOR YOUR BUSINESS!

Any Questions Please Contact Elaine Skoronski at 203-346-3505 eskoronski@waterbury.k12.ct.us

INVOICE

Invoice Number: 1860

Invoice Date	Page
01/10/2020	1 of 1

OUT OF DISTRICT TUITION



MAKE CHECKS PAYABLE TO:
 City of Waterbury
 CHASE BUILDING - 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

AMOUNT ENCLOSED \$ _____

Net Amount Due: \$478.95

Bill To: 800000

Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

Ship To:
 Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

PLEASE DETACH AND RETURN THIS PORTION WITH REMITTANCE

20200914

Line	Item Description	Quantity	Rate	Net Amount
1	BILLING PERIOD = 6.2 WEEKS 10/08/19 - 11/22/19 Rotella SPEECH	6.20 HRS	77.25	478.95

Nicole A. Reichardt 01/27/2020

TERMS: Net 30

MAKE PAYABLE TO:
 City of Waterbury
 CHASE BUILDING 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

*For questions regarding this bill,
 Please call Nicholas Henebery -
 School Business Office (203) 574-8298*

Tax Amount: \$0.00
 Down Payment: \$0.00
 Freight Charge: \$0.00
 Gross Amount: \$478.95
 Invoice Credit: \$0.00
 Net Amount: \$478.95

Invoice Number: 1860
 Invoice Date: 01/10/2020
 Payment Due Date: 02/09/2020

Net Amount Due: \$478.95

INVOICE

Invoice Number: 1876

Invoice Date	Page
01/15/2020	1 of 1

OUT OF DISTRICT TUITION



MAKE CHECKS PAYABLE TO:
 City of Waterbury
 CHASE BUILDING - 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

AMOUNT ENCLOSED \$ _____

Net Amount Due: \$2,935.50

Bill To: 800000

Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

Ship To:
 Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

PLEASE DETACH AND RETURN THIS PORTION WITH REMITTANCE

20200920

Line	Item Description	Quantity	Rate	Net Amount
	BILLING PERIOD = 12 WEEKS 8/26/19 - 11/22/19			
1	Maloney RESOURCE ROOM	30.00 HRS	66.95	2,008.50
2	SPEECH	12.00 HRS	77.25	927.00

Nicole A. Richardson
 01/27/2020

TERMS: Net 30

MAKE PAYABLE TO:
 City of Waterbury
 CHASE BUILDING 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

For questions regarding this bill,
 Please call Nicholas Henebery -
 School Business Office (203) 574-8298

Tax Amount: \$0.00
 Down Payment: \$0.00
 Freight Charge: \$0.00
 Gross Amount: \$2,935.50
 Invoice Credit: \$0.00
 Net Amount: \$2,935.50

Invoice Number: 1876
 Invoice Date: 01/15/2020
 Payment Due Date: 02/14/2020

Net Amount Due: \$2,935.50
THE CITY OF WATERBURY
 Waterbury, CT WPS008

INVOICE

City of Waterbury
 236 Grand Street
 Waterbury, CT. 06702

Invoice No :
 Date : 6/19/2020

Student ID#	
Number of Days:	105
Meeting Date:	
Start Date:	
End Date:	
Town:	Naugatuck

20200920

Child name	Child Code	Town Code	Due Date
		800000	7/19/2020

HRS/ WK	Description	Unit Price	Line Total
1.5	RESOURCE ROOM	\$66.95	\$ 2,108.93
1	SPEECH	\$77.25	\$ 1,622.25
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -

Subtotal

\$ 3,731.18

Sales Tax @

\$

TOTAL

\$ 3,731.18

Make all checks payable to City of Waterbury.

THANK YOU FOR YOUR BUSINESS!

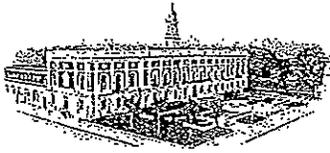
Any Questions Please Contact Elaine Skoronski at 203-346-3505 eskoronski@waterbury.k12.ct.us

INVOICE

Invoice Number: 1879

OUT OF DISTRICT TUITION

Invoice Date	Page
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MAKE CHECKS PAYABLE TO:
 City of Waterbury
 CHASE BUILDING - 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

AMOUNT ENCLOSED \$ _____

Net Amount Due: \$571.50

Bill To: 800000

Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

Ship To:
 Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

PLEASE DETACH AND RETURN THIS PORTION WITH REMITTANCE

20200919

Line	Item Description	Quantity	Rate	Net Amount
	BILLING PERIOD = 12 WEEKS 8/26/19 - 11/22/19			
1	Maloney SPECIAL EDUC CO-TEACHING	18.00 HRS	6.00	108.00
2	SPEECH	6.00 HRS	77.25	463.50

Nicola Reinhardt

01/27/2020

TERMS: Net 30

MAKE PAYABLE TO:
 City of Waterbury
 CHASE BUILDING 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

*For questions regarding this bill,
 Please call Nicholas Henebery -
 School Business Office (203) 574-8298*

Tax Amount: \$0.00
 Down Payment: \$0.00
 Freight Charge: \$0.00
 Gross Amount: \$571.50
 Invoice Credit: \$0.00
 Net Amount: \$571.50

Invoice Number: 1879
 Invoice Date: 01/15/2020
 Payment Due Date: 02/14/2020

Net Amount Due: \$571.50

INVOICE

City of Waterbury
 236 Grand Street
 Waterbury, CT. 06702

Invoice No :
 Date : 6/19/2020

Student ID#	
Number of Days:	105
Meeting Date:	
Start Date:	
End Date:	
Town:	Naugatuck

20200919

Child name	Child Code	Town Code	Due Date
		800000	7/19/2020

HRS/ WK	Description	Unit Price	Line Total
1.5	CO-TEACHING	\$6.00	\$ 189.00
0.5	SPEECH	\$77.25	\$ 811.13
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -

Subtotal

\$ 1,000.13

Sales Tax @

\$ -

TOTAL

\$ 1,000.13

Make all checks payable to City of Waterbury.

THANK YOU FOR YOUR BUSINESS!

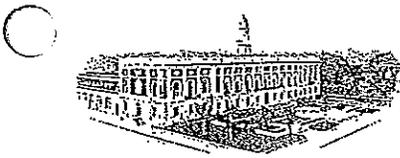
Any Questions Please Contact Elaine Skoronski at 203-346-3505 eskoronski@waterbury.k12.ct.us

INVOICE

Invoice Number: 1859

Invoice Date	Page
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OUT OF DISTRICT TUITION



MAKE CHECKS PAYABLE TO:
 City of Waterbury
 CHASE BUILDING - 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

AMOUNT ENCLOSED \$ _____

Net Amount Due: \$5,463.12

Bill To: 800000

Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

Ship To:
 Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

PLEASE DETACH AND RETURN THIS PORTION WITH REMITTANCE

20200964

Line	Item Description	Quantity	Rate	Net Amount
	BILLING PERIOD = 12 WEEKS 8/26/19 - 11/22/19			
1	WAMS RESOURCE ROOM	81.60 HRS	66.95	5,463.12

W Reichardt

01/31/2020

TERMS: Net 30

MAKE PAYABLE TO:
 City of Waterbury
 CHASE BUILDING 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

For questions regarding this bill,
 Please call Nicholas Henebery -
 School Business Office (203) 574-8298

Tax Amount: \$0.00
 Down Payment: \$0.00
 Freight Charge: \$0.00
 Gross Amount: \$5,463.12
 Invoice Credit: \$0.00
 Net Amount: \$5,463.12

Invoice Number: 1859
 Invoice Date: 01/10/2020
 Payment Due Date: 02/09/2020

Net Amount Due: \$5,463.12

INVOICE

City of Waterbury
 236 Grand Street
 Waterbury, CT. 06702

Invoice No :
 Date : 6/19/2020

Student ID#	
Number of Days:	105
Meeting Date:	
Start Date:	
End Date:	
Town:	Naugatuck

20200964

Child name	Child Code	School	Due Date
		800000	7/19/2020

HRS/ WK	Description	Unit Price	Line Total
7.5	RESOURCE ROOM	\$66.95	\$ 10,544.63
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -

Subtotal	\$ 10,544.63
Sales Tax @	\$ -
TOTAL	\$ 10,544.63

Make all checks payable to City of Waterbury.

THANK YOU FOR YOUR BUSINESS!

Any Questions Please Contact Elaine Skoronski at 203-346-3505 eskoronski@waterbury.k12.ct.us

INVOICE

Invoice Number: 1878

Invoice Date	Page
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OUT OF DISTRICT TUITION



MAKE CHECKS PAYABLE TO:
 City of Waterbury
 CHASE BUILDING - 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

AMOUNT ENCLOSED \$ _____

Net Amount Due: \$3,229.05

Bill To: 800000

Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

Ship To:
 Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

PLEASE DETACH AND RETURN THIS PORTION WITH REMITTANCE

20200917

Line	Item Description	Quantity	Rate	Net Amount
	BILLING PERIOD = 12 WEEKS 8/26/19 - 11/22/19			
1	Rotella OT/PT	15.00 HRS	77.25	1,158.75
2	RESOURCE ROOM	24.00 HRS	66.95	1,606.80
3	SPEECH	6.00 HRS	77.25	463.50

Nicole A. Reichardt

01/27/2020

TERMS: Net 30

MAKE PAYABLE TO:
 City of Waterbury
 CHASE BUILDING 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

*For questions regarding this bill,
 Please call Nicholas Henebery -
 School Business Office (203) 574-8298*

Tax Amount: \$0.00
 Down Payment: \$0.00
 Freight Charge: \$0.00
 Gross Amount: \$3,229.05
 Invoice Credit: \$0.00
 Net Amount: \$3,229.05

Invoice Number: 1878
 Invoice Date: 01/15/2020
 Payment Due Date: 02/14/2020

Net Amount Due: \$3,229.05

INVOICE

City of Waterbury
 236 Grand Street
 Waterbury, CT. 06702

Invoice No :
 Date : 6/19/2020

Student ID#	
Number of Days:	105
Meeting Date:	
Start Date:	
End Date:	
Town:	Naugatuck

20200917

Child name	Child Code	Town Code	Due Date
		800000	7/19/2020

HRS/ WK	Description	Unit Price	Line Total
1.25	OT/PT	\$77.25	\$ 2,027.81
2	RESOURCE ROOM	\$66.95	\$ 2,811.90
0.5	SPEECH	\$77.25	\$ 811.13
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -

Subtotal

\$ 5,650.84

Sales Tax @

\$ -

TOTAL

\$ 5,650.84

Make all checks payable to City of Waterbury.

THANK YOU FOR YOUR BUSINESS!

Any Questions Please Contact Elaine Skoronski at 203-346-3505 eskoronski@waterbury.k12.ct.us

INVOICE

Invoice Number: 1877

Invoice Date	Page
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OUT OF DISTRICT TUITION



Bill To: 800000

Naugatuck Public Schools
380 Church Street
Naugatuck, CT 06770

MAKE CHECKS PAYABLE TO:
City of Waterbury
CHASE BUILDING - 4TH FLOOR
SCHOOL BUSINESS OFFICE
236 GRAND ST
WATERBURY, CT 06702

AMOUNT ENCLOSED \$ _____

Net Amount Due: \$3,007.50

Ship To:
Naugatuck Public Schools
380 Church Street
Naugatuck, CT 06770

20200938

PLEASE DETACH AND RETURN THIS PORTION WITH REMITTANCE

Line	Item Description	Quantity	Rate	Net Amount
	BILLING PERIOD = 12 WEEKS 8/26/19 - 11/22/19			
1	SPECIAL EDUC CO-TEACHING	12.00 HRS	6.00	72.00
2	RESOURCE ROOM	30.00 HRS	66.95	2,008.50
3	SPEECH	12.00 HRS	77.25	927.00

Nicole A Reichardt
01/27/2020

TERMS: Net 30

MAKE PAYABLE TO:
City of Waterbury
CHASE BUILDING 4TH FLOOR
SCHOOL BUSINESS OFFICE
236 GRAND ST
WATERBURY, CT 06702

For questions regarding this bill,
Please call Nicholas Henebery -
School Business Office (203) 574-8298

Tax Amount: \$0.00
Down Payment: \$0.00
Freight Charge: \$0.00
Gross Amount: \$3,007.50
Invoice Credit: \$0.00
Net Amount: \$3,007.50

Invoice Number: 1877
Invoice Date: 01/15/2020
Payment Due Date: 02/14/2020

Net Amount Due: \$3,007.50
THE CITY OF WATERBURY
Waterbury, CT

INVOICE

City of Waterbury
 236 Grand Street
 Waterbury, CT. 06702

Invoice No :
 Date : 6/19/2020

Student ID#	
Number of Days:	105
Meeting Date:	
Start Date:	
End Date:	
Town:	Naugatuck

20200938

Child name	Child Code	Town Code	Due Date
		800000	7/19/2020

HRS/ WK	Description	Unit Price	Line Total
1	PARA/SPECIAL ED	\$25.00	\$ 525.00
2.5	RESOURCE ROOM	\$66.95	\$ 3,514.88
1	SPEECH	\$77.25	\$ 1,622.25
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -

Subtotal	\$ 5,662.13
Sales Tax @	\$ -
TOTAL	\$ 5,662.13

Make all checks payable to City of Waterbury.

THANK YOU FOR YOUR BUSINESS!

Any Questions Please Contact Elaine Skoronski at 203-346-3505 eskoronski@waterbury.k12.ct.us

INVOICE

City of Waterbury
 236 Grand Street
 Waterbury, CT. 06702

Invoice No
 Date : 07/19/2020

Student ID#	
Number of Days:	105
Meeting Date:	
Start Date:	
End Date:	
Town:	Naugatuck

Child name	Child Code	Town Code	Due Date
		800002	7/19/2020

HRS/ WK	Description	Unit Price	Line Total
0.5	COUNSELING	\$73.65	\$ 773.33
0.5	OT/PT	\$77.25	\$ 811.13
5	PARA/SPECIAL ED	\$25.00	\$ 2,625.00
2.5	RESOURCE ROOM	\$66.95	\$ 3,514.88
1		\$0.00	\$ -
1	Speech	\$77.25	\$ 1,467.75 (95 Days)
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -

GFD 46200 55600	Subtotal	\$ 9,192.08
	Sales Tax @	\$ -
	TOTAL	\$ 9,192.08

Make all checks payable to City of Waterbury.

THANK YOU FOR YOUR BUSINESS!

Any Questions Please Contact Elaine Skoronski at 203-346-3505 eskoronski@waterbury.k12.ct.us

INVOICE

Invoice Number: 1875

Invoice Date	Page
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OUT OF DISTRICT TUITION



MAKE CHECKS PAYABLE TO:
 City of Waterbury
 CHASE BUILDING - 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

AMOUNT ENCLOSED \$ _____

Net Amount Due: \$7,200.90

Bill To: 800000

Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

Ship To:
 Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

PLEASE DETACH AND RETURN THIS PORTION WITH REMITTANCE

20200916

Line	Item Description	Quantity	Rate	Net Amount
	BILLING PERIOD = 12 WEEKS 8/26/19 - 11/22/19			
1	WAMS SPECIAL EDUC CO-TEACHING	45.00 HRS	6.00	270.00
2	COUNSELING	6.00 HRS	73.65	441.90
3	RESOURCE ROOM	90.00 HRS	66.95	6,025.50
4	SPEECH	6.00 HRS	77.25	463.50

Richardt 01/27/2020

TERMS: Net 30

MAKE PAYABLE TO:
 City of Waterbury
 CHASE BUILDING 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

For questions regarding this bill,
 Please call Nicholas Henebery -
 School Business Office (203) 574-8298

Tax Amount: \$0.00
 Down Payment: \$0.00
 Freight Charge: \$0.00
 Gross Amount: \$7,200.90
 Invoice Credit: \$0.00
 Net Amount: \$7,200.90

Invoice Number: 1875
 Invoice Date: 01/15/2020
 Payment Due Date: 02/14/2020

Net Amount Due: \$7,200.90

INVOICE

City of Waterbury
 236 Grand Street
 Waterbury, CT. 06702

Invoice No :
 Date : 6/19/2020

Student ID#	
Number of Days:	105
Meeting Date:	
Start Date:	
End Date:	
Town:	Naugatuck

20200916

Child name	Child Code	Town Code	Due Date
		80000	7/19/2020

HRS/ WK	Description	Unit Price	Line Total
3.75	CO-TEACHING	\$6.00	\$ 472.50
0.5	COUNSELING	\$73.65	\$ 773.33
7.5	RESOURCE ROOM	\$66.95	\$ 10,544.63
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -

<i>Public Tuition</i>	Subtotal	\$ 11,790.45
	Sales Tax @	\$ -
	TOTAL	\$ 11,790.45

Make all checks payable to City of Waterbury.

THANK YOU FOR YOUR BUSINESS!

Any Questions Please Contact Elaine Skoronski at 203-346-3505 eskoronski@waterbury.k12.ct.us

INVOICE

Invoice Number: 1874

Invoice Date	Page
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OUT OF DISTRICT TUITION



MAKE CHECKS PAYABLE TO:
 City of Waterbury
 CHASE BUILDING - 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

AMOUNT ENCLOSED \$ _____

Net Amount Due: \$1,004.25

Bill To: 800000

Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

Ship To:
 Naugatuck Public Schools
 380 Church Street
 Naugatuck, CT 06770

PLEASE DETACH AND RETURN THIS PORTION WITH REMITTANCE

20200915

Line	Item Description	Quantity	Rate	Net Amount
1	BILLING PERIOD = 4 WEEKS 10/24/19 - 11/22/19 WAMS RESOURCE ROOM	15.00 HRS	66.95	1,004.25

Simon A. Richardson
 01/27/2020

TERMS: Net 30

MAKE PAYABLE TO:
 City of Waterbury
 CHASE BUILDING 4TH FLOOR
 SCHOOL BUSINESS OFFICE
 236 GRAND ST
 WATERBURY, CT 06702

*For questions regarding this bill,
 Please call Nicholas Henebery -
 School Business Office (203) 574-8298*

Tax Amount: \$0.00
 Down Payment: \$0.00
 Freight Charge: \$0.00
 Gross Amount: \$1,004.25
 Invoice Credit: \$0.00
 Net Amount: \$1,004.25

Invoice Number: 1874
 Invoice Date: 01/15/2020
 Payment Due Date: 02/14/2020

Net Amount Due: \$1,004.25

INVOICE

City of Waterbury
 236 Grand Street
 Waterbury, CT. 06702

Invoice No :
 Date : 07/19/2020

Student ID#	
Number of Days:	105
Meeting Date:	
Start Date:	
End Date:	
Town:	Naugatuck

20200915

Child name	Child Code	Town Code	Due Date
		800000	7/19/2020

HRS/ WK	Description	Unit Price	Line Total
3.75	RESOURCE ROOM	\$66.95	\$ 5,272.31
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -
1		\$0.00	\$ -

Subtotal

\$ 5,272.31

Sales Tax @

\$ -

TOTAL

\$ 5,272.31

Make all checks payable to City of Waterbury.

THANK YOU FOR YOUR BUSINESS!

Any Questions Please Contact Elaine Skoronski at 203-346-3505 eskoronski@waterbury.k12.ct.us