

APPENDIX A: 2015-16 CHARTER SCHOOL ANNUAL REPORT

PART 1: SCHOOL INFORMATION AND EXECUTIVE SUMMARY	
Name of Charter School:	Year School Opened:
Brass City Charter School	2013
Street Address:	City/Zip Code:
212 Chestnut Avenue	Waterbury, CT 06710
School Director:	School Director Contact Information:
Dr. Barbara Ruggiero	bruggiero@brasscitycharter.org /203-527-5942
Grades Authorized to Serve in 2015-16:	Charter Term:
PK-3	2013-2018
<p>1. Executive Summary: Provide a cover letter or executive summary highlighting school progress, performance, accomplishments, and major changes during the 2015-16 school year. Include a brief narrative on the school's unique model and student population.</p> <p>Brass City Charter School (BCCS) is pleased to submit its Annual Report for the 2015-2016 school year. BCCS, Waterbury's only charter school, aims to address the profound achievement gap that exists for Waterbury's children in relation to their more affluent peers through a rigorous, holistic educational program that emphasizes character and self-empowerment in order to insure academic as well as the social-emotional development of its students. BCCS is open to any child residing in the city although recruiting efforts are focused on the city's poorest neighborhoods.</p> <ul style="list-style-type: none"> * The 2015-2016 school year marked Brass City's third year of operation and the addition of third grade. One significant change this year was the development of an intervention team and the institution of a daily intervention block. Students who are identified as Tier 3 through iReady assessments and teacher recommendation meet in small groups daily with interventionists. We developed a regular schedule for iReady testing and results are analyzed regularly and are used by teachers, in addition to identifying candidates for interventions, to drive classroom instruction. * Teachers participated in the Reading Workshop training at Teachers College, Columbia University and the workshop model was implemented this year to align with the already implemented Writing Workshop. The goal of Reading Workshop is to explicitly teach students strategies to become more skillful at comprehending text. It involves students in authentic reading experiences that focus on the strengths and needs of each individual student through differentiated instruction. * We added a new position, Student and Parent Support Coordinator, to oversee the school's social and emotional learning program, support teachers in helping students learn to make responsible decisions and manage challenging situations constructively, establish strong parental relationships, coordinate parent education programs, and oversee student attendance. * We have also introduced a math consultant and reading consultant to support teachers in these two areas. * Since its inception, BCCS has taken very seriously both cognitive and non-cognitive factors in children's development. We believe that addressing the social-emotional needs of students is essential in insuring their long term success both academically and as productive, self-reliant individuals. As part of this belief, we have since the school's beginning implemented PATHS, a program to help with the development of those skills. This year we secured a grant that will allow us to move to the next level by providing our faculty and staff more support in this area. We began a relationship with the Yale Center for Emotional Intelligence. The program was introduced during the 2016 summer and will be rolled out during the upcoming school year. The Center's mission is grounded in the belief that emotions drive learning, decision making, creativity, relationships, and health. The Center conducts research and teaches people how to develop their emotional intelligence. We believe that teaching emotional skills is as important as teaching a child to read and that this belief effects profoundly all we do from how we might look at what motivates a character in a book to how we approach discipline. * BCCS has been committed to an el Sistema inspired music program (BRAVO!) since its inception. The program began as an after school program but this spring the board voted to support a new program that would be embedded in the school day and become an integral part of the school curriculum and aligned with the school culture. Thanks to a grant from the Leever Foundation, we were able, during the spring and summer, to hire a director for our new program (MAC - music, arts and citizenship) and begin to design a program that includes daily strings instruction for every first through fourth grader and listening/vocal instruction for PK through K students. * This past spring third graders participated in SBAC testing. We are proud of the performance of our students and applaud the work of all our teachers who have worked so hard to prove that the achievement gap can be bridged by a program that provides longer days and a longer year, a summer program, small classes, intensive interventions, a strong culture that honors children's feelings and believes in the importance of addressing non-cognitive as well as cognitive skills, supports a principal as academic leader, provides a rigorous music program and inquiry-based science program, Chromebook accessibility, and promotes parental involvement. We look forward to a bright future for our students and to the continued evolution of Brass City Charter School. 	

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

Each day a period is set aside for Extra Learning Time (ELT) when all students are provided quality instruction that addresses their specific academic needs. Students are grouped five times a year using the iReady diagnostic assessment. After analyzing the iReady data, team teachers sit down with their grade's interventionist and create groups of students based on the data. Students who are one or more years behind receive intense, specific academic intervention from an interventionist during ELT. Students who are on grade level or above are engaged in enrichment activities that include but are not limited to self guided research projects and book clubs run by students.

PART 3: STEWARDSHIP, GOVERNANCE, AND MANAGEMENT

5. **Financial Documents:** (1) As required by C.G.S. § 10-66cc(b)(2) and 10-66pp, the charter school and if applicable, the charter school management organization of the state or local charter school, shall submit FY 2014-15 certified audit statements, including the statement of activities (showing all revenues from public and private sources, expenditures, and net operating gain/loss), balance sheet and statement of cash flows. (2) The charter school and if applicable, the charter school management organization of the state or local charter school, shall submit a complete copy of the most recently completed Internal Revenue Service form 990, including all parts and schedules, other than Schedule B of such form. (3) Provide the FY 2015-16 budget comparing submitted budget versus actual figures, with summary explanations of all major variances (any variance plus or minus 10% or more between budget and actual). (4) Provide a FY 2016-17 board-approved budget, summarizing all assumptions and major variances from FY 2016.

6. **Financial Condition:** Provide the following financial data for FY 2016.

Total margin (net income / total revenue):	9.9%
Debt to asset ratio (total liabilities / total assets):	32.6%
Debt service coverage ratio ((net income + depreciation + interest expense) / (principal + interest payments)):	N/A
Current asset ratio (current assets / current liabilities):	238%
Days of unrestricted cash ((total expenditures - depreciation) / 365):	65 days
Cash flow (change in cash balance):	\$213,406

7. Governing Board: Consistent with C.G.S. § 10-66bb(d)(3)(A), provide the following information for all governing board members. The governing board should include teachers and parents and guardians of students enrolled in the school, and the chairperson of the local or regional board of education of the town in which the charter school is located and which has jurisdiction over a school that resembles the approximate grade configuration of the charter school, or the designee of such chairperson, provided such designee is a member of the board of education or the superintendent of schools for the school district, or the superintendents designee.

Name:	Occupation:	Board Role/Term:	Mailing/Email:	Background Check:
Annie Scott	Dir Info Technology	chair - 2013-2016	amscott622@aol.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Chris Fasano	President, Torrco	vice chair 2013-16	cfasano@torrco.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Paul Whyte	Instructional Leader	secretary 2014-17	pwhyte@waterbury.k12.ct.us	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Charles Heaven	Accountant	treasurer 2013-2016	cheaven@charlesheaven.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
O.J. Bizzozero MD	Physician	2013-2016	obizzozero@alliancemedicalgroup.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Christina Cruz	Teacher	2014-2017	ccruzireland@brasscitycharter.org	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Maria Gonzalez	Parent	2015-2018	mgonzalez2009@yahoo.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Andy Sternlieb	Real Estate/Finance	2016-2019	andy@salemrealtycapital.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
M. Catherine Smith	Community Leader	2013-2016	tranquility356@aol.com	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Donald Thompson	Exec Dir Staywell	2013-2016	dthompson@StayWellHealth.org	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Lily Zhao	Teacher	2014-2017	lzhao@brasscitycharter.org	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No

8. Renewal Terms and Other Issues: Provide a progress update on terms established in the charter school's most recent renewal; summarize actions taken and progress data to substantiate efforts to address such terms. Provide an update on how the charter school is addressing or plans to address the issues noted. The chart below is pre-populated to include terms documented in the school's last renewal resolution or issues identified by the CSDE.		
Standard/Indicator:	Term or Condition:	Progress Update:
1.4. Chronic Absenteeism	The school's chronic absenteeism rate for 2014-15 is well above the state average of 10.6%. The school must address the issue.	CSDE suggests the school develop a plan to target and address chronic absenteeism by: (a) isolating the root causes of chronic absenteeism; (b) identifying interventions to target root causes; and (c) monitoring interventions and applying midcourse corrections, as necessary. School is encouraged to seek technical assistance through the CSDE. CSDE will continue to monitor.
2.1. Financial Management	Develop Accounting policies/procedures manual.	We have developed an accounting policies/procedures manual. <u>We are working extremely hard to lower our</u>
1.4. Chronic Absenteeism	The school's chronic absenteeism rate for 2015-2016 is 7.4 which shows a marked improvement.	absenteeism rate. During the 2015-2016 school year we used Alma, our school information system, to track attendance and the office made daily calls home. Following the lottery this spring we initiated home visits for all new students with a message that emphasized the importance of regular school attendance.

9. **Best Practice:** In 250 words or less, summarize an emerging best practice at your school in the areas of stewardship, governance, and management (e.g., financial management, technology, school operations). Describe the concrete strategy and its impact on the school referencing quantitative data. Provide evidence of collaboration with local school districts in this area, as appropriate.

Brass City Charter School's audit for 2014-2015 did not identify any deficiencies in internal control that were considered material weaknesses or significant deficiencies. It was observed that no formal accounting manual existed. Since the audit, BCCS developed, adopted, and implemented an accounting manual. Financial statements are reviewed monthly by the treasurer and at each board meeting.

During the 2015-2016 school year, a new security system was installed thanks to a state security grant. The school Safety Committee spent considerable time with consultants analyzing the property with an eye to safety and identifying vulnerabilities. The findings served as the guide for establishing our plan for a school safety system which included swipe cards for entrance into the building and through certain internal doors as well as video surveillance.

At BCCS we have a one-to-one Chromebook program. In response to our grade growth, new Chromebooks were purchased again this year so that every child in grades K through 4 have access to a Chromebook. The Chromebook supports iReady which we use both for ongoing progress monitoring as well as for individualized instruction.

PART 4: STUDENT POPULATION

10. Enrollment and Demographic Data: Provide 2015-16 student demographic and enrollment information.

Grades Served:					Pre-K			Student Enrollment:					186		
% Free/Reduced-Price Lunch:					68.8%			% Black:					29.5%		
% Special Education:					5.9%			% Hispanic:					46.8%		
% Limited English Proficiency:					0			% Caucasian:					9.7%		
2015-16 Enrollment by Grade Level:															
PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total	
34	35	38	40	39											

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

Brass City Charter school is open to any child who resides in Waterbury. Particular effort is made to attract a diverse student body through

- * Posts on our website
- * Flyers that are distributed to local churches, health clinics, pediatrician offices
- * Emails to current families
- * Information sessions at the school

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

2015-16 Waitlist:	2016-17 Waitlist:
243	218 as of September

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

Family engagement: Since the opening of the school, we have had four established parent-teacher-student conferences a year, one of which occurs before the first day of school. Parents are able to meet with their child's new teacher and learn about expectations for the year. All three parties sign a contract promising their support and effort throughout the year. After the lottery this year, it was decided that our Student and Parent Support Coordinator would make home visits to all new families. The goal of the visit was first to welcome the family and to bring the child a new book as a gift and then to emphasize two things - the importance of reading to their child and the importance of attending school each day. We plan to follow-up with several parent workshops including one focused on RULER with the parent trainer from the Yale Center for Emotional Intelligence.

APPENDIX B: 2017-18 PRELIMINARY ENROLLMENT REQUEST

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

C.G.S. § 10-66bb(c)(2) places an enrollment cap on the number of students that a state charter school may enroll. However, charter schools with a demonstrated record of achievement may seek a waiver. If the submitted 2017-18 enrollment request requires an enrollment waiver, please specify that below.

1. Complete the table below providing the school's enrollment and growth history. Submit an enrollment request and growth projections for the upcoming school year.															
School Year:	Actual Enrollment:														
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2013-14	38	38	38												114
2014-15	34	39	39	38											150
2015-16	34	35	38	40	39										187
2016-17	33	35	34	39	39	39									219
School Year:	2016-17 Enrollment Request:														
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2017-18	34	34	34	34	38	38	38								250
2. Based on the request entered above, is the school seeking a waiver to the enrollment cap described in C.G.S. § 10-66bb(c)(2), no state charter school shall enroll more than two hundred fifty students, or in the case of a kindergarten to grade eight, inclusive, school, more than three hundred students, or twenty-five per cent of the enrollment of the school district in which the state charter school is to be located, whichever is less.														<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
3. Provide a rationale for the enrollment request, including a synopsis of all relevant assumptions.															
<p>Increased enrollment is due to planned grade growth. As per our charter application, our current 4th grade will become our first 5th grade class and we will accept a new class of 34 pre-k students.</p>															
4. Summarize the school's plans to successfully expand and accommodate the needs of the students served (e.g., programming, staffing, facilities, and class size).															
<p>The school continually plans for growth as we add a new grade each year. Scaling up effects programming, staffing, and facilities. Our curriculum is developing with each grade. New staff is added each year and to support the staff we have added part time teachers and consultants to support reading and math, science and music while the principal provides support through regular coaching and weekly team planning meetings. Our facility needs are growing and we have expanded beyond the school building to use the former convent building and we hope eventually to use the rectory as well.</p>															

APPENDIX C: CHARTER SCHOOL PERFORMANCE FRAMEWORK

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

Performance Standards:

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

Performance Standards:	Performance Indicators:
1. School Performance	1.1. Academic Achievement <ul style="list-style-type: none"> a. ELA Performance Index – All Students b. ELA Performance Index – High Needs Students c. Math Performance Index – All Students d. Math Performance Index – High Needs Students e. Science Performance Index – All Students f. Science Performance Index – High Needs Students 1.2. Academic Growth (Longitudinal) (a. All Students, b. High Needs) 1.3. Participation Rates (a. All Students, b. High Needs) 1.4. Chronic Absenteeism (a. All Students, b. High Needs) 1.5. Preparation for Postsecondary and Career Readiness - % Taking Courses 1.6. Preparation for Postsecondary and Career Readiness - % Passing Exams 1.7. Graduation – On – Track in 9th Grade 1.8. Four Year Graduation - All Students 1.9. Six Year Graduation - High Needs Students 1.10. Postsecondary Entrance Rate (All Students) 1.11. Physical Fitness 1.12. Arts Access
2. Stewardship, Governance, and Management	2.1. Financial Management 2.2. Financial Reporting 2.3. Financial Viability 2.4. Governance and Management 2.5. Facility
3. Student Population	3.1. Recruitment and Enrollment Process 3.2. Waitlist and Enrollment Data 3.3. Demographic Representation 3.4. Family and Community Support 3.5. School Culture and Climate
4. Legal Compliance	4.1. Open Meetings and Information Management 4.2. Students with Disabilities 4.3. English Learners 4.4. Rights of Students 4.5. Teacher/Staff Credentials 4.6. Employee Rights

APPENDIX D: STATEMENT OF ASSURANCES

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

As the authorized representative of **Brass City Charter School**, to the best of my knowledge, I affirm that:

1. Pursuant to C.G.S.A. § 10-66rr, all board members and staff have satisfactorily completed background checks, including a state and national criminal records checks and a record check of the Department of Children and Families child abuse and neglect registry.
2. Pursuant to C.G.S.A. § 10-66rr, if applicable, all charter school management organization (CMO) governing board members and staff members, who performs a service involving direct student contact have satisfactorily completed background checks, as described in (1).
3. All contractors doing business with the school, who performs a service involving direct student contact have satisfactorily completed background checks, as described in (1).
4. Records of any and all background checks described above, are on file at Brass City Charter School and available for random audit by the Connecticut State Department of Education (CSDE).
5. Pursuant to C.G.S.A. § 10-66oo, Brass City Charter School's Governing Board has adopted written anti-nepotism and conflict of interest policies consistent with state law and best practices in nonprofit corporate governance, and pursuant to 10-66bb(d), that no member or employee of the Governing Board has a personal or financial interest in any asset, real or personal, of the charter school .
6. Pursuant to C.G.S.A. § 10-66oo, each member of a governing council of a state or local charter school shall complete training related to charter school governing council responsibilities and best practices at least once during the term of the charter, and that no board member of Brass City Charter School serves on the board of another charter school or CMO.
7. All public funds received by Brass City Charter School have been, or are being, expended prudently and in a manner required by law.
8. All Governing Board meetings are open and accessible to the public, and that Brass City Charter School has posted, and continues to post, on any Internet website that the Governing Board operates, the schedule, agenda, and minutes of each Governing Board meeting, including any meeting of a subcommittee of the Governing Board.
9. Brass City Charter School does not discriminate in any employment practice, education program, or educational activity on the basis of race, color, religious creed, sex, age, national origin, ancestry, marital status, sexual orientation, gender identity or expression, disability, or any other basis prohibited by Connecticut state and/or federal nondiscrimination laws.



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

Signature:

Name of Board Chairperson:

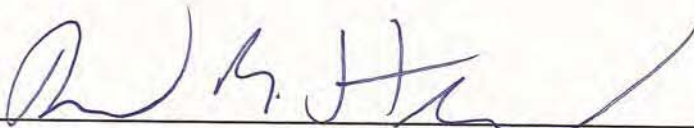
Andy Sternlieb

Date:

September 30, 2016

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

Signature:



Name of Board Chairperson:

Andy Sternlieb

Date:

September 30, 2016

BRASS CITY CHARTER SCHOOL, INC.
Audited Financial Statements
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June 30, 2015

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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, 2015 and 2014, 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

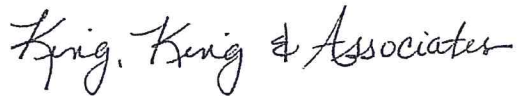
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Brass City Charter School, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses on pages 9 and 10 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2015, 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 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 23, 2015

BRASS CITY CHARTER SCHOOL, INC.

Statements of Financial Position

June 30, 2015 and 2014

ASSETS	<u>2015</u>	<u>2014</u>
Current Assets		
Cash	\$ 393,997	\$ 229,159
Grant Receivable	22,339	12,946
Prepaid Expenses	19,005	-
Total Current Assets	<u>435,341</u>	<u>242,105</u>
Property and Equipment		
Leasehold Improvements	12,064	11,539
Computers/Technology	79,375	15,802
Furniture and Equipment	106,772	63,935
Less: Accumulated Depreciation	(34,023)	(9,532)
Total Property and Equipment, net	<u>164,188</u>	<u>81,744</u>
Total Assets	<u>\$ 599,529</u>	<u>\$ 323,849</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 13,906	\$ 23,944
Deferred Revenue	150,000	100,000
Payroll Liabilities	60,626	37,466
Total Current Liabilities	<u>224,532</u>	<u>161,410</u>
Total Liabilities	<u>224,532</u>	<u>161,410</u>
Net Assets		
Unrestricted	374,997	162,439
Total Net Assets	<u>374,997</u>	<u>162,439</u>
Total Liabilities and Net Assets	<u>\$ 599,529</u>	<u>\$ 323,849</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, 2015 and 2014

UNRESTRICTED NET ASSETS	<u>2015</u>	<u>2014</u>
Revenues and Support		
State Charter School Income	\$ 1,628,000	\$ 1,197,000
School Nutrition Income	105,462	60,255
Title I Grant	43,050	32,780
Foundation Grants	255,000	9,570
In-kind (Contributed) Services	625,374	292,151
Contributions	67,459	7,400
Fundraising	15,445	11,217
Fresh Fruit & Veg Program	6,954	-
Corporate Grants	5,000	-
Total Revenues, and Support	<u>2,751,744</u>	<u>1,610,373</u>
Expenses		
Education	2,375,051	1,289,986
Management and General	154,942	161,698
Fundraising	9,193	5,050
Total Expenses	<u>2,539,186</u>	<u>1,456,734</u>
Change in Net Assets	212,558	153,639
Net Assets - Beginning of Year	<u>162,439</u>	<u>8,800</u>
Net Assets - End of Year	<u>\$ 374,997</u>	<u>\$ 162,439</u>

The accompanying notes are an integral part of the financial statements.

BRASS CITY CHARTER SCHOOL, INC.

Statements of Cash Flows

For the Year Ended June 30, 2015 and 2014

OPERATING ACTIVITIES	<u>2015</u>	<u>2014</u>
Change in Net Assets	\$ 212,558	\$ 153,639
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	24,491	9,532
(Increase) / Decrease In:		
Accounts Receivable	(9,393)	(12,946)
Prepaid Expenses	(19,005)	-
(Decrease) / Increase In:		
Accounts Payable	(10,038)	23,944
Deferred Revenue	50,000	100,000
Payroll Liabilities	23,160	37,466
Net Cash Provided by Operating Activities	<u>271,773</u>	<u>311,635</u>
INVESTING ACTIVITIES		
Purchase of Fixed Assets	(106,935)	(91,276)
Net Cash Used For Investing Activities	<u>(106,935)</u>	<u>(91,276)</u>
FINANCING ACTIVITIES		
Net Cash Provided by Financing Activities	<u>-</u>	<u>-</u>
Increase in Cash and Cash Equivalents	164,838	220,359
Cash, Beginning of Year	229,159	8,800
Cash, End of Year	<u>\$ 393,997</u>	<u>\$ 229,159</u>

Supplemental Information

Income Taxes Paid	\$ -	-
Interest Paid	\$ 128	9

The accompanying notes are an integral part of the financial statements.

BRASS CITY CHARTER SCHOOL, INC.
Note 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 town tuition payments.

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). As BCCS was formed in 2013, all tax years remain subject to U.S. income tax examinations by tax authorities.

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. Uncollectible amounts are generally immaterial, and no allowance has been established.

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:

Leasehold Improvements	25 years
Computers	5 years
Furniture & Equipment	7 years

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

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 unrestricted support 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 by BCCS reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. BCCS reclassifies temporarily restricted net assets to unrestricted net assets 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 5.

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 Schedule of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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.

Unrestricted Net Assets

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, 2015, events and transactions subsequent to June 30, 2015 through October 23, 2015 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, 2015, the carrying amounts of BCCS deposits were \$393,997 and the bank balance was \$395,026, \$250,000 of which was insured by the FDIC. \$145,026 was uninsured.

Line of Credit

BCCS 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. As of June 30, 2015, BCCS has no outstanding balance

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

Note 3 – CONCENTRATION OF SUPPORT

BCCS received per-pupil allocation funds from the State of Connecticut that represented approximately 59.1% of its annual income.

Note 4 – LEASES AND AGREEMENTS

BCCS entered into a rental agreement with The St. Margaret's Church Corporation of Waterbury. This agreement is effective from August 1, 2013 through July 31, 2018 with the option to continue all the terms and conditions of the lease, with the exception of rent, which the parties must agree to in writing for one additional period of five years.

Future minimum payments required under the lease are as follows:

2015-2016	89,500
2016-2017	95,500
2017-2018	101,500
2018-2019	8,500

Total rental expense for the year ended June 30, 2015 was \$84,000.

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 expense for the year ended June 30, 2015 was \$654.02

The following is a summary of the required lease payments:

2015-2016	953
2016-2017	953
2017-2018	953
2018-2019	953
2019-2020	794

Note 5- IN-KIND (CONTRIBUTED) SERVICES

BCCS received in-kind services during the year for the CT Science Center in the amount of \$124,262 from the Leever grant and CSC. They also received the following in-kind service from the City of Waterbury: for a school nurse in the amount of \$15,575, for the special education program in the amount of \$74,090, and for transportation in the amount of \$228,452. In addition they received in-kind services during the year for a music program in the amount of \$182,995 from Bravo of Waterbury.

BRASS CITY CHARTER SCHOOL, INC.

Schedule of Functional Expenses For the Year Ended June 30, 2015

EXPENSES:	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 1,157,107	\$ 122,960	\$ -	\$ 1,280,067
Payroll Taxes	73,693	9,899	-	83,592
Employee Benefits	52,457	1,847	-	54,304
Total Salaries & Related Expenses	<u>1,283,257</u>	<u>134,706</u>	<u>-</u>	<u>1,417,963</u>
Office Expense	8,277	505	-	8,782
Alarm	1,150	16	-	1,166
Books	57,805	-	-	57,805
Book Fair/Candy Sales	-	-	9,193	9,193
Communications	2,072	382	-	2,454
Depreciation	24,030	461	-	24,491
Dues and Fees	4,447	153	-	4,600
Employee Training	20,301	-	-	20,301
Insurance	4,666	3,339	-	8,005
Interest	128	-	-	128
Printing and Copying	3,838	-	-	3,838
Professional Fees	14,730	7,499	-	22,229
Pupil Services	6,930	-	-	6,930
Rent	82,950	1,050	-	84,000
Repairs and Maintenance	58,782	289	-	59,071
School Nurse - In-kind	15,575	-	-	15,575
CT Science Center - In-kind	124,262	-	-	124,262
Special Education - In-kind	74,090	-	-	74,090
Student Related Activities	2,977	-	-	2,977
Student Lunch	66,339	-	-	66,339
Supplies	32,804	-	-	32,804
Transportation - In-kind	228,452	-	-	228,452
Trash Removal	2,853	40	-	2,893
Travel and Meetings	2,604	-	-	2,604
Contract services	29,223	6,000	-	35,223
Bravo Music Program- In-kind	182,995	-	-	182,995
Miscellaneous Expense	506	-	-	506
Utilities	39,008	502	-	39,510
Total Other Expenses	<u>1,091,794</u>	<u>20,236</u>	<u>9,193</u>	<u>1,121,223</u>
Total Expenses	<u>\$ 2,375,051</u>	<u>\$ 154,942</u>	<u>\$ 9,193</u>	<u>\$ 2,539,186</u>

BRASS CITY CHARTER SCHOOL, INC.

Schedule of Functional Expenses

For the Year Ended June 30, 2014

EXPENSES:	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ 607,887	\$ 140,000	\$ -	\$ 747,887
Payroll Taxes	50,585	10,957	-	61,542
Employee Benefits	20,600	1,748	-	22,348
Total Salaries & Related Expenses	<u>679,072</u>	<u>152,705</u>	<u>-</u>	<u>831,777</u>
Administrative	4,408	2,969	-	7,377
Alarm	1,009	10	-	1,019
Books	55,657	-	-	55,657
Book Fair/Candy Sales	-	-	5,050	5,050
Communications	2,099	229	-	2,328
Depreciation	9,134	398	-	9,532
Dues and Fees	4,671	1,350	-	6,021
Employee Training	20,763	-	-	20,763
Insurance	6,771	752	-	7,523
Interest	9	-	-	9
Music Program - In-kind	25,000	-	-	25,000
Printing and Copying	455	-	-	455
Professional Fees	19,467	75	-	19,542
Pupil Services	1,020	-	-	1,020
Rent	70,785	715	-	71,500
Repairs and Maintenance	30,054	-	-	30,054
School Nurse - In-kind	14,700	-	-	14,700
Special Education - In-kind	28,998	-	-	28,998
Student Related Activities	3,966	-	-	3,966
Student Lunch	47,786	-	-	47,786
Supplies	30,313	-	-	30,313
Transportation - In-kind	200,514	-	-	200,514
Trash Removal	1,409	-	-	1,409
Travel and Meetings	4,746	2,220	-	6,966
Utilities	27,180	275	-	27,455
Total Other Expenses	<u>610,914</u>	<u>8,993</u>	<u>5,050</u>	<u>624,957</u>
Total Expenses	<u>\$ 1,289,986</u>	<u>\$ 161,698</u>	<u>\$ 5,050</u>	<u>\$ 1,456,734</u>

**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, 2015 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 23, 2015.

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.

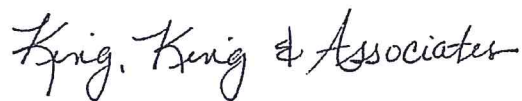
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 23, 2015

BRASS CITY CHARTER SCHOOL, INC.
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2015

State Grantor Pass-Through <u>Grantor Program Title:</u>	State Grant Program <u>CORE-CT Number</u>	<u>Expenditures</u>
CT Department of Education		
Passed Through-Town of Waterbury		
Education Cost Sharing	11000-SDE64000-17041-84179	\$ 1,628,000
Child Nutrition State Match	11000-SDE64370-16211-82051	<u>1,676</u>
Total State Financial Assistance		<u>\$ 1,629,676</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, 2015

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, 2015. 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, 2015. 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, 2015.

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.

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

We have audited the financial statements of Brass City Charter School, Inc., as of and for the year ended June 30, 2015 and have issued our report thereon dated October 23, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for the purpose of additional analysis as required by the State Single Audit Act and is not 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

King, King & Associates

King, King & Associates, CPAs
Winsted, CT
October 23, 2015

BRASS CITY CHARTER SCHOOL, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

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, 2015 and issued our unmodified report thereon dated October 27, 2015.

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	State Core - CT	
and		
<u>Program</u>	<u>Number</u>	<u>Expenditures</u>
CT Department of Education:		
Education Cost Sharing	11000-SDE64000-17041-84179	\$1,628,000
<ul style="list-style-type: none"> Dollar threshold used to distinguish between type A and type B programs 		<u>\$100,000</u>
II. FINANCIAL STATEMENT FINDINGS		
<ul style="list-style-type: none"> We issued reports, dated October 23, 2015 on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>. Our report on compliance indicated no reportable instances of noncompliance. 		
III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS		
<ul style="list-style-type: none"> No findings or questioned costs are reported relating to State Financial Assistance Programs. 		

Brass City Charter School
2015-16 Income Expenditures Budget vs. Actual
With Variance Explanations

	YTD Actual	YTD Budget	(Over)/Under Budget	Variance
4100 • Government Grants				
4110 • State Charter School Grant	2,002,000	2,002,000	0	
4120 • School Nutrition Income	141,596	143,024	1,428	
4125 • Fresh Fruit & Veg Program	0	7,400	7,400	grant not received
4130 Title I Grant	72,175	57,503	-14,672	budget was estimated - we don't know what we are getting until we receive the information from the state
4131 State Technology Grant	10,000	0	-10,000	tech grant received - not budgeted
4132 School Security Grant - State	110,212	0	-110,212	did not budget either income or covered expenditures for school security grant - we budgeted the school's portion of expenditures only (see 1398 below)
Total 4100 • Government Grants	2,335,983	2,209,927	-126,056	budget for grants not split from contributions below; grant was received and recorded in proper account, while budget is below in line 4520
4200 • Corporate Grants	5,000	0	-5,000	
4300 • Foundation Grants	316,738	310,000	-6,738	
4500 • Direct Public Support				
4510 • Corporate Contributions	2,000	0	-2,000	budget is part of line 4520
4520 • Individ, Business Contributions	18,487	251,781	233,294	This number is the gap between revenue and anticipated expenses. Since we did not begin to incur expenses for building renovation/search (see below), that was \$150,000 less than was needed. Development committee was not as active as anticipated in fundraising.
4530 • In Kind Contributions	819,644	0	-819,644	we do not budget in-kind on either the revenue or expense side - offsetting amounts do not affect the bottom line
Total 4500 • Direct Public Support	840,131	251,781	-588,350	
4600 • Fundraising - Parent/School	11,524	10,700	-824	
Miscellaneous Revenue	984	0	-984	
Total Income	3,510,360	2,782,408	-727,952	
5110-5160 Payroll	1,539,868	1,586,613	46,745	
5171-5183 Payroll Taxes/Employee Benefits	199,611	252,363	52,752	fewer people participated in health plan than budgeted; SUTA rate was reduced
5190 • Pupil Services	23,604	35,000	11,396	budgeted for 2 interns; only had 1.5 FTE
5195 • Employee Training/Development	25,188	22,125	-3,063	early childhood consultant engaged in spring due to new state law requiring NAEYC accreditation of PK/K
5197 • Field Trips	3,452	5,460	2,008	summer field trips taken in July 16 instead of June
5198 • Student Transportation	7,853	7,280	-573	

Brass City Charter School
2015-16 Income Expenditures Budget vs. Actual
With Variance Explanations

5200 • Building Rent	98,100	90,000	-8,100	unbudgeted cost of leasing space in 2nd building for 9 mo
5205 • Bldg Reno/Search	0	150,000	150,000	no expenses were incurred - will begin in 2016-17
5210 • Utilities	50,008	47,150	-2,858	
5211 • Alarm	2,892	1,660	-1,232	new security system - alarm cost rose
5215 • Dumpster	3,738	4,000	262	
5220 • Repair/Maintenance Svc	62,309	59,900	-2,409	
5230 • Repair/Maintenance Supplies	9,678	16,000	6,322	contracted custodial services - they provide many supplies that we were previously purchasing budgeted conservatively to hedge against any unexpected cost increases; however, new vendor provided cost savings; no fruit/vegetable grant (see revenue) so no offsetting expenditures
5310 • Food - Nutrition Program	81,255	109,200	27,945	
5315 • Nutrition Supplies - Non-Food	7,377	8,190	813	new vendor for trade books provided savings over budgeted amounts; purchased fewer trade books than budgeted due to donations and low-cost purchases of books at an auction for contents of various classrooms at a private school in Somers
5410 • Textbooks/Periodicals/Software	55,346	81,891	26,545	
5420 • Classroom Supplies	34,921	34,500	-421	
5513 • Family Activities	1,499	1,820	321	
5515 • Printing and Copying	3,513	4,000	487	
5520 • Office Expense	13,872	10,000	-3,872	new computer and printer needed for office - unbudgeted; paid travel expenses for a candidate for music director - unbudgeted
5522 • Insurance - Liability, D and O	10,154	9,200	-954	
5525 • Dues & Fees	5,006	4,310	-696	joined NAEYC as a result of new state law requiring PK and K in charter schools to be NAEYC accredited
5530 • Communications	4,392	2,496	-1,896	Began leasing space in another building in November - added phone and internet svc for that building - unbudgeted.
5540 • Accounting/Audit	7,585	7,400	-185	
5541 • Payroll Service Fees	2,748	2,310	-438	did not budget for W2 fees
5542 • Interest Expense	238	0	-238	Interest charge on credit card - did not anticipate making late payment.
5545 • Outside Contract Services	35,323	35,390	67	
5550 • Professional/Technical Svcs	0	4,000	4,000	Did not need to use any services. Teacher's College Summer Institutes - some teachers were admitted for June 2016 so expenses went to 15-16 instead of 16-17.
5600 • Travel and Meetings	7,605	4,000	-3,605	
5700 • In-Kind Services	819,644	0	-819,644	See above - neither revenue or expense side of in-kind is part of our operating budget.
5990 • Miscellaneous Expense	22	0	-22	
6000 • Fundraising Expense	7,376	0	-7,376	Offsets fundraising income, above. Did not budget expense side as we had budgeted a net amount in the revenue line in the past.
7900 • Depreciation Expense	37,274	20,000	-17,274	Security system plus larger than budgeted expenditures for furniture/equipment and computers increased amount of depreciation

Brass City Charter School
2015-16 Income Expenditures Budget vs. Actual
With Variance Explanations

9998 - Exchange	0	0	0	
1398 Leasehold Improvements	140,354	35,000	-105,354	capitalized expenses - school security system
1498 Computers/Technology	29,769	24,750	-5,019	includes tech grant expenditures and additional Chromebooks for kindergarten
				unbudgeted purchases - commercial freezer, air conditioners for classrooms, additional shelves and
1598 Furniture/Equipment	14,817	6,400	-8,417	furniture recommended by PK consultant
Total Expenditures	<u>3,346,391</u>	<u>2,682,408</u>	<u>-663,983</u>	
Reserve for 16-17 start		100,000		budgeted reserve to begin the new school year
Total		<u><u>2,782,408</u></u>		
 Net	 163,969	 0	 -163,969	 favorable

BRASS CITY CHARTER SCHOOL
BUDGET COMPARISON and EXPLANATION OF VARIANCES/ASSUMPTIONS
2015-16 vs 2016-17

		15-16	16-17	
	REVENUE			
4110	State Charter School Grant	\$2,002,000	\$2,376,000	216 x \$11,000 flat funding
4120	School Nutrition	\$143,024	\$169,745	increase of 18.7% based on corresponding increase in number of students
	Fresh Fruit/Vegetable Grant	\$7,400	\$9,150	estimated \$50 per student x Mar 15 student population (nutrition program estimates \$50-\$70 per)
4130	Title Grants	\$57,503	\$86,450	estimated \$475 per student based on prior year's money received/number of students
4200-4500	Grants and Fundraising			
	Foundation Grants (reasonably certain)	\$310,000	\$365,000	for 16-17: PCLB \$150k, Calder Foundation \$100k, Leever Foundation \$100k, Woodward Foundation \$15k
	Corporate Grants (reasonably certain)	\$0	\$40,000	Webster Bank \$5k, Waterbury Development Corp \$35k
	Individual Donors	\$251,781	\$30,000	in 2015-16 this line item contained what is in 2016-17 as "Additional Fundraising-Source TBD" - this was the line where the funding gap was shown
	Parent Fundraising (gross receipts)	\$10,700	\$15,000	16-17 budget is gross profit vs 15-16 net profit on fundraising activities
	Additional Fundraising - source TBD	\$0	\$122,910	funding gap is shown as a separate line in 16-17 budget to be covered by grants, fundraising appeals, or offset by spending reductions
3300	Reserves to be used	\$0	\$200,000	using reserves in 16-17 as we begin process of site studies/renovation
		\$2,782,408	\$3,414,255	
	EXPENDITURES			
5110-5150	Payroll	\$1,586,613	\$2,060,970	avg 3% raises for existing staff; additional staff positions for 4th grade, have hired some 16-17 staff at higher rates than staff they are replacing (higher salaries are due to comparative length of teaching experience); addition of instrumental music program, classroom assistants for 1st grade, additional cafeteria staff
5171-5183	Payroll Taxes & Employee Benefits	\$252,363	\$325,285	increased due to staff increases
	Subtotal Salary & Benefits	\$1,838,976	\$2,386,255	
5190	Pupil Services	\$35,000	\$30,000	intern tuition - 15-16 assumed 2.5; 16-17 assumed 2.0 interns with potential increase in tuition amount
5195	Employee Training & Development	\$22,125	\$24,800	additional employees
5197	Field Trips	\$5,460	\$15,720	increasing number and cost of field trips as students get older - now adding 4th grade
5198	Student Transportation	\$7,280	\$11,880	bus costs for increased number of field trips
5200	Rent	\$90,000	\$117,600	increase due to lease agreement as well as the additional leased space in 2nd building which was not budgeted in 15-16
5210	Utilities	\$47,150	\$56,930	utilities for 2nd building not included in 15-16 budget
5211	Alarm	\$1,660	\$4,500	new security system - monitoring service more costly
5215	Dumpster	\$4,000	\$4,000	

BRASS CITY CHARTER SCHOOL
BUDGET COMPARISON and EXPLANATION OF VARIANCES/ASSUMPTIONS
2015-16 vs 2016-17

5220	Repair/Maintenance Services	\$59,900	\$81,160	16-17 reflects outside custodial service for entire year and increased hours for daytime custodian due to increased space and extra classrooms; 15-16 reflected daytime custodial service only for 8 months
5230	Repair/Maintenance Supplies	\$16,000	\$12,000	decrease - 15-16 included all supplies; in 16-17 outside service provides many supplies
5310	Food - Nutrition Program	\$109,200	\$129,600	increased 18.7% due to corresponding increase in student number
5315	Nutrition Supplies - Non-Food	\$8,190	\$9,720	increased 18.7% due to corresponding increase in student number
5410	Textbooks/Periodicals/Software	\$81,891	\$29,600	15-16 included \$60,000 for classroom libraries; 16-17 assumption was that some additional classroom library books would have been purchased during the final months of 15-16 and no additional classroom library purchases would be necessary in 16-17.
5420	Classroom Supplies	\$34,500	\$34,100	
5513	Parent Activities	\$1,820	\$3,240	amount increased from \$10 per student to \$15 per student; increased number of students
5515	Printing & Copying	\$4,000	\$5,200	16-17 assumed additional overage charges due to increased number of classrooms
5520	Administrative Expense	\$10,000	\$12,650	increase based on YTD March 2015 expenditures + 10% for increased number of staff
5522	Insurance	\$9,200	\$11,680	16-17 estimated 15% increase - need to increase insurance limits
5525	Dues & Fees	\$4,310	\$5,460	charter network increased dues 34 more students x \$15 = \$510; fingerprinting for estimated 10 new staff \$500
5530	Communication	\$2,496	\$4,260	phone and internet service in 2nd building
5540	Audit	\$7,400	\$8,000	
5541	Payroll Service Fees	\$2,310	\$3,125	cost for additional employees
5545	Outside Contract Services	\$35,390	\$1,800	decrease -no longer paying Waterbury Symphony for Bravo music program; music brought in-house
5550	Professional Technical Svcs	\$4,000	\$2,000	decreased - did not use any in 15-16; have IT person on staff now so less likely to need outside svcs
5600	Travel & Meetings	\$4,000	\$6,000	teacher travel for PD, specifically Teacher's College Summer Institutes
	Fundraising Expense	\$0	\$8,150	in 15-16 parent/school fundraising was a net budgeted income amount; in 16-17, expense is broken out
7900	Depreciation	\$20,000	\$40,825	increased depreciation due to addition of more fixed assets, particularly security system
1300	Leasehold Improvements	\$35,000	\$0	15-16 budget was for school portion of security system cost; 16-17 reflects no improvements as we hope to move forward with relocation or renovation
1200	Computers	\$24,750	\$13,400	addition of new grade requires additional 1:1 Chromebooks - in 15-16 we furnished 2 grades with Chromebooks
1500	Furniture/Copier	\$6,400	\$30,600	cafeteria equipment needed - additional refrigerator, freezer, steam table, convection oven; furniture needed for 2 4th grade classrooms (larger sizes)
	Building Search/Renovation Prelim Costs	\$150,000	\$185,000	appraisal fees, environmental study, building condition, architects initial phases
	Reserve for operating expenses	\$100,000	\$125,000	increased operating reserve due to increased payroll
		\$2,782,408	\$3,414,255	