

Achievement First Apollo Charter School

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

June 30, 2014

Achievement First Apollo Charter School

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Independent Auditor's Report

To the Board of Trustees
Achievement First Apollo Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of Achievement First Apollo Charter School, which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Other Matters

Report on Summarized Comparative Information

The financial statements of Achievement First Apollo Charter School as of June 30, 2013, were audited by other auditors whose report dated October 31, 2013, expressed an unmodified opinion on those financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2014 on our consideration of Achievement First Apollo Charter School'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 Achievement First Apollo Charter School's internal control over financial reporting and compliance.



Farmington, Connecticut
October 30, 2014

Achievement First Apollo Charter School

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

	2014	2013
<u>Assets</u>		
Cash	\$ 424	\$ -
Restricted cash	75,000	-
Grants receivable	539,646	348,205
Due from Achievement First, Inc.	53,782	-
Due from other schools	184	240,000
Prepaid expenses and other assets	52,005	28,444
Property and equipment, net	384,137	473,542
Total assets	\$ 1,105,178	\$ 1,090,191
<u>Liabilities and Net Assets</u>		
Liabilities:		
Cash overdraft	\$ 103,232	\$ 52,157
Accounts payable and accrued expenses	51,435	117,670
Accrued salary and other payroll related expenses	113,798	78,412
Due to Achievement First, Inc.	-	273,579
Due to other schools	-	4,949
Due to NYC Department of Education	1,975	2,583
Line of credit	200,000	200,000
Loan payable	300,000	-
Total liabilities	770,440	729,350
Commitments and contingencies		
Net assets:		
Unrestricted:		
Undesignated	159,137	360,841
Board designated	175,601	-
Total net assets	334,738	360,841
Total liabilities and net assets	\$ 1,105,178	\$ 1,090,191

See Notes to Financial Statements.

Achievement First Apollo Charter School
Statement of Activities and Changes in Net Assets
Year Ended June 30, 2014
(With Comparative Totals for 2013)

	2014	2013
Operating revenue:		
State and local per pupil operating revenue	\$ 5,644,425	\$ 4,525,066
Federal, state and local grants	256,794	507,990
Special education revenue	235,116	161,018
Total operating revenue	6,136,335	5,194,074
Expenses:		
Program services	5,588,128	4,208,741
General and administrative	638,483	730,773
Fundraising	136,353	55,739
Total expenses	6,362,964	4,995,253
Surplus (deficit) on school operations from government funding	(226,629)	198,821
Support and other revenue:		
Contributions	200,525	7,500
Interest income	1	3,675
Total support and other revenue	200,526	11,175
Change in net assets	(26,103)	209,996
Net assets, beginning of year	360,841	150,845
Net assets, end of year	\$ 334,738	\$ 360,841

See Notes to Financial Statements.

Achievement First Apollo Charter School

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

	2014			2013	
	Program Services	General and Administrative	Fundraising	Total	Total
Salaries and wages	\$ 3,446,393	\$ 393,502	\$ -	\$ 3,839,895	\$ 2,890,195
Payroll taxes and employee benefits	698,951	79,805	-	778,756	598,531
After school/tutoring program	15,712	-	-	15,712	9,971
Classroom supplies and instructional materials	217,587	-	-	217,587	149,885
Furniture and equipment - noncapitalizable	44,130	5,039	-	49,169	150,884
Insurance	21,742	2,482	-	24,224	16,842
Interest expense	-	7,272	-	7,272	9,111
Management fee	511,325	34,089	136,353	681,767	557,388
Office expense	140,753	43,003	-	183,756	163,909
Parent activities	15,913	-	-	15,913	326
Postage and delivery	2,823	706	-	3,529	2,952
Printing and photocopying	52,514	13,128	-	65,642	47,426
Professional fees	-	27,978	-	27,978	29,092
Repairs and maintenance	7,715	881	-	8,596	9,686
Special education contracted services	4,837	-	-	4,837	14,484
Staff professional development	32,371	-	-	32,371	30,223
Student field trips and incentive programs	19,655	-	-	19,655	9,163
Student food services	83,468	-	-	83,468	52,829
Student transportation	8,398	-	-	8,398	33,831
Student uniforms	2,405	-	-	2,405	460
Technology infrastructure and software	101,662	12,356	-	114,018	87,548
Telephone and internet	41,237	4,708	-	45,945	45,424
Depreciation	118,537	13,534	-	132,071	85,093
	<u>\$ 5,588,128</u>	<u>\$ 638,483</u>	<u>\$ 136,353</u>	<u>\$ 6,362,964</u>	<u>\$ 4,995,253</u>

See Notes to Financial Statements.

Achievement First Apollo Charter School

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

	2014	2013
Operating activities:		
Change in net assets	\$ (26,103)	\$ 209,996
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	132,071	85,093
Changes in operating assets and liabilities:		
Grants receivable	(191,441)	(186,459)
Due from Achievement First, Inc.	(53,782)	
Due from other schools	239,816	(40,000)
Prepaid expenses and other assets	(23,561)	29,842
Cash overdraft	51,075	-
Accounts payable and accrued expenses	(66,235)	(39,338)
Accrued salary and other payroll related expenses	35,386	18,768
Due to Achievement First, Inc.	(273,579)	40,946
Due to other schools	(4,949)	51
Due to NYC Department of Education	(608)	(2,557)
Net cash provided by (used in) operating activities	(181,910)	116,342
Investing activities:		
Restricted cash for state required dissolution reserve	(75,000)	-
Purchase of property and equipment	(42,666)	(229,494)
Net cash used in investing activities	(117,666)	(229,494)
Financing activities:		
Proceeds from loan payable	300,000	-
Net increase (decrease) in cash	424	(113,152)
Cash, beginning of year	-	113,152
Cash, end of year	\$ 424	\$ -
Supplemental disclosure of cash flow information:		
Interest paid	\$ 7,272	\$ 9,111

See Notes to Financial Statements.

Achievement First Apollo Charter School

Notes to Financial Statements June 30, 2014

Note 1 - Nature of operations

Achievement First Apollo Charter School (the "School") was incorporated to focus on strengthening the academic and character skills needed for all students to excel in top-tier colleges, to achieve success in a competitive world, and to serve as the next generation of leaders in their communities. On May 20, 2008, the Board of Regents of the University of the State of New York granted the School a provisional charter valid for a term of five years and renewable upon expiration. On March 6, 2013 the charter was extended and expires on July 15, 2015. Today the School serves students from low income households in Brooklyn, New York.

The School, as determined by the Internal Revenue Service, is exempt from Federal income tax under section 501(a) of the Internal Revenue Code ("IRC") as an organization described in Section 501(c)(3) of the IRC and under the corresponding provisions of the New York State tax laws. The School has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the IRC and qualifies for deductible contributions as provided in section 170(b)(1)(A)(ii) of the IRC.

In fiscal year 2014, the School operated classes for students in kindergarten through fourth grade. The School shares space with a New York City public school and is not responsible for rent, utilities, custodial services, maintenance, or school safety. Approximately 20,000 feet of square footage is allocated to the School.

Note 2 - Summary of significant accounting policies

Basis of presentation

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

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

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

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

Achievement First Apollo Charter School

Notes to Financial Statements June 30, 2014

The Board of Trustees (the "Board") enacted a Board Designated Reserve Policy (the "Reserve") in which unrestricted net assets are set aside to be used only with the approval of the Board. The Reserve is calculated by netting the current year's current assets against the current year's current liabilities and reducing that difference by any assets whose use is contractually limited. The Reserve at June 30, 2014 is \$175,601.

Statement of cash flows

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

Restricted cash

The School has an escrow account of \$75,000 which is held aside for contingency purposes as required by the New York City Department of Education (NYCDOE).

Grant and other receivables

Grants receivable represent unconditional promises to give. Grants receivable that are expected to be collected within one year, and recorded at net realizable value, are \$539,646 at June 30, 2014. The School has determined that no allowance for uncollectible accounts for grants receivable is necessary as of June 30, 2014. Such estimate is based on management's assessments of the creditworthiness of its donors, the aging of its receivables as well as current economic conditions and historical information.

The School evaluates the collectability of the grant receivables and employs the direct-write off method which approximates the allowance method under accounting principles generally accepted in the United States of America.

Revenue recognition

Revenue from Federal, state and local government grants and contracts are recorded by the School when qualifying expenditures are incurred and billable. Funds received in advance for which qualifying expenditures have not been incurred are reflected as refundable advances from state and local government grants in the accompanying statement of financial position. Receivables are recognized to the extent costs have been incurred, but not reimbursed.

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

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

Achievement First Apollo Charter School

Notes to Financial Statements June 30, 2014

The School receives a substantial portion of its support and revenue from the NYCDOE. If the charter school laws were modified, reducing or eliminating these revenues, the School's finances could be materially adversely affected.

Donated goods and services

The School occasionally receives contributed goods and services. Such goods and services are only recorded as in-kind contributions at their fair value, provided it meets the criteria for recognition. Such criteria includes contributions of services that (i) create or enhance non-financial assets or those that require specialized skills, (ii) are provided by individuals possessing those skills, and (iii) would typically need to be purchased if not provided by donation, and are recorded at their fair value in the period received.

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

The School does not record any in-kind contributions and related costs with respect to dedicated and shared space provided to it by the NYCDOE as the premises are temporary in nature, is excess shared space whereby a fair value cannot be determined, and is industry practice.

Property and equipment

Property and equipment are stated at cost. The School has established a \$1,000 threshold above which assets are capitalized. Property and equipment acquired with certain government contract funds is recorded as an expense pursuant to the terms of the contract in which the government funding source retains ownership of the property. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized.

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

Facility improvements	5 - 15 years
Furniture and fixtures	8 years
Computers and hardware	3 - 5 years
Equipment	5 years

Achievement First Apollo Charter School

Notes to Financial Statements June 30, 2014

Long-lived assets

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

Functional allocation of expenses

Expenses that can be directly identified with the program or supporting service to which they relate are charged accordingly. Other expenses by function have been allocated among program and supporting service classifications using bases determined by management to be reasonable.

Income taxes

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

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

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

Prior year summarized information

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

Achievement First Apollo Charter School

Notes to Financial Statements June 30, 2014

Use of estimates

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

Concentrations of credit risk

The School maintains cash and cash equivalent balances in several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation. From time to time, the School's balances may exceed these limits. At June 30, 2014, the School had no uninsured bank balances. The School limits its credit risk by selecting financial institutions considered to be highly creditworthy.

Reclassifications

Certain reclassifications have been made to the 2013 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Subsequent events

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

Note 3 - Concentrations

The School received approximately 92% of its total revenue from per pupil funding from the NYCDOE during the year ended June 30, 2014.

The School's grants and other receivables consist of two major grantors at June 30, 2014.

Two vendors accounted for approximately 69% of accounts payable at June 30, 2014.

Note 4 - Agreement for school facility

The School has entered into a verbal agreement (the "Agreement") with the NYCDOE for dedicated and shared space at P.S. 89, a New York City public school located at 350 Linwood Street, Brooklyn, New York. The Agreement commenced on July 1, 2011 at a cost of \$1 per year. In accordance with industry standards, the fair value of the rent has not been recorded. The School will be responsible for any overtime-related costs for services provided beyond the regular opening hours. The School incurred no overtime permit fees for the year ended June 30, 2014.

Achievement First Apollo Charter School

Notes to Financial Statements June 30, 2014

Note 5 - Property and equipment

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

Computer hardware and software	\$ 83,957
Office equipment	102,801
Furniture and fixtures	31,259
Facility improvements	<u>448,450</u>
	666,467
Less accumulated depreciation	<u>(282,330)</u>
	<u>\$ 384,137</u>

Note 6 - Related party transactions

The School entered into an Academic and Business Services Agreement (the "Agreement") with Achievement First, Inc. ("AF"), a not-for-profit organization dedicated to helping start and run charter schools. The Agreement provides management and other administrative support services to the School. Pursuant to the terms of the Agreement, the School shall pay a service fee equivalent to 10% of all public revenues received by the School during or for that school year. Public revenues include all sources of revenue from a public source, but specifically exclude in-kind contributions such as student transportation, start-up funding, funding for student meals and funding from competitive grants. The Agreement is in effect through July 31, 2015. The terms of the agreement were modified to incorporate additional services provided to the School by AF.

These services included bookkeeping, facilities acquisition and management, special education services support, data management and analysis support and tutoring program support. The School is to pay AF an ancillary services fee that is mutually negotiated by the School and AF. For fiscal year ended June 30, 2014 the School incurred management fees and ancillary services of \$681,767, which is included in the accompanying statement of functional expenses. At June 30, 2014, there was no amount due to AF.

AF pledged \$133,850 in operating funding for the year ended June 30, 2014, the amount due from AF was \$53,782 at June 30, 2014.

AF provided an unsecured loan in the amount of \$300,000 at 1% interest and no specific repayment date.

Achievement First Apollo Charter School

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

Note 7 - Due to/from other schools

Throughout the school year, the School may share staff with another school and occasionally purchase equipment from another school. These costs are included on the statement of financial position and consist of the following as of June 30, 2014:

Achievement First Bushwick Charter School	\$ (919)
Achievement First Crown Heights Charter School	<u>1,102</u>
	<u>\$ 183</u>

Note 8 - Due to NYC Department of Education

The NYCDOE paid the School per-pupil grant funds in six installments, based on estimates from the School. At the end of each fiscal year, the NYCDOE reconciles the total amount paid against the full-time-equivalent enrollment for the year and determines if an overpayment or underpayment has been made. As of June 30, 2014 an overpayment totaling \$1,975 had been made. Adjustments for these amounts are reflected in the succeeding year's fourth payment.

Note 9 - Line of credit

The School entered into an agreement with a bank whereby it is permitted to borrow up to \$200,000 under a secured line of credit. The agreement expired on July 29, 2014 and was renewed through April 30, 2015. Interest is payable on any outstanding balance at the bank's prime rate plus one percent (4.25% as of June 30, 2014). There was an outstanding balance on the line of credit of \$200,000 at June 30, 2014.

Note 10 - Operating leases

The School leases office equipment under non-cancelable operating lease agreements, expiring September 2014 and May 2016. The future minimum payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 17,616
2016	<u>16,148</u>
	<u>\$ 33,764</u>

The lease expense for the year ended June 30, 2014 was \$19,177.

Achievement First Apollo Charter School

Notes to Financial Statements June 30, 2014

Note 11 - Pension plan

Effective June 1, 2010, the School adopted a 403(b) profit sharing plan (the "Plan") which covers most of the employees. The Plan is a defined contribution plan. Employees are eligible to enroll in the Plan either the first day of the Plan year or the first day of the seventh month of the Plan year. Those employees who have completed at least 1 full year of service are also eligible for employer contributions. The Plan provides for the School to contribute up to 4% of an employee's salary, up to a maximum match of \$2,500 per year, per employee. The School contribution is not vested until the employee's third year, when they become fully vested. For the year ended June 30, 2014, pension expense was \$78,751, which is included in payroll taxes and employee benefits in the accompanying statement of functional expenses.

Note 12 - Risk management

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

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

Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Trustees
Achievement First Apollo Charter School

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 Achievement First Apollo Charter School, which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 30, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Achievement First Apollo Charter School'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 Achievement First Apollo Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Achievement First Apollo Charter School's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Achievement First Apollo Charter School'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Farmington, Connecticut
October 30, 2014