

THE RENAISSANCE CHARTER SCHOOL

FINANCIAL STATEMENTS

June 30, 2011

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October 19, 2011

The Trustees of
The Renaissance Charter School
35-59 81st Street
Jackson Heights, New York 11372

We have audited the accompanying statement of financial position of The Renaissance Charter School as of June 30, 2011 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of The Renaissance Charter School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have 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 of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of The Renaissance Charter School as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2011 on our consideration of The Renaissance Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Very truly yours,

Stamm & Bader

Stamm & Bader, CPA

**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
YEAR ENDED JUNE 30, 2011**

ASSETS

Cash & Cash Equivalents (Note 3)	\$ 1,954,668
Accounts Receivable (Note 2)	<u>145,399</u>

Total Current Assets	2,100,067
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Equipment, Furniture & Fixtures - Net of Accumulated Depreciation of 632,670 (Note 2)	336,507
Prepaid Expenses	<u>42,905</u>

TOTAL ASSETS	<u>\$ 2,479,479</u>
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LIABILITIES AND NET ASSETS

Accounts Payable (Note 5)	126,024
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Net Assets	
Unrestricted (6-30-10)	1,773,551
Increase/(Decrease) in Net Assets (6-30-11)	<u>579,904</u>
	<u>2,353,455</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,479,479</u></u>
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See notes to financial statements

**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011**

CHANGES IN UNRESTRICTED NET ASSETS

Revenue

General Operating Programs	\$ 7,412,308
Special Education Services	530,620
IDEA Funds	106,420
Title I Income - ESEA	119,224
Title II-A Income	38,178
Various Grants & Honorariums	142,576
Unrestricted Donations	50,659
Miscellaneous Income	20,840

Total Revenues & Other Support **8,420,825**

Expenses

Program Services - Unrestricted	4,873,941
Special Education	978,217
Management & Administrative - Unrestricted	2,005,993

Total Unrestricted Expenses 7,858,151

Increase in Unrestricted Net Assets 562,674

Interest Income 17,230

Increase in Net Assets **579,904**

Net Assets

Beginning of Year 1,773,551

Net Assets, End of Year **\$ 2,353,455**

See notes to financial statements

**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011**

Cash Flows from Operating Activities

Increase in Net Assets	\$ 579,904
Adjustments to Reconcile Increase in Total Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	60,929
Increase/(Decrease) in Accounts Receivable	64,843
Increase/(Decrease) in Prepaid Expenses	15,320
Increase/(Decrease) in Accounts Payable	126,024
Increase/(Decrease) in Equip./Fixed Assets	10,000
	<u>277,116</u>
Net Cash Used by Operating Activities	857,020
Cash, Beginning of Year	<u>1,097,648</u>
Cash, End of Year	<u><u>\$ 1,954,668</u></u>

See notes to financial statements

**THE RENAISSANCE CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011**

Note 1: Nature of Activities

In May of 2000, the New York State Board of Education granted The Renaissance School charter status, creating The Renaissance Charter School. For enrollment purposes, the school has a full time equivalent total of 547 children attending grades kindergarten through 12. The purpose of the school is to foster educated, responsible and humanistic young leaders.

Note 2: Summary of Accounting Policies

a) The financial statements have been prepared on the accrual basis.

b) Accounts Receivable

The accounts receivable as of June 30 consists of the following:

Title I Thru Title IIA Income	\$ 126,073
CEI - PEA Boost Grant	\$ 3,471
HESC CACGP Grant	\$ 12,500
Rems - Grant	<u>\$ 3,355</u>
Total	<u><u>\$ 145,399</u></u>

c) Computer & Computer Equipment

Computer & computer equipment is stated at cost at date of acquisition.

Partnership for Innovation in Compensation for Charter Schools (TIF GRANT)

CEI-PEA oversees the Federal Teacher Incentive Grant received by PICCS. Renaissance will receive money from CEI/PEA to cover it's portions of teacher incentives, based on the work the teachers have done in 2010/2011. The plan for payment and the work done has to be approved. The School has not received it's payment for this work as of June 30, 2011 nor has it paid out any related expenses.

d) Depreciation

Depreciation on the computer and computer equipment, owned by the School, have been compiled using the straight-line method. The estimated useful lives of the assets are five to ten years.

e) Income Tax

The Charter School is tax-exempt under section 501 (C) (3) of the Internal Revenue Code as a School, and as such, is deemed to be public charity, rather than a public foundation.

Note 3: Cash & Cash Equivalents

Investments are stated at current market value. The major types of investments are cash and certificates of deposit.

Bank Funds - School Funds	\$ 634,576
Student Activity Fund	\$ 25,022
Certificate of Deposit	\$ 1,068,929
Escrow Account (Note 7)	\$ 75,067
Money- Market	\$ 150,823
REMS- Grant	\$ 251
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Total	<u><u>\$ 1,954,668</u></u>

Note 4: Pension

At the present time, The Renaissance Charter School does not have its own qualified pension plan. The pensions which are listed are New York City Pension Plans, which are administered by the Teacher's Retirement System & Board of Education Retirement System. The employer's contribution is determined by independent actuarial computations which are based on payroll and additional per session salaries. These computations reflect current market interest rates, and the final reconciled amount was determined in May 2011.

Note 5: Accounts Payable

This represents monies which the School received as overpayments of General & Special Education relating to this year, which is already reflected in this year's income.

Note 6: Other

The Renaissance Charter School, as a New York City Public School, received benefits for its students from the City of New York including: Food Services, Building & Custodial Services, Pupil Transportation, Committee of Special Education Evaluations and Services, School Safety, and a Department of Health Nurse.

Note 7: Escrow Account

As part of the charter renewal agreement between the Chancellor of the Board of Education of the City School District of the City of New York and the Board of Trustees of The Renaissance Charter School, an escrow account had been established in the amount of \$75,000. This account is for any legal and audit expenses that would be associated with a dissolution should it occur. The amount as of June 30, 2011, including interest is \$ 75,067.

**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2011**

	<u>Program Services</u>	<u>Special Education</u>	<u>Management and Administration</u>	<u>Total Expenses</u>
Unrestricted Expenses:				
Salaries	\$ 3,254,794	\$ 646,237	\$ 1,189,552	\$ 5,090,583
Payroll Taxes and Employee Benefits	676,219	145,158	239,929	1,061,306
Total Salaries and Related Costs	3,931,013	791,395	1,429,481	6,151,889
Grant Expenses	8,950			8,950
Accounting & Legal			128,671	128,671
ADP Expenses			11,491	11,491
Books & Testing Equipment	9,812			9,812
Depreciation (Note 2)			60,929	60,929
Dues & Fees			8,385	8,385
Insurance			91,924	91,924
School Program Expenses	127,082			127,082
Miscellaneous	11,230		2,100	13,330
Office Supplies			48,912	48,912
Pension Contribution (Note 4)	743,354	174,285	223,380	1,141,019
Professional Development	10,240	4,353		14,593
Consultants	28,240	7,584		35,824
Teachers Supplies	4,020	600		4,620
Telephone			720	720
Total Expenses - Unrestricted	942,928	186,822	576,512	1,706,262
Total Expenses	\$ 4,873,941	\$ 978,217	\$ 2,005,993	\$ 7,858,151

See notes to financial statements