THE RENAISSANCE CHARTER SCHOOL

FINANCIAL STATEMENTS

June 30, 2013

Stamm & Bader, CFA
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October 21, 2013

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, 2013 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, 2013, 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 18, 2013 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, 2013

ASSETS

Cash & Cash Equivalents (Note 3) $ 2,768,960
Accounts Receivable (Note 2) 21,493

Total Current Assets 2,790,453

Equipment, Furniture & Fixtures -
Net of Accumulated Depreciation of $ 733,772 (Note 2) 248,919
Prepaid Expenses 35,490

TOTAL ASSETS $ 3,074,862

LIABILITIES AND NET ASSETS

Accounts Payable (Note 5) 27,488

Net Assets
Unrestricted (6-30-12) 2,982,568
Increase/(Decrease) in Net Assets (6-30-13) 64,806 3,047,374

TOTAL LIABILITIES AND NET ASSETS $ 3,074,862

See notes to financial statements 4
# THE RENAISSANCE CHARTER SCHOOL
## STATEMENT OF ACTIVITIES
### YEAR ENDED JUNE 30, 2013

## CHANGES IN UNRESTRICTED NET ASSETS

### Revenue
- General Operating Programs $7,372,526
- Special Education Services 980,607
- IDEA Funds 81,525
- Title I Income - ESEA 121,864
- Title II-A Income 36,766
- Various Grants & Honorariums 74,075
- Unrestricted Donations 5,697

**Total Revenues & Other Support** 8,673,060

### Expenses
- Program Services - Unrestricted 5,339,478
- Special Education 1,101,622
- Management & Administrative - Unrestricted 2,186,944

**Total Unrestricted Expenses** 8,628,043

### Increase in Unrestricted Net Assets 45,017

### Interest Income 19,789

**Increase in Net Assets** 64,806

## Net Assets
- **Beginning of Year** 2,982,568
- **Net Assets, End of Year** $3,047,374

See notes to financial statements
Cash Flows from Operating Activities

Increase in Net Assets $ 64,806

Add (subtract) noncash items:
   Depreciation 47,152

Changes in related balance sheet accounts:
   (Increase)/Decrease in Accounts Receivable 553,191
   (Increase)/Decrease in Prepaid Expenses 3,200
   Increase/(Decrease) in Accounts Payable 10,146

613,689

Net Cash Flow from Operating Activities 678,495

Cash Flows from Investing Activities

Increase/(Decrease) in Equip./Fixed Assets (87,622)

Net Increase (Decrease) in Cash 590,873

Cash, Beginning of Year 2,178,087

Cash, End of Year $ 2,768,960

See notes to financial statements
THE RENAISSANCE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2013

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 546 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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title I Income</td>
<td>$12,187</td>
</tr>
<tr>
<td>Title IIA Income</td>
<td>$3,677</td>
</tr>
<tr>
<td>Race to the Top</td>
<td>$5,629</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$21,493</strong></td>
</tr>
</tbody>
</table>

c) Computer & Computer Equipment

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

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 a 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.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Funds - School Funds</td>
<td>$1,404,377</td>
</tr>
<tr>
<td>Student Activity Fund</td>
<td>$32,070</td>
</tr>
<tr>
<td>Certificate of Deposit</td>
<td>$1,105,727</td>
</tr>
<tr>
<td>Escrow Account (Note 7)</td>
<td>$75,067</td>
</tr>
<tr>
<td>Money- Market</td>
<td>$151,719</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,768,960</strong></td>
</tr>
</tbody>
</table>

**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.

**Note 5: Accounts Payable**

This represents monies ($7,082) owed for expenses prior to June 30, 2013 and paid subsequently. This also represents monies ($20,406) owed to the Department of Education based on the reconciliation of income schedule prepared by the School for this fiscal year.
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, 2013, including interest is $75,067.
## THE RENAISSANCE CHARTER SCHOOL
### STATEMENT OF FUNCTIONAL EXPENSES
#### YEAR ENDED JUNE 30, 2013

<table>
<thead>
<tr>
<th>Unrestricted Expenses:</th>
<th>Program Services</th>
<th>Special Education</th>
<th>Management and Administration</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$3,529,343</td>
<td>$728,277</td>
<td>$1,344,511</td>
<td>$5,602,131</td>
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<tr>
<td>Payroll Taxes and</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Employee Benefits</td>
<td>755,049</td>
<td>155,804</td>
<td>287,638</td>
<td>1,198,491</td>
</tr>
<tr>
<td>**Total Salaries and</td>
<td>4,284,392</td>
<td>884,081</td>
<td>1,632,149</td>
<td>6,800,622</td>
</tr>
<tr>
<td>Related Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Grant Expenses</td>
<td>87,183</td>
<td></td>
<td></td>
<td>87,183</td>
</tr>
<tr>
<td>Accounting &amp; Legal</td>
<td></td>
<td>116,689</td>
<td></td>
<td>116,689</td>
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<tr>
<td>ADP Expenses</td>
<td></td>
<td>13,319</td>
<td></td>
<td>13,319</td>
</tr>
<tr>
<td>Books &amp; Testing Equipment</td>
<td></td>
<td>31,995</td>
<td></td>
<td>31,995</td>
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<tr>
<td>Depreciation (Note 2)</td>
<td></td>
<td>47,152</td>
<td></td>
<td>47,152</td>
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<tr>
<td>School Trips</td>
<td></td>
<td>26,139</td>
<td></td>
<td>26,139</td>
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<tr>
<td>Insurance</td>
<td></td>
<td>91,845</td>
<td></td>
<td>91,845</td>
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<tr>
<td>School Program Expenses</td>
<td>287,303</td>
<td>70,420</td>
<td></td>
<td>357,723</td>
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<tr>
<td>Miscellaneous</td>
<td>18,527</td>
<td></td>
<td>4,585</td>
<td>23,112</td>
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<tr>
<td>Office Supplies</td>
<td></td>
<td>68,880</td>
<td></td>
<td>68,880</td>
</tr>
<tr>
<td>Pension Contribution (Note 4)</td>
<td>484,920</td>
<td>100,063</td>
<td>184,731</td>
<td>769,714</td>
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<tr>
<td>Professional Development</td>
<td></td>
<td>74,325</td>
<td>22,343</td>
<td>96,668</td>
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<tr>
<td>Consultants</td>
<td>66,620</td>
<td>23,648</td>
<td></td>
<td>90,268</td>
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<tr>
<td>Teachers Supplies</td>
<td>4,213</td>
<td>1,067</td>
<td></td>
<td>5,280</td>
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<tr>
<td>Telephone</td>
<td></td>
<td></td>
<td>1,454</td>
<td>1,454</td>
</tr>
<tr>
<td><strong>Total Expenses - Unrestricted</strong></td>
<td>1,055,086</td>
<td>217,541</td>
<td>554,794</td>
<td>1,827,421</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$5,339,478</td>
<td>$1,101,622</td>
<td>$2,186,944</td>
<td>$8,628,043</td>
</tr>
</tbody>
</table>

See notes to financial statements