

**THE RENAISSANCE CHARTER SCHOOL**

**FINANCIAL STATEMENTS**

**June 30, 2013**

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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)	<u>21,493</u>

**Total Current Assets** **2,790,453**

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

**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)	<u>64,806</u>
	<b><u>3,047,374</u></b>

**TOTAL LIABILITIES AND NET ASSETS** **\$ 3,074,862**

See notes to financial statements

**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	<u>5,697</u>

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

**Expenses**

Program Services - Unrestricted	5,339,478
Special Education	1,101,622
Management & Administrative - Unrestricted	<u>2,186,944</u>

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

**THE RENAISSANCE CHARTER SCHOOL  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2013**

**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
	<u>613,689</u>
<b>Net Cash Flow from Operating Activities</b>	<b>678,495</b>

**Cash Flows from Investing Activities**

Increase/(Decrease) in Equip./Fixed Assets	<u>(87,622)</u>
<b>Net Increase (Decrease) in Cash</b>	<b>590,873</b>

<b>Cash, Beginning of Year</b>	<u>2,178,087</u>
<b>Cash, End of Year</b>	<u><u>\$ 2,768,960</u></u>

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:

Title I Income	\$ 12,187
Title IIA Income	\$ 3,677
Race to the Top	<u>\$ 5,629</u>
Total	<u><u>\$ 21,493</u></u>

**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.

Bank Funds - School Funds	\$ 1,404,377
Student Activity Fund	\$ 32,070
Certificate of Deposit	\$ 1,105,727
Escrow Account (Note 7)	\$ 75,067
Money- Market	\$ 151,719
	<hr/>
Total	<u><u>\$ 2,768,960</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.

**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**

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

See notes to financial statements