

THE RENAISSANCE CHARTER SCHOOL

FINANCIAL STATEMENTS

June 30, 2014

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October 23, 2014

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, 2014 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, 2014, 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 23, 2014 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,

Arthur H. Bader CPA

Stamm & Bader, CPA

**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
YEAR ENDED JUNE 30, 2014**

ASSETS

Cash & Cash Equivalents (Note 3)	\$ 2,317,102
Accounts Receivable (Note 2)	<u>321,153</u>

Total Current Assets	2,638,255
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Equipment, Furniture & Fixtures - Net of Accumulated Depreciation of \$ 793,181 (Note 2)	<u>221,658</u>
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TOTAL ASSETS	<u>\$ 2,859,913</u>
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LIABILITIES AND NET ASSETS

Net Assets

Unrestricted (6-30-13)	3,047,374
Increase/(Decrease) in Net Assets (6-30-14)	(199,636)
Prior Period Adjustment (Note 8)	<u>12,175</u>
	<u>2,859,913</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,859,913</u></u>
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See notes to financial statements

**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014**

CHANGES IN UNRESTRICTED NET ASSETS

Revenue

General Operating Programs	\$ 7,331,385
Special Education Services	1,025,035
IDEA Funds	56,137
Title I Income - ESEA	101,978
Title II-A Income	35,666
Various Grants & Honorariums	473,663
Unrestricted Donations	<u>9,953</u>

Total School's Revenues & Other Support **9,033,817**

Expenses

Program Services - Unrestricted	5,612,340
Special Education	1,189,235
Management & Administrative - Unrestricted	<u>2,365,787</u>

Total School Expenses 9,167,362

Increase/Decrease in Unrestricted Net Assets (133,545)

Total Food Program (Note 4)

Total Food Income	323,428
Total Food Expenses	<u>(409,486)</u>

Increase/Decrease in Unrestricted Net Assets (86,058)

Interest Income 19,967

Decrease in Net Assets **(199,636)**

Net Assets

Beginning of Year	3,047,374
Prior Period Adjustment (Note 8)	<u>12,175</u>

Net Assets, End of Year **\$ 2,859,913**

See notes to financial statements

**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2014**

Cash Flows from Operating Activities

Increase in Net Assets		\$ (199,636)
Add (subtract) noncash items:		
Depreciation	59,409	
Changes in related balance sheet accounts:		
(Increase)/Decrease in Accounts Receivable	(299,660)	
(Increase)/Decrease in Prepaid Expenses	35,490	
Increase/(Decrease) in Accounts Payable	(27,488)	
		(232,249)

Net Cash Flow from Operating Activities (431,885)

Cash Flows from Investing Activities

Increase/(Decrease) in Equip./Fixed Assets		(32,148)
		(464,033)

Prior Period Adjustment (Note 8) 12,175

Net Increase (Decrease) in Cash **(451,858)**

Cash, Beginning of Year 2,768,960

Cash, End of Year **\$ 2,317,102**

See notes to financial statements

**THE RENAISSANCE CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2014**

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 537 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	\$ 23,447
Title IIA Income	\$ 3,567
Dissemination Grant	\$ 132,038
Carol M. White Physical Ed Grant (Note 9)	\$ 41,910
US E Rate-Time Warner	\$ 3,734
NYSED Technology Voucher Program (Note 9)	\$ 37,126
NYC Council Discretionary	\$ 4,735
Emblem Health Grant	\$ 5,000
DOE reconciliation for 2013/2014	\$ 7,803
NYS Food Reimbursement (Note 9)	<u>\$ 61,793</u>
Total	<u><u>\$ 321,153</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 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	\$ 951,179
Student Activity Fund	\$ 14,262
Certificate of Deposit	\$ 1,124,572
Escrow Account (Note 7)	\$ 75,067
Money- Market	\$ 152,023
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Total	<u><u>\$ 2,317,103</u></u>

Note 4: School Food Program

The Renaissance Charter School started their own school food program taking all responsibilities away from the New York City Department of Education Food Program. This new program includes Breakfast, Lunch, Snack and Dinner. It also includes income from vending machines.

The School is using as their consultant Strategic Marketing Services.

Note 5: 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

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: 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, 2014, including interest is \$ 75,067.

Note 8: Prior Period Adjustment

This amount (\$12,175) represents monies received from the HESC-College Bound Grant from the year 2012-2013 that was not included in the previous financial statement.

Note 9: Grants

NYSED Technology Voucher Program Grant:

The school was awarded \$18,672 for general technology purchases and \$18,454 for Microsoft software. This is a reimbursement program and no monies have been received nor disbursed.

Carol M. White Physical Ed Grant:

The school was awarded a reimbursement program grant for \$471,986. In 2013/2014 the school received an amount totaling \$145,952 and expended \$187,862. This creates a receivable of \$41,910.

NYS Food Reimbursement:

The school receives reimbursements from New York State for food expended and \$61,793 was received after June 30, 2014.

**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2014**

	Program Services	Special Education	Management and Administration	Total Expenses
Unrestricted Expenses:				
Salaries	\$ 3,473,011	\$ 794,864	\$ 1,459,445	\$ 5,727,320
Payroll Taxes and Employee Benefits	752,521	172,229	316,228	1,240,978
Total Salaries and Related Costs	4,225,532	967,093	1,775,673	6,968,298
Grant Expenses	382,259			382,259
Accounting & Legal			118,794	118,794
ADP Expenses			14,141	14,141
Books & Testing Equipment	31,594		59,409	31,594
Depreciation (Note 2)			30,272	30,272
School Trips			99,179	99,179
Insurance			394,802	394,802
School Program Expenses	321,273	73,529		5,840
Miscellaneous	4,400		1,440	72,340
Office Supplies			72,340	760,608
Pension Contribution (Note 5)	461,228	105,561	193,819	163,320
Professional Development	132,903	30,417		58,286
Consultants	47,431	10,855		7,500
Teachers Supplies	5,720	1,780		720
Telephone			720	720
Total Expenses - Unrestricted	1,386,808	222,142	590,114	2,199,064
Total School Expenses	5,612,340	1,189,235	2,365,787	9,167,362
Total Food Expenses	409,486			409,486
Total Expenses	\$ 6,021,826	\$ 1,189,235	\$ 2,365,787	\$ 9,576,848

See notes to financial statements