



Audited Financial Statements In Accordance
With Government Auditing Standards

June 30, 2021

THE RENAISSANCE CHARTER SCHOOL

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Independent Auditor's Report

To the Board of Trustees of
The Renaissance Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of The Renaissance Charter School (the "School"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, 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

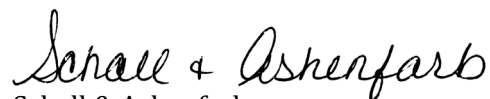
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Renaissance Charter School as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the School's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 27, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2021 on our consideration of the 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 the effectiveness of the School's 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 the School's internal control over financial reporting and compliance.


Schall & Ashenfarb
Certified Public Accountants, LLC

October 25, 2021

**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2021**

(With comparative totals at June 30, 2020)

	<u>6/30/21</u>	<u>6/30/20</u>
Assets		
Cash and cash equivalents	\$2,019,638	\$1,611,151
Government grants receivable - other	594,445	402,172
Government grant receivable - per pupil funding (Note 3)	0	4,051
Due from related organization (Note 4)	0	12,732
Prepaid expenses and other assets	43,677	23,635
Restricted cash (Note 5)	70,282	70,053
Fixed assets, net (Note 6)	<u>218,822</u>	<u>116,759</u>
Total assets	<u><u>\$2,946,864</u></u>	<u><u>\$2,240,553</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$134,308	\$32,474
Accrued payroll and benefits	2,355,112	2,291,064
Government grant advance - per pupil funding (Note 3)	16,535	0
Paycheck Protection Program loan (Note 7)	0	1,903,167
Due to related organization (Note 4)	2,877	0
Other liabilities	<u>9,082</u>	<u>511,677</u>
Total liabilities	<u><u>2,517,914</u></u>	<u><u>4,738,382</u></u>
Net assets:		
Without donor restrictions	426,510	(2,534,766)
With donor restrictions (Note 8)	<u>2,440</u>	<u>36,937</u>
Total net assets	<u><u>428,950</u></u>	<u><u>(2,497,829)</u></u>
Total liabilities and net assets	<u><u>\$2,946,864</u></u>	<u><u>\$2,240,553</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(With comparative totals for the year ended June 30, 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 6/30/21</u>	<u>Total 6/30/20</u>
Public support and revenue:				
Public school district revenue:				
Resident student enrollment	\$10,501,416		\$10,501,416	\$9,574,011
Students with special education services	1,375,140		1,375,140	1,257,601
Total public school district revenue	<u>11,876,556</u>	<u>0</u>	<u>11,876,556</u>	<u>10,831,612</u>
Government grant - Paycheck				
Protection Program (Note 7)	1,920,562		1,920,562	0
Other federal grants	716,801		716,801	266,072
State and city grants	327,990		327,990	472,303
Food program grants	386,573		386,573	251,848
Contributions and other operating income	30,987		30,987	60,756
Management fee (Note 4)	200,000		200,000	0
Net assets released from restriction (Note 8)	34,497	(34,497)	0	0
Total public support and revenue	<u>15,493,966</u>	<u>(34,497)</u>	<u>15,459,469</u>	<u>11,882,591</u>
Expenses:				
Program services:				
Regular education	8,871,142		8,871,142	8,489,696
Special education	1,516,725		1,516,725	1,522,665
Pre-kindergarten	217,184		217,184	266,864
Food program	575,510		575,510	534,705
Total program services	<u>11,180,560</u>	<u>0</u>	<u>11,180,560</u>	<u>10,813,930</u>
Supporting services:				
Management and general	1,176,508		1,176,508	1,041,871
Fundraising	175,622		175,622	122,673
Total supporting services	<u>1,352,130</u>	<u>0</u>	<u>1,352,130</u>	<u>1,164,544</u>
Total expenses	<u>12,532,690</u>	<u>0</u>	<u>12,532,690</u>	<u>11,978,474</u>
Change in net assets	2,961,276	(34,497)	2,926,779	(95,883)
Net assets - beginning of year	<u>(2,534,766)</u>	<u>36,937</u>	<u>(2,497,829)</u>	<u>(2,401,946)</u>
Net assets - end of year	<u>\$426,510</u>	<u>\$2,440</u>	<u>\$428,950</u>	<u>(\$2,497,829)</u>

The attached notes and auditor's report are an integral part of these financial statements.

THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With comparative totals for the year ended June 30, 2020)

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total Expenses 6/30/21	Total Expenses 6/30/20
	Regular Education	Special Education	Pre- Kindergarten	Food Program		Management and General	Fundraising			
Salaries	\$5,398,595	\$922,023	\$139,057	\$171,251	\$6,630,926	\$598,996	\$112,447	\$711,443	\$7,342,369	\$7,147,251
Employee benefits and payroll taxes	1,547,889	264,363	39,871	49,101	1,901,224	171,745	32,241	203,985	2,105,209	2,036,422
Pension contributions	1,234,558	210,849	31,800	39,162	1,516,369	136,979	25,715	162,694	1,679,063	1,702,202
Total personnel costs	8,181,042	1,397,236	210,727	259,514	10,048,519	907,720	170,402	1,078,122	11,126,641	10,885,875
Professional fees	122,812	21,429		54,197	198,438	209,650		209,650	408,088	308,172
Repairs and maintenance	5,968	1,019	154	189	7,330	662	124	787	8,117	17,618
Curriculum and classroom expenses	316,650	55,254			371,904				371,904	302,725
Professional development	16,507	2,819	425	524	20,275	1,831	344	2,175	22,450	14,285
Equipment and furnishings	24,489	4,182	631	4,186	33,488	2,717	510	3,227	36,715	38,026
Office expenses	4,689	801	121	149	5,759	14,550	98	14,648	20,407	24,441
Food services				250,438	250,438			0	250,438	181,819
Technology	82,210	14,041	2,118	2,609	100,978	9,120	1,712	10,832	111,810	76,541
Marketing and recruitment						8,728		8,728	8,728	1,438
Insurance	58,385	9,972	1,504	1,852	71,713	15,050	1,216	16,266	87,979	70,964
Depreciation	58,390	9,972	1,504	1,852	71,718	6,479	1,216	7,695	79,413	56,570
Total other than personnel costs	690,100	119,489	6,456	315,996	1,132,041	268,788	5,220	274,008	1,406,049	1,092,599
Total expenses	\$8,871,142	\$1,516,725	\$217,184	\$575,510	\$11,180,560	\$1,176,508	\$175,622	\$1,352,130	\$12,532,690	\$11,978,474

The attached notes and auditor's report are an integral part of these financial statements.

THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(With comparative totals for the year ended June 30, 2020)

	<u>6/30/21</u>	<u>6/30/20</u>
Cash flows from operating activities:		
Change in net assets	\$2,926,779	(\$95,883)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	79,413	56,570
Changes in assets and liabilities:		
Government grants receivable - other	(192,273)	(887)
Government grant receivable/advance - per pupil funding	20,586	18,978
Due from/due to related organization	15,609	72,785
Prepaid expenses and other assets	(20,042)	(14,560)
Accounts payable	101,834	(127,290)
Accrued payroll and benefits	64,048	154,269
Paycheck Protection Program loan	(1,903,167)	1,903,167
Other liabilities	(502,595)	(488,323)
Total adjustments	<u>(2,336,587)</u>	<u>1,574,709</u>
Net cash provided by operating activities	<u>590,192</u>	<u>1,478,826</u>
 Cash flows from investing activities:		
Purchase of furniture and equipment	<u>(181,476)</u>	<u>(35,658)</u>
Net cash used for investing activities	<u>(181,476)</u>	<u>(35,658)</u>
 Net increase in cash, cash equivalents and restricted cash	408,716	1,443,168
 Cash, cash equivalents and restricted cash - beginning of year	<u>1,681,204</u>	<u>238,036</u>
 Cash, cash equivalents and restricted cash - end of year	<u><u>\$2,089,920</u></u>	<u><u>\$1,681,204</u></u>
 Cash, cash equivalents and restricted cash:		
Cash and cash equivalents	\$2,019,638	\$1,611,151
Restricted cash	<u>70,282</u>	<u>70,053</u>
Total cash, cash equivalents and restricted cash	<u><u>\$2,089,920</u></u>	<u><u>\$1,681,204</u></u>

No taxes or interest were paid.

The attached notes and auditor's report are an integral part of these financial statements.

THE RENAISSANCE CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 - Organization and Nature of Activities

The Renaissance Charter School (the “School”) is a PK-12 public charter school located in Jackson Heights, Queens, New York. Our mission is to foster educated, responsible young leaders who through their own personal growth will spark a renaissance in New York. The School is a publicly funded, privately managed school, which is independent of the New York City Department of Education (“NYCDOE”), and subject to certain administrative requirements. The School was originally granted its charter in May 2000 and its most recent charter renewal expires on June 30, 2024. During the year ended June 30, 2015, the School entered its first full day pre-kindergarten class.

The School has been notified by the Internal Revenue Service that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. They have not been designated as a private foundation.

In June 2017, Renaissance Charter School 2 (“TRCS 2”), a charter school developed to replicate the learning experience of the School, was approved by the New York State Education Department (“NYSED”) to operate in New York State. TRCS 2 opened in the Fall of 2020. TRCS 2 was notified in February 2019 by the Internal Revenue Service that it is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. TRCS 2 is related to the School by virtue of some common board members and a memorandum of understanding; whereby, the School provides support and guidance through shared staff. TRCS 2 does not meet the requirements for consolidation because the School does not exercise control over them.

Note 2 - Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather when received or paid.

b. Basis of Presentation

The School reports information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – accounts for activity without donor-imposed restrictions.
- *Net Assets With Donor Restrictions* – relates to activity based on specific donor restrictions that are expected to be satisfied by the passage of time or performance of activities.

c. Revenue Recognition

The School follows the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") No. 958-605 for recording contributions, which are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature.

Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

The School's public-school district revenue and other government grants are primarily conditional, non-exchange transactions and fall under ASC 958-605. Revenue from these transactions is recognized when performance related outcomes are achieved and other conditions under the agreements are met.

The School records grants as revenue in the period they become unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Long-term pledges are recorded at fair value using an interest-free discount rate, when deemed material. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions and grants that are due within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques. Receivables are reviewed for collectability. Based on knowledge of specific funders and factoring in historical experience, no allowance for doubtful accounts exists as of June 30, 2021. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollected.

The School also follows the requirements of FASB's ASC 606 for recognizing revenue from contracts with customers. The School receives a management fee from TRCS 2 in exchange for providing certain staff time and other operating support to TRCS 2. This is classified as management fee income and recognized as revenue at the point in time that the services are provided, and the performance obligation is met. Management fees that have been earned but not paid at year end are recognized as income and a related receivable.

d. Cash and Cash Equivalents

The School considers all liquid investments purchased with a maturity of three months or less to be cash and cash equivalents. Restricted cash has been classified separately.

The School follows ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This requires that restricted cash and cash equivalents be included as components of total cash and cash equivalents as presented on the statement of cash flows.

e. Concentration of Credit Risk

Financial instruments which potentially subject the School to concentration of credit risk consist of checking and money market accounts which have been placed with a financial institution that management deems to be creditworthy. At various times, cash balances may be in excess of insurance levels. At year end, there was a significant uninsured balance; however, the School has not experienced any losses from the default of the financial institution.

f. Capitalization Policy

Property and equipment that exceed \$1,000 and have a useful life of greater than one year are capitalized at cost or at fair value at the date of gift. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Furniture and equipment – *3 to 10 years*

Building improvements – *10 years*

g. Donated Services

Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided in-kind.

Board members and other individuals volunteer their time and perform a variety of services that assist the School. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

h. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the School.

Salaries were allocated using time and effort as the basis. The following costs were allocated using the salary allocation as the basis:

- Employee benefits and payroll taxes
- Pension contributions
- Repairs and maintenance
- Professional development
- Equipment and furnishings
- Office expenses
- Technology
- Insurance
- Depreciation

Certain program expenses have been allocated between Regular Education and Special Education based on student FTE rates. All other expenses have been charged directly to the applicable program or supporting services.

i. 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

j. Summarized Comparative Financial 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. Such information should be read in conjunction with the School's financial statements for the year ended June 30, 2020, from which the summarized comparative financial information was derived.

k. Contingencies

Government contracts are subject to audit by the grantor. Management does not believe that any audits, if they were to occur, would result in material disallowed costs, and has not established any reserves. Any disallowed costs would be recorded in the period notified.

l. Accounting for Uncertainty in Income Taxes

The School does not believe its financial statements include any material, uncertain tax positions. Tax returns for periods ending June 30, 2018 and later are subject to examination by applicable taxing authorities.

m. New Accounting Pronouncement

FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the June 30, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

The School is in the process of evaluating the impact this standard will have on future financial statements.

Note 3 - Government Grant Receivable/(Advance) - Per Pupil Funding

Activity related to the contract with the NYCDOE can be summarized as follows:

	<u>6/30/21</u>	<u>6/30/20</u>
Beginning grant receivable	\$4,051	\$23,029
Funding based on allowable FTE's	11,876,556	10,831,612
Advances received	<u>(11,897,142)</u>	<u>(10,850,590)</u>
Ending (advance)/receivable	<u>(\$16,535)</u>	<u>\$4,051</u>

Note 4 - Due From/(Due To) Related Organization

The School has an ongoing support agreement with TRCS 2, the related organization described in Note 1. As part of the agreement, the School receives a management fee in exchange for providing certain staff time and other operating support to TRCS 2.

The net balance due to TRCS 2 as of June 30, 2021 consists of the following:

Balance due from TRCS 2 at 6/30/20	\$12,732
FY21 Activity:	
Management fee charged to TRCS 2	\$200,000
Reimbursable expenses paid by the School	19,221
Grants to TRCS 2 collected by the School	(49,522)
Payments by TRCS 2 to the School	<u>(185,308)</u>
Balance due to TRCS at 6/30/21	<u><u>(\$2,877)</u></u>

Note 5 - Restricted Cash

An escrow account has been established to meet the requirement of the charter agreement. The purpose of this account is to ensure sufficient funds are available for an orderly dissolution or transition process in the event of termination of the charter or school closure.

Note 6 - Fixed Assets

Fixed assets can be summarized as follows:

	<u>6/30/21</u>	<u>6/30/20</u>
Furniture and equipment	\$640,824	\$559,386
Building improvements	<u>442,249</u>	<u>442,249</u>
	1,083,073	1,001,635
Less: accumulated depreciation	<u>(864,251)</u>	<u>(884,876)</u>
Total fixed assets, net	<u><u>\$218,822</u></u>	<u><u>\$116,759</u></u>

Note 7 - Paycheck Protection Program Loan

During the year ended June 30, 2020, the School obtained a loan from the Small Business Administration ("SBA") through the Paycheck Protection Program ("PPP"). Terms of the loan indicated that if certain conditions are met, which include maintaining average work forces during periods subsequent to receipt of the loan funds that are not less than pre-determined historical periods, that the loan, or a portion thereof, will be forgiven.

The School accounts for the PPP loan in accordance with ASC 958-605 as a conditional contribution. During the year ended June 30, 2021, the School met all conditions for forgiveness and recognized the loan as revenue. In addition, the School was notified that full forgiveness was approved by the SBA.

Note 8 - Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions:

	<u>June 30, 2021</u>			
	Balance		Released	Balance
	<u>7/1/20</u>	<u>Contributions</u>	from <u>Restrictions</u>	<u>6/30/21</u>
Programs:				
COVID-19 emergency relief	\$26,875	\$0	(\$26,875)	\$0
Headphone and book purchases	1,411	0	(1,411)	0
Book room renovations	5,000	0	(5,000)	0
Various programs	<u>3,651</u>	<u>0</u>	<u>(1,211)</u>	<u>2,440</u>
Total	<u>\$36,937</u>	<u>\$0</u>	<u>(\$34,497)</u>	<u>\$2,440</u>
	<u>June 30, 2020</u>			
	Balance		Released	Balance
	<u>7/1/19</u>	<u>Contributions</u>	from <u>Restrictions</u>	<u>6/30/20</u>
Programs:				
COVID-19 emergency relief	\$0	\$30,000	(\$3,125)	\$26,875
Headphone and book purchases	0	5,000	(3,589)	1,411
Book room renovations	0	5,000	0	5,000
Various programs	<u>4,689</u>	<u>2,300</u>	<u>(3,338)</u>	<u>3,651</u>
Total	<u>\$4,689</u>	<u>\$42,300</u>	<u>(\$10,052)</u>	<u>\$36,937</u>

Note 9 - Significant Concentrations

The School is dependent upon grants from the NYCDOE to carry out its operations. Approximately 77% and 91% of the School's total public support and revenue was from the NYCDOE for the years ended June 30, 2021 and 2020, respectively.

Note 10 - Donated Space

The School is co-located with PS 255Q, a district 75 program, in a NYCDOE facility, and utilizes approximately 62,000 square feet at no charge. The School was unable to determine a value for this service.

Note 11 - Multi-Employer Benefit Plan

The School participates in two multi-employer benefit plans that provide defined benefits to certain contract labor covered by collective bargaining agreements. The School contributed a total of \$1,679,063 and \$1,702,202 to both plans during the year ended June 30, 2021 and 2020, respectively. The School's participation in these plans for the annual period ended June 30, 2021 is outlined below. The "EIN" column provides the Employer Identification Number ("EIN") of the plan. The Pension Protection Act ("PPA") zone status is not applicable because they are government plans.

Teachers' Retirement System of the City of New York Pension Plan as of June 30, 2021 consisted of the following:

<u>EIN</u>	<u>Plan End Date</u>	<u>PPA Zone Status</u>	<u>Collective Bargaining Agreement Expiration Date</u>	<u>Contribution</u>
90-0584726	6/30/20	N/A	9/13/2022	<u>\$1,560,630</u>

Board of Education Retirement System Pension Plan as of June 30, 2021 consisted of the following:

<u>EIN</u>	<u>Plan End Date</u>	<u>PPA Zone Status</u>	<u>Collective Bargaining Agreement Expiration Date</u>	<u>Contribution</u>
13-6400434	6/30/20	N/A	Various	<u>\$118,433</u>

Note 12 - Liquidity and Availability of Financial Resources

The School strives to maintain cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management, the School operates its programs within a board-approved budget and relies primarily on per pupil funding and grants to fund its operations and program activities.

At June 30, 2021, the School's financial assets available to meet cash needs for general expenditures within one year totaled \$2,614,083, which consist of cash and cash equivalents of \$2,019,638 and government grants receivable of \$594,445.

Note 13 - Subsequent Events

Subsequent events have been evaluated through October 25, 2021, the date the financial statements were issued. The Organization has concluded that no other material events have occurred that are not accounted for in the accompanying financial statements or disclosed in the accompanying notes.

Note 14 - Other Matters

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an impact on the economies and financial markets of many countries, including the geographical area in which the School operates. As of the date of the financial statements, many of the travel restrictions and stay at home orders have been lifted; however, supply chains remain impacted. Management continues to monitor the outbreak; however, as of the date of these financial statements, the potential impact cannot be quantified.

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*

Independent Auditor's Report

To the Board of Trustees of
The Renaissance Charter School

We have audited, in accordance with the 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 The Renaissance Charter School (the "School"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, 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 25, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing 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 the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

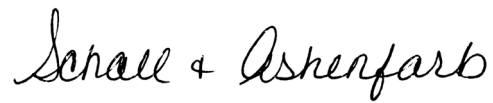
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 the School's financial statements are free of 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 financial statements. 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 results 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.



Schall & Ashenfarb
Certified Public Accountants, LLC

October 25, 2021

**THE RENAISSANCE CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2021**

Current Year:

None

Prior Year:

None – There were no findings in the prior year.