



Audited Financial Statements In Accordance
With Government Auditing Standards

June 30, 2022

THE RENAISSANCE CHARTER SCHOOL

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Independent Auditors' Report

To the Board of Trustees of
The Renaissance Charter School

Report on the Audit of the Financial Statements

Opinion

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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the School as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

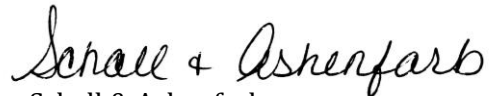
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the School's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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 27, 2022, 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 solely 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 27, 2022

THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2022
(With comparative totals at June 30, 2021)

	<u>6/30/22</u>	<u>6/30/21</u>
Assets		
Cash and cash equivalents	\$2,437,536	\$2,019,638
Government grants receivable - other	1,505,547	594,445
Prepaid expenses and other assets	157,376	43,677
Fixed assets, net (Note 3)	325,204	218,822
Restricted cash (Note 4)	<u>70,456</u>	<u>70,282</u>
Total assets	<u><u>\$4,496,119</u></u>	<u><u>\$2,946,864</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$134,683	\$134,308
Accrued payroll and employee benefits	2,409,895	2,355,112
Government grant advance - per pupil funding (Note 5)	37,155	16,535
Conditional contributions	185,431	0
Due to related organization (Note 6)	12,199	2,877
Other liabilities	<u>6,487</u>	<u>9,082</u>
Total liabilities	<u><u>2,785,850</u></u>	<u><u>2,517,914</u></u>
Net assets:		
Without donor restrictions	1,709,374	426,510
With donor restrictions (Note 7)	<u>895</u>	<u>2,440</u>
Total net assets	<u><u>1,710,269</u></u>	<u><u>428,950</u></u>
Total liabilities and net assets	<u><u>\$4,496,119</u></u>	<u><u>\$2,946,864</u></u>

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

THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(With comparative totals for the year ended June 30, 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 6/30/22</u>	<u>Total 6/30/21*</u>
Public support and revenue:				
Public school district revenue: (Note 5)				
Resident student enrollment	\$10,920,487		\$10,920,487	\$10,501,416
Students with special education services	1,298,928		1,298,928	1,375,140
Total public school district revenue	<u>12,219,415</u>	<u>0</u>	<u>12,219,415</u>	<u>11,876,556</u>
Government grant - Paycheck				
Protection Program (Note 8)			0	1,920,562
Other federal grants	1,398,105		1,398,105	716,801
State and city grants	402,632		402,632	327,990
Food program grants	752,482		752,482	386,573
Contributions	21,843		21,843	30,651
In-kind contribution (Note 2g)	3,100,000		3,100,000	3,100,000
Management fee (Note 6)	203,956		203,956	200,000
Interest income	254		254	336
Net assets released from restriction (Note 7)	1,545	(1,545)	0	0
Total public support and revenue	<u>18,100,232</u>	<u>(1,545)</u>	<u>18,098,687</u>	<u>18,559,469</u>
Expenses:				
Program services:				
Regular education	11,627,314		11,627,314	11,150,466
Special education	2,086,477		2,086,477	1,906,010
Pre-kindergarten	289,803		289,803	275,895
Food program	892,369		892,369	647,813
Total program services	<u>14,895,963</u>	<u>0</u>	<u>14,895,963</u>	<u>13,980,184</u>
Supporting services:				
Management and general	1,701,343		1,701,343	1,429,408
Fundraising	220,062		220,062	223,098
Total supporting services	<u>1,921,405</u>	<u>0</u>	<u>1,921,405</u>	<u>1,652,506</u>
Total expenses	<u>16,817,368</u>	<u>0</u>	<u>16,817,368</u>	<u>15,632,690</u>
Change in net assets	1,282,864	(1,545)	1,281,319	2,926,779
Net assets - beginning of year	426,510	2,440	428,950	(2,497,829)
Net assets - end of year	<u>\$1,709,374</u>	<u>\$895</u>	<u>\$1,710,269</u>	<u>\$428,950</u>

* Restated - See Note 2g

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

THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(With comparative totals for the year ended June 30, 2021)

	Program Services				Supporting Services			Total Expenses 6/30/22	Total Expenses 6/30/21*	
	Regular Education	Special Education	Pre-Kindergarten	Food Program	Total Program Services	Management and General	Fundraising			Total Supporting Services
Salaries	\$5,712,502	\$1,025,087	\$151,799	\$221,082	\$7,110,470	\$776,753	\$115,269	\$892,022	\$8,002,492	\$7,342,369
Employee benefits and payroll taxes	1,589,057	285,150	42,226	61,499	1,977,932	216,071	32,065	248,136	2,226,068	2,105,209
Pension contributions	977,887	175,478	25,986	37,846	1,217,197	132,967	19,732	152,699	1,369,896	1,679,063
Total personnel costs	8,279,446	1,485,715	220,011	320,427	10,305,599	1,125,791	167,066	1,292,857	11,598,456	11,126,641
Professional fees	292,797	52,541		61,000	406,338	190,307		190,307	596,645	408,088
Repairs and maintenance	7,667	1,376	204	15,926	25,173	1,042	155	1,197	26,370	8,117
Curriculum and classroom expenses	428,710	76,929			505,639			0	505,639	371,904
In-kind occupancy and facility costs (Note 2g)	2,212,905	397,098	58,804	85,642	2,754,449	300,898	44,653	345,551	3,100,000	3,100,000
Professional development	49,608	8,902	1,318	1,920	61,748	6,745	1,001	7,746	69,494	22,450
Equipment and furnishings	21,154	3,796	563	7,388	32,901	2,875	427	3,302	36,203	36,715
Office expenses	64,467	11,568	1,713	2,495	80,243	8,766	1,301	10,067	90,310	20,407
Food services				387,100	387,100			0	387,100	250,438
Technology	108,544	19,478	2,884	4,201	135,107	14,759	2,190	16,949	152,056	111,810
Marketing and recruitment					0	12,322		12,322	12,322	8,728
Insurance	62,874	11,283	1,671	2,433	78,261	24,358	1,269	25,627	103,888	87,979
Depreciation	99,142	17,791	2,635	3,837	123,405	13,480	2,000	15,480	138,885	79,413
Total other than personnel costs	3,347,868	600,762	69,792	571,942	4,590,364	575,552	52,996	628,548	5,218,912	4,506,049
Total expenses	\$11,627,314	\$2,086,477	\$289,803	\$892,369	\$14,895,963	\$1,701,343	\$220,062	\$1,921,405	\$16,817,368	\$15,632,690

* Restated - See Note 2g

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

THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(With comparative totals for the year ended June 30, 2021)

	<u>6/30/22</u>	<u>6/30/21</u>
Cash flows from operating activities:		
Change in net assets	\$1,281,319	\$2,926,779
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	138,885	79,413
Changes in assets and liabilities:		
Government grants receivable - other	(911,102)	(192,273)
Prepaid expenses and other assets	(113,699)	(20,042)
Accounts payable	375	101,834
Accrued payroll and employee benefits	54,783	64,048
Government grant receivable/advance - per pupil funding	20,620	20,586
Conditional contributions	185,431	0
Due from/due to related organization	9,322	15,609
Paycheck Protection Program loan	0	(1,903,167)
Other liabilities	(2,595)	(502,595)
Total adjustments	<u>(617,980)</u>	<u>(2,336,587)</u>
Net cash provided by operating activities	<u>663,339</u>	<u>590,192</u>
 Cash flows from investing activities:		
Purchase of furniture and equipment	<u>(245,267)</u>	<u>(181,476)</u>
Net cash used for investing activities	<u>(245,267)</u>	<u>(181,476)</u>
 Net increase in cash, cash equivalents and restricted cash	418,072	408,716
 Cash, cash equivalents and restricted cash - beginning of year	<u>2,089,920</u>	<u>1,681,204</u>
 Cash, cash equivalents and restricted cash - end of year	<u><u>\$2,507,992</u></u>	<u><u>\$2,089,920</u></u>
 Cash, cash equivalents and restricted cash:		
Cash and cash equivalents	\$2,437,536	\$2,019,638
Restricted cash	<u>70,456</u>	<u>70,282</u>
Total cash, cash equivalents and restricted cash	<u><u>\$2,507,992</u></u>	<u><u>\$2,089,920</u></u>

No taxes or interest were paid.

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

**THE RENAISSANCE CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

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 the following programs:

- Regular Education – Instruction provided to students from kindergarten through 12th grade.
- Special Education – Instruction that is specially designed to meet the unique needs of students with disabilities.
- Pre-Kindergarten – Instruction provided to children who are four years of age on or before December 1st of the school year.
- Food Program - Students receive breakfast served in the classroom, a hot lunch served either in the classroom or in the School’s cafeteria, and a cold supper-to-go, free of charge. Meals are prepared in the School’s kitchen by its food service staff.

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") 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.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return or release from obligations and are recognized as income once conditions have been substantially met. The School received a conditional contribution of \$185,431 prior to June 30, 2022 that was contingent on the School's summer learning program. Other conditional pledges that have not been recognized amounted to \$50,000 at June 30, 2022. The pledges are conditional upon achieving certain performance goals and incurring qualifying expenditures.

The School's public-school district revenue and other government grants are primarily conditional, non-exchange transactions, and fall under FASB ASC 958-605. Revenue from these transactions is recognized based on rates established by the School's funding sources and when performance related outcomes are achieved, or qualifying expenditures are incurred, as well as other conditions under the agreements are met.

Contributions and grants expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value using a risk adjusted discounted rate. Pledges are reviewed for collectability. Based on knowledge of specific donors and factoring in historical experience, no allowance for doubtful accounts exists as of June 30, 2022 or June 30, 2021. Write-offs will be made directly to operations in the period the receivable is deemed to be uncollectable. Conditional contributions are recognized as income when the conditions have been substantially met.

The School also follows the requirements of FASB ASC 958-606 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

Checking and money market accounts with local banks and highly liquid debt instruments purchased with a maturity of three months or less are considered to be cash and cash equivalents for purposes of the accompanying statement of cash flows. Cash maintained in escrow per requirements of the NYCDOE are treated as restricted cash.

e. Concentration of Credit Risk

Financial instruments which potentially subject the School to a concentration of credit risk consist of checking and money market accounts which have been placed with financial institutions that management deems to be creditworthy. From time-to-time, 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 due to bank failure.

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. Contributed Space

The School's operations are located in a facility provided by the NYCDOE at no charge. The School utilizes approximately 62,000 square feet and recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. Fair value is estimated using the average price per square foot of rental listings in the School's service area. The total amount recognized for donated facilities is approximately \$3,100,000 for both years ended June 30, 2022 and June 30, 2021.

In-kind contributions on the statement of activities and in-kind occupancy and facility costs on the statement of functional expenses for the year ended June 30, 2021 were restated to reflect this amount.

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
- In-kind occupancy and facility costs
- 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. Advertising Costs
The cost of advertising is expensed as incurred.
- j. Management Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.
- 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 of Income Taxes
The School does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2019 and later are subject to examination by applicable taxing authorities.
- m. 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, 2021, from which the summarized comparative financial information was derived.

Note 3 - Fixed Assets

Fixed assets can be summarized as follows:

	<u>6/30/22</u>	<u>6/30/21</u>
Furniture and equipment	\$886,091	\$640,824
Building improvements	<u>442,249</u>	<u>442,249</u>
	1,328,340	1,083,073
Less: accumulated depreciation	<u>(1,003,136)</u>	<u>(864,251)</u>
Total fixed assets, net	<u>\$325,204</u>	<u>\$218,822</u>

Note 4 - Restricted Cash

An escrow account has been established to meet the requirement of the NYCDOE. 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 5 - Government Grant Advance - Per Pupil Funding

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

	<u>6/30/22</u>	<u>6/30/21</u>
Beginning grant (advance)/receivable	(\$16,535)	\$4,051
Funding based on allowable FTE's	12,219,415	11,876,556
Advances received	<u>(12,240,035)</u>	<u>(11,897,142)</u>
Ending advance	<u>(\$37,155)</u>	<u>(\$16,535)</u>

Note 6 - 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, 2022 consists of the following:

Balance due to TRCS 2 at June 30, 2021	(\$2,877)
FY22 Activity:	
Management fee charged to TRCS 2	203,956
Reimbursable expenses paid by the School	206,729
Grants to TRCS 2 collected by the School	(259,531)
Payments by TRCS 2 to the School	<u>(160,476)</u>
Balance due to TRCS 2 at June 30, 2022	<u>(\$12,199)</u>

Note 7 - Net Assets With Donor Restrictions

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

	<u>June 30, 2022</u>			
	Beginning Balance <u>7/1/21</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Ending Balance <u>6/30/22</u>
Programs:				
Drama program	\$1,649	\$0	(\$754)	\$895
Other school programs	<u>791</u>	<u>0</u>	<u>(791)</u>	<u>0</u>
Total	<u>\$2,440</u>	<u>\$0</u>	<u>(\$1,545)</u>	<u>\$895</u>

	<u>June 30, 2021</u>			
	Beginning Balance <u>7/1/20</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Ending Balance <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
Drama program	1,649	0	0	1,649
Other school programs	<u>2,002</u>	<u>0</u>	<u>(1,211)</u>	<u>791</u>
Total	<u>\$36,937</u>	<u>\$0</u>	<u>(\$34,497)</u>	<u>\$2,440</u>

Note 8 - 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 were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that were not less than pre-determined historical periods, that the loan, or a portion thereof, would be forgiven. The conditions for forgiveness on this loan were met during the year ended June 30, 2021, and the full amount was forgiven and recognized as revenue during fiscal year 2021.

Note 9 - Significant Concentrations

The School is dependent upon grants from the NYCDOE to carry out its operations. Approximately 81% and 77% of the School’s total public support and revenue was from the NYCDOE for the years ended June 30, 2022 and 2021, respectively.

Note 10 - 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 \$1,369,896 and \$1,679,063 to both plans during the year ended June 30, 2022 and 2021, respectively. The School’s participation in these plans for the annual period ended June 30, 2022 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, 2022 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	6/30/21	N/A	9/13/2022	<u>\$1,255,429</u>

Board of Education Retirement System Pension Plan as of June 30, 2022 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	6/30/21	N/A	Various	<u>\$114,467</u>

Note 11 - 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, 2022, the School’s financial assets available to meet cash needs for general expenditures within one year totaled \$3,943,083, which consist of cash and cash equivalents of \$2,437,536 and government grants receivable of \$1,505,547.

Note 12 - Subsequent Events

Subsequent events have been evaluated through October 27, 2022, the date the financial statements were available to be issued. There were no material events that have occurred that require adjustment to or disclosure to the financial statements.

Note 13 - 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 these 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.

**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 AUDITORS' 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, 2022, 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 27, 2022.

Report on 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.

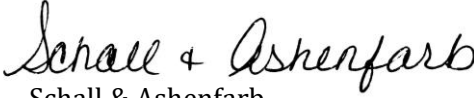
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from 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 27, 2022

**THE RENAISSANCE CHARTER SCHOOL
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2022**

Current Year:

None

Prior Year:

None – There were no findings in the prior year.