

**THE RENAISSANCE CHARTER SCHOOL**

**FINANCIAL STATEMENTS**

**June 30, 2010**

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October 19, 2010

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, 2010 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, 2010, 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 19, 2010 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, 2010**

**ASSETS**

Cash & Cash Equivalents (Note 3)	\$ 1,097,648
Accounts Receivable ( Note 2)	<u>210,242</u>

<b>Total Current Assets</b>	<b>1,307,890</b>
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Equipment, Furniture & Fixtures - Net of Accumulated Depreciation of 571,741 (Note 2)	407,436
Prepaid Expenses	<u>58,225</u>

<b>TOTAL ASSETS</b>	<b><u>\$ 1,773,551</u></b>
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**LIABILITIES AND NET ASSETS**

**Net Assets**

Unrestricted (6-30-09)	1,971,917
Increase/(Decrease) in Net Assets (6-30-10)	(200,023)
Prior Period Adjustment (Note 5)	<u>1,657</u>
	<u>1,773,551</u>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,773,551</u></b>
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See notes to financial statements

**THE RENAISSANCE CHARTER SCHOOL  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2010**

**CHANGES IN UNRESTRICTED NET ASSETS**

**Revenue**

General Operating Programs	\$ 6,688,801
Special Education Services	427,579
IDEA Funds	109,074
Title I Income - ESEA	132,391
Title II - D Income	1,285
Title II-A Income	38,117
Title IV Income	2,711
Various Grants & Honorariums	554,448
Unrestricted Donations	18,482
Miscellaneous Income	<u>813</u>

**Total Revenues & Other Support** **7,973,701**

**Expenses**

Program Services - Unrestricted	5,066,391
Special Education	1,070,916
Management & Administrative - Unrestricted	<u>2,053,139</u>

Total Unrestricted Expenses 8,190,446

Increase in Unrestricted Net Assets (216,745)

Interest Income 16,722

**Increase in Net Assets** **(200,023)**

**Net Assets**

Beginning of Year	1,971,917
Plus: Prior Period Adjustment (Note 5)	<u>1,657</u> <span style="float: right;"><u>1,973,574</u></span>

**Net Assets, End of Year** **\$ 1,773,551**

See notes to financial statements

**THE RENAISSANCE CHARTER SCHOOL  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2010**

**Cash Flows from Operating Activities**

Increase in Net Assets		\$ (200,023)
Adjustments to Reconcile Increase in Total Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	65,368	
(Increase)/Decrease in Accounts Receivable	(58,627)	
(Increase)/Decrease in Prepaid Expenses	(8,329)	
Increase/(Decrease) in Accounts Payable	(253,851)	(255,439)
Net Cash Used by Operating Activities		(455,462)

**Investing Activities**

Purchase of Equipment & Fixed Assets		(3,461)
<b>Prior Period Adjustment (Note 5)</b>		1,657
<b>Net Increase/(Decrease) in Cash</b>		(457,266)
<b>Cash, Beginning of Year</b>		1,554,914
<b>Cash, End of Year</b>		\$ 1,097,648

See notes to financial statements

**THE RENAISSANCE CHARTER SCHOOL  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2010**

**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 538 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 Thru Title VI Income	\$ 139,604
Peralta - Special Legislation Grant	\$ 800
NYC Council Discretionary Grant	\$ 1,600
NYSED - Dissemination Grant	\$ 58,238
TASC - Grant	<u>\$ 10,000</u>
Total	<u><u>\$ 210,242</u></u>

**c) Computer & Computer Equipment**

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

**Partnership for Innovation in Compensation for Charter Schools (TIF GRANT)**

CEI-PEA oversees the Federal Teacher Incentive Grant received by PICCS. Renaissance will receive money from CEI/PEA to cover it's portions of teacher incentives, based on the work the teachers have done in 2009/2010. The plan for payment and the work done has to be approved. The School has not received it's payment for this work as of June 30, 2010 and the amount to be received, is still to be determined.

**RESOLUTION A (A Technology Grant)**

RESO A pays for laptops, desktop computers, printers and smart boards. The School has not received any of this hardware as of June 30, 2010. The School does not receive funds to pay for this hardware. The DOE buys this equipment for the school directly.

**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	\$ 142,955
Student Activity Fund	\$ 25,368
Certificate of Deposit	\$ 703,118
Escrow Account (Note 7)	\$ 75,035
Money- Market	\$ 150,269
REMS- Grant	\$ 903
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Total	<b><u>\$ 1,097,648</u></b>

**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 procession salaries. These computations reflect current market interest rates, and the final reconciled amount was determined in May 2010.

**Note 5: Prior Period Adjustment**

The prior period adjustment, of \$ 1,657.00 relates to the difference between amount actually received from DOE for reimbursement of Health & Welfare benefits as compared to the estimate receivable last 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, 2010, including interest is \$ 75,035.

**THE RENAISSANCE CHARTER SCHOOL  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2010**

	<u>Program Services</u>	<u>Special Education</u>	<u>Management and Administration</u>	<u>Total Expenses</u>
<b>Unrestricted Expenses:</b>				
Salaries	\$ 3,329,022	\$ 701,735	\$ 1,159,873	\$ 5,190,630
Payroll Taxes and Employee Benefits	765,456	164,314	271,590	1,201,360
<b>Total Salaries and     Related Costs</b>	<b>4,094,478</b>	<b>866,049</b>	<b>1,431,463</b>	<b>6,391,990</b>
Grant Expenses	11,968			11,968
Accounting & Legal			125,736	125,736
ADP Expenses			13,077	13,077
Books & Testing Equipment	35,057			35,057
Depreciation (Note 2)			65,368	65,368
Dues & Fees			5,394	5,394
Insurance			93,419	93,419
School Program Expenses	92,709			92,709
Miscellaneous	26,404		3,848	30,252
Office Supplies			67,689	67,689
Pension Contribution (Note 4)	656,818	162,754	245,954	1,065,526
Professional Development	19,005	11,827		30,832
Consultants	104,801	25,567		130,368
Teachers Supplies	25,151	4,719		29,870
Telephone			1,191	1,191
<b>Total Expenses - Unrestricted</b>	<b>971,913</b>	<b>204,867</b>	<b>621,676</b>	<b>1,798,456</b>
<b>Total Expenses</b>	<b>\$ 5,066,391</b>	<b>\$ 1,070,916</b>	<b>\$ 2,053,139</b>	<b>\$ 8,190,446</b>

See notes to financial statements