

THE RENAISSANCE CHARTER SCHOOL

FINANCIAL STATEMENTS

June 30, 2012

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October 24, 2012

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, 2012 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, 2012, 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 24, 2012 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, 2012**

ASSETS

Cash & Cash Equivalents (Note 3)	\$ 2,178,087
Accounts Receivable (Note 2)	<u>574,684</u>

Total Current Assets	2,752,771
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Equipment, Furniture & Fixtures - Net of Accumulated Depreciation of \$ 686,620 (Note 2)	208,449
Prepaid Expenses	<u>38,690</u>

TOTAL ASSETS	<u>\$ 2,999,910</u>
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LIABILITIES AND NET ASSETS

Accounts Payable (Note 5)	17,342
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Net Assets	
Unrestricted (6-30-11)	2,353,455
Increase/(Decrease) in Net Assets (6-30-12)	<u>629,113</u>
	<u>2,982,568</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,999,910</u></u>
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See notes to financial statements

**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012**

CHANGES IN UNRESTRICTED NET ASSETS

Revenue

General Operating Programs	\$ 7,421,129
Special Education Services	686,276
IDEA Funds	82,292
Title I Income - ESEA	117,370
Title II-A Income	36,245
Various Grants & Honorariums	105,337
Unrestricted Donations	2,387
Miscellaneous Income	4,903
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Total Revenues & Other Support **8,455,939**

Expenses

Program Services - Unrestricted	4,902,320
Special Education	989,482
Management & Administrative - Unrestricted	1,954,567
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Total Unrestricted Expenses 7,846,369

Increase in Unrestricted Net Assets 609,570

Interest Income 19,543

Increase in Net Assets **629,113**

Net Assets

Beginning of Year 2,353,455

Net Assets, End of Year **\$ 2,982,568**

See notes to financial statements

**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012**

Cash Flows from Operating Activities

Increase in Net Assets		\$ 629,113
Adjustments to Reconcile Increase in Total Net Assets to Net Cash Provided/Used by Operating Activities:		
Depreciation	53,950	
Increase/(Decrease) in Accounts Receivable	(429,285)	
Increase/(Decrease) in Prepaid Expenses	4,215	
Increase/(Decrease) in Accounts Payable	(108,682)	
Increase/(Decrease) in Equip./Fixed Assets	74,108	(405,694)
Net Cash Provided/Used by Operating Activities		223,419
Cash, Beginning of Year		1,954,668
Cash, End of Year		\$ 2,178,087

See notes to financial statements

**THE RENAISSANCE CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012**

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 547 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 & Title II Income	\$ 15,925
PICCS	\$ 57,627
Queens Council of Arts	\$ 2,310
NYC Council Discretionary	\$ 8,500
*Pension - TRS	\$ 410,354
- BERS	\$ 21,759
Special Education	<u>\$ 58,209</u>
Total	<u><u>\$ 574,684</u></u>

* The pension deduction paid during the year was an estimate based on the original actuarial formula. After review, the actuarial formula was changed resulting in an overpayment, thereby creating these receivables.

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 its portion of teacher incentives, based on the work the teachers have done in 2011/2012. The plan for payment and the work done has to be approved.

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	\$ 834,405
Student Activity Fund	\$ 30,180
Certificate of Deposit	\$ 1,087,197
Escrow Account (Note 7)	\$ 75,067
Money- Market	<u>\$ 151,238</u>
 Total	 <u><u>\$ 2,178,087</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.

The pension deduction paid during the year was an estimate based on the original actuarial formula. After review, the actuarial formula was changed resulting in an overpayment, as noted in Note 2 relating to receivables.

Note 5: Accounts Payable

This represents monies which the School received as overpayments of General & Special Education funding relating to this year, which is already reflected in this year's income.

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, 2012, including interest is \$ 75,067.

**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2012**

	<u>Program Services</u>	<u>Special Education</u>	<u>Management and Administration</u>	<u>Total Expenses</u>
Unrestricted Expenses:				
Salaries	\$ 3,307,341	\$ 695,703	\$ 1,231,590	\$ 5,234,634
Payroll Taxes and Employee Benefits	695,740	166,372	232,657	1,094,769
Total Salaries and Related Costs	4,003,081	862,075	1,464,247	6,329,403
Grant Expenses	15,280			15,280
Accounting & Legal			106,793	106,793
ADP Expenses			12,148	12,148
Books & Testing Equipment	34,247			34,247
Depreciation (Note 2)			53,950	53,950
Dues & Fees			9,200	9,200
Insurance			81,039	81,039
School Program Expenses	193,570			193,570
Miscellaneous	23,279		4,165	27,444
Office Supplies			82,092	82,092
Pension Contribution (Note 4)	508,118	110,682	136,072	754,872
Professional Development	49,300	6,100		55,400
Consultants	71,320	9,997		81,317
Teachers Supplies	4,125	628		4,753
Telephone			4,861	4,861
Total Expenses - Unrestricted	899,239	127,407	490,320	1,516,966
Total Expenses	\$ 4,902,320	\$ 989,482	\$ 1,954,567	\$ 7,846,369

See notes to financial statements