

THE RENAISSANCE CHARTER SCHOOL

FINANCIAL STATEMENTS

June 30, 2009

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October 26, 2009

The Directors 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, 2009 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.

respects, the financial position of The Renaissance Charter School as of June 30, 2009, 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 26 2009 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, 2009**

ASSETS

Cash & Cash Equivalents (Note 3)	\$ 1,554,914
Accounts Receivable (Note 2)	<u>298,869</u>

Total Current Assets	1,853,783
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Equipment, Furniture & Fixtures - Net of Accumulated Depreciation of 506,373 (Note 2)	322,089
Prepaid Expenses	<u>49,896</u>

TOTAL ASSETS	<u>\$ 2,225,768</u>
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LIABILITIES AND NET ASSETS

Liabilities

Accounts Payable	\$ 253,851
	<u>\$ 253,851</u>

Net Assets

Unrestricted (6-30-08)	2,111,097
Increase in Net Assets (6-30-09)	74,820
Prior Period Adjustment (Note 5)	(214,000)
	<u>1,971,917</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,225,768</u>
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**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009**

CHANGES IN UNRESTRICTED NET ASSETS

Revenue

General Operating Programs (Note 2c)	\$ 6,532,578
Special Education Services	331,839
IDEA Funds	61,167
Title I Income - ESEA	143,811
Title II - D Income	1,384
Title II-A Income	38,113
Title IV Income	3,053
Various Grants & Honorariums	590,781
Unrestricted Donations	<u>6,187</u>

Total Revenues & Other Support **7,708,913**

Expenses

Program Services - Unrestricted	4,593,781
Special Education	1,112,381
Management & Administrative - Unrestricted	<u>1,960,305</u>
Total Unrestricted Expenses	<u>7,666,467</u>

Increase in Unrestricted Net Assets 42,446

Interest Income 32,374

Increase in Net Assets **74,820**

Net Assets

Beginning of Year	2,111,097
Plus: Prior Period Adjustment (Note 5)	<u>(214,000)</u> <u>1,897,097</u>

Net Assets, End of Year **\$ 1,971,917**

See notes to financial statements

**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2009**

Cash Flows from Operating Activities

Increase in Net Assets	\$ 74,820
Adjustments to Reconcile Increase in Total Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	73,106
(Increase)/Decrease in Accounts Receivable	83,285
(Increase)/Decrease in Prepaid Expenses	(18,719)
Increase/(Decrease) in Accounts Payable	217,781
Increase/(Decrease) in Grants Payable	(32,000)
	<u>323,453</u>
Net Cash Used by Operating Activities	398,273

Investing Activities

Purchase of Equipment & Fixed Assets	(64,792)
Prior Period Adjustment (Note 5)	<u>(214,000)</u>
Net Increase in Cash	119,481
Cash, Beginning of Year	<u>1,435,433</u>
Cash, End of Year	<u><u>\$ 1,554,914</u></u>

See notes to financial statements

**THE RENAISSANCE CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009**

Note 1: Nature of Activities

In May of 2000, the New York State Board of Education granted The Renaissance charter status, creating The Renaissance Charter School. For enrollment purposes, the school has a full time equivalent total of 526 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 of June 30 consists of the following:

Title I Thru Title VI Income	\$ 18,639
Final Reconciliation Y/E 6-30-09 (Note 2c)	\$ 28,900
DOE - Health & Welfare	\$ 184
Pumpkin Grant	\$ 10,000
NYSED- Federal Mentoring Grant	\$ 8,480
NYSED - Dissemination Grant	\$ 20,000
TASC - Grant	\$ 10,000
Federal Teachers Incentive Funds Grant	\$ 202,666
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Total	<u><u>\$ 298,869</u></u>

c) Supplemental Information

The New York City Department of Education has not issued a final income reconciliation for the fiscal year ending June 30, 2009. The amount of \$ 28,900 is our computation for the amount expected.

The Renaissance Charter School received notification that it would receive a Federal Grant of \$ 261,823 for "Readiness & Emergency Management for Schools (REMS)".

The Renaissance Charter School would be the local educational authority for thirty other schools who will share in this money. As of this date, we have received \$178,258 and have paid out \$ 159,223. Included in this amount is reimbursement for salaries, safety consultants, project assistant and office expenses.

The amount attributed to the Renaissance Charter School will eventually be \$65,400. All funds received will offset expenses so that the amounts will not be included as income versus a reduction in expenses.

d) Computer & Computer Equipment

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

e) 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.

f) 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 investment are cash and certificates of deposit.

Bank Funds - School Funds	\$ 328,563
Student Activity Fund	\$ 14,616
Certificate of Deposit	\$ 1,037,372
Escrow Account (Note 7)	\$ 71,247
Money- Market	\$ 103,081
REMS- Grant	\$ 35
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Total	<u><u>\$ 1,554,914</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 Fund. 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 June, 2009

Note 5: Prior Period Adjustment

The prior period adjustment relates to a \$214,000 Title I receivable from prior years which Renaissance has determined is uncollectable.

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, 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 \$25,000. This account is for any legal and audit expenses that would be associated with a dissolution should it occur.

The amount of as June 30, 2009, including interest is \$ 71,247.

**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2009**

	<u>Program Services</u>	<u>Special Education</u>	<u>Management and Administration</u>	<u>Total Expenses</u>
Unrestricted Expenses:				
Salaries	\$ 3,050,697	\$ 755,942	\$ 1,142,369	\$ 4,949,008
Payroll Taxes and Employee Benefits	722,838	179,114	270,676	1,172,628
Total Salaries and Related Costs	3,773,535	935,056	1,413,045	6,121,636
Grant Expenses	11,340			11,340
Accounting & Legal			105,517	105,517
ADP Expenses			11,361	11,361
Books & Testing Equipment	31,054			31,054
Depreciation (Note 2)			73,106	73,106
Dues & Fees			5,569	5,569
Insurance			95,021	95,021
School Program Expenses	72,553			72,553
Miscellaneous	22,078		5,212	27,290
Office Supplies			56,712	56,712
Pension Contribution (Note 4)	513,586	127,263	192,319	833,168
Professional Development	24,209	15,064		39,273
Consultants	130,964	31,948		162,912
Teachers Supplies	14,462	3,050		17,512
Telephone			2,443	2,443
Total Expenses - Unrestricted	820,246	177,325	547,260	1,544,831
Total Expenses	\$ 4,593,781	\$ 1,112,381	\$ 1,960,305	\$ 7,666,467

See notes to financial statements