

THE RENAISSANCE CHARTER HIGH SCHOOL FOR INNOVATION

FINANCIAL STATEMENTS

June 30, 2012

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October 24, 2012

The Trustees of
Renaissance Charter High School for Innovation
410 East 100th Street
New York, NY 10029

We have audited the accompanying statement of financial position of Renaissance Charter High School for Innovation 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 Renaissance Charter High School for Innovation'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 Renaissance Charter High School for Innovation 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 Renaissance Charter High School for Innovation'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

**RENAISSANCE CHARTER HIGH SCHOOL FOR INNOVATION
STATEMENT OF FINANCIAL POSITION
YEAR ENDED JUNE 30, 2012**

ASSETS		
Cash & Cash Equivalents (Note 3)		\$ 1,462,495
Accounts Receivable (Note 2)		<u>166,053</u>
Total Current Assets		1,628,548
Equipment, Furniture & Fixtures -		
Net of Accumulated Depreciation of 84,188 (Note 2)		330,136
Prepaid Expenses		<u>6,400</u>
TOTAL ASSETS		<u>\$ 1,965,084</u>
 LIABILITIES AND NET ASSETS		
Accounts Payable		142,838
Net Assets		
Unrestricted (6-30-11)	1,364,341	
Increase/(Decrease) in Net Assets (6-30-12)	<u>457,905</u>	<u>1,822,246</u>
TOTAL LIABILITIES AND NET ASSETS		<u><u>\$ 1,965,084</u></u>

See Accompanying Notes and Independent Accountants Report

**RENAISSANCE CHARTER HIGH SCHOOL FOR INNOVATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012**

CHANGES IN UNRESTRICTED NET ASSETS

Revenue

General Operating Programs	\$ 3,246,479
Special Education Services	1,541,064
Coupon Cabin Contest	10,000
Title I Income	55,997
Title II - ESEA	6,568
Charter School Program Grant	145,000
REMS Grant (Note 7)	34,056
Unrestricted Donations	13,100
Miscellaneous Income	<u>4,532</u>

Total Revenues & Other Support **5,056,796**

Expenses

Program Services - Unrestricted	2,635,072
Special Education	864,522
Management & Administrative - Unrestricted	<u>1,100,000</u>

Total Unrestricted Expenses 4,599,594

Increase in Unrestricted Net Assets 457,202

Interest Income 703

Increase in Net Assets **457,905**

Net Assets

Beginning of Year 1,364,341

Net Assets, End of Year **\$ 1,822,246**

See Accompanying Notes and Independent Accountants Report

**RENAISSANCE CHARTER HIGH SCHOOL FOR INNOVATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012**

Cash Flows from Operating Activities

Increase in Net Assets		\$ 457,905
Adjustments to Reconcile Increase in Total Net Assets to Net Cash Provided/Used by Operating Activities:		
Depreciation	63,020	
(Increase)/Decrease in Accounts Receivable	41,053	
(Increase)/Decrease in Prepaid Expenses	8,800	
Increase/(Decrease) in Accounts Payable	57,475	170,348
Net Cash Provided/Used by Operating Activities		628,253

Investing Activities

Purchase of Equipment & Fixed Assets		(194,445)
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Net Increase/(Decrease) in Cash 433,808

Cash, Beginning of Year 1,028,687

Cash, End of Year \$ 1,462,495

See Accompanying Notes and Independent Accountants Report

RENAISSANCE CHARTER HIGH SCHOOL FOR INNOVATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

Note 1: Nature of Activities

In December of 2009, The Renaissance Charter High School for Innovation was granted a charter by the New York State Board of Regents. For enrollment purposes, the school has a full time equivalent total of 234 children attending grades 9 and 10. The mission of the school is to develop leadership through Innovation.

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 and Title II Income	\$ 50,053
CSP Grant	<u>\$ 116,000</u>
Total	<u><u>\$ 166,053</u></u>

c) Computer & Computer Equipment

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

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 private 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	\$ 1,368,672
Payroll	\$ 22,618
Escrow Account (Note 6)	\$ 70,000
CSP Grant	\$ 125
REMS- Grant	\$ 1,080
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Total	<u><u>\$ 1,462,495</u></u>

Note 4: Pension

At the present time, The Renaissance Charter High School for Innovation does not have its own qualified pension plan. The School has a voluntary 401(k) plan with a matching contribution of a maximum of 3%.

Note 5: Other

The Renaissance Charter High School for Innovation, as a New York City Public School, received benefits for its students from the City of New York including: Food Services, Building & Custodial Services, Public Transportation, Committee of of Special Education Evaluations and Services, School Safety, and a Department of Health Nurse.

Note 6: Escrow Account

An escrow account had been established in the amount of \$70,000. This account is for any legal and audit expenses that would be associated with a dissolution should it occur.

Note 7: REMS Grant

Renaissance Charter High School for Innovation received a REMS (Readiness and Emergency Management for Schools) grant award from the US Department of Education. The School acts as a conduit for other high schools who apply for participation in the Grant. The award is used to educate, improve and strengthen schools' emergency management plans.

As soon as an invoice is authorized by the grant administrator, Innovation will secure the Funds and pay the bill within the required three (3) days.

Innovation's fee is \$2,838.26 per month, over the life of the Grant.

**RENAISSANCE CHARTER HIGH SCHOOL FOR INNOVATION
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	1,526,093	605,104	728,756	\$ 2,859,953
Payroll Taxes and Employee Benefits	413,764	161,736	194,785	770,285
Total Salaries and Related Costs	1,939,857	766,840	923,541	3,630,238
Grant Expenses	343,842	46,887		390,729
Accounting & Legal			13,000	13,000
ADP Expenses			33,470	33,470
Advertising & Fund Raising	3,228	736	1,699	5,664
Books & Testing Equipment	41,660	5,681		47,341
Consultants	12,274	1,674		13,948
Depreciation (Note 2)			63,020	63,020
Dues & Fees			8,079	8,079
Insurance			48,500	48,500
Miscellaneous	1,004	211	546	1,762
Professional Development	57,729	7,872		65,601
School Operating Expenses	60,100	8,196		68,296
School Program Expenses	175,377	26,424		201,801
Repair & Maintenance			8,145	8,145
Total Expenses - Unrestricted	695,215	97,682	176,459	969,356
Total Expenses	\$ 2,635,072	\$ 864,522	\$ 1,100,000	\$ 4,599,594

See Accompanying Notes and Independent Accountants Report