

RENAISSANCE CHARTER HIGH SCHOOL FOR INNOVATION

FINANCIAL STATEMENTS

June 30, 2011

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October 14, 2011

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, 2011 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, 2011, 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 12, 2011 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, 2011**

ASSETS

Cash & Cash Equivalents (Note 3)	\$ 1,028,687
Accounts Receivable (Note 2)	<u>207,106</u>

Total Current Assets	1,235,793
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Equipment, Furniture & Fixtures - Net of Accumulated Depreciation of 21,168 (Note 2)	198,711
Prepaid Expenses	<u>15,200</u>

TOTAL ASSETS	<u>\$ 1,449,704</u>
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LIABILITIES AND NET ASSETS

Accounts Payable	85,363
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Net Assets	
Unrestricted (6-30-10)	309,075
Increase/(Decrease) in Net Assets (6-30-11)	<u>1,055,266</u>
	<u>1,364,341</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,449,704</u>
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See notes to financial statements

**RENAISSANCE CHARTER HIGH SCHOOL FOR INNOVATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011**

CHANGES IN UNRESTRICTED NET ASSETS

Revenue

General Operating Programs	\$ 1,853,199
Special Education Services	995,802
IDEA Funds	98,952
Title I Income	43,599
Title II - ESEA	7,082
DYCD	98,500
Charter School Program Grant	360,967
REMS	182,925
State Stimulus Fund	40,766
Unrestricted Donations	6,331
Miscellaneous Income	449

Total Revenues & Other Support **3,688,572**

Expenses

Program Services - Unrestricted	1,696,194
Special Education	299,087
Management & Administrative - Unrestricted	638,525

Total Unrestricted Expenses 2,633,805

Increase in Unrestricted Net Assets 1,054,767

Interest Income 499

Increase in Net Assets **1,055,266**

Net Assets

Beginning of Year 309,075

Net Assets, End of Year **\$ 1,364,341**

See notes to financial statements

**RENAISSANCE CHARTER HIGH SCHOOL FOR INNOVATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011**

Cash Flows from Operating Activities

Increase in Net Assets		\$ 1,055,266
Adjustments to Reconcile Increase in Total Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	21,168	
(Increase)/Decrease in Accounts Receivable	(207,106)	
(Increase)/Decrease in Prepaid Expenses	(15,200)	
Increase/(Decrease) in Accounts Payable	85,363	(115,775)
Net Cash Used by Operating Activities		939,491

Investing Activities

Purchase of Equipment & Fixed Assets		219,879
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Net Increase/(Decrease) in Cash 719,612

Cash, Beginning of Year 309,075

Cash, End of Year \$ 1,028,687

See notes to financial statements

**RENAISSANCE CHARTER HIGH SCHOOL FOR INNOVATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2011**

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 137 children attending grade 9. 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	\$ 40,546
State Stimulus Fund	\$ 40,766
REMS Grant	\$ 27,294
DYCD Grant	<u>\$ 98,500</u>
Total	<u><u>\$ 207,106</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 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	\$ 946,508
Payroll	\$ 11,567
Escrow Account (Note 6)	\$ 70,000
CSP Grant	\$ 125
REMS- Grant	\$ 487
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Total	<u><u>\$ 1,028,687</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 401K plan with a three percent matching.

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.

RENAISSANCE CHARTER HIGH SCHOOL FOR INNOVATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2011

	<u>Program Services</u>	<u>Special Education</u>	<u>Management and Administration</u>	<u>Total Expenses</u>
Unrestricted Expenses:				
Salaries	888,994	179,306	469,486	\$ 1,537,785
Payroll Taxes and Employee Benefits	182,517	36,813	96,389	315,718
Total Salaries and Related Costs	1,071,510	216,118	565,874	1,853,503
Grant Expenses	400,808	52,903		453,710
Accounting & Legal			12,000	12,000
ADP Expenses			4,369	4,369
Advertising & Fund Raising	3,651	736	1,928	6,315
Books & Testing Equipment	9,178	1,211		10,389
Consultants	2,694	356		3,050
Depreciation (Note 2)			21,168	21,168
Dues & Fees			983	983
Insurance			29,484	29,484
Miscellaneous	3,755	757	1,983	6,496
Professional Development	12,164	1,606		13,770
School Operating Expenses	18,604	2,456		21,059
School Program Expenses	173,829	22,944		196,773
Telephone			735	735
Total Expenses - Unrestricted	624,684	82,968	72,650	780,302
Total Expenses	\$ 1,696,194	\$ 299,087	\$ 638,525	\$ 2,633,805

See notes to financial statements