



Audited Financial Statements In Accordance
With Government Auditing Standards

June 30, 2018

THE RENAISSANCE CHARTER SCHOOL

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
The Renaissance Charter School

Report on the Financial Statements

We have audited the accompanying financial statements of The Renaissance Charter School (the "School"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

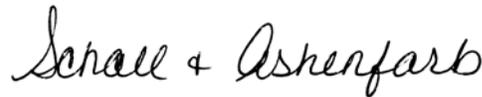
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Renaissance Charter School as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the School's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 26, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2018 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



Schall & Ashenfarb
Certified Public Accountants, LLC

October 24, 2018

**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2018**
(With comparative totals at June 30, 2017)

	<u>6/30/18</u>	<u>6/30/17</u>
Assets		
Current assets:		
Cash and cash equivalents	\$223,410	\$1,291,717
Government grants receivable	1,073,823	544,802
Grants receivable - New York City (Note 4)	26,527	0
Other receivables (Note 9)	59,165	26,339
Prepaid expenses and other assets	<u>0</u>	<u>6,000</u>
Total current assets	1,382,925	1,868,858
Noncurrent assets:		
Restricted cash (Note 3)	70,196	75,009
Fixed assets, net (Note 5)	<u>190,330</u>	<u>201,957</u>
Total assets	<u><u>\$1,643,451</u></u>	<u><u>\$2,145,824</u></u>
Liabilities and Net Assets		
Liabilities:		
Current liabilities:		
Accounts payable	\$260,226	\$183,539
Accrued payroll and benefits	2,154,383	2,040,642
Grant advance - New York City (Note 4)	<u>0</u>	<u>14,695</u>
Total current liabilities	2,414,609	2,238,876
Noncurrent liabilities:		
Other liabilities - long term portion	<u>1,600,000</u>	<u>1,300,000</u>
Total liabilities	4,014,609	3,538,876
Net assets:		
Unrestricted	<u>(2,371,158)</u>	<u>(1,393,052)</u>
Total liabilities and net assets	<u><u>\$1,643,451</u></u>	<u><u>\$2,145,824</u></u>

*The attached notes and auditor's report
are an integral part of these financial statements.*

THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018
(With comparative totals for the year ended June 30, 2017)

	6/30/18	6/30/17 *
Unrestricted:		
Public support and revenue:		
Public school district:		
Revenue - resident student enrollment	\$7,965,764	\$7,688,648
Revenue - students with special education services	1,254,073	1,265,762
Total public school district revenue	9,219,837	8,954,410
Federal grants	561,155	618,051
State and city grants	1,255,013	856,811
Food program grants	292,612	350,827
Contributions and other operating income	116,087	81,371
Total public support and revenue	11,444,704	10,861,470
 Expenses:		
Program services:		
Regular education	8,800,808	7,996,884
Special education	1,687,280	1,529,917
Pre-kindergarten	228,373	213,106
Food program	499,177	592,643
Total program services	11,215,638	10,332,550
Supporting services:		
Management and general	1,092,406	993,561
Fundraising	114,766	163,784
Total supporting services	1,207,172	1,157,345
Total expenses	12,422,810	11,489,895
Change in net assets	(978,106)	(628,425)
Net assets - beginning	(1,393,052)	(764,627)
Net assets - ending	(\$2,371,158)	(\$1,393,052)

* Reclassified for comparative purposes

*The attached notes and auditor's report
are an integral part of these financial statements.*

**THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018**

(With comparative totals for the year ended June 30, 2017)

	Program Services				Supporting Services			Total Expenses 6/30/18	Total Expenses 6/30/17	
	Regular Education	Special Education	Pre- Kindergarten	Food Program	Total Program Services	Management and General	Fundraising			Total Supporting Services
Salaries	\$5,536,127	\$1,047,401	\$142,275	\$160,284	\$6,886,087	\$573,127	\$78,380	\$651,507	\$7,537,594	\$6,579,212
Employee benefits and payroll taxes	1,326,311	254,361	36,338	36,337	1,653,347	145,349	18,169	163,518	1,816,865	1,692,624
Pension contributions	1,112,930	213,439	30,491	30,491	1,387,351	121,965	15,246	137,211	1,524,562	1,383,476
Total personnel costs	<u>7,975,368</u>	<u>1,515,201</u>	<u>209,104</u>	<u>227,112</u>	<u>9,926,785</u>	<u>840,441</u>	<u>111,795</u>	<u>952,236</u>	<u>10,879,021</u>	<u>9,655,312</u>
Professional fees	187,027	35,384		39,814	262,225	199,378		199,378	461,603	410,910
Repairs and maintenance	8,705	1,670	238	9,244	19,857	954	119	1,073	20,930	45,629
Curriculum and classroom expenses	421,624	95,119	13,330		530,073			0	530,073	742,679
Professional development	23,543	4,515	645	645	29,348	2,580	323	2,903	32,251	64,484
Equipment and furnishings	26,929	5,164	738	7,425	40,256	2,951	369	3,320	43,576	48,255
Office expenses	29,539	5,665	809	809	36,822	5,987	405	6,392	43,214	55,227
Food services				210,619	210,619			0	210,619	240,339
Technology	30,874	5,921	846	846	38,487	3,383	423	3,806	42,293	45,298
Marketing and recruitment					0	5,537		5,537	5,537	1,731
Insurance	44,356	8,507	1,215	1,215	55,293	18,992	608	19,600	74,893	71,872
Bad debt expense					0	6,412		6,412	6,412	46,096
Depreciation	52,843	10,134	1,448	1,448	65,873	5,791	724	6,515	72,388	62,063
Total other than personnel costs	<u>825,440</u>	<u>172,079</u>	<u>19,269</u>	<u>272,065</u>	<u>1,288,853</u>	<u>251,965</u>	<u>2,971</u>	<u>254,936</u>	<u>1,543,789</u>	<u>1,834,583</u>
Total expenses	<u><u>\$8,800,808</u></u>	<u><u>\$1,687,280</u></u>	<u><u>\$228,373</u></u>	<u><u>\$499,177</u></u>	<u><u>\$11,215,638</u></u>	<u><u>\$1,092,406</u></u>	<u><u>\$114,766</u></u>	<u><u>\$1,207,172</u></u>	<u><u>\$12,422,810</u></u>	<u><u>\$11,489,895</u></u>

*The attached notes and auditor's report
are an integral part of these financial statements.*

THE RENAISSANCE CHARTER SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
(With comparative totals for the year ended June 30, 2017)

	<u>6/30/18</u>	<u>6/30/17</u>
Cash flows from operating activities:		
Change in net assets	(\$978,106)	(\$628,425)
Adjustments to reconcile changes in net assets to net cash used for operating activities:		
Depreciation	72,388	62,063
Changes in assets and liabilities:		
Government grants receivable	(529,021)	93,569
Grants receivable - New York City	(26,527)	0
Other receivables	(32,826)	(8,689)
Prepaid expenses and other assets	6,000	73,421
Restricted cash	4,813	0
Accounts payable	76,687	97,661
Accrued payroll and benefits	113,741	232,780
Grant advance - New York City	(14,695)	(20,422)
Other liabilities	300,000	0
Total adjustments	<u>(29,440)</u>	<u>530,383</u>
Net cash used for operating activities	<u>(1,007,546)</u>	<u>(98,042)</u>
 Cash flows from investing activities:		
Purchase of furniture and equipment	<u>(60,761)</u>	<u>(27,735)</u>
Net cash used for investing activities	<u>(60,761)</u>	<u>(27,735)</u>
 Net decrease in cash and cash equivalents	(1,068,307)	(125,777)
 Cash and cash equivalents - beginning	<u>1,291,717</u>	<u>1,417,494</u>
 Cash and cash equivalents - ending	<u>\$223,410</u>	<u>\$1,291,717</u>
 Supplemental disclosure:		
Interest and taxes paid	<u>\$0</u>	<u>\$0</u>

*The attached notes and auditor's report
are an integral part of these financial statements.*

**THE RENAISSANCE CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 1 - Organization and Nature of Activities

The Renaissance Charter School (the "School") is a PK-12 public charter school located in Jackson Heights, Queens, New York. Our mission is to foster educated, responsible young leaders who through their own personal growth will spark a renaissance in New York. The School is a publicly funded, privately managed school, which is independent of the New York City Department of Education ("NYCDOE"), and subject to certain administrative requirements. The School was originally granted its charter in May 2000 and its most recent charter renewal expires on June 30, 2019. During the year ended June 30, 2015, the School entered its first full day pre-kindergarten class.

The School has been notified by the Internal Revenue Service that it is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. They have not been designated as a private foundation.

In June 2017, Renaissance Charter School II, a charter school developed to replicate the learning experience of the School, was approved by the New York State Education Department ("NYSED") to operate in New York State. The anticipated opening is scheduled for the Fall of 2019. An application for the exempt status is pending with the Internal Revenue Service. Renaissance Charter School II is related to the School by virtue of common board members.

Note 2 - Significant Accounting Policies

a. Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

The School's net assets are classified based upon the existence or absence of donor-imposed restrictions as follows:

- *Unrestricted* – represent those resources for which there are no restrictions by donors as to their use.
- *Temporarily restricted* – represent those resources, the uses of which have been restricted by donors to specific purposes or the passage of time. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor. Temporarily restricted contributions, the requirements of which are met in the year of donation, are reported as unrestricted.
- *Permanently restricted* – represents activity restricted by donors that must remain intact in perpetuity. The School did not have any permanently restricted net assets at June 30, 2018 or 2017.

b. Cash and Cash Equivalents

The School considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

c. Concentration of Credit Risk

Financial instruments which potentially subject the School to concentration of credit risk consist of cash, money market accounts, and a certificate of deposit, which have been placed with a financial institution that management deems to be creditworthy. From time-to-time, cash balances may be in excess of insurance levels. At year end, there was a significant uninsured balance; however, the School has not experienced any losses from the default of any financial institution.

d. Capitalization Policy

Property and equipment that exceed pre-determined amounts and have a useful life of greater than one year are capitalized at cost or at fair value at the date of gift. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, as follows:

Furniture and equipment – *5 to 10 year life*

Building improvements – *10 year life*

e. Revenue – Public School District and Government Grants

The School receives grants from the United States Department of Education, NYSED and NYCDOE to carry out its operations. Program revenues are recognized based on rates established by the School's funding sources and the amount realizable on the accrual basis in the period during which services are provided.

All government grants are recognized as revenue in the period earned, which is typically when the expense allowed under the grant is incurred. The difference between cash received and revenue earned is reflected as grants receivable or refundable advances.

f. Contributions

Contributions are recorded as revenue upon the earlier of the receipt of cash or when a pledge is considered unconditional in nature. Contributions are available for general use in support of the School's mission, unless specifically restricted by the donor, in which case they are recorded in one of the restricted classes of net assets, depending on the nature of the restriction.

Contributions expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value using a risk adjusted discount rate. Conditional contributions are recognized as income when the conditions have been substantially met. All receivables at year end are due to be collected within one year.

g. Donated Services

Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided in-kind.

Board members and other individuals volunteer their time and perform a variety of tasks that assist the School. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

h. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

i. Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

j. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the School's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

k. Contingencies

Government contracts are subject to audit by the grantor. Management does not believe that any audits, if they were to occur, would result in material disallowed costs, and has not established any reserves. Any disallowed costs would be recorded in the period notified.

l. Accounting for Uncertainty in Income Taxes

The School does not believe its financial statements include any material, uncertain tax positions. Tax returns for periods ending June 30, 2015 and later are subject to examination by applicable taxing authorities.

m. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through October 24, 2018, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date, through our evaluation date, that would require adjustment to or disclosure in the financial statements.

n. New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which becomes effective for the June 30, 2019 year, with early implementation permitted, focuses on improving the current net asset classification requirements and information presented in the financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows.

On June 21, 2018, FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU which becomes

effective for the June 30, 2020 year, with early implementation permitted, provides guidance on whether a receipt from a third-party resource provider should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions.

FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. The ASU, which becomes effective for the June 30, 2020 year, focuses on a principle-based model. It highlights the identification of performance obligations of the contract, determining the price and allocating that price to the performance obligation so that revenue is recognized as each performance obligation is satisfied.

In addition, FASB issued ASU No. 2016-02, *Leases*. The ASU, which becomes effective for the June 30, 2021 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right to use asset” on the statement of financial position.

The School has not yet evaluated the impact these standards will have on future financial statements.

Note 3 - Restricted Cash

An escrow account has been established to meet the requirement of the Board of Regents of the State of New York. The purpose of this account is to ensure sufficient funds are available for an orderly dissolution or transition process in the event of termination of the charter or school closure.

Note 4 - Grants Receivable/(Advance)

Grants receivable/(advance) on the contract with the NYDOE can be summarized as follows:

	<u>6/30/18</u>	<u>6/30/17</u>
Beginning grant advance	(\$14,695)	(\$35,117)
Funding based on allowable FTE’s	9,219,837	8,954,410
Advances received	<u>(9,178,615)</u>	<u>(8,933,988)</u>
Ending receivable/(advance)	<u>\$26,527</u>	<u>(\$14,695)</u>

Note 5 - Fixed Assets

Fixed assets can be summarized as follows:

	<u>6/30/18</u>	<u>6/30/17</u>
Furniture and equipment	\$519,216	\$549,025
Building improvements	<u>442,249</u>	<u>387,817</u>
	961,465	936,842
Less: accumulated depreciation	<u>(771,135)</u>	<u>(734,885)</u>
Total fixed assets - net	<u>\$190,330</u>	<u>\$201,957</u>

Note 6 - Temporarily Restricted Net Assets

Temporarily restricted net assets were released from restriction by spending towards specific programs during the year ended June 30, 2017.

Note 7 - Significant Concentrations

The School is dependent upon grants from NYCDOE to carry out its operations. Approximately 81% and 82% of the School's total public support and revenue was from NYCDOE for the years ended June 30, 2018 and 2017, respectively.

Note 8- Donated Space

The School is co-located with PS 255Q, a district 75 program, in a NYCDOE facility, and utilizes approximately 62,000 square feet at no charge. The School was unable to determine a value for this service.

Note 9- Related Party Transactions

At June 30, 2018, The Renaissance Charter School II ("TRCS II") owes the School \$49,161 related to expenses paid on TRCS II's behalf.

Note 10 - Multi-Employer Benefit Plan

The School participates in two multi-employer plans that provide defined benefits to certain contract labor covered by collective bargaining agreements. The School contributed a total of \$1,524,562 and \$1,383,476 to both plans during the year ended June 30, 2018 and 2017, respectively. The School's participation in these plans for the annual period ended June 30, 2018 is outlined below. The "EIN" column provides the Employer Identification Number ("EIN") of the plan. The Pension Protection Act ("PPA") zone status is not applicable because they are government plans.

Teachers' Retirement System of the City of New York Pension Plan as of June 30, 2018 consisted of the following:

<u>EIN</u>	<u>Plan End Date</u>	<u>PPA Zone Status</u>	<u>Collective Bargaining Agreement Expiration Date</u>	<u>Contribution</u>
90-0584726	6/30/17	N/A	10/31/18	<u>\$1,439,596</u>

Board of Education Retirement System Pension Plan as of June 30, 2018 consisted of the following:

<u>EIN</u>	<u>Plan End Date</u>	<u>PPA Zone Status</u>	<u>Collective Bargaining Agreement Expiration Date</u>	<u>Contribution</u>
13-6400434	6/30/17	N/A	Various	<u>\$84,966</u>

Note 11 - Net Asset Deficit

The Board and School Management Team have taken several steps to address and overcome the net asset deficit as of June 30, 2018. The following steps were taken to ensure that the school is viable going forward:

- 1) The School is working with the New York City (NYC) and State to get financial relief. The School has a Memo of Understanding with NYC that will provide an additional \$1,000,000 of funding to cover retroactive payments for personnel costs that are required of a unique “conversion school”.
- 2) The most recent State Budget includes additional funding for conversion charter schools and the School expects to receive \$204,000 of funding passed through the Department of Education for the FY18-19 School Year.
- 3) The School has been successful in getting a per pupil increase for our Pre-Kindergarten program which will bring in approximately \$24,300 funding annually.
- 4) UFT and New York City negotiated a new contract that will take effect February 14, 2019. This contract doesn’t require the School to make additional retroactive payments for personnel costs, which will allow the School to project its operating expenses more effectively.
- 5) The School has requested a student enrollment increase and has made programmatic cuts. Based on these projected changes, the School has created a new five year balanced budget which includes a provision to replenish the emergency fund.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees of
The Renaissance Charter School

Report on the Financial Statements

We have audited, in accordance with the 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, the financial statements of The Renaissance Charter School (the "School"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated October 24, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Schall & Ashenfarb
Certified Public Accountants, LLC

October 24, 2018

**THE RENAISSANCE CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018**

Current Year:

None.

Prior Year:

None.

Observations and Recommendations

To Management of
The Renaissance Charter School (“the School”)

As a result of our audit for the years ending June 30, 2018, we want to provide follow-up to comments raised in the prior year:

Formalizing Review of Bank Reconciliations

Last year we noted that the bank reconciliations were not signed off by the school’s Principal to indicate her review and approval. We recommended that the Principal or outside financial consultant initial the document to indicate that the review was performed.

Follow-up to June 30, 2018: Bank reconciliations were reviewed and signed off on by the Principal in fiscal year 2018 therefore this matter has been resolved.

Operating Reserve Policy

In the past, we informed the School that the New York State Education Department (“NYSDOE”) indicated that Schools should have a viable operating reserve with a board approved policy about the purpose and use of operating reserves. The purpose of the policy is to define and set goals for reserve funds, clearly describe authorization for use of reserves and outline requirements for reporting and monitoring. We recommended that the School adopte such a policy for operating reserves to comply with NYSDOE recommendations.

Follow-up to June 30, 2018: We continue our recommendation.

This communication is intended solely for the information and use of management, the board of trustees, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.



Schall & Ashenfarb
Certified Public Accountants, LLC

October 24, 2018