

**Renaissance Charter School at Crown Point**  
A Department of Renaissance Charter School, Inc.  
(A Component Unit of the School Board of  
Orange County, Florida)

**Basic Financial Statements**  
**For the Year Ended June 30, 2024**

## Renaissance Charter School at Crown Point

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# MANAGEMENT'S DISCUSSION AND ANALYSIS



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Renaissance Charter School at Crown Point  
Ocoee, Florida

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Renaissance Charter School at Crown Point (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School Board of Orange County, Florida, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the Grants Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Emphasis of Matter

As discussed in Note 1, the financial statements of the School are intended to present the financial position and changes in financial position of only that portion of the governmental activities and each major fund of Renaissance Charter School, Inc. that are attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of Renaissance Charter School, Inc. as of June 30, 2024, and the changes in its financial position in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, LLP and Citrin Cooperman Advisors LLC are independent member firms of the Moore North America, Inc. (MNA) Association, which is itself a regional member of Moore Global Network Limited (MGNI). All the firms associated with MNA are independently owned and managed entities. Their membership in, or association with, MNA should not be construed as constituting or implying any partnership between them.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

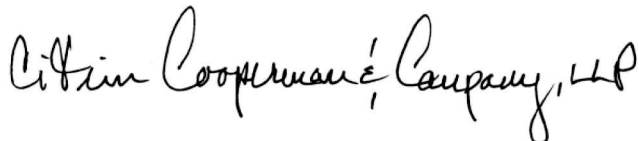
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### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2024, 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 solely 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 the effectiveness of the School's 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.



Fort Lauderdale, Florida  
October 16, 2024

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**Renaissance Charter School at Crown Point  
Management’s Discussion and Analysis  
June 30, 2024**

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As management of Renaissance Charter School at Crown Point (the “School”), a Department of Renaissance Charter School, Inc. and a component unit of the School Board of Orange County, Florida (the “School Board”), we offer readers of the School’s basic financial statements this narrative overview and analysis of the financial activities of the School for the years ended June 30, 2024 and 2023.

Management’s discussion and analysis is included at the beginning of the School’s basic financial statements to provide, in layman’s terms, the current position of the School’s financial condition. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements.

**Financial Highlights**

Our basic financial statements provide these insights into the results of this year’s operations.

- As of June 30, 2024, the School’s fund balance was \$ 4,040,519 as compared to \$ 2,529,137 as of June 30, 2023.
- As of June 30, 2024, the School had a net position of \$ 1,516,454 as compared to \$ 172,690 as of June 30, 2023.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School’s basic financial statements. The School’s basic financial statements are comprised of three components: 1) government-wide basic financial statements, 2) fund basic financial statements, and 3) notes to the basic financial statements.

**Government-Wide Financial Statements:** The government-wide financial statements are designed to provide readers with a broad overview of the School’s finances, in a manner similar to a private sector business.

The statement of net position presents information on all of the School’s assets, liabilities, and deferred inflows/outflows of resources, with the difference between the components reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School’s net position (deficit) changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected revenues and services rendered but unpaid).

The government-wide financial statements include all governmental activities that are principally supported by grants and entitlements from the state for full-time equivalent funding. The School does not have any business-type activities. The governmental activities of the School primarily include instruction and instructional support services.

The government-wide basic financial statements can be found on pages 9 and 10 of this report.

## Overview of the Financial Statements (continued)

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide basic financial statements, governmental fund basic financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School maintains several individual governmental funds, except for the Club and Activities Fund. Information is presented in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The General Fund, Grants Fund, Capital Project Fund and Club and Activities Fund are considered to be the School's major funds.

The School adopts an annual budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund and Grants Fund to demonstrate compliance with the budget.

The governmental fund financial statements can be found on pages 11 through 16 of this report.

**Notes to Basic Financial Statements:** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 17 through 27 of this report.

## Government-Wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of financial position. In the case of the School, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$ 1,516,454 at the close of the most recent fiscal year.



**Renaissance Charter School at Crown Point  
Management's Discussion and Analysis  
June 30, 2024**

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**Government-Wide Financial Analysis (continued)**

Our analysis in the table below focuses on the net position of the School's governmental activities:

Renaissance Charter School at Crown Point Net Position			
	June 30, 2024	June 30, 2023	Variance
<b>Assets:</b>			
Current and other assets	\$ 4,782,777	\$ 3,598,191	\$ 1,184,586
Capital assets, net	<u>18,115,204</u>	<u>18,595,108</u>	<u>(479,904)</u>
<b>Total assets</b>	<u>22,897,981</u>	<u>22,193,299</u>	<u>704,682</u>
<b>Liabilities:</b>			
Current liabilities	1,287,191	1,568,605	(281,414)
Noncurrent liabilities	<u>20,094,336</u>	<u>20,452,004</u>	<u>(357,668)</u>
<b>Total liabilities</b>	<u>21,381,527</u>	<u>22,020,609</u>	<u>(639,082)</u>
<b>Net Position:</b>			
Net investment in capital assets	(1,088,972)	(950,899)	(138,073)
Restricted	367,566	361,416	6,150
Unrestricted	<u>2,237,860</u>	<u>762,173</u>	<u>1,475,687</u>
<b>Total net position</b>	<u>\$ 1,516,454</u>	<u>\$ 172,690</u>	<u>\$ 1,343,764</u>

Current and other assets increased mainly due to a rise in the School's cash position and monies due from other governments. Capital assets, net of depreciation decreased mainly due to the current year depreciation expense of \$ 944,474 offset by purchase of new assets of \$ 464,570. Current liabilities decreased mainly due to a decrease in trade payables. Long-term liabilities decreased due to the payments on the School's bond payable.

**Governmental Activities:** The School's overall net position increased \$1,343,764 from the prior fiscal year. The reasons for this overall increase are discussed in the following section for governmental activities.

Renaissance Charter School at Crown Point Change in Net Position			
	June 30, 2024	June 30, 2023	Variance
<b>Revenues:</b>			
<b>Program revenues:</b>			
Charges for services	\$ 354,279	\$ 324,105	\$ 30,174
Operating grants and contributions	3,095,635	1,935,123	1,160,512
Capital grants and contributions	876,024	623,538	252,486
<b>General revenues:</b>			
FTE and other nonspecific revenues	10,684,943	9,693,499	991,444
Interest income	<u>141,155</u>	<u>96,024</u>	<u>45,131</u>
<b>Total revenues</b>	<u>15,152,036</u>	<u>12,672,289</u>	<u>2,479,747</u>

**Renaissance Charter School at Crown Point  
Management's Discussion and Analysis  
June 30, 2024**

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**Governmental Activities (continued)**

Renaissance Charter School at Crown Point Change in Net Position continued			
	June 30, 2024	June 30, 2023	Variance
Functions/Programs:			
Instruction	\$ 6,211,929	\$ 5,410,906	\$ 801,023
Student support services	419,826	461,061	(41,235)
Instruction and curriculum development services	22,030	-	22,030
Instructional staff training services	80,618	85,766	(5,148)
Instruction related technology	379,881	183,514	196,367
Board	53,223	29,340	23,883
School administration	748,892	1,075,004	(326,112)
Fiscal services	2,178,029	1,943,932	234,097
Food services	449,672	408,407	41,265
Central services	115,686	119,649	(3,963)
Operation of plant	1,512,538	1,528,811	(16,273)
Maintenance of plant	200,053	190,098	9,955
Extracurricular activities	193,682	132,233	61,449
Community services	165,028	117,884	47,144
Interest on long-term debt	1,077,185	1,091,059	(13,874)
	<u>13,808,272</u>	<u>12,777,664</u>	<u>1,030,608</u>
Total expenses			
Change in net position	1,343,764	(105,375)	1,449,139
Net position-beginning	<u>172,690</u>	<u>278,065</u>	<u>(105,375)</u>
Net position-ending	\$ <u>1,516,454</u>	\$ <u>172,690</u>	\$ <u>1,343,764</u>

Program revenues increased from a rise in ESSER III and capital outlay funding. General revenues increased due to a rise in funding for students. Total expenses primarily increased due to increases in instruction, fiscal services and instruction related technology expenses.

**Financial Analysis of Governmental Funds**

The General Fund is the chief operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$ 2,557,188, while total fund balance increased to \$ 4,040,519. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 24.4% of total General Fund expenditures, while total fund balance represents 38.5% of that same amount.

The fund balance of the School's General Fund increased by \$1,505,232 during the current fiscal year. The increase was due to an increase in funding for students and monies transferred from other funds.

The Grants Fund does have an increase or decrease in fund balance during the fiscal year as this fund reports federal and certain state expense reimbursement grants.

### **Financial Analysis of Governmental Funds (continued)**

The Capital Project Fund does have an increase or decrease in fund balance during the fiscal year as this fund reports state and local capital outlay funding that is used to cover a portion of interest expense.

The Club and Activities Fund had an increase in fund balance during the current fiscal year due to increased extracurricular revenues.

### **Capital Assets and Debt Administration**

**Capital assets:** At June 30, 2024, the School had capital assets of \$ 18,115,204, net of accumulated depreciation and amortization, invested in lease assets, building, improvements other than building, furniture, fixtures and equipment and equipment. Major capital assets additions for the year included \$ 464,570 for improvements and equipment. Additional information on the School's capital assets can be found in Note 6 of this report.

**Debt:** At June 30, 2024, the School had outstanding debt of \$ 20,448,214 as compared to \$ 20,793,343 at June 30, 2023. The decrease is a result of scheduled debt payments in accordance with the Bond Indenture. Additional information on the School's debt can be found in Notes 8, 9 and 10 of this report.

### **General Fund Budgetary Highlights**

State source revenues had an increase to the budget due to an additional 73 students being funded. Expenditures were unfavorable to the budget primarily due to instruction, student support services and instruction related technology expenses.

### **Economic Factors and Next Year's Budget**

In fiscal year 2024, the State of Florida continued to include a teacher salary increase allocation ("TSIA") of \$ 1.1 billion. The capital outlay funding pool ended up at \$ 213 million. In addition to the TSIA, teachers also received a compensation increase to align overall salaries with district levels.

For fiscal year 2025, the funding for teacher salaries and other instructional personnel will be \$ 1.25 billion. Additionally, the State of Florida approved an increase to the base funding allocation and capital outlay. A 3% merit increase for all staff was included in the budget. All other expenditures are budgeted in alignment with enrollment changes and the School's strategic objectives.

### **Requests for Information**

If you have questions about this report or need additional information, please contact Michael Valdes, Controller - School Accounting; Charter Schools USA, 800 Corporate Drive, Suite 700, Fort Lauderdale, Florida 33334.

**BASIC  
FINANCIAL STATEMENTS**

**Renaissance Charter School at Crown Point**  
**Statement of Net Position**  
**June 30, 2024**

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	<b>Governmental Activities</b>
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 2,092,162
Due from other governments	1,034,365
Due from related parties	28,724
Other receivables	30,239
Accrued interest receivable	2,874
Prepaid items	17,246
Deposits	26,332
Restricted investments	306,797
	<hr/>
Total current assets	3,538,739
<b>Noncurrent Assets:</b>	
Restricted investments	1,244,038
Capital assets (depreciable and amortizable), net of accumulated depreciation and amortization	18,115,204
	<hr/>
Total noncurrent assets	19,359,242
	<hr/>
Total assets	22,897,981
<b>Current Liabilities:</b>	
Accounts payable and accrued liabilities	48,869
Salaries and wages payable	460,453
Due to related parties	5,891
Due to management company	227,045
Accrued interest payable	126,567
Compensated absences	48,366
Bonds payable	370,000
	<hr/>
Total current liabilities	1,287,191
<b>Noncurrent Liabilities:</b>	
Compensated absences	16,122
Bonds payable, net	16,267,215
Lease payable	3,810,999
	<hr/>
Total noncurrent liabilities	20,094,336
	<hr/>
Total liabilities	21,381,527
<b>Net Position:</b>	
Net investment in capital assets	(1,088,972)
Restricted for extracurricular activities	142,566
Restricted for repair and replacement reserves	225,000
Unrestricted	2,237,860
	<hr/>
Total net position	\$ 1,516,454
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The accompanying notes to basic financial statements are an integral part of these statements.

**Renaissance Charter School at Crown Point  
Statement of Activities  
For the Year Ended June 30, 2024**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Governmental</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Activities</u>
					<u>Net Revenue (Expense) and Change in Net Position</u>
<b>Functions/Programs:</b>					
Instruction	\$ 6,211,929	\$ -	\$ 2,249,787	\$ -	\$ (3,962,142)
Student support services	419,826	-	16,439	-	(403,387)
Instruction and curriculum development services	22,030	-	-	-	(22,030)
Instructional staff training services	80,618	-	-	-	(80,618)
Instruction related technology	379,881	-	-	-	(379,881)
Board	53,223	-	-	-	(53,223)
School administration	748,892	-	62,147	-	(686,745)
Fiscal services	2,178,029	-	-	-	(2,178,029)
Food services	449,672	57,457	449,672	-	57,457
Central services	115,686	-	-	-	(115,686)
Operation of plant	1,512,538	-	113,917	-	(1,398,621)
Maintenance of plant	200,053	-	5,959	-	(194,094)
Extracurricular activities	193,682	-	197,714	-	4,032
Community services	165,028	296,822	-	-	131,794
Interest on long-term debt	1,077,185	-	-	876,024	(201,161)
Total governmental activities	\$ <u>13,808,272</u>	\$ <u>354,279</u>	\$ <u>3,095,635</u>	\$ <u>876,024</u>	<u>(9,482,334)</u>
General revenues:					
FTE and other nonspecific revenues					10,684,943
Interest income					<u>141,155</u>
Total general revenues					<u>10,826,098</u>
Change in net position					1,343,764
Net position, July 1, 2023					<u>172,690</u>
Net position, June 30, 2024					\$ <u>1,516,454</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Renaissance Charter School at Crown Point**  
**Balance Sheet - Governmental Funds**  
**June 30, 2024**

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Capital Project Fund</u>	<u>Club and Activities Fund</u>	<u>Total</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 1,919,346	\$ -	\$ -	\$ 172,816	\$ 2,092,162
Due from related parties	28,724	-	-	-	28,724
Due from other governments	3,666	978,885	51,814	-	1,034,365
Due from other funds	1,060,949	-	-	-	1,060,949
Restricted investments	1,550,835	-	-	-	1,550,835
Other receivables	30,239	-	-	-	30,239
Accrued interest receivable	2,874	-	-	-	2,874
Prepaid items	17,246	-	-	-	17,246
Deposits	26,332	-	-	-	26,332
	<u>4,640,211</u>	<u>978,885</u>	<u>51,814</u>	<u>172,816</u>	<u>5,843,726</u>
Total assets	\$ <u>4,640,211</u>	\$ <u>978,885</u>	\$ <u>51,814</u>	\$ <u>172,816</u>	\$ <u>5,843,726</u>
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 48,869	\$ -	\$ -	\$ -	\$ 48,869
Salaries and wages payable	460,453	-	-	-	460,453
Due to related parties	5,891	-	-	-	5,891
Due to management company	227,045	-	-	-	227,045
Due to other funds	-	978,885	51,814	30,250	1,060,949
	<u>742,258</u>	<u>978,885</u>	<u>51,814</u>	<u>30,250</u>	<u>1,803,207</u>
Total liabilities	\$ <u>742,258</u>	\$ <u>978,885</u>	\$ <u>51,814</u>	\$ <u>30,250</u>	\$ <u>1,803,207</u>
<b>Fund Balances:</b>					
Nonspendable:					
Prepaid items	17,246	-	-	-	17,246
Deposits	26,332	-	-	-	26,332
Restricted for debt service	1,325,835	-	-	-	1,325,835
Restricted for repair and replacement reserves	225,000	-	-	-	225,000
Restricted for extracurricular activities	-	-	-	142,566	142,566
Unassigned	2,303,540	-	-	-	2,303,540
	<u>3,897,953</u>	<u>-</u>	<u>-</u>	<u>142,566</u>	<u>4,040,519</u>
Total fund balances	\$ <u>3,897,953</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>142,566</u>	\$ <u>4,040,519</u>
Total liabilities and fund balances	\$ <u>4,640,211</u>	\$ <u>978,885</u>	\$ <u>51,814</u>	\$ <u>172,816</u>	\$ <u>5,843,726</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Renaissance Charter School at Crown Point  
Reconciliation of the Balance Sheet of the Governmental Funds  
to the Statement of Net Position  
June 30, 2024**

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**Total Fund Balances - Governmental Funds** \$ 4,040,519

Amounts reported for governmental activities in the statement of net position are different because:

The cost of capital assets acquired is reported as an expenditure in the governmental fund statements. The statement of net position includes those capital assets, net of accumulated depreciation and amortization, among the assets of the School as a whole.

Cost of capital assets	\$	24,198,675	
Accumulated depreciation and amortization		<u>(6,083,471)</u>	18,115,204

Liabilities not payable with current available resources are not reported as fund liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide statements.

Bonds payable, net		(16,637,215)	
Compensated absences		(64,488)	
Accrued interest payable		(126,567)	
Lease payable		<u>(3,810,999)</u>	<u>(20,639,269)</u>

**Net Position of Governmental Activities** \$ 1,516,454

The accompanying notes to basic financial statements are an integral part of these statements.



**Renaissance Charter School at Crown Point  
Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds  
For the Year Ended June 30, 2024**

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Capital Project Fund</u>	<u>Club and Activities Fund</u>	<u>Total</u>
<b>Revenues:</b>					
Federal sources	\$ -	\$ 2,627,382	\$ -	\$ -	\$ 2,627,382
State sources	10,918,646	4,127	726,504	-	11,649,277
Local sources	90,166	-	149,520	197,714	437,400
Aftercare	296,822	-	-	-	296,822
Interest income	139,037	-	-	2,118	141,155
Total revenues	<u>11,444,671</u>	<u>2,631,509</u>	<u>876,024</u>	<u>199,832</u>	<u>15,152,036</u>
<b>Expenditures:</b>					
Current:					
Instruction	4,667,990	1,119,899	-	-	5,787,889
Student support services	403,387	16,439	-	-	419,826
Instruction and curriculum development services	22,030	-	-	-	22,030
Instructional staff training services	80,618	-	-	-	80,618
Instruction related technology	379,881	-	-	-	379,881
Board	53,223	-	-	-	53,223
School administration	686,745	62,147	-	-	748,892
Fiscal services	2,178,029	-	-	-	2,178,029
Food services	-	449,672	-	-	449,672
Central services	115,686	-	-	-	115,686
Operation of plant	918,291	63,969	-	-	982,260
Maintenance of plant	194,094	5,959	-	-	200,053
Community services	165,028	-	-	-	165,028
Extracurricular activities	-	-	-	193,682	193,682
Capital outlay	125,298	339,272	-	-	464,570
Debt service:					
Principal	355,000	-	-	-	355,000
Interest	168,291	-	876,024	-	1,044,315
Total expenditures	<u>10,513,591</u>	<u>2,057,357</u>	<u>876,024</u>	<u>193,682</u>	<u>13,640,654</u>
Excess of revenues over expenditures	<u>931,080</u>	<u>574,152</u>	<u>-</u>	<u>6,150</u>	<u>1,511,382</u>
<b>Other Financing Sources (Uses):</b>					
Transfer in	574,152	-	-	-	574,152
Transfer out	-	(574,152)	-	-	(574,152)
Total other financing sources (uses)	<u>574,152</u>	<u>(574,152)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,505,232	-	-	6,150	1,511,382
<b>Fund Balances, July 1, 2023</b>	<u>2,392,721</u>	<u>-</u>	<u>-</u>	<u>136,416</u>	<u>2,529,137</u>
<b>Fund Balances, June 30, 2024</b>	<u>\$ 3,897,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,566</u>	<u>\$ 4,040,519</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Renaissance Charter School at Crown Point  
Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances of the  
Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2024**

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**Change in Fund Balances - Governmental Fund** \$ 1,511,382

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as a provision for depreciation and amortization:

Cost of capital assets	\$ 464,570	
Provision for depreciation and amortization	<u>(944,474)</u>	(479,904)

Principal payments on long-term debt are reported as expenditures in governmental funds, but as a reduction of long-term liabilities in the statement of net position.		355,000
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Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Change in compensated absences	\$ (9,844)	
Change in accrued interest payable	(22,999)	
Provision for amortization of bond discount	<u>(9,871)</u>	<u>(42,714)</u>

**Change in Net Position of Governmental Activities** \$ 1,343,764

The accompanying notes to basic financial statements are an integral part of these statements.

**Renaissance Charter School at Crown Point  
Statement of Revenues and Expenditures -  
Budget and Actual - General Fund  
For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
State sources	\$ 10,255,257	\$ 10,255,257	\$ 10,918,646	\$ 663,389
Local sources	35,323	35,323	90,166	54,843
Aftercare	319,684	319,684	296,822	(22,862)
Interest income	80,699	80,699	139,037	58,338
	<u>10,690,963</u>	<u>10,690,963</u>	<u>11,444,671</u>	<u>753,708</u>
<b>Expenditures:</b>				
Current:				
Instruction	3,896,118	3,896,118	4,667,990	(771,872)
Student support services	243,213	243,213	403,387	(160,174)
Instruction and curriculum development services	-	-	22,030	(22,030)
Instructional staff training services	34,365	34,365	80,618	(46,253)
Instruction related technology	317,274	317,274	379,881	(62,607)
Board	21,212	21,212	53,223	(32,011)
School administration	1,147,642	1,147,642	686,745	460,897
Fiscal services	2,054,644	2,184,644	2,178,029	6,615
Central services	177,309	177,309	115,686	61,623
Operation of plant	1,106,745	1,106,745	918,291	188,454
Maintenance of plant	200,859	200,859	194,094	6,765
Community services	124,193	124,193	165,028	(40,835)
Capital outlay	163,687	163,687	125,298	38,389
Debt service:				
Principal	355,000	355,000	355,000	-
Interest	87,314	87,314	168,291	(80,977)
	<u>9,929,575</u>	<u>10,059,575</u>	<u>10,513,591</u>	<u>(454,016)</u>
Excess of revenues over expenditures	761,388	631,388	931,080	299,692
<b>Other Financing Sources</b>				
Transfer in	-	-	574,152	574,152
Net change in fund balance	<u>\$ 761,388</u>	<u>\$ 631,388</u>	<u>\$ 1,505,232</u>	<u>\$ 873,844</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Renaissance Charter School at Crown Point  
Statement of Revenues and Expenditures -  
Budget and Actual - Grants Fund  
For the Year Ended June 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Federal sources:				
National School Lunch Program	\$ 367,333	\$ 367,333	\$ 445,545	\$ 78,212
ESSER III	1,792,741	1,792,741	2,174,628	381,887
ESSER II	-	-	7,209	7,209
State sources:				
National School Lunch Program	-	-	4,127	4,127
 Total revenues	 <u>2,160,074</u>	 <u>2,160,074</u>	 <u>2,631,509</u>	 <u>471,435</u>
<b>Expenditures:</b>				
Current:				
Instruction	1,272,307	1,272,307	1,119,899	152,408
Student support services	92,925	92,925	16,439	76,486
Instructional staff training services	15,000	15,000	-	15,000
Instruction related technology	1,224	1,224	-	1,224
School administration	250,097	250,097	62,147	187,950
Food services	331,989	331,989	449,672	(117,683)
Operation of plant	35,532	35,532	63,969	(28,437)
Maintenance services	-	-	5,959	(5,959)
Capital outlay	161,000	161,000	339,272	(178,272)
 Total expenditures	 <u>2,160,074</u>	 <u>2,160,074</u>	 <u>2,057,357</u>	 <u>102,717</u>
 Excess of revenues over expenditures	 -	 -	 574,152	 574,152
<b>Other Financing Uses:</b>				
Transfer out	-	-	(574,152)	(574,152)
 Net change in fund balance	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

The accompanying notes to basic financial statements are an integral part of these statements.

### **Note 1 - Organization and Operations**

Renaissance Charter School at Crown Point (the "School"), a Department of Renaissance Charter School, Inc. ("RCS") and a component unit of the School Board of Orange County, Florida, was established in 2014 as a public charter school to serve students from kindergarten to eighth grade in Orange County. RCS is a Florida nonprofit corporation organized in August 1998. There were 1,227 students enrolled for the 2023/2024 school year.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present fairly the financial position of RCS as of June 30, 2024, and the changes in its financial position in accordance with accounting principles generally accepted in the United States of America. Accordingly, these basic financial statements only include balances, activity and disclosures related to the School.

### **Note 2 - Summary of Significant Accounting Policies**

**Reporting entity:** The School operates under a charter granted by the sponsoring School Board of Orange County. The current charter is effective until June 30, 2037 and may be renewed in increments of five years by mutual written agreement between the School and the School Board. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter in which case the School Board is required to notify the School in writing at least ninety days prior to the charter's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The School is considered a component unit of the School Board of Orange County.

The School may also be financially accountable if an organization is fiscally dependent on the School regardless of whether the organization has a separately elected governing board, a governing board appointed by another government, or a jointly approved board. In addition, component units can be other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the basic financial statements to be misleading or incomplete.

As a result of evaluating the above criteria, management has determined that no component units exist for which the School is financially accountable which would require inclusion in the School's basic financial statements.

**Basis of presentation:** The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Government-wide financial statements:** Government-wide financial statements, including the statement of net position and the statement of activities, present information about the School as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

**Note 2 - Summary of Significant Accounting Policies (continued)**

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

**Fund financial statements:** Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The School's major governmental funds are as follows:

**General Fund** - This fund is used to account for all operating activities of the School except for those required to be accounted for in another fund.

**Grants Fund** - This special revenue fund is used to account for federal grants and certain state grants that are legally restricted to expenditures for particular purposes.

**Capital Project Fund** - This fund is used to account for state and local capital outlay funding that is legally restricted to expenditures for particular purposes.

**Club and Activities Fund** - This special revenue fund is used to administer funds raised and earned by the various clubs and activities that are part of the School.

During the course of operations, the School has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in the governmental fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

**Basis of accounting:** Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within one hundred twenty days of the end of the current period. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Cash and cash equivalents:** The School considers all demand accounts and short-term investments with a maturity of three months or less when purchased to be cash and cash equivalents. The School maintains its cash accounts with one financial institution. The School's accounts at this institution, at times, may exceed the federal insured limit, however, the School is covered by Chapter 280 of the Florida Statutes (Note 3).

**Prepaid items:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**Revenue recognition:** Student funding is provided by the State of Florida through the School Board. Such funding is recorded as entitlement revenue in the government-wide financial statements and state source revenue in the fund financial statements. This funding is received on a prorated basis over a twelve-month period and is adjusted for changes in full-time equivalent ("FTE") student population.

**Income taxes:** The School is a division of a nonprofit corporation. Revenue of the School is derived primarily from other governmental entities. The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these financial statements.

**Capital assets:** Property and equipment purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the School as assets with an initial cost equal to or greater than \$ 750 and useful life of over one year. Donated property and equipment are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related fixed assets. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Building	45 years
Improvements other than building	10 years
Furniture, fixtures and equipment	5 years
Computer equipment	3 years

The School has recorded a right-to-use lease asset as required by U.S. GAAP. The right-to-use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use asset is amortized on a straight-line basis over the life of the related lease.

**Deferred outflows/inflows of resources:** In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

## Note 2 - Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

**Unearned revenue:** Unearned revenue arises when the School receives resources before it has a legal claim to them.

**Compensated absences:** The School's policy permits employees to accumulate earned but unused paid time off, which is eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Payments for compensated absences are generally paid out of the General Fund.

**Net position:** Net position is classified in three categories. The general meaning of each is as follows:

- Net investment in capital assets - represents the difference between the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of borrowings used for the acquisition, construction or improvement of those assets.
- Restricted - consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - indicates that portion of net position that is available to fund future operations.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then, unrestricted resources as they are needed.

**Fund balance:** The governmental fund financial statements present fund balances based on the provisions of U.S. GAAP, which provide clearly defined fund balance classifications and also sets a hierarchy which details how the School may spend funds based on certain constraints. The following are the fund balance classifications used in the governmental fund financial statements:

- Nonspendable - this classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School classifies inventories, prepaid items, long-term notes receivable and deposits as nonspendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year.



**Note 2 - Summary of Significant Accounting Policies (continued)**

- Restricted - this classification includes amounts that are restricted for specific purposes by external parties such as grantors and creditors or are imposed by law through constitutional provisions or enabling legislation.
- Committed - this classification includes amounts that can be used for specific purposes voted on through formal action of the Board of Directors (the highest level of decision making authority). The committed amount cannot be used for any other purpose unless the Board of Directors removes or changes the commitment through formal action.
- Assigned - this classification includes amounts that the Board of Directors intends to use for a specific purpose, but they are neither restricted nor committed. The School classifies existing fund balance to be used in the subsequent year's budget for elimination of a deficit as assigned.
- Unassigned - this classification includes amounts that have not been restricted, committed or assigned for a specific purpose within the General Fund.

The details of the fund balances are included in the Governmental Funds Balance Sheet on page 11.

When the School incurs expenditures for which restricted fund balance is available, the School would consider restricted funds to be spent first. When the School has expenditures for which committed, assigned or unassigned fund balance is available, the School would consider committed funds to be spent first, then assigned funds and lastly unassigned funds.

**Use of estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Budget:** An operating budget is adopted and maintained by the governing board for all governmental funds, except the Club and Activities Fund, pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in the preparation of the basic financial statements. The General Fund expenditures exceeded the budget by \$ 454,016 which was covered by revenues in excess of the budget.

**Date of management review:** Subsequent events were evaluated by management through October 16, 2024, which is the date the financial statements were available to be issued.

**Note 3 - Cash and Cash Equivalents**

At June 30, 2024, the carrying amount of the deposits and cash on hand totaled \$ 2,092,162, with bank balances of \$ 2,132,729.

**Note 3 - Cash and Cash Equivalents (continued)**

State statutes require, and it is the School’s policy, that all deposits be made into, and be held by, financial institutions designated by the Treasurer of the State of Florida as “qualified public depositories” as defined by Chapter 280 of the Florida Statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity’s funds. The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and the reporting requirements of the qualified public depositor to the Treasurer is defined by statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The School’s deposits of \$ 1,882,729 in excess of the federal insured level of \$ 250,000 are held in a qualified public depository and are covered by the collateral pool because the School has identified itself as a public entity.

**Note 4 - Interfund Receivables and Payables and Interfund Transfers**

The composition of interfund balances as of June 30, 2024, is as follows:

Due To/From Other Funds		
Receivable Fund	Payable Fund	Amount
General Fund	Grants Fund	\$ 978,885
General Fund	Capital Project Fund	51,814
General Fund	Club and Activities Fund	30,250
		<u>\$ 1,060,949</u>

The outstanding balances between funds results mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The composition of interfund transfers for the year ended June 30, 2024, is as follows:

	Transfers In General Fund
Transfers Out:	
Grants Fund	\$ <u>574,152</u>

During the year, transfers were used to move grant revenue received in the current year for prior year expenditures to the General Fund.

**Note 5 - Due From/To Related Parties**

The School is a Department of RCS. The due from/to balances represent amounts that are due from/to RCS and other schools that share common board membership, are departments of RCS and are expected to be repaid within one year.

**Renaissance Charter School at Crown Point**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

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**Note 6 - Capital Assets**

Capital asset balances and activity for the year ended June 30, 2024, are as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Capital assets being depreciated/ amortized:				
Building	\$ 16,879,011	\$ -	\$ -	\$ 16,879,011
Improvements other than building	223,421	62,528	-	285,949
Furniture, fixtures and equipment	1,035,140	56,770	189,323	902,587
Computer equipment	1,785,534	345,272	(189,323)	2,320,129
Lease assets:				
Land	<u>3,810,999</u>	<u>-</u>	<u>-</u>	<u>3,810,999</u>
Total capital assets being depreciated/amortized	<u>23,734,105</u>	<u>464,570</u>	<u>-</u>	<u>24,198,675</u>
Accumulated depreciation/ amortization:				
Building	2,722,201	413,337	-	3,135,538
Improvements other than building	60,059	26,739	-	86,798
Furniture, fixtures and equipment	835,095	44,043	68,861	810,277
Computer equipment	1,251,039	370,153	(68,861)	1,690,053
Lease assets:				
Land	<u>270,603</u>	<u>90,202</u>	<u>-</u>	<u>360,805</u>
Total accumulated depreciation/ amortization	<u>5,138,997</u>	<u>944,474</u>	<u>-</u>	<u>6,083,471</u>
Net capital assets being depreciated/amortized	<u>\$ 18,595,108</u>	<u>\$ (479,904)</u>	<u>\$ -</u>	<u>\$ 18,115,204</u>

Provision for depreciation and amortization was charged to governmental activities as follows:

Instruction	\$ 414,196
Operation of plant	<u>530,278</u>
	<u>\$ 944,474</u>

**Note 7 - Restricted Investments**

In October 2018 Renaissance Charter School, Inc. borrowed funds for construction of facilities for two of their schools, including Renaissance Charter School at Crown Point (Note 8). The restricted investments of the School are held by the Trustee and are governed by the Bond Indenture. The Bond Indenture authorizes the Trustee to invest in obligations of the United States or any state, obligations issued by a government-sponsored agency, U.S. denominated deposit accounts, certificates of deposit and banker's acceptances, commercial paper, bonds, notes or debentures guaranteed by a corporation, investment agreements with banks, repurchase agreement secured by government obligations, investments in a money market fund and shares in any investment company, money market mutual fund, fixed income mutual fund or exchange traded fund. In accordance with the Bond Indenture, the Trustee has \$ 1,550,835 invested in a money market fund that is stated at amortized cost which approximates fair value.

**Renaissance Charter School at Crown Point**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

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**Note 7 - Restricted Investments (continued)**

Generally, *credit risk* is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. The exposure to credit risk is limited because the money market fund is rated AAA-mf by Moody's.

*Interest rate risk* is the risk that changes in interest rate will adversely affect the fair value of an investment. The exposure to declines in fair values is limited because the weighted average maturity of the money market fund is 34 days.

**Note 8 - Bonds Payable**

Previously, the Capital Trust Agency (the "Agency") issued \$ 40,990,000 in Tax Exempt Educational Facilities Revenue Bonds, Series 2017A and \$ 670,000 in Taxable Educational Facilities Revenue Bonds, Series 2017B pursuant to an Indenture of Trust between the Agency and a Trustee to make a loan to RCS, a division of which the School exists to finance the acquisition of the facilities and equipment of two charter schools existing under RCS. The Series 2017A Bonds bear interest at 4.375% through June 2027, then at 5.125% through June 2037 and finally at 5.250% through June 2047. The Series 2017B Bonds bear interest at 5.750% through June 2020. Principal and interest will be paid semi-annually on June 15 and December 15. In order to secure the payment of the principal and interest on the Bonds, the Agency assigned all of its rights and interest in the loan agreement to the Trustee. The Bonds are payable from and secured by a lien upon and pledge of payments to be received by the Trustee.

Upon the occurrence of an event of default as described in the Bond Indenture, the rate of interest on the Bonds shall be adjusted to bear interest at a rate equal to the rate on the Bonds plus three percent (3%) per annum until such event of default has been cured. In addition, the owners of not less than 25% of the bonds outstanding may declare the principal and interest to be immediately due and payable.

The School's share of the annual debt service requirements to maturity for the Series 2017 Bond is as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 370,000	\$ 860,518	\$ 1,230,518
2026	390,000	844,227	1,234,227
2027	405,000	827,099	1,232,099
2028	425,000	808,398	1,233,398
2029	445,000	786,431	1,231,431
2030-2034	2,615,000	3,559,985	6,174,985
2035-2039	3,380,000	2,807,158	6,187,158
2040-2044	4,380,000	1,815,227	6,195,227
2045-2047	4,454,250	474,391	4,928,641
	\$ 16,864,250	\$ 12,783,434	\$ 29,647,684

**Renaissance Charter School at Crown Point**  
**Notes to Basic Financial Statements**  
**June 30, 2024**

**Note 9 – Lease Payable**

Concurrent with the Series 2017 Bond issuance (Note 8), subsidiaries of Red Apple Development, LLC (“RAD”) entered into two land lease agreements with RCS. The land, which is owned by RAD, is leased by RCS on behalf of the schools under a 45-year lease. The lease agreement qualifies as other than short-term leases under U.S. GAAP and, therefore, has been recorded at the present value of the future minimum lease payments as of its implementation date of June 30, 2021. The discount rate used to recognize the lease asset and the lease liability was 4.916%. For the year ended June 30, 2024, the School incurred interest expense of \$ 168,096 for this lease payable. In addition to rent, RCS shall pay to RAD the total cost of ad valorem taxes, assessments and levies imposed upon the premises which totaled \$9,730 for the year ended June 30, 2024.

The following is a schedule of the School’s future rent payments as of June 30, 2024:

Year Ending June 30,	Principal	Interest	Total
2025	\$ -	\$ 192,175	\$ 192,175
2026	-	193,139	193,139
2027	-	193,977	193,977
2028	-	194,680	194,680
2029	-	195,237	195,237
2030-2034	-	978,643	978,643
2035-2039	-	963,639	963,639
2040-2044	251,455	914,584	1,166,039
2045-2049	506,969	818,905	1,325,874
2050-2054	803,667	660,204	1,463,871
2055-2059	1,199,059	417,173	1,616,232
2060-2063	1,049,849	89,180	1,139,029
	<u>\$ 3,810,999</u>	<u>\$ 5,811,536</u>	<u>\$ 9,622,535</u>

**Note 10 - Long-Term Liabilities**

Changes in the School’s long-term liabilities for the year ended June 30, 2024, are as follows:

	Balance at July 1, 2023	Additions	Retirements	Amortization	Balance at June 30, 2024	Amount Due Within One Year
Series 2017 Educational Facilities Revenue Bonds, net of unamortized discounts of \$ 227,035	\$ 16,982,344	\$ -	\$ 355,000	\$ 9,871	\$ 16,637,215	\$ 370,000
Lease - land	3,810,999	-	-	-	3,810,999	-
Compensated absences	54,644	163,675	153,831	-	64,488	48,366
	<u>\$ 20,847,987</u>	<u>\$ 163,675</u>	<u>\$ 508,831</u>	<u>\$ 9,871</u>	<u>\$ 20,512,702</u>	<u>\$ 418,366</u>

### Note 11 - Employee Benefit Plan

During the year ended June 30, 2024, the School offered all of its full-time employees who had attained 21 years of age a retirement plan (the "Plan") under Internal Revenue Code Section 401(k). The employee is allowed to contribute up to a maximum of 100% of his/her annual gross compensation, subject to certain limitations. The Plan provides for a discretionary employer matching contribution of the participant's annual elective deferral to the Plan. As determined annually by the School's management, the School may also make a discretionary profit-sharing contribution, which is allocated among the participants based on a pro rata formula. Participants are immediately vested in their own contributions and earnings on those contributions. Participants become vested in School contributions and earnings on School contributions according to the following schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
1	25%
2	50%
3	75%
4	100%

Nonvested contributions are forfeited upon termination of employment and such forfeitures are used to reduce any employer contribution. For the Plan year ended December 31, 2023, the School had forfeitures of \$ 972. For the year ended June 30, 2024, the School contributed a matching amount of \$ 18,574.

### Note 12 - Commitments

**Management agreement:** The School has a formal agreement with Charter Schools USA at Ocoee, LLC ("CSUSA") to manage, staff and operate the School. The agreement states that CSUSA shall be entitled to cost reimbursements and management fees (the "fee") for its services, subject to availability of funds. The fee is subordinated to all bond payment requirements (Note 8). Total cost reimbursement and management fees amounted to \$ 2,170,692 for the year ended June 30, 2024. The fee ranges from \$ 1,647,256 for fiscal year 2025 to \$ 2,546,625 for fiscal year 2047 as defined in the agreement or the budgeted amount approved by the Board of Directors based on enrollment and School performance. The agreement will be automatically renewed with Charter renewals unless terminated by either party.

The basic financial statements reflect a due to CSUSA which totaled \$ 227,045 at June 30, 2024.

**Post-employment benefits:** The School does not provide post-employment benefits to retired employees.

### Note 13 - Capital Appropriations Funding

The Florida Department of Education has approved a Charter School Capital Outlay ("CSCO") Award for the School. In each year that funds are appropriated by the state for charter school capital outlay purposes, those funds are allocated among eligible charter schools. The funds for the School's allocation are transferred to the School once a CSCO Plan has been provided to and approved by the sponsoring School Board. The School's CSCO Award totaled \$ 726,504 for the 2023/2024 school year which has been recognized as revenue in the accompanying financial statements. If the CSCO funds are used to acquire tangible property assets, the School Board has a reversionary interest in those assets. In the event of nonrenewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the School Board. The School has elected to use these funds to pay a portion of the interest expense on the lease.

**Note 13 - Capital Appropriations Funding (continued)**

Local Capital Improvement Revenue (“LCIR”) funds are also appropriated by the School Board for charter school capital outlay purposes, with funds being allocated among eligible charter schools in a similar manner to the CSCO Award. The School’s LCIR Award totaled \$ 149,520 for the 2023/2024 school year which has been recognized as revenue in the accompanying financial statements.

**Note 14 - Risk Management**

The School is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets and natural disasters. The School has obtained property insurance from commercial companies including, but not limited to, general liability and errors and omissions insurance. There have been no claims in excess of insurance coverage limits during the past three years.

As disclosed in Note 12, CSUSA employs all of the employees of the School. As a result, the School is not exposed to medical or workers’ compensation claims for these individuals. In addition, CSUSA carries all required insurance including, but not limited to, general liability and errors and omissions insurance.

OTHER INDEPENDENT  
AUDITOR'S REPORTS





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**INDEPENDENT AUDITOR'S 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 Directors  
Renaissance Charter School at Crown Point  
Ocoee, Florida

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 governmental activities and each major fund of Renaissance Charter School at Crown Point (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School Board of Orange County, Florida, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated October 16, 2024.

**Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 a 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 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 or significant deficiencies may exist that have not been identified.

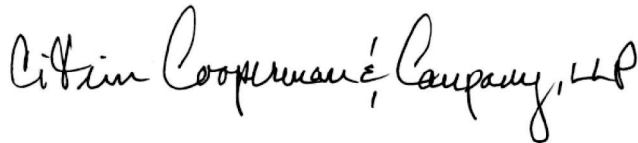
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## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from 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 financial statements. 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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Fort Lauderdale, Florida  
October 16, 2024

## MANAGEMENT LETTER REQUIRED BY CHAPTER 10.850 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Directors  
Renaissance Charter School at Crown Point  
Ocoee, Florida

### Report on the Financial Statements

We have audited the financial statements of Renaissance Charter School at Crown Point, Florida, (the "School"), as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated October 16, 2024.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated October 16, 2024, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations made in the preceding financial audit report.

### Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Renaissance Charter School at Crown Point and 481010.

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## Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## Transparency

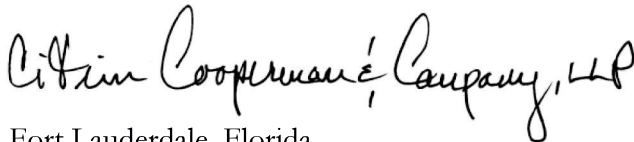
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

## Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

## Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Fort Lauderdale, Florida  
October 16, 2024

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