

# Renaissance Charter School at Tapestry

A Department of Renaissance Charter School, Inc.  
(A Component Unit of the School  
Board of Osceola County, Florida)

Basic Financial Statements  
For the Year Ended June 30, 2024

# Renaissance Charter School at Tapestry

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Renaissance Charter School at Tapestry  
Kissimmee, 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 Tapestry (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School Board of Osceola 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 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## 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.



## 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 September 19, 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  
September 19, 2024

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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As management of Renaissance Charter School at Tapestry (the “School”), a Department of Renaissance Charter School, Inc. and a component unit of the School Board of Osceola 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 \$ 3,368,849 as compared to \$ 2,381,624 at June 30, 2023.
- As of June 30, 2024 the School had net position of \$ 1,222,633, as compared to of \$ 69,397 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 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.

**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. 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 26 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 \$ 1,222,633 at the close of the most recent fiscal year.



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

**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 Tapestry Net Position			
	June 30, 2024	June 30, 2023	Variance
<b>Assets:</b>			
Current and other assets	\$ 4,374,069	\$ 3,198,947	\$ 1,175,122
Capital assets, net	<u>15,616,323</u>	<u>15,724,158</u>	<u>(107,835)</u>
Total assets	<u>19,990,392</u>	<u>18,923,105</u>	<u>1,067,287</u>
<b>Liabilities:</b>			
Current liabilities	1,572,570	1,248,366	324,204
Noncurrent liabilities	<u>17,195,189</u>	<u>17,605,342</u>	<u>(410,153)</u>
Total liabilities	<u>18,767,759</u>	<u>18,853,708</u>	<u>(85,949)</u>
<b>Net Position:</b>			
Net investment in capital assets	(1,975,338)	(2,257,503)	282,165
Restricted	21,606	31,592	(9,986)
Unrestricted	<u>3,176,365</u>	<u>2,295,308</u>	<u>881,057</u>
Total net position	<u>\$ 1,222,633</u>	<u>\$ 69,397</u>	<u>\$ 1,153,236</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 current year depreciation expense of \$ 687,458 offset by purchase of new assets of \$ 579,623. Current liabilities increased due to rise in trade and wages payable. Long-term liabilities decreased due to principal payments on the School's lease payable.

**Governmental Activities:** The results of this year's operations for the School as a whole are reported in the statement of activities on page 10. The table below provides a condensed presentation of the School's revenues and expenses for the years ended June 30, 2024 and 2023:

Renaissance Charter School at Tapestry Change in Net Position			
	June 30, 2024	June 30, 2023	Variance
<b>Revenues:</b>			
<b>Program revenues</b>			
Charges for services	\$ 273,356	\$ 256,215	\$ 17,141
Operating grants and contributions	3,303,674	1,744,144	1,559,530
Capital grants and contributions	923,875	769,075	154,800
<b>General revenues:</b>			
FTE and other nonspecific revenues	11,257,022	10,769,561	487,461
Interest income	156,771	51,924	104,847
Miscellaneous	<u>609</u>	<u>359</u>	<u>250</u>
Total revenues	<u>\$ 15,915,307</u>	<u>\$ 13,591,278</u>	<u>\$ 2,324,029</u>

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

**Governmental Activities: (continued)**

Renaissance Charter School at Tapestry Change in Net Position continued			
	June 30, 2024	June 30, 2023	Variance
Functions/Programs:			
Instruction	\$ 6,508,615	\$ 5,658,836	\$ 849,779
Student support services	1,088,536	1,033,883	54,653
Instruction and curriculum development services	35,773	2,155	33,618
Instructional staff training services	24,966	37,826	(37,826)
Instructional related technology	256,263	203,104	(203,104)
Board	38,120	24,322	13,798
School administration	1,023,598	1,134,602	(111,004)
Fiscal services	2,144,166	2,076,896	67,270
Food services	116	69	47
Central services	101,088	117,527	(16,439)
Operation of plant	1,767,649	1,611,373	156,276
Maintenance of plant	191,102	325,409	(134,307)
Community services	95,315	131,482	(36,167)
Extracurricular activities	209,355	174,495	34,860
Interest on long-term debt	1,277,409	1,227,736	49,673
Total expenses	<u>14,762,071</u>	<u>13,759,715</u>	<u>721,127</u>
Change in net position	1,153,236	(168,437)	1,321,673
Net position-beginning	<u>69,397</u>	<u>237,834</u>	<u>(168,437)</u>
Net position-ending	<u>\$ 1,222,633</u>	<u>\$ 69,397</u>	<u>\$ 1,153,236</u>

Program revenues increased from a rise in ESSER III and capital improvement revenues. General revenues increased due to a rise in funding for students. Total expenses primarily increased due to increases in instruction and operation of plant 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 \$ 2,999,682, while total fund balance increased to \$ 3,347,243. 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 25.8% of total General Fund expenditures, while total fund balance represents 28.8% of that same amount.

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

The fund balance of the School's General Fund increased by \$ 997,211 during the current fiscal year. The increase was mainly due to monies received for prior year grant expenditures.

The Grants Fund does not have an increase or decrease in fund balance during the fiscal year as this fund reports federal and certain state expense reimbursement grants.

The Capital Projects Fund does not have an increase or decrease in fund balance during the year as this fund reports federal and certain state expense reimbursement grants.

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

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

**Capital assets:** At June 30, 2024, the School had capital assets of \$ 15,616,323 net of accumulated depreciation and amortization, invested in lease assets, furniture, fixtures and equipment, computer equipment and improvements other than building. Major capital assets additions for the year included \$ 382,602 for equipment and improvements and \$ 197,021 for construction in progress. Additional information on the School's capital assets can be found in Note 5 of this report.

**Debt:** At June 30, 2024, the School had outstanding debt of \$ 17,591,661, as compared to \$ 17,981,661 at June 30, 2023. The decrease is a result of scheduled debt payments in accordance with the lease agreement. Additional information on the School's debt can be found in Notes 7 and 8 of this report.

### **General Fund Budgetary Highlights**

State source revenues had a decrease to the budget due to the estimation of student funding. Expenditures were unfavorable to the budget primarily due to instruction, student support, and operation of plant 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 Tapestry**  
**Statement of Net Position**  
**June 30, 2024**

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	<b>Governmental Activities</b>
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 3,330,671
Other receivables	51,968
Due from other governments	643,869
Prepaid items	324,531
Deposits	23,030
	<hr/>
Total current assets	4,374,069
	<hr/>
<b>Noncurrent Assets:</b>	
Capital assets not being depreciated	197,021
Capital assets (depreciable and amortization), net of accumulated depreciation and amortization	15,419,302
	<hr/>
Total noncurrent assets	15,616,323
	<hr/>
Total assets	19,990,392
	<hr/>
<b>Current Liabilities:</b>	
Accounts payable and accrued liabilities	202,710
Salaries and wages payable	597,168
Due to related parties	22,680
Due to management company	182,662
Accrued interest payable	96,764
Compensated absences	55,586
Lease payable	415,000
	<hr/>
Total current liabilities	1,572,570
	<hr/>
<b>Noncurrent Liabilities:</b>	
Compensated absences	18,528
Lease payable	17,176,661
	<hr/>
Total noncurrent liabilities	17,195,189
	<hr/>
Total liabilities	18,767,759
	<hr/>
<b>Net Position:</b>	
Net investment in capital assets	(1,975,338)
Restricted for extracurricular activities	21,606
Unrestricted	3,176,365
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Total net position	\$ 1,222,633
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The accompanying notes to basic financial statements are an integral part of these statements.

**Renaissance Charter School at Tapestry  
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 Net Revenue (Expense) and Change in Net Position</u>
<b>Functions/Programs:</b>					
Instruction	\$ 6,508,615	\$ -	\$ 2,483,756	\$ -	\$ (4,024,859)
Student support services	1,088,536	-	425,844	-	(662,692)
Instruction and curriculum development services	35,773	-	-	-	(35,773)
Instructional staff training services	24,966	-	9,550	-	(15,416)
Instructional related technology	256,263	-	-	-	(256,263)
Board	38,120	-	-	-	(38,120)
School administration	1,023,598	-	118,787	-	(904,811)
Fiscal services	2,144,166	-	-	-	(2,144,166)
Food services	116	546	-	-	430
Central services	101,088	-	-	-	(101,088)
Operation of plant	1,767,649	-	67,110	-	(1,700,539)
Maintenance of plant	191,102	-	-	-	(191,102)
Community services	95,315	272,810	-	-	177,495
Extracurricular activities	209,355	-	198,627	-	(10,728)
Interest on long-term debt	1,277,409	-	-	923,875	(353,534)
Total governmental activities	<u>\$ 14,762,071</u>	<u>\$ 273,356</u>	<u>\$ 3,303,674</u>	<u>\$ 923,875</u>	<u>(10,261,166)</u>
General revenues:					
FTE and other nonspecific revenues					11,257,022
Interest income					156,771
Miscellaneous income					609
Total general revenues					<u>11,414,402</u>
Change in net position					1,153,236
Net position, July 1, 2023					<u>69,397</u>
Net position, June 30, 2024					<u>\$ 1,222,633</u>

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

**Renaissance Charter School at Tapestry**  
**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	\$ 3,308,978	\$ -	\$ -	\$ 21,693	\$ 3,330,671
Other receivables	51,968	-	-	-	51,968
Due from other governments	-	643,869	-	-	643,869
Due from other funds	643,956	-	-	-	643,956
Prepaid items	324,531	-	-	-	324,531
Deposits	23,030	-	-	-	23,030
	<u>4,352,463</u>	<u>643,869</u>	<u>-</u>	<u>21,693</u>	<u>5,018,025</u>
Total assets	\$ <u>4,352,463</u>	\$ <u>643,869</u>	\$ <u>-</u>	\$ <u>21,693</u>	\$ <u>5,018,025</u>
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 202,710	\$ -	\$ -	\$ -	\$ 202,710
Salaries and wages payable	597,168	-	-	-	597,168
Due to related parties	22,680	-	-	-	22,680
Due to management company	182,662	-	-	-	182,662
Due to other funds	-	643,869	-	87	643,956
	<u>1,005,220</u>	<u>643,869</u>	<u>-</u>	<u>87</u>	<u>1,649,176</u>
Total liabilities	<u>1,005,220</u>	<u>643,869</u>	<u>-</u>	<u>87</u>	<u>1,649,176</u>
<b>Fund Balances:</b>					
Nonspendable:					
Prepaid items	324,531	-	-	-	324,531
Deposits	23,030	-	-	-	23,030
Restricted for extracurricular activities	-	-	-	21,606	21,606
Unassigned	2,999,682	-	-	-	2,999,682
	<u>3,347,243</u>	<u>-</u>	<u>-</u>	<u>21,606</u>	<u>3,368,849</u>
Total fund balances	<u>3,347,243</u>	<u>-</u>	<u>-</u>	<u>21,606</u>	<u>3,368,849</u>
Total liabilities and fund balances	\$ <u>4,352,463</u>	\$ <u>643,869</u>	\$ <u>-</u>	\$ <u>21,693</u>	\$ <u>5,018,025</u>

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

**Renaissance Charter School at Tapestry  
 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** \$ 3,368,849

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	\$	22,590,935	
Less accumulated depreciation and amortization		<u>(6,974,612)</u>	15,616,323

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.

Accrued interest payable		(96,764)	
Compensated absences	\$	(74,114)	
Lease payable		<u>(17,591,661)</u>	<u>(17,762,539)</u>

**Net Position of Governmental Activities** \$ 1,222,633

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



**Renaissance Charter School at Tapestry  
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	\$ -	\$ 3,033,539	\$ -	\$ -	\$ 3,033,539
State sources	11,280,560	-	842,579	-	12,123,139
Local sources	49,125	-	81,296	198,627	329,048
Aftercare	272,810	-	-	-	272,810
Interest income	156,029	-	-	742	156,771
	<u>11,758,524</u>	<u>3,033,539</u>	<u>923,875</u>	<u>199,369</u>	<u>15,915,307</u>
<b>Total revenues</b>					
<b>Expenditures:</b>					
<b>Current:</b>					
Instruction	4,825,971	1,411,857	-	-	6,237,828
Student support services	662,692	425,844	-	-	1,088,536
Instruction and curriculum development services	35,773	-	-	-	35,773
Instructional staff training services	15,416	9,550	-	-	24,966
Instruction related technology	256,263	-	-	-	256,263
Board	38,120	-	-	-	38,120
School administration	904,811	118,787	-	-	1,023,598
Fiscal services	2,144,166	-	-	-	2,144,166
Food services	116	-	-	-	116
Central services	101,088	-	-	-	101,088
Pupil transportation services	-	-	-	-	-
Operation of plant	1,331,588	-	-	-	1,331,588
Maintenance of plant	191,102	-	-	-	191,102
Community services	95,315	-	-	-	95,315
Extracurricular activities	-	-	-	209,355	209,355
Capital outlay	365,568	214,055	-	-	579,623
<b>Debt service:</b>					
Principal	390,000	-	-	-	390,000
Interest	256,770	-	923,875	-	1,180,645
	<u>11,614,759</u>	<u>2,180,093</u>	<u>923,875</u>	<u>209,355</u>	<u>14,928,082</u>
<b>Total expenditures</b>					
Excess (deficiency) of revenues over (under) expenditures	<u>143,765</u>	<u>853,446</u>	<u>-</u>	<u>(9,986)</u>	<u>987,225</u>
<b>Other Financing Sources (Uses):</b>					
Transfer in	853,446	-	-	-	853,446
Transfer out	-	(853,446)	-	-	(853,446)
	<u>853,446</u>	<u>(853,446)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources (uses)</b>					
Net change in fund balance	997,211	-	-	(9,986)	987,225
<b>Fund Balances, July 1, 2023</b>	<u>2,350,032</u>	<u>-</u>	<u>-</u>	<u>31,592</u>	<u>2,381,624</u>
<b>Fund Balances, June 30, 2024</b>	<u>\$ 3,347,243</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,606</u>	<u>\$ 3,368,849</u>

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

**Renaissance Charter School at Tapestry  
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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**Net Change in Fund Balances - Governmental Fund** \$ 987,225

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	\$	579,623	
Provision for depreciation and amortization		<u>(687,458)</u>	(107,835)

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.			390,000
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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	\$	(19,390)	
Change in accrued interest payable		<u>(96,764)</u>	<u>(116,154)</u>

**Change in Net Position of Governmental Activities** \$ 1,153,236

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

**Renaissance Charter School at Tapestry  
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	\$ 11,541,648	\$ 11,541,648	\$ 11,280,560	\$ (261,088)
Local sources	33,089	33,089	49,125	16,036
Aftercare	268,946	268,946	272,810	3,864
Interest income	54,155	54,155	156,029	101,874
	<u>11,897,838</u>	<u>11,897,838</u>	<u>11,758,524</u>	<u>(139,314)</u>
<b>Total revenues</b>				
<b>Expenditures:</b>				
Current:				
Instruction	4,633,601	4,633,601	4,825,971	(192,370)
Student support services	437,908	437,908	662,692	(224,784)
Instruction and curriculum development services	-	-	35,773	(35,773)
Instructional staff training services	5,406	5,406	15,416	(10,010)
Instructional related technology	260,065	260,065	256,263	3,802
Board	16,257	16,257	38,120	(21,863)
School administration	1,203,500	1,203,500	904,811	298,689
Fiscal services	2,148,283	2,148,283	2,144,166	4,117
Food services	-	-	116	(116)
Central services	140,548	140,548	101,088	39,460
Operation of plant	1,194,201	1,194,201	1,331,588	(137,387)
Maintenance of plant	356,897	356,897	191,102	165,795
Community services	142,825	142,825	95,315	47,510
Capital outlay	246,417	246,417	365,568	(119,151)
Debt service:				
Principal	390,000	390,000	390,000	-
Interest	328,815	328,815	256,770	72,045
	<u>11,504,723</u>	<u>11,504,723</u>	<u>11,614,759</u>	<u>(110,036)</u>
<b>Total expenditures</b>				
Excess (deficiency) of revenues over (under) expenditures	393,115	393,115	143,765	(249,350)
<b>Other Financing Sources:</b>				
Transfer in	-	-	853,446	853,446
	<u>-</u>	<u>-</u>	<u>853,446</u>	<u>853,446</u>
Net change in fund balance	<u>\$ 393,115</u>	<u>\$ 393,115</u>	<u>\$ 997,211</u>	<u>\$ 604,096</u>

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

**Renaissance Charter School at Tapestry  
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:				
Title I	\$ 451,321	\$ 451,321	\$ 422,949	\$ (28,372)
Title IV	-	-	4,629	4,629
School Improvement Grant	-	-	29,905	29,905
ESSER II	-	-	297,964	297,964
ESSER III	<u>1,062,862</u>	<u>1,062,862</u>	<u>2,278,092</u>	<u>1,215,230</u>
Total revenues	<u>1,514,183</u>	<u>1,514,183</u>	<u>3,033,539</u>	<u>1,519,356</u>
<b>Expenditures:</b>				
Current:				
Instruction	1,063,995	1,063,995	1,411,857	(347,862)
Student support services	314,096	314,096	425,844	(111,748)
Instructional staff training services	20,000	20,000	9,550	10,450
School administration	116,092	116,092	118,787	(2,695)
Capital outlay	<u>-</u>	<u>-</u>	<u>214,055</u>	<u>(214,055)</u>
Total expenditures	<u>1,514,183</u>	<u>1,514,183</u>	<u>2,180,093</u>	<u>(665,910)</u>
Excess of revenues over (under) expenditures	-	-	853,446	853,446
<b>Other Financing Uses:</b>				
Transfer out	<u>-</u>	<u>-</u>	<u>(853,446)</u>	<u>(853,446)</u>
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 Tapestry (the "School"), a Department of Renaissance Charter School, Inc. ("RCS"), and a component unit of the School Board of Osceola County, Florida, was established in 2014 as a public charter school to serve students from kindergarten to eighth grade in Osceola County. RCS is a Florida nonprofit corporation organized in August 1998. There were 1,418 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 its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity 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 Osceola County. The current charter is effective until June 30, 2032 and may be renewed 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. Renaissance Charter School at Tapestry is considered a component unit of the School Board of Osceola 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 the 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:

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 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(s) 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(s) 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 GAAP which provides 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.
- 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.



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

- 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 or unrestricted 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's expenditures exceeded the budget by \$ 110,036 which was covered by available fund balance.

**Reclassification:** Certain amounts in the prior year financial statements have been reclassified to conform to current period presentation.

**Date of management review:** Subsequent events were evaluated by management through September 19, 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 \$ 3,330,671, with a bank balance of \$ 3,381,567.

**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 \$ 3,131,567 in excess of the federal insured level of \$ 250,000 are held in a qualified public depository and are covered by the collateral pool, as 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	\$ 643,869
General Fund	Club and Activities Fund	<u>87</u>
		<u>\$ 643,956</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>853,446</u>

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

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

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**Note 5 - 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
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Capital assets, net being depreciated:				
Construction in progress	\$ -	\$ 197,021	\$ -	\$ 197,021
Capital assets being depreciated/ amortized:				
Improvements other than building	265,231	27,318	-	292,549
Furniture, fixtures and equipment	1,070,181	40,093	-	1,110,274
Computer equipment	2,468,029	315,191	-	2,783,220
Lease assets:				
Building	<u>18,207,871</u>	<u>-</u>	<u>-</u>	<u>18,207,871</u>
Total capital assets being depreciated/amortized	<u>22,011,312</u>	<u>382,602</u>	<u>-</u>	<u>22,393,914</u>
Accumulated depreciation/ amortization:				
Improvements other than building	40,942	28,353	-	69,295
Furniture, fixtures and equipment	984,703	42,376	9,428	1,017,651
Computer equipment	2,120,100	209,629	(9,428)	2,339,157
Lease assets:				
Building	<u>3,141,409</u>	<u>407,100</u>	<u>-</u>	<u>3,548,509</u>
Total accumulated depreciation/ amortization	<u>6,287,154</u>	<u>687,458</u>	<u>-</u>	<u>6,974,612</u>
Total capital assets, being depreciated, net	<u>15,724,158</u>	<u>(304,856)</u>	<u>-</u>	<u>15,419,302</u>
Governmental activities capital assets, net	<u>\$ 15,724,158</u>	<u>\$ (107,835)</u>	<u>\$ -</u>	<u>\$ 15,616,323</u>

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

Instruction	\$ 252,005
Operation of plant	<u>435,453</u>
	<u>\$ 687,458</u>

**Note 6 - Due To Related Parties**

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

**Note 7 - Lease**

In 2015, the Florida Development Finance Corporation (the "Corporation") issued \$ 9,145,000 in Tax Exempt Educational Facilities Revenue Bonds, Series 2015A and \$ 86,835,000 in Taxable Educational Facilities Revenue Bonds, Series 2015B pursuant to an Indenture of Trust between the Corporation and a trustee to make a loan to RCS, a division of which the School exists, and Red Apple Development, LLC and subsidiaries ("RAD") to finance the acquisition of the facilities of seven charter schools existing under RCS. In order to secure the payment of the principal and interest on the bonds, the Corporation 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.

Concurrent with the preceding loan transaction, RAD, through its wholly-owned subsidiaries, entered into five lease agreements with RCS. The facilities which are owned by RAD are leased by RCS on behalf of the schools under a 45-year lease. The leases are deemed to be intangible right to use leases and the lease payments are based on the debt service requirements of the bonds which extend through June 2046. These payments are made from the revenues received from the School Board of Osceola County for the operation of the Schools. RCS is obligated under the Indenture to deposit all Charter revenues received from the School Board and additional revenues, if any, directly with the trustee during the term of the lease. The payments are applied by the trustee to make sinking fund payments and pay for operating expenses.

The School's lease requires monthly principal and interest payments through June 2046

Future minimum payments at June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 415,000	\$ 1,183,720	\$ 1,598,720
2026	440,000	1,185,795	1,625,795
2027	470,000	1,159,095	1,629,095
2028	495,000	1,130,445	1,625,445
2029	530,000	1,100,146	1,630,146
2030-2034	3,165,000	4,976,927	8,141,927
2035-2039	4,270,000	3,879,227	8,149,227
2040-2044	5,765,000	2,377,012	8,142,012
2045-2046	2,041,661	392,419	2,434,080
	<u>\$ 17,591,661</u>	<u>\$ 17,384,786</u>	<u>\$ 34,976,447</u>

In addition to the lease payments, the School is required to pay incremental rent payments to RAD. The incremental rent payments range from approximately \$ 163,000 to \$ 163,320 per year over the term of the agreement which is through June 2046. These incremental rent payments are contingent upon the School having available revenues. For the year ending June 30, 2024, \$ 163,046 was paid in incremental rent.

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

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**Note 8 - Long-Term Liabilities**

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

	Balance at July 1, 2023	<u>Additions</u>	<u>Retirements</u>	Balance at June 30, 2024	Amount Due Within One Year
Lease - building	\$ 17,981,661	\$ -	\$ 390,000	\$ 17,591,661	\$ 415,000
Compensated absences	54,724	189,711	170,321	74,114	55,586
	<u>\$ 18,036,385</u>	<u>\$ 189,711</u>	<u>\$ 560,321</u>	<u>\$ 17,665,775</u>	<u>\$ 470,586</u>

**Note 9 - 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 \$ 821 in forfeitures. For the year ended June 30, 2024, the School contributed a matching amount of \$ 23,561.

**Note 10 - Commitments**

**Management agreement:** The School has a formal agreement with Charter Schools USA, Inc. (“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 lease payment requirements (Note 7). CSUSA received a fee of \$ 2,134,614 for the year ending June 30, 2024. The fee ranges from \$ 1,811,858 for fiscal year 2025 to \$ 2,746,172 for fiscal year 2046 as defined in the management agreement or the budgeted amount approved by the Board of Directors based on enrollment and School performance.

The basic financial statements reflect a due to management company of \$ 182,662, which is for invoices paid on behalf of the School.

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

**Note 11 - 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 \$ 842,579 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 capital lease.

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 \$ 81,296 for the 2023/2024 school year which has been recognized as revenue in the accompanying financial statements.

**Note 12 - 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 10, 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

**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 Tapestry  
Kissimmee, 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 Tapestry (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School Board of Osceola 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 September 19, 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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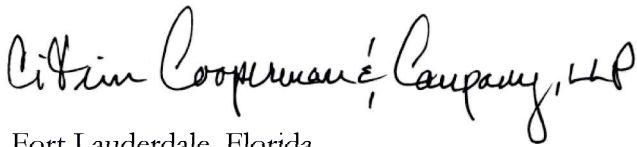


## Report on Compliance and Other Matters

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  
September 19, 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 Tapestry  
Kissimmee, Florida

### Report on the Financial Statements

We have audited the financial statements of Renaissance Charter School at Tapestry, Florida, (the "School"), as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated September 19, 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 September 19, 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 Tapestry and 490171.

### **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**

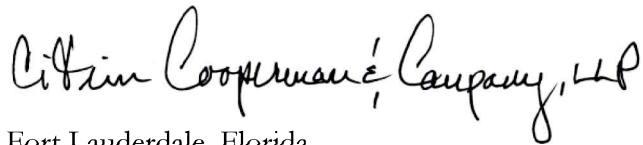
Section 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with 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  
September 19, 2024