

**Renaissance Charter School at
West Palm Beach**

A Department of Renaissance Charter School, Inc.

Basic Financial Statements
For the Year Ended June 30, 2024

Renaissance Charter School at West Palm Beach

Table of Contents

Independent Auditor's Report	1-3
Management's Discussion and Analysis (Not Covered by Independent Auditor's Report)	4-8
Basic Financial Statements	
Government-wide Financial Statements:	9
Statement of Net Position	
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet - Governmental Funds	11
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	14
Statement of Revenues and Expenditures - Budget and Actual - General Fund	15
Statement of Revenues and Expenditures - Budget and Actual - Grants Fund	16
Notes to Basic Financial Statements	17-26
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 <i>Government Auditing Standards</i>	27-28
Management Letter Required by Chapter 10.850 of the Rules of the Auditor General of the State of Florida	29-30



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Renaissance Charter School at West Palm Beach
West Palm Beach, 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 West Palm Beach (the "School"), a Department of Renaissance Charter School, Inc., 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, or 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.

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.

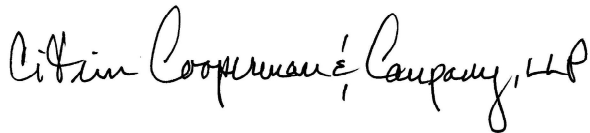
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Renaissance Charter School at West Palm Beach
Management’s Discussion and Analysis
June 30, 2024**

As management of Renaissance Charter School at West Palm Beach (the “School”), a Department of Renaissance Charter School, Inc., 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 balances were \$ 4,008,260, as compared to \$ 505,421 as of June 30, 2023.
- As of June 30, 2024, the School had net position (deficit) of \$ 2,834,187, as compared to \$ (733,068) 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 fund balance sheet and the governmental fund 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 fund balance sheet and the governmental fund 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 except for the Club and Activities Fund. 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.

The assets and liabilities of this Fund are not included in the government-wide statement of net position.

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 \$ 2,834,187 at the close of the most recent fiscal year.

**Renaissance Charter School at West Palm Beach
Management's Discussion and Analysis
June 30, 2024**

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

Renaissance Charter School at West Palm Beach Net Position (Deficit)			
	June 30, 2024	June 30, 2023	Variance
Assets:			
Current and other assets	\$ 4,725,869	\$ 1,582,399	\$ 3,143,470
Capital assets, net	9,982,147	10,044,915	(62,768)
Total assets	14,708,016	11,627,314	3,080,702
Deferred Outflows of Resources	331,657	343,502	(11,845)
Liabilities:			
Current liabilities	1,007,509	1,306,515	(299,006)
Noncurrent liabilities	11,197,977	11,397,369	(199,392)
Total liabilities	12,205,486	12,703,884	(498,398)
Net Position:			
Net investment in capital assets	(1,072,000)	(1,192,229)	120,229
Restricted	24,350	22,603	1,747
Unrestricted	3,881,837	436,558	3,445,279
Total net position (deficit)	\$ 2,834,187	\$ (733,068)	\$ 3,567,255

Current and other assets increased mainly due to a rise in the School's cash position. Capital assets, net of depreciation decreased mainly due to the current year depreciation expense of \$ 575,529 offset by the addition of assets of \$ 512,761. Current liabilities decreased due to a reduction in monies owed to the management company. Noncurrent liabilities decreased due to payments on the School's long-term lease payable.

Governmental Activities: The School's overall net position increased \$3,567,255 from the prior fiscal year. The reasons for this overall increase are discussed in the following section for governmental activities.

Renaissance Charter School at West Palm Beach Change in Net Position (Deficit)			
	June 30, 2024	June 30, 2023	Variance
Revenues:			
Program revenues			
Charges for services	\$ 294,581	\$ 262,150	\$ 32,431
Operating grants and contributions	3,559,212	3,271,013	288,199
Capital grants and contributions	831,640	674,244	157,396
General revenues:			
FTE and other nonspecific revenues	12,454,713	8,000,858	4,453,855
Interest income	144,818	27,423	117,395
Total revenues	\$ 17,284,964	\$ 12,235,688	\$ 5,049,276

**Renaissance Charter School at West Palm Beach
Management’s Discussion and Analysis
June 30, 2024**

Governmental Activities: (continued)

	June 30, 2024	June 30, 2023	Variance
Functions/Programs:			
Instruction	\$ 7,107,401	\$ 6,353,775	\$ 753,626
Student support services	679,707	616,221	63,486
Instruction and curriculum development services	23,327	-	23,327
Instructional staff training services	43,443	23,786	19,657
Instruction related technology	207,019	210,592	(3,573)
Board	92,776	20,974	71,802
School administration	881,258	922,798	(41,540)
Fiscal services	949,364	902,745	46,619
Food services	616,042	488,149	127,893
Central services	55,793	69,567	(13,774)
Transportation services	90,570	77,890	12,680
Operation of plant	1,625,739	1,532,997	92,742
Maintenance of plant	334,650	278,187	56,463
Community services	145,344	109,861	35,483
Extracurricular activities	163,971	148,266	15,705
Interest on long-term debt	701,305	668,162	33,143
Total expenses	<u>13,717,709</u>	<u>12,423,970</u>	<u>1,293,739</u>
Change in net position	3,567,255	(188,282)	3,755,537
Net position (deficit)-beginning	<u>(733,068)</u>	<u>(544,786)</u>	<u>(188,282)</u>
Net position (deficit)-ending	<u>\$ 2,834,187</u>	<u>\$ (733,068)</u>	<u>\$ 3,567,255</u>

Program revenues increased from a rise in ESSER III, and capital outlay revenues. General revenues increased due to increased student funding and referendum funding. Total expenses primarily increased due to a rise in instruction, operation of plant, and food service 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 \$ 3,802,866, while total fund balance increased to \$ 3,995,861. 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 36.5% of total General Fund expenditures, while total fund balance represents 38.4% of that same amount.

The fund balance of the School’s General Fund increased by \$ 3,513,043 during the current fiscal year. The increase was due to referendum funding and monies received from 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.

Financial Analysis of Governmental Funds (continued)

The Capital Project Fund does not have an increase or decrease in fund balance during the current 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 a decrease in fund balance during the current fiscal year due to increased extracurricular expenditures.

Capital Assets and Debt Administration

Capital assets: At June 30, 2024, the School had capital assets of \$ 9,982,147 net of accumulated depreciation and amortization, invested in lease assets, improvements other than buildings, furniture, fixtures and equipment and computer equipment. Major capital assets additions for the year included \$ 512,761 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 \$ 11,385,804 as compared to \$ 11,580,646 at June 30, 2023. The decrease is a result of scheduled debt payments in accordance with the lease agreements. Additional information on the School's debt can be found in Notes 7 and 8 of this report

General Fund Budgetary Highlights

State source revenue decreased from the budget due to the estimation of student funding revenues. Local source revenue had an increase from referendum revenues. Expenditures were unfavorable to the budget primarily due to instruction, maintenance of plant, and capital outlay 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 West Palm Beach
Statement of Net Position
June 30, 2024

	Governmental Activities
Current Assets:	
Cash and cash equivalents	\$ 3,633,670
Other receivables	25,943
Due from related party	11,372
Due from other governments	873,840
Prepaid items	156,334
Deposits	<u>24,710</u>
Total current assets	<u>4,725,869</u>
Noncurrent Assets:	
Capital assets (depreciable and amortizable), net of accumulated depreciation and amortization	<u>9,982,147</u>
Total assets	<u>14,708,016</u>
Deferred Outflows of Resources:	
Deferred amount on renegotiation of lease	<u>331,657</u>
Current Liabilities:	
Accounts payable and accrued liabilities	91,222
Salaries and wages payable	481,122
Accrued interest payable	52,556
Due to management company	118,659
Due to related parties	26,606
Compensated absences	37,138
Lease payable	<u>200,206</u>
Total current liabilities	<u>1,007,509</u>
Noncurrent Liabilities:	
Compensated absences	12,379
Lease payable	<u>11,185,598</u>
Total noncurrent liabilities	<u>11,197,977</u>
Total liabilities	<u>12,205,486</u>
Net Position:	
Net investment in capital assets	(1,072,000)
Restricted for extracurricular activities	12,399
Restricted for referendum funds	11,951
Unrestricted	<u>3,881,837</u>
Total net position	<u>\$ 2,834,187</u>

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

Renaissance Charter School at West Palm Beach
Statement of Activities
For the Year Ended June 30, 2024

	<u>Program Revenues</u>				Governmental
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Activities
					Net Revenue (Expense) and Change in Net Position
Functions/Programs:					
Instruction	\$ 7,107,401	\$ -	\$ 2,277,730	\$ -	\$ (4,829,671)
Student support services	679,707	-	334,169	-	(345,538)
Instruction and curriculum development services	23,327	-	-	-	(23,327)
Instructional staff training services	43,443	-	2,906	-	(40,537)
Instruction related technology	207,019	-	-	-	(207,019)
Board	92,776	-	-	-	(92,776)
School administration	881,258	-	2,160	-	(879,098)
Fiscal services	949,364	-	-	-	(949,364)
Food services	616,042	2,024	616,042	-	2,024
Central services	55,793	-	3,741	-	(52,052)
Transportation services	90,570	-	12,330	-	(78,240)
Operation of plant	1,625,739	-	156,748	-	(1,468,991)
Maintenance of plant	334,650	-	-	-	(334,650)
Community services	145,344	292,557	-	-	147,213
Extracurricular activities	163,971	-	153,386	-	(10,585)
Interest on long-term debt	701,305	-	-	831,640	130,335
	<u>\$ 13,717,709</u>	<u>\$ 294,581</u>	<u>\$ 3,559,212</u>	<u>\$ 831,640</u>	<u>(9,032,276)</u>
Total governmental activities					
General revenues:					
FTE and other nonspecific revenues					12,454,713
Interest income					<u>144,818</u>
Total general revenues					<u>12,599,531</u>
Change in net position					3,567,255
Net position (deficit), July 1, 2023					<u>(733,068)</u>
Net position, June 30, 2024					<u>\$ 2,834,187</u>

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

Renaissance Charter School at West Palm Beach
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>
Assets:					
Cash and cash equivalents	\$ 3,600,287	\$ -	\$ -	\$ 33,383	\$ 3,633,670
Other receivables	25,943	-	-	-	25,943
Due from related party	11,372	-	-	-	11,372
Due from other governments	-	831,265	42,575	-	873,840
Due from other funds	894,824	-	-	-	894,824
Prepaid items	156,334	-	-	-	156,334
Deposits	24,710	-	-	-	24,710
	<u>3,600,287</u>	<u>831,265</u>	<u>42,575</u>	<u>33,383</u>	<u>3,620,693</u>
Total assets	<u>\$ 4,713,470</u>	<u>\$ 831,265</u>	<u>\$ 42,575</u>	<u>\$ 33,383</u>	<u>\$ 5,620,693</u>
Liabilities:					
Accounts payable and accrued liabilities	\$ 91,222	\$ -	\$ -	\$ -	\$ 91,222
Salaries and wages payable	481,122	-	-	-	481,122
Due to management company	118,659	-	-	-	118,659
Due to related parties	26,606	-	-	-	26,606
Due to other funds	-	831,265	42,575	20,984	894,824
	<u>91,222</u>	<u>831,265</u>	<u>42,575</u>	<u>20,984</u>	<u>894,824</u>
Total liabilities	<u>717,609</u>	<u>831,265</u>	<u>42,575</u>	<u>20,984</u>	<u>1,612,433</u>
Fund Balances:					
Nonspendable:					
Deposits	24,710	-	-	-	24,710
Prepaid items	156,334	-	-	-	156,334
Restricted for extracurricular activities	-	-	-	12,399	12,399
Restricted for referendum funds	11,951	-	-	-	11,951
Unassigned	3,802,866	-	-	-	3,802,866
	<u>3,802,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,802,866</u>
Total fund balances	<u>3,995,861</u>	<u>-</u>	<u>-</u>	<u>12,399</u>	<u>4,008,260</u>
Total liabilities and fund balances	<u>\$ 4,713,470</u>	<u>\$ 831,265</u>	<u>\$ 42,575</u>	<u>\$ 33,383</u>	<u>\$ 5,620,693</u>

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

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

Total Fund Balances - Governmental Funds \$ 4,008,260

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	\$ 15,331,156	
Accumulated depreciation and amortization	<u>(5,349,009)</u>	9,982,147

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.

Compensated absences	\$ (49,517)	
Accrued interest payable	(52,556)	
Lease payable	<u>(11,385,804)</u>	(11,487,877)

Governmental funds report the effect of premiums, discounts and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

331,657

Net Position of Governmental Activities \$ 2,834,187

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

**Renaissance Charter School at West Palm Beach
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>
Revenues:					
Federal sources	\$ -	\$ 3,130,780	\$ -	\$ -	\$ 3,130,780
State sources	8,517,165	3,347	584,751	-	9,105,263
Local sources	4,211,271	-	246,889	153,386	4,611,546
Aftercare	292,557	-	-	-	292,557
Interest	144,437	-	-	381	144,818
	<u>13,165,430</u>	<u>3,134,127</u>	<u>831,640</u>	<u>153,767</u>	<u>17,284,964</u>
Total revenues					
Expenditures:					
Current:					
Instruction	5,909,720	963,896	-	-	6,873,616
Student support services	345,538	334,169	-	-	679,707
Instruction and curriculum development services	23,327	-	-	-	23,327
Instructional staff training services	40,537	2,906	-	-	43,443
Instruction related technology	207,019	-	-	-	207,019
Board	92,776	-	-	-	92,776
School administration	879,098	2,160	-	-	881,258
Fiscal services	949,364	-	-	-	949,364
Food services	-	616,042	-	-	616,042
Central services	52,052	3,741	-	-	55,793
Transportation services	90,570	-	-	-	90,570
Operation of plant	1,166,924	113,814	-	-	1,280,738
Maintenance of plant	334,650	-	-	-	334,650
Community services	145,344	-	-	-	145,344
Extracurricular activities	-	-	-	163,971	163,971
Capital outlay	175,079	337,682	-	-	512,761
Debt service:					
Principal	106	-	194,736	-	194,842
Interest	-	-	636,904	-	636,904
	<u>10,412,104</u>	<u>2,374,410</u>	<u>831,640</u>	<u>163,971</u>	<u>13,782,125</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>2,753,326</u>	<u>759,717</u>	<u>-</u>	<u>(10,204)</u>	<u>3,502,839</u>
Other Financing Sources (Uses):					
Transfer in	759,717	-	-	-	759,717
Transfer out	-	(759,717)	-	-	(759,717)
	<u>759,717</u>	<u>(759,717)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)					
Net change in fund balances	3,513,043	-	-	(10,204)	3,502,839
Fund Balances, July 1, 2023	<u>482,818</u>	<u>-</u>	<u>-</u>	<u>22,603</u>	<u>505,421</u>
Fund Balances, June 30, 2024	<u>\$ 3,995,861</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,399</u>	<u>\$ 4,008,260</u>

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

**Renaissance Charter School at West Palm Beach
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**

Net Change in Fund Balances - Governmental Funds \$ 3,502,839

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	\$ 512,761	
Provision for depreciation and amortization	<u>(575,529)</u>	(62,768)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		194,842
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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	\$ (3,257)	
Change in accrued interest payable	(52,556)	
Amortization of deferred amount on renegotiation of lease	<u>(11,845)</u>	<u>(67,658)</u>

Change in Net Position of Governmental Activities \$ 3,567,255

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

**Renaissance Charter School at West Palm Beach
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>
Revenues:				
State sources	\$ 8,562,148	\$ 8,562,148	\$ 8,517,165	\$ (44,983)
Local sources	1,394,716	1,394,716	4,211,271	2,816,555
Aftercare	190,253	190,253	292,557	102,304
Interest	14,075	14,075	144,437	130,362
	<u>10,161,192</u>	<u>10,161,192</u>	<u>13,165,430</u>	<u>3,004,238</u>
Expenditures:				
Current:				
Instruction	5,011,692	5,011,692	5,909,720	(898,028)
Student support services	795,659	795,659	345,538	450,121
Instruction and curriculum development services	30,000	30,000	23,327	6,673
Instructional staff training services	20,108	20,108	40,537	(20,429)
Instructional technology	193,730	193,730	207,019	(13,289)
Board	17,271	17,271	92,776	(75,505)
School administration	1,112,488	1,112,488	879,098	233,390
Fiscal services	922,702	922,702	949,364	(26,662)
Central services	123,110	123,110	52,052	71,058
Transportation services	83,574	83,574	90,570	(6,996)
Operation of plant	1,144,137	1,144,137	1,166,924	(22,787)
Maintenance of plant	261,751	261,751	334,650	(72,899)
Community services	119,689	119,689	145,344	(25,655)
Capital outlay	93,500	93,500	175,079	(81,579)
Debt service:				
Principal	68,244	68,244	106	68,138
	<u>9,997,655</u>	<u>9,997,655</u>	<u>10,412,104</u>	<u>(414,449)</u>
Excess of revenues over expenditures	163,537	163,537	2,753,326	2,589,789
Other Financing Sources:				
Transfer in	-	-	759,717	759,717
Net change in fund balance	<u>\$ 163,537</u>	<u>\$ 163,537</u>	<u>\$ 3,513,043</u>	<u>\$ 3,349,506</u>

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

**Renaissance Charter School at West Palm Beach
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>
Revenues:				
Federal sources:				
National School Lunch Program	\$ 507,699	\$ 507,699	\$ 725,638	\$ 217,939
Title I	434,477	434,477	308,011	(126,466)
IDEA	-	-	34,547	34,547
ESSER II	-	-	204,910	204,910
ESSER III	802,722	802,722	1,857,674	1,054,952
State sources:				
National School Lunch Program	-	-	3,347	3,347
Total revenues	<u>1,744,898</u>	<u>1,744,898</u>	<u>3,134,127</u>	<u>1,389,229</u>
Expenditures:				
Current:				
Instruction	625,035	625,035	963,896	(338,861)
Student support services	288,302	288,302	334,169	(45,867)
Instructional staff training services	3,132	3,132	2,906	226
School administration	-	-	2,160	(2,160)
Food services	424,963	424,963	616,042	(191,079)
Central services	-	-	3,741	(3,741)
Operation of plant	82,736	82,736	113,814	(31,078)
Capital outlay	320,730	320,730	337,682	(16,952)
Total expenditures	<u>1,744,898</u>	<u>1,744,898</u>	<u>2,374,410</u>	<u>(629,512)</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>759,717</u>	<u>759,717</u>
Other Financing Uses:				
Transfer out	<u>-</u>	<u>-</u>	<u>(759,717)</u>	<u>(759,717)</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 West Palm Beach (the "School"), a Department of Renaissance Charter School, Inc. ("RCS"), was established in 2012 as a public charter school to serve students from kindergarten to eighth grade in Palm Beach County. RCS is a Florida nonprofit corporation organized in August 1998. There were 986 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 Palm Beach County. The current charter is effective until July 31, 2027, 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 may 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 ("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 and 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 department 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 buildings	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 assets are 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 assets are amortized on a straight-line basis over the life of the related leases.

Deferred outflows/inflows of resources: In addition to assets, the statement of net 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 has one item that qualifies for reporting in this category. The government-wide statement of net position reports a deferred amount on renegotiation of lease.

Note 2 - Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of net 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 doesn't 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. At year-end, certain referendum funds are restricted by the School District for specific operational initiatives.
- 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.

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. At year-end, certain referendum funds are restricted by the School District for specific operational initiatives.
- 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 Fund 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's expenditures exceeded the budget by \$ 414,449 which was covered by revenues in excess of the budget.

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

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 \$ 3,633,670, with a bank balance of \$ 3,741,213.

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 \$ 3,491,213 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	\$ 831,265
General Fund	Capital Project Fund	42,575
General Fund	Club and Activities Fund	20,984
		\$ 894,824

The outstanding balances between funds result 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	\$ 759,717

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 To/From Related Parties

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

Renaissance Charter School at West Palm Beach
Notes to Basic Financial Statements
June 30, 2024

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	Transfers	Balance at June 30, 2024
Capital assets being depreciated/ amortized:				
Improvements other than building	\$ 780,999	\$ 70,703	\$ -	\$ 851,702
Furniture, fixtures and equipment	1,114,051	45,476	-	1,159,527
Computer equipment	1,264,247	396,582	32,910	1,693,739
Lease assets:				
Building	11,626,188	-	-	11,626,188
Computer equipment	32,910	-	(32,910)	-
Total capital assets being depreciated/amortized	14,818,395	512,761	-	15,331,156
Accumulated depreciation/ amortization:				
Improvements other than building	270,137	84,141	-	354,278
Furniture, fixtures and equipment	960,638	53,917	29,953	1,044,508
Computer equipment	1,146,251	174,783	2,957	1,323,991
Lease assets:				
Building	2,365,372	260,860	-	2,626,232
Computer equipment	31,082	1,828	(32,910)	-
Total accumulated depreciation/ amortization	4,773,480	575,529	-	5,349,009
Net capital assets being depreciated/amortized	\$ 10,044,915	\$ (62,768)	\$ -	\$ 9,982,147

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

Instruction	\$ 230,528
Operation of plant	<u>345,001</u>
	<u>\$ 575,529</u>

Note 7 – Lease payable

In April 2022, the Florida Development Finance Corporation (the "Corporation") issued \$ 43,060,000 in Tax-Exempt Educational Facilities Revenue Bonds, Series 2022A, \$ 14,240,000 in Tax-Exempt Educational Facilities Revenue Bonds, Series 2022B and \$ 415,000 in Taxable Educational Facilities Revenue Bonds, Series 2022C 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 refund the Series 2012 Tax Exempt Educational Facilities Revenue Bonds which financed the acquisition of the facilities four 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.

Renaissance Charter School at West Palm Beach
Notes to Basic Financial Statements
June 30, 2024

Note 7 – Lease Payable (continued)

Concurrent with the preceding loan transaction, RAD, through its wholly-owned subsidiaries, amended its four 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 2052. These payments are made from the revenues received from the School Board of Palm Beach 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 lease is through June 2067 and requires monthly principal and interest payments through June 2052.

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

Year Ending June 30,	Principal	Interest	Total
2025	\$ 200,206	\$ 628,578	\$ 828,784
2026	208,911	619,977	828,888
2027	217,615	611,006	828,621
2028	227,771	601,634	829,405
2029	237,926	591,861	829,787
2030-2034	1,352,117	2,794,087	4,146,204
2035-2039	1,720,612	2,427,499	4,148,111
2040-2044	2,202,267	1,942,402	4,144,669
2045-2049	2,876,875	1,269,336	4,146,211
2050-2052	2,141,504	347,414	2,488,918
	<u>\$ 11,385,804</u>	<u>\$ 11,833,794</u>	<u>\$ 23,219,598</u>

In addition to the lease payments, the School is required to pay incremental rent payments to RAD. The incremental monthly rent payments range from approximately \$ 24,400 per month for fiscal year 2025 to \$ 102,600 per month for fiscal year 2067. These incremental rent payments are contingent upon the School having available revenues. For the year ended June 30, 2024, \$ 265,636 was paid in incremental rent.

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	Additions	Retirements	Balance at June 30, 2024	Amount Due Within One Year
Lease - building	\$ 11,578,756	\$ -	\$ 192,952	\$ 11,385,804	\$ 200,206
Lease - computer equipment	1,890	-	1,890	-	-
Compensated absences	46,260	164,976	161,719	49,517	37,138
	<u>\$ 11,626,906</u>	<u>\$ 164,976</u>	<u>\$ 356,561</u>	<u>\$ 11,435,321</u>	<u>\$ 237,344</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 forfeitures of \$ 589. For the year ended June 30, 2024, the School contributed a matching amount of \$ 38,284.

Note 10 - Commitments and Contingencies

Management agreement: The School has a formal agreement with Charter Schools USA at Palms West, 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 lease payment requirements (Note 7). The fee ranges from \$ 66,936 per month for fiscal year 2025 and \$ 433,096 per month for fiscal year 2066 or the budgeted amount approved by the Board of Directors based on enrollment and school performance. Total cost reimbursements and management fees amounted to \$ 940,649 for the year ended June 30, 2024. The agreement term coincides with the charter and shall automatically renew unless either party terminates at least twelve months prior to the then current expiration date.

The financial statements reflect a due to management company of \$ 118,659 at June 30, 2024, for expenses 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 \$ 584,751, 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 debt service on the 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 \$ 246,889 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 West Palm Beach
West Palm Beach, 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 West Palm Beach (the "School"), a Department of Renaissance Charter School, Inc., 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.

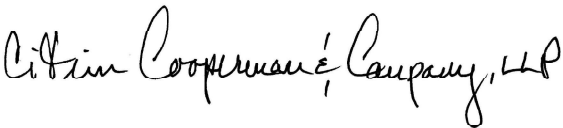
"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, 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.

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 West Palm Beach
West Palm Beach, Florida

Report on the Financial Statements

We have audited the financial statements of Renaissance Charter School at West Palm Beach (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 West Palm Beach and 503431.

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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

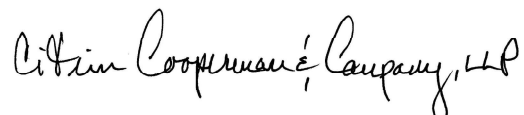
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with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