

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

Basic Financial Statements
and Required Supplementary Information
For the Year Ended June 30, 2025

Renaissance Academy of Arts and Sciences

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:	
Statement of Net Position (Deficit)	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet - Governmental Funds	11
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position (Deficit)	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 Governmental Funds to the Statement of Activities	14
Notes to Basic Financial Statements	15-26
Required Supplementary Information:	
Schedule of Revenues and Expenditures and Change in Fund Balance - Budget and Actual - General Fund	27
Schedule of Revenues and Expenditures and Change in Fund Balance - Budget and Actual - Grants Fund	28
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>	29-30
Management Letter Required by Chapter 10.850 of the Rules of the Auditor General of the State of Florida	31-32



Citrin Cooperman & Company, LLP
Certified Public Accountants

6550 N Federal Hwy, 4th Floor
Fort Lauderdale, FL 33308
T : 954.771.0896 **F** 954.938.9353
citrincooperman.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Renaissance Academy of Arts and Sciences
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 Academy of Arts and Sciences (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, 2025, 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, 2025, and the respective changes in financial position 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 ("GAAS") 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 is 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, 2025, and its changes in its financial position for the year then ended, 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 GAAS 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 GAAS 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.

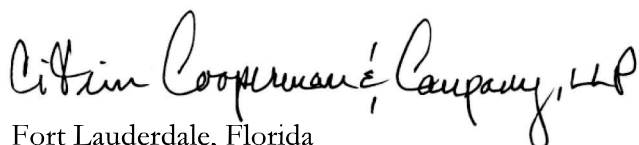
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 and the budgetary comparison information on pages 27 and 28 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 GAAS, 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, 2025, 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, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Renaissance Academy of Arts and Sciences
Management's Discussion and Analysis
June 30, 2025**

As management of Renaissance Academy of Arts and Sciences (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School Board of Osceola County, Florida, 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, 2025 and 2024.

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, 2025, the School's governmental fund balances were \$ 1,863,802, as compared to \$ 2,290,640 at June 30, 2024.
- As of June 30, 2025, the School had net position (deficit) of \$ (3,132,958), as compared to \$ (1,780,418) at June 30, 2024.

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 financial statements, 2) fund 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 (deficit) presents information on all of the School's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 financial statements can be found on pages 9 and 10 of this report.

Overview of the Financial Statements (continued)

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

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide basic financial statements, governmental fund 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 except for the Capital Project Fund and the Club and Activities Fund. A budgetary comparison schedule 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 14 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 15 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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$ 3,132,958 at the close of the most recent fiscal year.

**Renaissance Academy of Arts and Sciences
Management's Discussion and Analysis
June 30, 2025**

Government-Wide Financial Analysis (continued)

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

Renaissance Academy of Arts and Sciences Net Position (Deficit)			
	June 30, 2025	June 30, 2024	Variance
Assets:			
Current and other assets	\$ 2,510,947	\$ 2,881,812	\$ (370,865)
Capital assets, net	<u>40,899,007</u>	<u>20,457,485</u>	<u>20,441,522</u>
Total assets	<u>43,409,954</u>	<u>23,339,297</u>	<u>20,070,657</u>
Liabilities:			
Current liabilities	1,666,711	1,188,659	478,052
Noncurrent liabilities	<u>44,876,201</u>	<u>23,931,056</u>	<u>20,945,145</u>
Total liabilities	<u>46,542,912</u>	<u>25,119,715</u>	<u>21,423,197</u>
Position (Deficit):			
Net investment in capital assets	(3,315,505)	(2,486,561)	(828,944)
Restricted	1,394,994	142,449	1,252,545
Unrestricted (deficit)	<u>(1,212,447)</u>	<u>563,694</u>	<u>(1,776,141)</u>
Total net position (deficit)	<u>\$ (3,132,958)</u>	<u>\$ (1,780,418)</u>	<u>\$ (1,352,540)</u>

Current and other assets decreased mainly due to a decline in the School's cash position and the absence of outstanding amounts due from other governments. Capital assets, net of depreciation increased mainly due to the current year depreciation expense of \$ 1,671,585 offset by purchase of new assets of \$ 22,113,107. Current liabilities increased primarily due to new capital leases for computer equipment and classroom furniture. Long-term liabilities increased due to the issuance of a new lease obligation for a building expansion.

Governmental Activities: The School's overall net position decreased \$ 1,352,540 from the prior fiscal year. The reasons for this overall increase are discussed in the following section for governmental activities.

Renaissance Academy of Arts and Sciences Change in Net Position (Deficit)			
	June 30, 2025	June 30, 2024	Variance
Revenues:			
Program revenues:			
Charges for services	\$ 135,248	\$ 173,016	\$ (37,768)
Operating grants and contributions	300,908	1,134,678	(833,770)
Capital grants and contributions	740,199	595,021	145,178
General revenues:			
FTE and other nonspecific revenues	7,637,969	7,068,118	569,851
Contributions	2,090,067	-	2,090,067
Settlement income	-	202,105	(202,105)
Interest income	101,688	102,218	(530)
Miscellaneous income	<u>-</u>	<u>23,279.00</u>	<u>(23,279.0)</u>
Total revenues	<u>11,006,079</u>	<u>9,298,435</u>	<u>1,707,644</u>

**Renaissance Academy of Arts and Sciences
Management's Discussion and Analysis
June 30, 2025**

Governmental Activities (continued):

Renaissance Academy of Arts and Sciences Change in Net Position (Deficit) (continued)			
	June 30, 2025	June 30, 2024	Variance
	<u> </u>	<u> </u>	<u> </u>
Functions/Program Expenses:			
Instruction	\$ 4,144,563	\$ 3,685,897	\$ 458,666
Student support services	437,655	472,824	(35,169)
Instruction and curriculum development services	-	13,228	(13,228)
Instructional staff training services	27,572	17,149	10,423
Instruction related technology	201,990	189,493	12,497
Board	46,457	32,202	14,255
School administration	988,856	734,809	254,047
Fiscal services	14,913	112,059	(97,146)
Transportation services	637,009	436,888	200,121
Food services	2,223	-	2,223
Central services	100,889	101,996	(1,107)
Operation of plant	2,733,119	1,426,340	1,306,779
Maintenance of plant	314,618	232,245	82,373
Community services	64,813	81,455	(16,642)
Extracurricular activities	135,842	111,307	24,535
Interest on long-term debt	<u>2,508,100</u>	<u>1,164,327</u>	<u>1,343,773</u>
Total	<u>12,358,619</u>	<u>8,812,219</u>	<u>3,546,400</u>
Change in net position (deficit)	(1,352,540)	486,216	(1,838,756)
Net position (deficit)-beginning	<u>(1,780,418)</u>	<u>(2,266,634)</u>	<u>486,216</u>
Net position (deficit)-ending	<u>\$ (3,132,958)</u>	<u>\$ (1,780,418)</u>	<u>\$ (1,352,540)</u>

Program revenues decreased due to a decrease in ESSER III revenues. General revenues increased due an increase in state funding and a contribution from the management company. Total expenses increased primarily due to increases in interest 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 \$ 13,342, while total fund balance decreased to \$ 1,720,255. 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 0.04% of total General Fund expenditures, while total fund balance represents 5.28% of that same amount.

The fund balance of the School's General Fund decreased by \$ 427,936 during the current fiscal year. The decrease was mainly due a substantial increase in interest and operation of plant expenditures and a decline in program revenues such as ESSER III.

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 year as this fund reports state and local capital outlay funding that is used to cover a portion of interest expense.

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

Capital Assets and Debt Administration

Capital assets: At June 30, 2025, the School had capital assets of \$ 40,899,007, net of accumulated depreciation and amortization, invested in lease assets, building, improvements other than building, and furniture, fixtures and equipment. Major capital assets additions for the year included \$ 20,959,201 for a new building lease. Additional information on the School's capital assets can be found in Note 5 of this report.

Debt: At June 30, 2025, the School had outstanding debt of \$ 45,612,967 as compared to \$ 24,342,555 at June 30, 2024. During the year the School entered into a new lease obligation for the use of a building because it expanded operations resulting in an increase in capital assets of approximately \$21 million. Additional information on the School's debt can be found in Notes 8 through 10 of this report.

General Fund Budgetary Highlights

State source revenues were unfavorable to the budget due to the estimation of student funding. Expenditures were unfavorable to the budget primarily due to capital outlay expenditures. Other financing sources were favorable to the budget due to the issuance of larger than anticipated new lease obligations.

Economic Factors and Next Year's Budget

In fiscal year 2025, the State of Florida continued to include a teacher salary increase allocation of \$ 1.25 billion. The capital outlay funding pool ended up at \$ 230 million.

For fiscal year 2026, the funding for teacher salaries and other instructional personnel will be \$ 1.36 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 Academy of Arts and Sciences
Statement of Activities
For the Year Ended June 30, 2025

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Governmental</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Activities</u>
					<u>Net Revenue (Expense) and Change in Net Position</u>
Functions/Programs:					
Instruction	\$ 4,144,563	\$ -	\$ 30,590	\$ -	\$ (4,113,973)
Student support services	437,655	-	2,418	-	(435,237)
Instructional staff training services	27,572	-	3,913	-	(23,659)
Instruction related technology	201,990	-	-	-	(201,990)
Board	46,457	-	-	-	(46,457)
School administration	988,856	-	-	-	(988,856)
Fiscal services	14,913	-	-	-	(14,913)
Food services	2,223	-	-	-	(2,223)
Central services	100,889	-	-	-	(100,889)
Transportation services	637,009	-	99,592	-	(537,417)
Operation of plant	2,733,119	-	31,418	-	(2,701,701)
Maintenance of plant	314,618	-	-	-	(314,618)
Community services	64,813	135,248	-	-	70,435
Extracurricular activities	135,842	-	132,977	-	(2,865)
Interest on long-term debt	2,508,100	-	-	740,199	(1,767,901)
Total governmental activities	\$ <u>12,358,619</u>	\$ <u>135,248</u>	\$ <u>300,908</u>	\$ <u>740,199</u>	<u>(11,182,264)</u>
General revenues:					
FTE and other nonspecific revenues					7,637,969
Contributions					2,090,067
Interest income					101,688
Total general revenues					<u>9,829,724</u>
Change in net position (deficit)					(1,352,540)
Net position (deficit), July 1, 2024					<u>(1,780,418)</u>
Net position (deficit), June 30, 2025					\$ <u>(3,132,958)</u>

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

Renaissance Academy of Arts and Sciences
Balance Sheet - Governmental Funds
June 30, 2025

	<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	\$ 587,086	\$ -	\$ -	\$ 130,095	\$ 717,181
Due from other funds	-	-	-	13,452	13,452
Due from related parties	11,743	-	-	-	11,743
Other receivables	72,093	-	-	-	72,093
Interest receivable	3,017	-	-	-	3,017
Prepaid items	106,313	-	-	-	106,313
Deposits	111,942	-	-	-	111,942
Restricted investments	<u>1,488,658</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,488,658</u>
Total assets	<u>\$ 2,380,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,547</u>	<u>\$ 2,524,399</u>
Liabilities:					
Accounts payable and accrued expenses	\$ 176,947	\$ -	\$ -	\$ -	\$ 176,947
Salaries and wages payable	420,191	-	-	-	420,191
Due to management company	48,074	-	-	-	48,074
Due to related parties	1,933	-	-	-	1,933
Due to other funds	<u>13,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,452</u>
Total liabilities	<u>660,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>660,597</u>
Fund Balances:					
Nonspendable:					
Prepaid items	106,313	-	-	-	106,313
Deposits	111,942	-	-	-	111,942
Restricted for debt service	1,488,658	-	-	-	1,488,658
Restricted for extracurricular activities	-	-	-	143,547	143,547
Unassigned	<u>13,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,342</u>
Total fund balances	<u>1,720,255</u>	<u>-</u>	<u>-</u>	<u>143,547</u>	<u>1,863,802</u>
Total liabilities and fund balances	<u>\$ 2,380,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,547</u>	<u>\$ 2,524,399</u>

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

**Renaissance Academy of Arts and Sciences
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position (Deficit)
 June 30, 2025**

Total Fund Balances - Governmental Funds \$ 1,863,802

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

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

Cost of capital assets	\$	46,983,595	
Accumulated depreciation and amortization		<u>(6,084,588)</u>	40,899,007

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	\$	(237,211)	
Lease payables		(25,536,238)	
Bonds payable, net		(20,076,729)	
Compensated absences		<u>(45,589)</u>	<u>(45,895,767)</u>

Net Position (Deficit) of Governmental Activities \$ (3,132,958)

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

**Renaissance Academy of Arts and Sciences
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2025**

	<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	\$ -	\$ 36,921	\$ -	\$ -	\$ 36,921
State sources	7,741,596	-	596,704	-	8,338,300
Local sources	2,117,450	-	143,495	132,977	2,393,922
Aftercare	135,248	-	-	-	135,248
Interest income	97,725	-	-	3,963	101,688
Total revenues	<u>10,092,019</u>	<u>36,921</u>	<u>740,199</u>	<u>136,940</u>	<u>11,006,079</u>
Expenditures:					
Current:					
Instruction	3,677,790	15,127	-	-	3,692,917
Student support services	435,237	2,418	-	-	437,655
Instructional staff training service	23,659	3,913	-	-	27,572
Instruction related technology	201,990	-	-	-	201,990
Board	46,457	-	-	-	46,457
School administration	988,856	-	-	-	988,856
Fiscal services	14,913	-	-	-	14,913
Food services	2,223	-	-	-	2,223
Central services	100,889	-	-	-	100,889
Transportation services	637,009	-	-	-	637,009
Operation of plant	1,528,418	-	-	-	1,528,418
Maintenance of plant	314,618	-	-	-	314,618
Community services	64,907	-	-	-	64,907
Extracurricular activities	-	-	-	135,842	135,842
Capital outlay	22,113,107	-	-	-	22,113,107
Debt service:					
Principal	754,145	-	-	-	754,145
Interest	1,666,842	-	740,199	-	2,407,041
Total expenditures	<u>32,571,060</u>	<u>21,458</u>	<u>740,199</u>	<u>135,842</u>	<u>33,468,559</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,479,041)</u>	<u>15,463</u>	<u>-</u>	<u>1,098</u>	<u>(22,462,480)</u>
Other Financing Sources (Uses):					
Issuance of lease obligation	22,035,642	-	-	-	22,035,642
Transfer in	15,463	-	-	-	15,463
Transfer out	-	(15,463)	-	-	(15,463)
Total other financing sources (uses)	<u>22,051,105</u>	<u>(15,463)</u>	<u>-</u>	<u>-</u>	<u>22,035,642</u>
Net change in fund balances	(427,936)	-	-	1,098	(426,838)
Fund Balances, July 1, 2024	<u>2,148,191</u>	<u>-</u>	<u>-</u>	<u>142,449</u>	<u>2,290,640</u>
Fund Balances, June 30, 2025	<u>\$ 1,720,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,547</u>	<u>\$ 1,863,802</u>

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

**Renaissance Academy of Arts and Sciences
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, 2025**

Net Change in Fund Balances - Governmental Funds \$ (426,838)

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, the costs of those assets are depreciated and amortized over their estimated useful lives as depreciation and amortization.

Capital outlays	\$ 22,113,107	
Provision for depreciation and amortization	<u>(1,671,585)</u>	20,441,522

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 (deficit). 754,145

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position (deficit). (22,035,642)

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.

Amortization of bond premium	\$ 11,085	
Change in compensated absences	15,332	
Change in accrued interest payable	<u>(112,144)</u>	<u>(85,727)</u>

Change in Net Position (Deficit) of Governmental Activities \$ (1,352,540)

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

Note 1 - Organization and Operations

Renaissance Academy of Arts and Sciences (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School Board of Osceola County, Florida, was established in June 2017 as a public charter school to serve students from kindergarten to eighth grade in Osceola County. The School is sponsored by its charter holder, Renaissance Charter School, Inc. ("RCS"), a Florida nonprofit corporation organized in August 1998. There were 939 students enrolled for the 2024/2025 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, 2025, and its changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Note 2 - Summary of Significant Accounting Policies

Reporting entity: The School operates under a charter granted by the sponsoring school district, the School Board of Osceola County (the "District"). The current charter is effective until June 31, 2032 and may be renewed by mutual written agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter, in which case, the District 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 District may also terminate the charter if good cause is shown.

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 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 (deficit) 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 but restricted for use in the extracurricular activities.

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 120 days of the end of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source.

Note 2 - Summary of Significant Accounting Policies (continued)

All other revenue items are considered to be measurable and available only when cash is received by the School. 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.

Student funding is provided by the State of Florida through the School Board. Such funding is recorded as full-time equivalent ("FTE") revenue in the government-wide financial statements and state source revenue in the fund financial statements. This funding is received on a prorated basis over a 12-month period and is adjusted for changes FTE student population.

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.

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 basic 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 a cost equal to or greater than \$ 750 and useful life of over one year. Donated property and equipment assets 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 capital assets is provided on the straight-line basis over the estimated useful lives as follows:

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

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 assets 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.

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 assets 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 and amortization 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 - the residual portion of net position that does not meet the definition of the other two categories.

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.

Note 2 - Summary of Significant Accounting Policies (continued)

Fund balance: The governmental fund financial statements present fund balances based on the provisions of U.S. 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.
- **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.

Budget: An operating budget is adopted and maintained by the governing board for all governmental funds, except the Capital Project Fund and 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 financial statements.

Use of estimates: The preparation of financial statements in accordance 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.

Adoption of new accounting standards: During the year ended June 30, 2025, the School implemented GASB Statement No. 101, *Compensated Absences*, which revisits the definition and recognition parameters of accrued employee paid time off. The School also implemented GASB Statement No. 102, *Certain Risk Disclosures*, which addresses obligations for governmental entities to disclose a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. There were no changes required to the financials of the School as a result of the adoption of these standards.

Note 2 - Summary of Significant Accounting Policies (continued)

Date of management review: Subsequent events were evaluated by management through September 19, 2025, which is the date the financial statements were available to be issued.

Note 3 - Cash and Cash Equivalents

At June 30, 2025, the carrying amount of the deposits and cash on hand totaled \$ 717,181 with a bank balance of \$ 722,438.

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 maintains eligible collateral to secure the public entity’s funds. The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the treasurer is defined by the 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 \$ 472,438 in excess of the federal insured level of \$ 250,000 are held in a qualified public depository and are covered by the collateral pool held in the name of the financial institution’s trust department or agent but not in the School’s name.

Note 4 - Interfund Receivables and Payables and Interfund Transfers

The composition of interfund balances as of June 30, 2025, is as follows:

<u>Due To/From Other Funds</u>		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Clubs and Activities Fund	General Fund	\$ <u>13,452</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, 2025, is as follows:

Transfers Out:	<u>Transfers In</u>
Grants Fund	<u>General</u>
	<u>Fund</u>
	\$ <u>15,463</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 Academy of Arts and Sciences
Notes to Basic Financial Statements
June 30, 2025

Note 5 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2025, are as follows:

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital assets being depreciated/ amortized:				
Building	\$ 19,376,708	\$ 20,959,201	\$ -	\$ 40,335,909
Improvements other than building	28,517	-	-	28,517
Furniture, fixtures and equipment	792,688	6,000	-	798,688
Computer equipment	818,559	-	-	818,559
Lease assets:				
Land	3,774,979	-	-	3,774,979
Furniture, fixtures and equipment	47,536	425,186	-	472,722
Computer equipment	31,501	722,720	-	754,221
	<u>24,870,488</u>	<u>22,113,107</u>	<u>-</u>	<u>46,983,595</u>
 Total capital assets being depreciated/amortized				
Accumulated depreciation/ amortization:				
Building	2,714,935	1,116,054	-	3,830,989
Improvements other than building	4,754	2,852	-	7,606
Furniture, fixtures and equipment	691,055	31,365	-	722,420
Computer equipment	652,832	82,615	-	735,447
Lease assets:				
Land	343,831	85,795	-	429,626
Furniture, fixtures and equipment	2,971	117,080	-	120,051
Computer equipment	2,625	235,824	-	238,449
	<u>4,413,003</u>	<u>1,671,585</u>	<u>-</u>	<u>6,084,588</u>
 Total accumulated depreciation/ amortization				
Net capital assets being depreciated/amortized	<u>\$ 20,457,485</u>	<u>\$ 20,441,522</u>	<u>\$ -</u>	<u>\$ 40,899,007</u>

Depreciation and amortization were charged to governmental activities as follows:

Instruction	\$ 1,204,701
Operation of plant	<u>466,884</u>
Total	<u>\$ 1,671,585</u>

Note 6 - Due From/To Related Parties

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

Note 7 - Restricted Investments

In June 2019, Renaissance Charter School, Inc. borrowed funds for acquisition of facilities and refinancing of prior debt for four of their schools, including the School (Note 8). The restricted investments of the School are governed by the Bond Indenture. The Bond Indenture authorizes the Trustee to invest in obligations of the United States or any state, obligations issued by a government sponsored agency, U.S. denominated deposit accounts, certificates of deposit and banker's acceptances, commercial paper, bonds, notes or debentures guaranteed by a corporation, investment agreements with banks, repurchase agreement secured by government obligations, investments in a money market fund and shares in any investment company, money market mutual fund, fixed income mutual fund or exchange traded fund. In accordance with the Bond Indenture, the Trustee has \$ 1,488,658 invested in a money market fund that is stated at amortized cost which approximates fair value.

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

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

Note 8 - Bonds Payable

Previously, the Capital Trust Agency (the "Agency") issued \$ 84,210,000 in Tax Exempt Educational Facilities Revenue Bonds, Series 2019A and \$ 1,770,000 in Taxable Educational Facilities Revenue Bonds, Series 2019B pursuant to an Indenture of Trust between the Agency and a Trustee to make a loan to RCS, a division of which the School exists to finance the acquisition of the facilities and equipment and refinancing prior debt of four charter schools existing under RCS. The Series 2019A Bonds bear interest at 4.00% through June 2029 then at 5.00% through June 2049. The Series 2019B Bonds bear interest at 5.625% through June 2023. Principal and interest will be paid semi-annually on June 15 and December 15. In order to secure the payment of the principal and interest on the Bonds, the Agency assigned all of its rights and interest in the loan agreement to the Trustee. The Bonds are payable from and secured by a lien upon and pledge of payments to be received by the Trustee.

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

Renaissance Academy of Arts and Sciences
Notes to Basic Financial Statements
June 30, 2025

Note 8 - Bonds Payable (continued)

The School's share of the annual debt service requirements to maturity for the Series 2019 Bond is as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 422,009	\$ 968,397	\$ 1,390,406
2027	440,737	951,317	1,392,054
2028	456,968	933,513	1,390,481
2029	476,945	915,059	1,392,004
2030	496,920	894,520	1,391,440
2031-2035	2,891,632	4,068,575	6,960,207
2036-2040	3,710,680	3,257,238	6,967,918
2041-2045	4,753,215	2,217,887	6,971,102
2046-2049	6,161,575	813,709	6,975,284
	<u>\$ 19,810,681</u>	<u>\$ 15,020,215</u>	<u>\$ 34,830,896</u>

The Bond Indenture requires that the school maintain a lease payment coverage ratio of 1.00. As of June 30, 2025, the School is in compliance with this covenant.

Note 9 - Leases Payable

Concurrent with the Series 2019 Bond issuance, subsidiaries of Red Apple Development, LLC ("RAD") entered into four land lease agreements with RCS. The land which is owned by RAD is leased by RCS on behalf of the schools under a 45-year lease. The lease agreement qualifies as other than short-term leases under U.S. GAAP and, therefore, has been recorded at the present value of the future minimum lease payments as of the implementation date of July 1, 2021. The discount rate used to recognize the lease asset and the lease liability was 4.5%. For the year ended June 30, 2025, the School incurred interest expense of \$ 154,833 for this lease payable. In addition to rent, RCS shall pay to RAD the total cost of ad valorem taxes, assessments and levies imposed upon the premises which totaled \$ 3,846 for the year ended June 30, 2025.

The following is a schedule of the School's future base rent payments as of June 30, 2025, in connection with the lease above:

Year Ending June 30,	Principal	Interest	Total
2026	\$ -	\$ 174,784	\$ 174,784
2027	-	175,492	175,492
2028	-	176,087	176,087
2029	-	176,560	176,560
2030	-	176,901	176,901
2031-2035	-	884,402	884,402
2036-2040	-	867,551	867,551
2041-2045	282,652	821,525	1,104,177
2046-2050	484,877	736,384	1,221,261
2050-2054	748,957	599,414	1,348,371
2055-2059	1,094,310	394,402	1,488,712
2060-2064	1,164,183	109,154	1,273,337
	<u>\$ 3,774,979</u>	<u>\$ 5,292,656</u>	<u>\$ 9,067,635</u>

Renaissance Academy of Arts and Sciences
Notes to Basic Financial Statements
June 30, 2025

Note 9 - Leases Payable (continued)

During the year, the School entered into an additional lease agreement with RAD for the use of school facilities owned by RAD. The lease agreement qualifies as other than short-term lease under U.S. GAAP and, therefore, has been recorded at the present value of the future minimum lease payments as of the effective date of the lease of July 1, 2024. The discount rate used to recognize the lease asset and the lease liability was 7.0%. For the year ended June 30, 2025, the School incurred interest expense of \$ 1,245,010 for this lease payable. The lease is deemed to be an intangible right to use lease and the lease payments extend through June 2054.

The following is a schedule of the future minimum payments under the building lease as of June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
2026	\$ -	\$ 1,385,357	\$ 1,385,357
2027	-	1,413,064	1,413,064
2028	-	1,441,325	1,441,325
2029	-	1,470,152	1,470,152
2030	-	1,478,393	1,478,393
2031-2035	393,938	7,303,590	7,697,528
2036-2040	1,916,101	6,872,184	8,788,285
2041-2045	3,804,726	5,898,249	9,702,975
2046-2050	4,997,845	3,486,764	8,484,609
2050-2054	9,733,410	1,862,547	11,595,957
	<u>\$ 20,846,020</u>	<u>\$ 32,611,625</u>	<u>\$ 53,457,645</u>

During the year, the School entered into three lease arrangements for certain furniture, fixtures and equipment and computer equipment. The leases require monthly payments of \$ 9,525, including interest at 9.70%, \$ 7,280, including interest at 10.16%, and \$ 13,149, including interest at 2.32% respectively. Principal and interest payments are due through February 2028 and February 2029, respectively.

The following is a schedule of the School's future base rent payments as of June 30, 2025, in connection with the computer and furniture leases:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 326,154	59,635	\$ 385,789
2027	347,139	37,771	384,910
2028	168,445	15,154	183,599
2029	73,501	2,699	76,200
	<u>\$ 915,239</u>	<u>\$ 115,259</u>	<u>\$ 1,030,498</u>

Renaissance Academy of Arts and Sciences
Notes to Basic Financial Statements
June 30, 2025

Note 10 - Long-Term Liabilities

Changes in the School's long-term liabilities for the fiscal year ended June 30, 2025, are as follows:

	Balance July 1, 2024	Additions	Retirements	Amortization	Balance June 30, 2025	Amount Due Within One Year
Series 2019 Educational Facilities Revenue Bonds, net of unamortized premium of \$ 266,048	\$ 20,494,841	\$ -	\$ 407,027	\$ 11,085	\$ 20,076,729	\$ 422,009
Lease - building	-	20,959,201	113,181	-	20,846,020	-
Lease - land	3,774,979	-	-	-	3,774,979	-
Lease - furniture, fixtures and equipment	44,153	383,615	41,687	-	386,081	95,287
Lease - computer equipment	28,582	692,826	192,250	-	529,158	230,867
Compensated absences	60,921	-	15,332 *	-	45,589	34,192
	<u>\$ 24,403,476</u>	<u>\$ 22,035,642</u>	<u>\$ 769,477</u>	<u>\$ 11,085</u>	<u>\$ 45,658,556</u>	<u>\$ 782,355</u>

* Change in compensated absences above is a net change for the year.

Note 11 - Commitments

Management agreement: The School has a formal agreement with Charter Schools USA at Boggy Creek, LLC ("CSUSA") to manage, staff and operate the School. The agreement states that CSUSA shall be entitled to cost reimbursements and management fees (the "fee") for its services, subject to availability of funds. The fee is subordinated to all bond payment requirements (Note 8). The fee ranges from \$ 1,530,025 for fiscal year 2025 to \$ 2,412,695 for fiscal year 2049 as defined in the agreement or the budgeted amount approved by the Board of Directors based on enrollment and School performance. The agreement will automatically renew with Charter renewals unless terminated by either party. CSUSA received no fee of for the year ended June 30, 2025 and contributed \$ 2,090,067 to the School.

The School has an amount of \$ 48,074 due to CSUSA at June 30, 2025, for expenses paid by the School.

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

Note 12 - Employee Benefit Plan

During the year ended June 30, 2025, 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.

Note 12 - Employee Benefit Plan (continued)

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 ending December 31, 2024, the School had \$ 1,062 in forfeitures. For the year ended June 30, 2025, the School contributed a matching amount of \$ 25,110.

Note 13 - Capital Appropriations Funding

The Florida Department of Education has approved a Charter School Capital Outlay (“CSCO”) award for the School. In each year that funds are appropriated by the state for charter school capital outlay purposes, those funds are allocated among eligible charter schools. The funds for the School’s allocation are transferred to the School once a CSCO Plan has been provided to and approved by the sponsoring district. The School’s CSCO award totaled \$ 596,704 for the 2024/2025 school year and has been recognized as revenue in the accompanying basic 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 non-renewal, 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 facility.

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 \$ 143,495 for the 2024/2025 school year which has been recognized as revenue in the accompanying financial statements.

Note 14 - Risk Management

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

As disclosed in Note 11, 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.

REQUIRED SUPPLEMENTARY
INFORMATION

**Renaissance Academy of Arts and Sciences
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
State sources	\$ 9,540,075	\$ 9,540,075	\$ 7,741,596	\$ (1,798,479)
Local sources	2,336,729	2,336,729	2,117,450	(219,279)
Aftercare	200,584	200,584	135,248	(65,336)
Interest income	83,803	83,803	97,725	13,922
Total revenues	<u>12,161,191</u>	<u>12,161,191</u>	<u>10,092,019</u>	<u>(2,069,172)</u>
Expenditures:				
Current:				
Instruction	4,884,401	4,884,401	3,677,790	1,206,611
Student support services	579,045	579,045	435,237	143,808
Instructional staff training services	21,460	21,460	23,659	(2,199)
Instruction related technology	185,217	185,217	201,990	(16,773)
Board	23,677	23,677	46,457	(22,780)
School administration	898,379	898,379	988,856	(90,477)
Fiscal services	112,524	112,524	14,913	97,611
Food services	-	-	2,223	(2,223)
Central services	120,263	120,263	100,889	19,374
Transportation services	556,373	556,373	637,009	(80,636)
Operation of plant	3,171,845	3,171,845	1,528,418	1,643,427
Maintenance of plant	356,837	356,837	314,618	42,219
Community services	92,410	92,410	64,907	27,503
Capital outlay	14,037,226	14,037,226	22,113,107	(8,075,881)
Debt service:				
Principal	732,090	732,090	754,145	(22,055)
Interest	331,796	331,796	1,666,842	(1,335,046)
Total expenditures	<u>26,103,543</u>	<u>26,103,543</u>	<u>32,571,060</u>	<u>(6,467,517)</u>
Deficiency of revenues under expenditures	<u>(13,942,352)</u>	<u>(13,942,352)</u>	<u>(22,479,041)</u>	<u>(8,536,689)</u>
Other Financing Sources:				
Issuance of lease obligation	14,033,191	14,033,191	22,035,642	8,002,451
Transfer in	-	-	15,463	15,463
Total other financing sources	<u>14,033,191</u>	<u>14,033,191</u>	<u>22,051,105</u>	<u>8,017,914</u>
Net change in fund balance	<u>\$ 90,839</u>	<u>\$ 90,839</u>	<u>\$ (427,936)</u>	<u>\$ (518,775)</u>

Note to Schedule: Expenditures exceeded appropriations in the General Fund by \$ 8,536,689 for the year ended June 30, 2025. These over-expenditures were funded by issuance of the lease obligation and available fund balance.

**Renaissance Academy of Arts and Sciences
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Grants Fund
For the Year Ended June 30, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Federal sources:				
UniSIG	\$ -	\$ -	\$ 2,386	\$ 2,386
Title IV	12,780	12,780	19,881	7,101
ESSER III	-	-	14,654	14,654
	<u>12,780</u>	<u>12,780</u>	<u>36,921</u>	<u>24,141</u>
Total revenues	<u>12,780</u>	<u>12,780</u>	<u>36,921</u>	<u>24,141</u>
Expenditures:				
Current:				
Instruction	7,209	7,209	15,127	(7,918)
Student support services	-	-	2,418	(2,418)
Instructional staff training	5,571	5,571	3,913	1,658
	<u>12,780</u>	<u>12,780</u>	<u>21,458</u>	<u>(8,678)</u>
Total expenditures	<u>12,780</u>	<u>12,780</u>	<u>21,458</u>	<u>(8,678)</u>
Excess of revenues over expenditures	-	-	15,463	15,463
Other Financing Uses:				
Transfer out	-	-	(15,463)	(15,463)
	<u>-</u>	<u>-</u>	<u>(15,463)</u>	<u>(15,463)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note to Schedule: Expenditures exceeded appropriations in the Grants Fund by \$ 8,678 for the year ended June 30, 2025. These over-expenditures were funded by greater than anticipated revenues in that fund.

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 Academy of Arts and Sciences
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 Academy of Arts and Sciences (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, 2025, 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, 2025.

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 School'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.

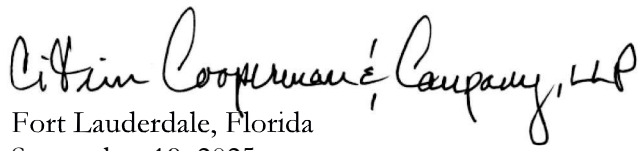
"Citrin Cooperman" is the brand under which Citrin Cooperman & Company, LLP, a licensed independent CPA firm, and Citrin Cooperman Advisors LLC serve clients' business needs. The two firms operate as separate legal entities in an alternative practice structure. The entities of Citrin Cooperman & Company, 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
September 19, 2025

"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.



Citrin Cooperman & Company, LLP
Certified Public Accountants

6550 N Federal Hwy, 4th Floor
Fort Lauderdale, FL 33308
T : 954.771.0896 F 954.938.9353
citrincooperman.com

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 Academy of Arts and Sciences
Kissimmee, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities and each major fund of Renaissance Academy of Arts and Sciences, Florida, (the "School"), as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated September 19, 2025.

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, 2025, 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 annual financial audit report. There were no findings or recommendations made in the preceding annual 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 School are Renaissance Academy of Arts and Sciences and 490191.

"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.

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 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

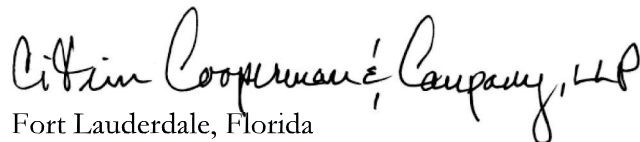
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with 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, fraud, waste, 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 School Board of Osceola County, and 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, 2025