

Renaissance Charter School at Wellington
A Department of Renaissance Charter School, Inc.

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

Renaissance Charter School at Wellington

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Renaissance Charter School at Wellington
Wellington, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Renaissance Charter School at Wellington (the "School"), a Department of Renaissance Charter School, Inc., 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 Opinion

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 opinion.

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, 2025, or the 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 opinion. 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.



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 26 and 27 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 October 7, 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
October 7, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Renaissance Charter School at Wellington (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, 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 \$ 1,877,841 as compared to \$ 1,959,545 as of June 30, 2024.
- As of June 30, 2025 the School had net position (deficit) of \$ (1,894,740) as compared to \$ (1,537,179) as of 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 financial statements, governmental funds 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 funds 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 25 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 \$ 1,894,740 at the close of the most recent fiscal year.

**Renaissance Charter School at Wellington
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 Charter School at Wellington Net Position (Deficit)			
	June 30, 2025	June 30, 2024	Variance
Assets:			
Current and other assets	\$ 2,577,102	\$ 2,756,126	\$ (179,024)
Capital assets, net	<u>19,833,242</u>	<u>20,482,496</u>	<u>(649,254)</u>
Total assets	<u>22,410,344</u>	<u>23,238,622</u>	<u>(828,278)</u>
Liabilities:			
Current liabilities	1,276,118	1,340,041	(63,923)
Noncurrent liabilities	<u>23,028,966</u>	<u>23,435,760</u>	<u>(406,794)</u>
Total liabilities	<u>24,305,084</u>	<u>24,775,801</u>	<u>(470,717)</u>
Net Position (Deficit):			
Net investment in capital assets	(2,301,216)	(2,043,973)	(257,243)
Restricted	12,594	60,272	(47,678)
Unrestricted	<u>393,882</u>	<u>446,522</u>	<u>(52,640)</u>
Total net position (deficit)	<u>\$ (1,894,740)</u>	<u>\$ (1,537,179)</u>	<u>\$ (357,561)</u>

Current and other assets decreased mainly due to the decrease in the School's cash position and decrease in amounts due from other government. Capital assets, net of depreciation decreased mainly due to the current depreciation expense of \$ 714,520 offset by purchase of new assets of \$ 65,266. Current liabilities decreased mainly due a decrease in amounts trade payable. Noncurrent liabilities decreased due to payments made on the School's long-term debt payables.

Governmental Activities: The School's overall net position decreased \$ 357,561 from the prior fiscal year. The reasons for this overall decrease are discussed in the following section for governmental activities.

Renaissance Charter School at Wellington Change in Net Position (Deficit)			
	June 30, 2025	June 30, 2024	Variance
Revenues:			
Program revenues:			
Charges for services	\$ 254,577	\$ 242,081	\$ 12,496
Operating grants and contributions	1,029,940	1,879,301	(849,361)
Capital grants and contributions	806,449	598,746	207,703
General revenues:			
FTE and other nonspecific revenues	7,125,477	8,438,536	(1,313,059)
Interest income	105,836	119,990	(14,154)
Miscellaneous income	<u>48</u>	<u>5,200</u>	<u>(5,152)</u>
Total revenues	<u>\$ 9,322,327</u>	<u>\$ 11,283,854</u>	<u>\$ (1,961,527)</u>

**Renaissance Charter School at Wellington
Management's Discussion and Analysis
June 30, 2025**

Government-Wide Financial Analysis (continued)

Renaissance Charter School at Wellington Change in Net Position (Deficit) (continued)			
	June 30, 2025	June 30, 2024	Variance
	<u> </u>	<u> </u>	<u> </u>
Functions/Program Expenses:			
Instruction	\$ 3,378,526	\$ 3,919,363	\$ (540,837)
Student support services	383,549	476,653	(93,104)
Instruction and curriculum development services	122	12,020	(11,898)
Instructional staff training services	5,770	5,120	650
Instruction related technology	188,766	168,979	19,787
Board	64,454	59,299	5,155
School administration	842,850	866,771	(23,921)
Fiscal services	804,111	1,699,431	(895,320)
Food services	412,065	327,736	84,329
Central services	107,420	104,241	3,179
Transportation services	189,408	174,731	14,677
Operation of plant	1,585,778	1,434,389	151,389
Maintenance of plant	276,244	327,360	(51,116)
Community services	180,163	219,165	(39,002)
Extracurricular activities	137,881	167,507	(29,626)
Interest on long-term debt	<u>1,122,781</u>	<u>1,138,732</u>	<u>(15,951)</u>
Total	<u>9,679,888</u>	<u>11,101,497</u>	<u>(1,421,609)</u>
Change in net position (deficit)	(357,561)	182,357	(539,918)
Net position (deficit) - beginning	<u>(1,537,179)</u>	<u>(1,719,536)</u>	<u>182,357</u>
Net position (deficit) - ending	<u>\$ (1,894,740)</u>	<u>\$ (1,537,179)</u>	<u>\$ (357,561)</u>

Program revenues decreased due to a decrease in ESSER funding in the current year offset by the increase of capital outlay revenues. General revenues decreased due to a decline in referendum funding. Total expenses decreased primarily due to decreases in instruction and fiscal services 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 \$ 334,299, while total fund balance decreased to \$ 1,865,247. 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 4.4% of total General Fund expenditures, while total fund balance represents 24.4% of that same amount.

Financial Analysis of Governmental Funds (continued)

The fund balance of the School's General Fund decreased by \$ 94,298 during the current fiscal year. The decrease was primarily related to the decrease in referendum funding.

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

The Capital Project Fund does not have an increase or decrease in fund balance during the fiscal year as this fund reports state and local capital outlay funding that is used to cover a portion of interest expense.

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

Capital Assets and Debt Administration

Capital assets: At June 30, 2025, the School had capital assets of \$ 19,833,242, net of accumulated depreciation and amortization, invested in lease assets, buildings, furniture, fixtures and equipment, computer equipment and improvements other than buildings. Major capital assets additions for the year included \$ 36,013 for classroom furniture. 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 \$ 23,418,322, as compared to \$ 23,810,494 at June 30, 2024. The decrease is a result of scheduled debt payments in accordance with the Bond Indenture. Additional information on the School's debt can be found in Notes 8, 9 and 10 of this report.

General Fund Budgetary Highlights

State source revenue was unfavorable to the budget due to the estimation of student revenues. Aftercare revenues were unfavorable to the budget mainly due to the estimation of student services. Expenditures were favorable to the budget primarily due to instruction, student support services and operation of plant.

Economic Factors and Next Year's Budget

In fiscal year 2025, the State of Florida continued to include a teacher salary increase allocation (TSIA) 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 the 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 Wellington
Statement of Net Position (Deficit)
June 30, 2025

	Governmental Activities
Current Assets:	
Cash and cash equivalents	\$ 878,761
Due from other governments	93,735
Due from related parties	19,991
Other receivables	53,667
Prepaid items	116,542
Deposits	59,457
Restricted investments	<u>71,085</u>
Total current assets	<u>1,293,238</u>
Noncurrent Assets:	
Restricted investments	1,283,864
Capital assets (depreciable and amortizable), net of accumulated depreciation and amortization	<u>19,833,242</u>
Total noncurrent assets	<u>21,117,106</u>
Total assets	<u>22,410,344</u>
Current Liabilities:	
Accounts payable and accrued expenses	153,839
Salaries and wages payable	324,085
Due to related parties	2,557
Due to management company	218,780
Accrued interest payable	161,065
Compensated absences	19,827
Bonds payable	<u>395,965</u>
Total current liabilities	<u>1,276,118</u>
Noncurrent Liabilities:	
Compensated absences	6,609
Bonds payable, net	18,438,473
Lease payable	<u>4,583,884</u>
Total noncurrent liabilities	<u>23,028,966</u>
Total liabilities	<u>24,305,084</u>
Net Position (Deficit):	
Net investment in capital assets	(2,301,216)
Restricted for extracurricular activities	12,594
Unrestricted	<u>393,882</u>
Total net position (deficit)	<u>\$ (1,894,740)</u>

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

Renaissance Charter School at Wellington
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>Net Revenue (Expense) and Change in Net Position (Deficit)</u>
Functions/Programs:					
Instruction	\$ 3,378,526	\$ -	\$ 123,281	\$ -	\$ (3,255,245)
Student support services	383,549	-	196,983	-	(186,566)
Instruction and curriculum development services	122	-	-	-	(122)
Instructional staff training services	5,770	-	-	-	(5,770)
Instruction related technology	188,766	-	-	-	(188,766)
Board	64,454	-	-	-	(64,454)
School administration	842,850	-	2,351	-	(840,499)
Fiscal services	804,111	-	-	-	(804,111)
Food services	412,065	-	412,065	-	-
Central services	107,420	-	1,101	-	(106,319)
Transportation services	189,408	-	42,490	-	(146,918)
Operation of plant	1,585,778	-	102,036	-	(1,483,742)
Maintenance of plant	276,244	-	-	-	(276,244)
Community services	180,163	254,577	-	-	74,414
Extracurricular activities	137,881	-	149,633	-	11,752
Interest on long-term debt	1,122,781	-	-	806,449	(316,332)
Total governmental activities	\$ <u>9,679,888</u>	\$ <u>254,577</u>	\$ <u>1,029,940</u>	\$ <u>806,449</u>	<u>(7,588,922)</u>
General revenues:					
FTE and other nonspecific revenues					7,125,477
Interest income					105,836
Miscellaneous income					48
Total general revenues					<u>7,231,361</u>
Change in net position (deficit)					(357,561)
Net position (deficit), July 1, 2024					<u>(1,537,179)</u>
Net position (deficit), June 30, 2025					\$ <u>(1,894,740)</u>

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

Renaissance Charter School at Wellington
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	\$ 851,549	\$ -	\$ -	\$ 27,212	\$ 878,761
Due from other governments	-	60,928	32,807	-	93,735
Due from other funds	108,353	-	-	-	108,353
Due from related parties	19,991	-	-	-	19,991
Other receivables	53,667	-	-	-	53,667
Prepaid items	116,542	-	-	-	116,542
Deposits	59,457	-	-	-	59,457
Restricted investments	1,354,949	-	-	-	1,354,949
Total assets	\$ <u>2,564,508</u>	\$ <u>60,928</u>	\$ <u>32,807</u>	\$ <u>27,212</u>	\$ <u>2,685,455</u>
Liabilities:					
Accounts payable and accrued expenses	\$ 153,839	\$ -	\$ -	\$ -	\$ 153,839
Salaries and wages payable	324,085	-	-	-	324,085
Due to related parties	2,557	-	-	-	2,557
Due to management company	218,780	-	-	-	218,780
Due to other funds	-	60,928	32,807	14,618	108,353
Total liabilities	<u>699,261</u>	<u>60,928</u>	<u>32,807</u>	<u>14,618</u>	<u>807,614</u>
Fund Balances:					
Nonspendable:					
Prepaid items	116,542	-	-	-	116,542
Deposits	59,457	-	-	-	59,457
Restricted for debt service	1,354,949	-	-	-	1,354,949
Restricted for extracurricular activities	-	-	-	12,594	12,594
Unassigned	334,299	-	-	-	334,299
Total fund balances	<u>1,865,247</u>	<u>-</u>	<u>-</u>	<u>12,594</u>	<u>1,877,841</u>
Total liabilities and fund balances	\$ <u>2,564,508</u>	\$ <u>60,928</u>	\$ <u>32,807</u>	\$ <u>27,212</u>	\$ <u>2,685,455</u>

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

Renaissance Charter School at Wellington
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position (Deficit)
June 30, 2025

Total Fund Balances - Governmental Funds \$ 1,877,841

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 funds 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	\$	24,866,453	
Accumulated depreciation and amortization		<u>(5,033,211)</u>	19,833,242

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	\$	(161,065)	
Compensated absences		(26,436)	
Bonds payable, net		(18,834,438)	
Lease payable		<u>(4,583,884)</u>	<u>(23,605,823)</u>

Net Position (Deficit) of Governmental Activities \$ (1,894,740)

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

**Renaissance Charter School at Wellington
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	\$ -	\$ 805,420	\$ -	\$ -	\$ 805,420
State sources	7,302,623	2,736	425,797	-	7,731,156
Local sources	28,895	-	380,652	149,633	559,180
Aftercare	120,735	-	-	-	120,735
Interest income	104,994	-	-	842	105,836
	<u>7,557,247</u>	<u>808,156</u>	<u>806,449</u>	<u>150,475</u>	<u>9,322,327</u>
Total revenues					
Expenditures:					
Current:					
Instruction	3,065,519	123,280	-	-	3,188,799
Student support services	186,566	196,983	-	-	383,549
Instruction and curriculum development services	122	-	-	-	122
Instructional staff training services	5,770	-	-	-	5,770
Instruction related technology	188,766	-	-	-	188,766
Board	64,454	-	-	-	64,454
School administration	840,499	2,351	-	-	842,850
Fiscal services	804,111	-	-	-	804,111
Food services	-	412,065	-	-	412,065
Central services	106,319	1,101	-	-	107,420
Transportation services	189,408	-	-	-	189,408
Operation of plant	990,865	72,376	-	-	1,063,241
Maintenance of plant	276,244	-	-	-	276,244
Community services	180,163	-	-	-	180,163
Extracurricular activities	-	-	-	137,881	137,881
Capital outlay	65,266	-	-	-	65,266
Debt service:					
Principal	381,907	-	-	-	381,907
Interest	305,566	-	806,449	-	1,112,015
	<u>7,651,545</u>	<u>808,156</u>	<u>806,449</u>	<u>137,881</u>	<u>9,404,031</u>
Total expenditures					
Net change in fund balances	(94,298)	-	-	12,594	(81,704)
Fund Balances, July 1, 2024	<u>1,959,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,959,545</u>
Fund Balances, June 30, 2025	<u>\$ 1,865,247</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,594</u>	<u>\$ 1,877,841</u>

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

**Renaissance Charter School at Wellington
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 \$ (81,704)

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 is depreciated and amortized over their estimated useful lives as depreciation and amortization.

Capital outlays	\$	65,266	
Depreciation and amortization		<u>(714,520)</u>	(649,254)

Principal payments on long-term debt are reported as an expenditure in the governmental funds, but as a reduction of long-term liabilities in the statement of net position (deficit). 381,907

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	\$	2,256	
Change in accrued interest payable		<u>(10,766)</u>	<u>(8,510)</u>

Change in Net Position (Deficit) of Governmental Activities \$ (357,561)

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

Note 1 - Organization and Operations

Renaissance Charter School at Wellington (the "School"), a Department of Renaissance Charter School, Inc. ("RCS"), was established in July 2014 as a public charter school to serve students from kindergarten to eighth grade in Palm Beach County. The School is sponsored by its charter-holder, RCS, a Florida nonprofit corporation organized in August 1998. There were 682 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 the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Note 2 - Summary of Significant Accounting Policies

Reporting entity: The School operates under a charter granted by the sponsoring school district, the School District of Palm Beach County (the "District"). The current charter is effective until June 30, 2029, and may be renewed in increments of five years 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 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 but are 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 one hundred twenty 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 District. 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 twelve-month period and is adjusted for changes in 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's deposits are collateralized in accordance with Chapter 280 of the Florida Statutes (see 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 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 basic financial statements.

Capital assets: Capital assets 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 capital 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 capital 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:

Building	45 years
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 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 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 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 any 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 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.

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 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 basic financial statements.

Note 2 - Summary of Significant Accounting Policies (continued)

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 and 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.

Date of management review: The School has evaluated subsequent events through October 7, 2025, which is the date that 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 \$ 878,761 with bank balances of \$ 888,919.

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 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 \$ 638,919 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:

Due To/From Other Funds		
Receivable Fund	Payable Fund	Amount
General Fund	Grants Fund	\$ 60,928
General Fund	Capital Projects Fund	32,807
General Fund	Club and Activities Fund	14,618
		\$ 108,353

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.

There were no transfers for the year ended June 30, 2025.

Renaissance Charter School at Wellington
Notes to Basic Financial Statements
June 30, 2025

Note 5 - Due From/To Related Parties

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

Note 6 - 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
Capital assets being depreciated/ amortized:				
Building	\$ 17,825,235	\$ -	\$ -	\$ 17,825,235
Improvements other than building	216,515	11,820	-	228,335
Furniture, fixtures and equipment	672,409	36,013	-	708,422
Computer equipment	1,503,144	17,433	-	1,520,577
Lease assets:				
Land	<u>4,583,884</u>	<u>-</u>	<u>-</u>	<u>4,583,884</u>
 Total capital assets being depreciated/amortized	 <u>24,801,187</u>	 <u>65,266</u>	 <u>-</u>	 <u>24,866,453</u>
Accumulated depreciation/ amortization:				
Building	2,013,590	396,116	-	2,409,706
Improvements other than building	62,591	22,242	-	84,833
Furniture, fixtures and equipment	586,826	34,106	-	620,932
Computer equipment	1,238,177	157,877	-	1,396,054
Lease assets:				
Land	<u>417,507</u>	<u>104,179</u>	<u>-</u>	<u>521,686</u>
 Total accumulated depreciation/ amortization	 <u>4,318,691</u>	 <u>714,520</u>	 <u>-</u>	 <u>5,033,211</u>
 Net capital assets being depreciated/amortized	 <u>\$ 20,482,496</u>	 <u>\$ (649,254)</u>	 <u>\$ -</u>	 <u>\$ 19,833,242</u>

Depreciation and amortization was charged to governmental activities as follows:

Instruction	\$ 191,983
Operation of plant	<u>522,537</u>
Total	<u>\$ 714,520</u>

Note 7 - Restricted Investments

In June 2019, Renaissance Charter School, Inc., (“RCS”) borrowed funds for the acquisition of facilities and refinancing of prior debt for four of their schools, including the school (see Note 8). The restricted investments of the School are governed by the Bond Indenture. The investments are held by the Trustee and are restricted for debt service. 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 \$ 1,354,949 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 42 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 refinance 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 bore interest at 5.625% through maturity in 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 Charter School at Wellington
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	\$ 395,965	\$ 908,634	\$ 1,304,599
2027	413,537	892,608	1,306,145
2028	428,767	875,902	1,304,669
2029	447,510	858,587	1,306,097
2030	466,254	839,316	1,305,570
2031-2035	2,713,179	3,817,487	6,530,666
2036-2040	3,481,678	3,056,221	6,537,899
2041-2045	4,459,876	2,081,012	6,540,888
2046-2049	5,781,320	763,492	6,544,812
	<u>\$ 18,588,086</u>	<u>\$ 14,093,259</u>	<u>\$ 32,681,345</u>

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

Note 9 - Lease Payable

Concurrent with the Series 2019 Bond issuance (see Note 8), 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 GAAP and, therefore, has been recorded at the present value of the future minimum lease payments as of the implementation date of June 30, 2021. The discount rate used to recognize the lease asset and the lease liability was 4.50%. For the year ended June 30, 2025, the School incurred interest expense of \$ 188,011 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 \$ 77,455 for the year ended June 30, 2025.

The following is a schedule of the School's future rent payments as of June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
2026	\$ -	\$ 212,237	\$ 212,237
2027	-	213,097	213,097
2028	-	213,819	213,819
2029	-	214,393	214,393
2030	-	214,807	214,807
2031-2035	-	1,073,913	1,073,913
2036-2040	-	1,053,450	1,053,450
2041-2045	343,218	997,563	1,340,781
2046-2050	588,776	894,178	1,482,954
2051-2055	909,444	727,857	1,637,301
2056-2060	1,328,800	478,914	1,807,714
2061-2064	1,413,646	132,544	1,546,190
	<u>\$ 4,583,884</u>	<u>\$ 6,426,772</u>	<u>\$ 11,010,656</u>

Renaissance Charter School at Wellington
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 \$ 246,352	\$ 19,226,610	\$ -	\$ 381,907	\$ 10,265	\$ 18,834,438	\$ 395,965
Lease - land	4,583,884	-	-	-	4,583,884	-
Compensated absences	28,692	-	2,256 *	-	26,436	19,827
	<u>\$ 23,839,186</u>	<u>\$ -</u>	<u>\$ 384,163</u>	<u>\$ 10,265</u>	<u>\$ 23,444,758</u>	<u>\$ 415,792</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 Wellington, 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 (see Note 8). For the year ended June 30, 2025, CSUSA received a fee of \$ 782,336. The fee ranges from \$ 1,436,627 for fiscal year 2026 to \$ 2,265,417 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 has an initial term which expires in June 2029. It will automatically renew with Charter renewals unless terminated by either party.

The School has an amount of \$ 218,780 due to CSUSA at June 30, 2025.

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 IRC 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%

Note 12 - Employee Benefit Plan (continued)

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, 2024, the School had forfeitures of \$ 2,423. For the year ended June 30, 2025, the School contributed a matching amount of \$ 26,472.

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 \$ 425,797 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 District 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 District. The School has elected to use these funds to pay a portion of the interest expense on the bonds payable.

Local Capital Improvement Revenue (“LCIR”) funds are also appropriated by the District 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 \$ 380,652 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 have been 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 Charter School at Wellington
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	\$ 7,910,354	\$ 7,910,354	\$ 7,302,623	\$ (607,731)
Local sources	33,365	33,365	28,895	(4,470)
Aftercare	261,337	261,337	120,735	(140,602)
Interest income	113,590	113,590	104,994	(8,596)
	<u>8,318,646</u>	<u>8,318,646</u>	<u>7,557,247</u>	<u>(761,399)</u>
Expenditures:				
Current:				
Instruction	3,526,125	3,526,125	3,065,519	460,606
Student support services	319,429	319,429	186,566	132,863
Instruction and curriculum development services	-	-	122	(122)
Instructional staff training services	26,250	26,250	5,770	20,480
Instruction related technology	182,962	182,962	188,766	(5,804)
Board	31,706	31,706	64,454	(32,748)
School administration	961,373	961,373	840,499	120,874
Fiscal services	788,403	788,403	804,111	(15,708)
Central services	126,234	126,234	106,319	19,915
Transportation services	194,401	194,401	189,408	4,993
Operation of plant	1,177,674	1,177,674	990,865	186,809
Maintenance of plant	225,013	225,013	276,244	(51,231)
Community services	38,063	38,063	180,163	(142,100)
Capital outlay	57,170	57,170	65,266	(8,096)
Debt service:				
Principal	376,049	376,049	381,907	(5,858)
Interest	118,459	118,459	305,566	(187,107)
	<u>8,149,311</u>	<u>8,149,311</u>	<u>7,651,545</u>	<u>497,766</u>
Net change in fund balance	\$ <u>169,335</u>	\$ <u>169,335</u>	\$ <u>(94,298)</u>	\$ <u>(263,633)</u>

**Renaissance Charter School at Wellington
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:				
National School Lunch Program	\$ 451,226	\$ 451,226	\$ 481,704	\$ 30,478
Title I	221,770	221,770	279,501	57,731
ESSER III	-	-	23,245	23,245
IDEA	-	-	20,970	20,970
State sources:				
National School Lunch Program	-	-	2,736	2,736
Total revenues	<u>672,996</u>	<u>672,996</u>	<u>808,156</u>	<u>135,160</u>
Expenditures:				
Current:				
Instruction	112,460	112,460	123,280	(10,820)
Student support services	109,310	109,310	196,983	(87,673)
School administration	-	-	2,351	(2,351)
Food services	380,613	380,613	412,065	(31,452)
Central services	-	-	1,101	(1,101)
Operation of plant	<u>70,613</u>	<u>70,613</u>	<u>72,376</u>	<u>(1,763)</u>
Total expenditures	<u>672,996</u>	<u>672,996</u>	<u>808,156</u>	<u>(135,160)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note to Schedule: For the year ended June 30, 2025, expenditures exceeded appropriations by \$ 135,160. These over-expenditures were funded by greater than anticipated revenues.

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 Wellington
Wellington, 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 Wellington (the "School"), a Department of Renaissance Charter School, Inc., 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 October 7, 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.

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Report on Compliance and Other Matters

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

Purpose of this Report

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

Fort Lauderdale, Florida

October 7, 2025

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 Wellington
Wellington, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities and each major fund of Renaissance Charter School at Wellington, Florida, (the "School"), as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated October 7, 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 October 7, 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 entity are Renaissance Charter School at Wellington and 504001.

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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

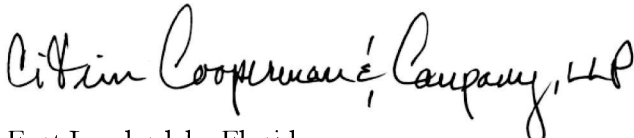
Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with 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 fraud, waste, or abuse, that have occurred, or are likely to have occurred, that has 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, the School District of Palm Beach County 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 7, 2025

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