

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

Basic Financial Statements
For the Year Ended June 30, 2021



Renaissance Charter School at Goldenrod

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Renaissance Charter School at Goldenrod
A Department of Renaissance Charter School, Inc.
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Renaissance Charter School at Goldenrod (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School Board of Orange County, Florida, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2021, and the respective changes in financial position, and budgetary comparison for the General Fund and Grants Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the School are intended to present the financial position and change in financial position of only that portion of the governmental activities, each major fund and the aggregate remaining fund information 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, 2021 and the changes in its financial position or budgetary comparisons, where applicable, for the year ended June 30, 2021 in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021 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.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
September 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS



**Renaissance Charter School at Goldenrod
Management's Discussion and Analysis
June 30, 2021**

As management of Renaissance Charter School at Goldenrod (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School Board of Orange 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, 2021 and 2020.

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, 2021, the School's governmental fund balances were \$ 2,408,283 as compared to \$ 2,356,484 as of June 30, 2020.
- As of June 30, 2021, the School had net position (deficit) of \$ (565,785) as compared to \$ (178,722) as of June 30, 2020.

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

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

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

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

The government-wide basic financial statements can be found on pages 8 and 9 of this report.

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

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

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

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

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

The governmental fund financial statements can be found on pages 10 through 15 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 16 through 25 of this report.

Government-Wide Financial Analysis

This is the School's sixth year of operations; therefore, comparative government-wide data is presented. The School's net position (deficit) at June 30, 2021 was \$ (565,785). This amount represents net investment in capital assets (deficit) of \$ (945,017), restricted of \$ 3,600, and unrestricted of \$ 375,632. The School's net position (deficit) was \$ (178,722) at June 30, 2020. This amount represented net investment in capital assets (deficit) of \$ (758,381), \$ 250,484 represented restricted net position and \$ 329,175 represented unrestricted net position.

**Renaissance Charter School at Goldenrod
Management's Discussion and Analysis
June 30, 2021**

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

Renaissance Charter School at Goldenrod Net Position (Deficit)		
	June 30, 2021	June 30, 2020
	<u> </u>	<u> </u>
Assets:		
Current and other assets	\$ 1,575,109	\$ 1,594,353
Noncurrent assets	24,542,088	24,906,630
	<u>26,117,197</u>	<u>26,500,983</u>
Total assets		
Liabilities:		
Current liabilities	1,348,018	914,054
Noncurrent liabilities	25,334,965	25,765,651
	<u>26,682,982</u>	<u>26,679,705</u>
Total liabilities		
Net Position (Deficit):		
Net investment in capital assets (deficit)	(945,017)	(758,381)
Restricted	3,600	250,484
Unrestricted (deficit)	375,632	329,175
	<u>(565,785)</u>	<u>(178,722)</u>
Total net position (deficit)		
	\$ <u>(565,785)</u>	\$ <u>(178,722)</u>

Current and other assets decreased mainly due to a reduction in restricted investments and amount due from other government. Capital assets, net of depreciation decreased due to depreciation expense of \$ 847,000 somewhat offset by purchases of \$ 223,000. Current liabilities increased due to an increase in salaries and wages payable and changes in the School's capital lease. Noncurrent liabilities decreased due to payment of the School's bonds payable.

Governmental Activities: The results of this year's operations for the School as a whole are reported in the statement of activities on page 9. The following table provides a condensed presentation of the School's revenues and expenses for the year ended June 30, 2021 and 2020:

Renaissance Charter School at Goldenrod Change in Net Position		
	June 30, 2021	June 30, 2020
	<u> </u>	<u> </u>
Revenues:		
General revenues	\$ 9,467,525	\$ 9,157,731
Program revenues	2,030,863	1,969,643
	<u>11,498,388</u>	<u>11,127,374</u>
Total revenues		
Functions/Program Expenses:		
Instruction	4,763,255	5,129,307
Instructional support services	3,683,259	2,863,961
Non-instructional services	3,438,937	3,113,837
	<u>11,885,451</u>	<u>11,107,105</u>
Total governmental activities		
Change in net position	\$ <u>(387,063)</u>	\$ <u>20,269</u>

**Renaissance Charter School at Goldenrod
Management's Discussion and Analysis
June 30, 2021**

General revenues increased due to an increase in state source revenues compared to the previous year with the new teacher salary allocation funds. Program revenues increased compared to last year due to an increase in grants. Total expenses increased due to an increase in instructional support services.

Governmental Fund Expenditures: In the table below, we have presented the cost of the largest functions/programs as a percentage of total governmental expenditures:

Functions/Programs	2021		2020	
	Expenditures	Percent	Expenditures	Percent
Governmental expenditures:				
Facilities acquisition and construction	\$ 223,114	2%	\$ 551,811	5%
Instructional expenditures	4,530,430	40%	4,720,435	45%
Plant operations and maintenance	1,162,914	10%	1,093,013	10%
Fiscal services	1,731,294	15%	1,198,792	11%
Debt service	1,394,059	12%	1,272,285	12%
All other functions/programs	2,403,040	21%	1,868,663	17%
Total governmental expenditures	\$ <u>11,444,851</u>	<u>100%</u>	\$ <u>10,704,999</u>	<u>100%</u>

Capital Assets and Debt Administration

Capital assets: At June 30, 2021, the School had capital assets of \$ 22,869,376, net of accumulated depreciation, invested in buildings, computer equipment and furniture, fixtures and equipment as compared to \$ 23,493,378 at June 30, 2020.

Debt: At June 30, 2021, the School had outstanding debt of \$ 25,487,105, as compared to \$ 25,665,034 at June 30, 2020. Additional information on the School's debt can be found on Notes 7 and 8 on page 22.

General Fund Budgetary Highlights

State sources revenues were unfavorable to budget due to decrease in enrollment. Local sources revenues were unfavorable to budget due to a reduction in e-rate revenue and interest income. Total General Fund revenues were unfavorable to budget by \$ 1 million. Total General Fund expenditures were favorable to budget by \$ 720,000 due primarily to savings in instruction expenses. Overall, the School ended the year with a change in fund balance that was unfavorable to the budget by approximately \$ 316,000.

Economic Factors and Next Year's Budget

In fiscal year 2021, the State of Florida increased its Florida Education Finance Program (FEFP) base funding to include a teacher salary increase pool of \$ 500 million and mental health initiative allocations. The capital outlay funding pool increased to \$ 169.6 million. A 2% merit increase was paid out to eligible staff.

For fiscal year 2022, the Florida Education Finance Program funding and the capital outlay revenue assumed at a flat rate in comparison to the current rate per student. The teacher salary allocation will continue to be a part of the base FEFP funding. A 2% 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 Myrna Lainé-Hyppolite, Senior Vice President - Finance and School Accounting; Charter Schools USA, 800 Corporate Drive, Suite 700, Fort Lauderdale, Florida 33334.

BASIC FINANCIAL STATEMENTS

Renaissance Charter School at Goldenrod
Statement of Net Position (Deficit)
June 30, 2021

	Governmental Activities
Current Assets:	
Cash and cash equivalents	\$ 1,257,405
Due from related party	49,810
Due from other governments	175,832
Accrued interest receivable	6,571
Prepaid items	26,895
Deposits	21,005
Restricted investments	<u>37,591</u>
Total current assets	<u>1,575,109</u>
Noncurrent Assets:	
Restricted investments	1,672,712
Capital assets (depreciable), net of accumulated depreciation	<u>22,869,376</u>
Total noncurrent assets	<u>24,542,088</u>
Total assets	<u>26,117,197</u>
Current Liabilities:	
Accounts payable and accrued liabilities	102,114
Salaries and wages payable	587,412
Due to management company	147,823
Due to related party	176
Accrued interest payable	50,482
Compensated absences	43,970
Capital lease	<u>416,041</u>
Total current liabilities	<u>1,348,018</u>
Noncurrent Liabilities:	
Deferred rental payments	249,244
Compensated absences	14,657
Bonds payable	<u>25,071,064</u>
Total noncurrent liabilities	<u>25,334,965</u>
Total liabilities	<u>26,682,982</u>
Commitments (Note 9)	-
Net Position (Deficit)	
Net investment in capital assets (deficit)	(945,017)
Restricted for extracurricular activities	3,600
Unrestricted	<u>375,632</u>
Total net position (deficit)	<u>\$ (565,785)</u>

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

Renaissance Charter School at Goldenrod
Statement of Activities
For the Year Ended June 30, 2021

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Governmental</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Activities Net Revenue (Expense) and Change in Net Position</u>
Functions/Programs:					
Instruction	\$ 4,763,255	\$ -	\$ 706,461	\$ -	\$ (4,056,794)
Student support services	508,102	-	25,793	-	(482,309)
Instructional media services	12,608	-	12,473	-	(135)
Instructional staff training services	84,651	-	25,461	-	(59,190)
Instruction related technology	170,247	-	67,678	-	(102,569)
Board services	25,214	-	-	-	(25,214)
School administration	1,135,919	-	49,765	-	(1,086,154)
Fiscal services	1,731,294	-	-	-	(1,731,294)
Food services	262,829	3,648	262,829	-	3,648
Central services	102,202	-	-	-	(102,202)
Operation of plant	1,541,942	-	141,292	-	(1,400,650)
Maintenance of plant	229,790	-	13,255	-	(216,535)
Community services	83,719	92,708	-	-	8,989
Extracurricular activities	17,549	-	20,713	-	3,164
Interest and bond issuance costs	1,216,130	-	-	608,787	(607,343)
Total governmental activities	\$ <u>11,885,451</u>	\$ <u>96,356</u>	\$ <u>1,325,720</u>	\$ <u>608,787</u>	<u>(9,854,588)</u>
General revenues:					
Grants and entitlements					9,464,134
Interest income					3,391
Total general revenues					<u>9,467,525</u>
Change in net position					(387,063)
Net position (deficit), July 1, 2020, as restated (Note 13)					<u>(178,722)</u>
Net position (deficit), June 30, 2021					\$ <u>(565,785)</u>

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

Renaissance Charter School at Goldenrod
Balance Sheet - Governmental Funds
June 30, 2021

	<u>General Fund</u>	<u>Grants Fund</u>	<u>Capital Project Fund</u>	<u>Nonmajor Club and Activities Fund</u>	<u>Total</u>
Assets:					
Cash and cash equivalents	\$ 1,253,988	\$ -	\$ -	\$ 3,417	\$ 1,257,405
Due from related party	49,810	-	-	-	49,810
Due from other governments	-	175,832	-	-	175,832
Due from other funds	173,819	-	-	183	174,002
Accrued interest receivable	6,571	-	-	-	6,571
Prepaid items	26,895	-	-	-	26,895
Deposits	21,005	-	-	-	21,005
Restricted investments	<u>1,710,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,710,303</u>
Total assets	<u>\$ 3,242,391</u>	<u>\$ 175,832</u>	<u>\$ -</u>	<u>\$ 3,600</u>	<u>\$ 3,421,823</u>
Liabilities:					
Accounts payable and accrued liabilities	\$ 102,114	\$ -	\$ -	\$ -	\$ 102,114
Salaries and wages payable	587,412	-	-	-	587,412
Due to management company	147,823	-	-	-	147,823
Due to related party	176	-	-	-	176
Due to other funds	<u>183</u>	<u>173,819</u>	<u>-</u>	<u>-</u>	<u>174,002</u>
Total liabilities	<u>837,708</u>	<u>173,819</u>	<u>-</u>	<u>-</u>	<u>1,011,527</u>
Deferred Inflows of Resources:					
Unavailable revenues	<u>-</u>	<u>2,013</u>	<u>-</u>	<u>-</u>	<u>2,013</u>
Commitments (Note 9)					
	-	-	-	-	-
Fund Balances:					
Nonspendable:					
Prepaid items	26,895	-	-	-	26,895
Deposits	21,005	-	-	-	21,005
Restricted for debt service	1,675,292	-	-	-	1,675,292
Restricted for extracurricular activities	-	-	-	3,600	3,600
Assigned to subsequent year's budget	150,465	-	-	-	150,465
Unassigned	<u>531,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>531,026</u>
Total fund balances	<u>2,404,683</u>	<u>-</u>	<u>-</u>	<u>3,600</u>	<u>2,408,283</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,242,391</u>	<u>\$ 175,832</u>	<u>\$ -</u>	<u>\$ 3,600</u>	<u>\$ 3,421,823</u>

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

**Renaissance Charter School at Goldenrod
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position (Deficit)
 June 30, 2021**

Total Fund Balances - Governmental Funds		\$ 2,408,283
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.</p>		
Governmental cost of capital assets	\$ 26,250,777	
Less accumulated depreciation	<u>(3,381,401)</u>	22,869,376
<p>Unavailable revenue in the governmental funds is susceptible to full accrual in the government-wide statements.</p>		
		2,013
<p>Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Accrued interest payable	\$ (50,482)	
Deferred rental payments	(249,244)	
Compensated absences	(58,626)	
Bonds payable	<u>(25,487,105)</u>	<u>(25,845,457)</u>
Net Position (Deficit) of Governmental Activities		\$ <u><u>(565,785)</u></u>

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

**Renaissance Charter School at Goldenrod
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2021**

	General Fund	Grants Fund	Capital Project Fund	Nonmajor Club and Activities Fund	Total
Revenues:					
Federal through state	\$ -	\$ 1,190,258	\$ -	\$ -	\$ 1,190,258
State sources	9,544,972	3,367	608,787	-	10,157,126
Local sources	35,845	-	-	20,713	56,558
Aftercare	92,708	-	-	-	92,708
Total revenues	<u>9,673,525</u>	<u>1,193,625</u>	<u>608,787</u>	<u>20,713</u>	<u>11,496,650</u>
Expenditures:					
Instruction	3,923,819	606,611	-	-	4,530,430
Student support services	482,309	25,793	-	-	508,102
Instructional media services	135	12,473	-	-	12,608
Instructional staff training services	59,190	25,461	-	-	84,651
Instruction related technology	102,569	67,678	-	-	170,247
Board services	25,214	-	-	-	25,214
School administration	1,086,154	49,765	-	-	1,135,919
Fiscal services	1,731,294	-	-	-	1,731,294
Food services	-	262,829	-	-	262,829
Central services	102,202	-	-	-	102,202
Operation of plant	874,851	58,273	-	-	933,124
Maintenance of plant	216,535	13,255	-	-	229,790
Community services	83,719	-	-	-	83,719
Extracurricular activities	-	-	-	17,549	17,549
Facilities, acquisition and construction	149,614	73,500	-	-	223,114
Debt service					
Principal	164,652	-	-	-	164,652
Interest	620,620	-	608,787	-	1,229,407
Total expenditures	<u>9,622,877</u>	<u>1,195,638</u>	<u>608,787</u>	<u>17,549</u>	<u>11,444,851</u>
Excess (deficiency) of revenues over expenditures	<u>50,648</u>	<u>(2,013)</u>	<u>-</u>	<u>3,164</u>	<u>51,799</u>
Other Financing Sources (Uses):					
Transfer in	-	2,013	-	-	2,013
Transfer out	(2,013)	-	-	-	(2,013)
Total other financing sources (uses)	<u>(2,013)</u>	<u>2,013</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	48,635	-	-	3,164	51,799
Fund Balances, July 1, 2020, as restated (Note 13)	<u>2,356,048</u>	<u>-</u>	<u>-</u>	<u>436</u>	<u>2,356,484</u>
Fund Balances, June 30, 2020	<u>\$ 2,404,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,600</u>	<u>\$ 2,408,283</u>

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

**Renaissance Charter School at Goldenrod
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, 2021**

Net Change in Fund Balances - Governmental Fund		\$	51,799
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>			
<p>Governmental funds report capital outlays as expenditures; however, in the statement of activities, the costs of those assets is depreciated over their estimated useful lives as provision for depreciation.</p>			
Cost of capital assets	\$	223,114	
Provision for depreciation		<u>(847,116)</u>	(624,002)
<p>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.</p>			
			164,652
<p>Revenues that are earned but not received within the availability period are recognized in the statement of activities when earned and subsequently in the governmental fund financial statements when they become available.</p>			
			1,738
<p>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.</p>			
Provision for amortization of bond premium	\$	13,277	
Change in compensated absences		<u>5,473</u>	<u>18,750</u>
Change in Net Position of Governmental Activities		\$	<u><u>(387,063)</u></u>

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

**Renaissance Charter School at Goldenrod
Statement of Revenues and Expenditures -
Budget and Actual - General Fund
For the Year Ended June 30, 2021**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State sources	\$ 10,352,808	\$ 9,544,972	\$ (807,836)
Local sources	145,481	35,845	(109,636)
Aftercare	210,095	92,708	(117,387)
	<u>10,708,384</u>	<u>9,673,525</u>	<u>(1,034,859)</u>
Expenditures:			
Instruction	4,727,235	3,923,819	803,416
Student support services	328,127	482,309	(154,182)
Instructional media services	-	135	(135)
Instruction and curriculum development services	15,755	-	15,755
Instructional staff training services	41,756	59,190	(17,434)
Instruction related technology	178,726	102,569	76,157
Board services	45,192	25,214	19,978
School administration	677,979	1,086,154	(408,175)
Fiscal services	1,729,683	1,731,294	(1,611)
Central services	106,859	102,202	4,657
Operation of plant	936,556	874,851	61,705
Maintenance of plant	196,155	216,535	(20,380)
Community services	289,487	83,719	205,768
Facilities, acquisition and construction	332,062	149,614	182,448
Debt service			
Principal	164,652	164,652	-
Interest	573,052	620,620	(47,568)
	<u>10,343,276</u>	<u>9,622,877</u>	<u>720,399</u>
Excess (deficiency) of revenues over expenditures	<u>365,108</u>	<u>50,648</u>	<u>(314,460)</u>
Other Financing Uses:			
Transfer out	-	(2,013)	(2,013)
Net change in fund balance	<u>\$ 365,108</u>	<u>\$ 48,635</u>	<u>\$ (316,473)</u>

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

**Renaissance Charter School at Goldenrod
Statement of Revenues and Expenditures -
Budget and Actual - Grants Fund
For the Year Ended June 30, 2021**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal sources:			
National School Lunch Program	\$ 401,592	\$ 315,722	\$ (85,870)
Title I	767,113	645,824	(121,289)
Title IV	33,208	-	(33,208)
Elementary and Secondary School Emergency Relief Fund	-	228,712	228,712
State sources:			
National School Lunch Program	-	3,367	3,367
Total revenues	<u>1,201,913</u>	<u>1,193,625</u>	<u>(8,288)</u>
Expenditures:			
Instruction	577,252	606,611	(29,359)
Student support services	-	25,793	(25,793)
Instructional media services	-	12,473	(12,473)
Instructional staff training services	20,000	25,461	(5,461)
Instruction related technology	-	67,678	(67,678)
School administration	-	49,765	(49,765)
Food services	361,658	262,829	98,829
Operation of plant	39,934	58,273	(18,339)
Maintenance of plant Facilities, acquisition and construction	-	13,255	(13,255)
	<u>203,069</u>	<u>73,500</u>	<u>129,569</u>
Total expenditures	<u>1,201,913</u>	<u>1,195,638</u>	<u>6,275</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(2,013)</u>	<u>(2,013)</u>
Other Financing Sources:			
Transfer in	-	2,013	2,013
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Note 1 - Organization and Operations

Renaissance Charter School at Goldenrod (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School Board of Orange County, Florida, was established in July 2015 as a public charter school to serve students from kindergarten to eighth grade in Orange County. The School is sponsored by its charter-holder, Renaissance Charter School, Inc., a Florida nonprofit corporation organized in August 1998. There were 1,179 students enrolled for the 2020/2021 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 Renaissance Charter School, Inc. as of June 30, 2021, and its changes in financial position or budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. Accordingly, these basic financial statements only include balances, activity and disclosures related to the School.

Note 2 - Summary of Significant Accounting Policies

Reporting entity: The School operates under a charter granted by the sponsoring school board, the School Board of Orange County. The current charter is effective until June 30, 2021, and may be renewed in increments of five years by mutual written agreement between the School and the School Board. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case, the School Board is required to notify the School in writing at least ninety days prior to the charter's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The School is considered a component unit of the School Board of Orange County.

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

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

Basis of presentation: Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide - Not-for-Profit Organizations and provisions of Section 228.056, Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes.

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.

Additionally, the School reports separately the following nonmajor fund type:

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.

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

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

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

Note 2 - Summary of Significant Accounting Policies (continued)

Cash and cash equivalents: The School considers all demand accounts and short-term investments with a maturity of three months or less when purchased to be cash and cash equivalents. The School maintains its cash accounts with one financial institution. The School's accounts at this institution, at times, may exceed the federally insured limit. The School has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk (Note 3).

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

Due to and due from other funds and transfers: Interfund receivables and payable arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payment between funds are made. Transfers are used to move revenues from the fund that is required to collect them to the fund that incurred the reimbursable expenditures in the prior year.

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

Income taxes: The School is a Department of a nonprofit corporation. Revenue of the School is derived primarily from other governmental entities. The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these 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 of \$ 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	40 years
Furniture, fixtures and equipment	5 years
Computer equipment	3 years

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

Note 2 - Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The School has one item that qualifies for reporting in this category. The governmental funds report unavailable revenues that are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

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

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

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

Fund balance: The governmental fund financial statements present fund balances based on the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance classifications and also sets a hierarchy which details how the School may spend funds based on certain constraints. The following are the fund balance classifications used in the governmental fund financial statements:

- Nonspendable - this classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School classifies inventories, prepaid items, long-term notes receivable and deposits as nonspendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted - this classification includes amounts that are restricted for specific purposes by external parties such as grantors and creditors or are imposed by law through constitutional provisions or enabling legislation.

Note 2 - Summary of Significant Accounting Policies (continued)

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

The details of the fund balances are included in the Governmental Fund Balance Sheet on page 10.

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 the School 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 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.

Date of management review: Subsequent events were evaluated by management through September 30, 2021, which is the date the financial statements were available to be issued.

Note 3 - Cash and Cash Equivalents

At June 30, 2021, the carrying amount of the deposits and cash on hand totaled \$ 1,257,405 with bank balances of \$ 1,322,098.

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 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 are held in a qualified public depository. They are covered by the collateral pool as the School has identified itself as a public entity at June 30, 2021.

Renaissance Charter School at Goldenrod
Notes to Basic Financial Statements
June 30, 2021

Note 4 - Due To/From Related Party

The School is a Department of Renaissance Charter School, Inc. ("RCS"). The due to/from balances represent amounts that are due to/from RCS and other schools that share common board membership and are departments of RCS.

Note 5 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2021 are as follows:

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
Capital assets, depreciable:				
Buildings	\$ 23,433,212	\$ -	\$ -	\$ 23,433,212
Improvements other than buildings	198,178	32,250	-	230,428
Furniture, fixtures and equipment	1,152,689	52,671	-	1,205,360
Computer equipment	<u>1,243,584</u>	<u>138,193</u>	<u>-</u>	<u>1,381,777</u>
Total capital assets, depreciable	<u>26,027,663</u>	<u>223,114</u>	<u>-</u>	<u>26,250,777</u>
Accumulated depreciation:				
Buildings	634,649	585,831	-	1,220,480
Improvements other than buildings	6,777	22,987	-	29,764
Furniture, fixtures and equipment	927,881	49,310	-	977,191
Computer equipment	<u>964,978</u>	<u>188,988</u>	<u>-</u>	<u>1,153,966</u>
Total accumulated depreciation	<u>2,534,285</u>	<u>847,116</u>	<u>-</u>	<u>3,381,401</u>
Net capital assets	<u>\$ 23,493,378</u>	<u>\$ (624,002)</u>	<u>\$ -</u>	<u>\$ 22,869,376</u>

Provision for depreciation was charged to governmental activities as follows:

Instruction	\$ 238,298
Operation of plant	<u>608,818</u>
	<u>\$ 847,116</u>

Note 6 - 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 Renaissance Charter School at Goldenrod (Note 7). 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. At June 30, 2020, the School has \$ 1,710,303 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 thirty-two days.

Renaissance Charter School at Goldenrod
Notes to Basic Financial Statements
June 30, 2021

Note 7 - 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 Renaissance Charter School, Inc. ("REN"), a division of which the School exists to finance the acquisition of the facilities and equipment and refinancing of prior debt of four charter schools existing under REN. The Series 2019A Bonds bear interest at 4.00% through June 2029 and 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.

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
2022	\$ 416,041	\$ 1,217,640	\$ 1,633,681
2023	433,682	1,197,979	1,631,661
2024	460,144	1,178,175	1,638,319
2025	479,256	1,159,534	1,638,790
2026	496,897	1,140,246	1,637,143
2027-2031	2,818,200	5,373,647	8,191,847
2032-2036	3,579,716	4,618,091	8,197,807
2037-2041	4,589,681	3,614,154	8,203,835
2042-2046	5,883,378	2,327,918	8,211,296
2047-2050	5,958,353	611,602	6,569,955
	<u>\$ 25,115,348</u>	<u>\$ 22,438,986</u>	<u>\$ 47,554,334</u>

Note 8 - Long-Term Liabilities

Changes in the School's long-term liabilities for fiscal year ended June 30, 2021, are as follows:

	Balance at July 1, 2020	Additions	Retirements	Amortization	Balance at June 30, 2021	Amount Due Within One Year
Series 2019 Educational Revenue Bonds, net of unamortized premiums of \$ 371,757	\$ 25,665,034	\$ -	\$ 164,652	\$ 13,277	\$ 25,487,105	\$ 416,041
Compensated absences	64,099	16,425	21,898	-	58,626	43,970
	<u>\$ 25,729,133</u>	<u>\$ 16,425</u>	<u>\$ 186,550</u>	<u>\$ 13,277</u>	<u>\$ 25,545,731</u>	<u>\$ 460,011</u>

Note 9 - Commitments

Operating lease: The School had an operating lease for use of its premises until the closure of the Series 2019 Bonds (Note 7) at which time the lease was terminated. As part of the bond transaction, the deferred rental payments were transferred from the operating leaseholder to Red Apple Development, LLC (“RAD”). The balance of the deferred rental payments at the time of the bond closing totaled \$ 249,244 and is due to RAD in fiscal year 2022.

Land lease agreement: Concurrent with the Series 2019 Bond issuance (Note 7), subsidiaries of RAD entered into four land lease agreements with REN. The land which is owned by RAD is leased by REN on behalf of the schools under a 45-year lease. In addition to rent, REN shall pay to RAD the total cost of ad valorem taxes, assessments and levies imposed upon the premises. Total cost to the School for the lease was \$ 153,255 for the year ended June 30, 2021.

The following is a schedule of the School’s future rent payments as of June 30, 2021:

Year Ending June 30,	
2022	\$ 156,320
2023	159,447
2024	162,635
2025	165,888
2026	169,206
2027-2031	898,165
2032-2036	991,647
2037-2041	1,094,859
2042-2046	1,208,812
2047-2051	1,334,627
2052-2056	1,473,536
2057-2061	1,626,902
2062-2064	<u>1,025,857</u>
	<u>\$ 10,467,901</u>

Management agreement: The School has a formal agreement with Charter Schools USA at Goldenrod, 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 7). CSUSA received a fee of \$ 1,722,938 for the year ending June 30, 2020. The fee ranges from \$ 1,924,743 for fiscal year 2022 to \$ 3,445,282 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 2024. It will automatically renew with Charter renewals unless terminated by either party.

The School has an amount of \$ 147,823 due to CSUSA at June 30, 2021 for reimbursements of various expenditures.

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

Note 10 - Employee Benefit Plan

During the year ended June 30, 2021, the School offered all of its full-time employees who had attained 21 years of age, a retirement plan (the "Plan") under Internal Revenue Code Section 401(k). The employee is allowed to contribute up to a maximum of 100% of his/her annual gross compensation, subject to certain limitations. The Plan provides for a discretionary employer matching contribution of the participant's annual elective deferral to the Plan. As determined annually by the School's management, the School may also make a discretionary profit sharing contribution, which is allocated among the participants based on a pro rata formula. Participants are immediately vested in their own contributions and earnings on those contributions. Participants become vested in School contributions and earnings on School contributions according to the following schedule:

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

Nonvested contributions are forfeited upon termination of employment and such forfeitures are used to reduce any employer contribution. For the Plan year ending December 31, 2020, the School had forfeitures of \$ 217. For the year ended June 30, 2021, the School contributed a matching amount of \$ 12,116.

Note 11 - Capital Appropriations Funding

The Florida Department of Education has approved a Charter School Capital Outlay (CSCO) award for the School. In each year that funds are appropriated by the state for charter school capital outlay purposes, those funds are allocated among eligible charter schools. The funds for the School's allocation are transferred to the School once a CSCO Plan has been provided to and approved by the sponsoring School Board. The School's CSCO Award totaled \$ 608,787 for the 2020/2021 school year which has been recognized as revenue in the accompanying financial statements. If the CSCO funds are used to acquire tangible property assets, the School Board has a reversionary interest in those assets. In the event of nonrenewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the School Board. The School has elected to use these funds to pay a portion of the interest expense on the bonds.

Note 12 - Risk Management

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

As disclosed in Note 9, 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.

Note 13 - Prior Period Adjustments

GASB No. 84, Fiduciary Activities, effective for fiscal year ended June 30, 2021, deals with financial reporting of Fiduciary Activities and no longer permits the use of Agency Funds, which requires a change to the way the School reports its Internal Accounts. Internal Account activity will now be reported in the Club and Activities Fund. This treatment requires the restatement of the net position and fund balances as of June 30, 2020. The restatements are as follows:

Fund balances, June 30, 2020	\$	2,356,048
Inclusion of Agency Fund		<u>436</u>
Restated fund balances, June 30, 2020	\$	<u><u>2,356,484</u></u>
Net position (deficit), June 30, 2020	\$	(179,158)
Removal of due to Agency Fund		398
Inclusion of Agency Fund cash		<u>38</u>
Restated net position (deficit), June 30, 2020	\$	<u><u>(178,722)</u></u>

Note 14 - Risks and Uncertainties

The coronavirus (COVID-19) outbreak has caused disruption in international and U.S. economies and markets. The coronavirus and fear of further spread has caused quarantines, cancellation of events, and overall reduction in business and economic activity. On March 11, 2020, the *World Health Organization* designated the coronavirus outbreak as a pandemic. Management and the Board of Directors continue to evaluate and monitor the potential adverse effect that this event may have on the School's financial position and operations. The full impact of COVID-19 is unknown at this time and cannot be reasonably estimated as these events are still developing.

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 Goldenrod
A Department of Renaissance Charter School, Inc.
Orlando, 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, each major fund, and the aggregate remaining fund information of Renaissance Charter School at Goldenrod (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School Board of Orange County, Florida, as of and for the year ended June 30, 2021, 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 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
September 30, 2021

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS

To the Board of Directors
Renaissance Charter School at Goldenrod
A Department of Renaissance Charter School, Inc.
Orlando, Florida

Report on the Financial Statements

We have audited the financial statements of Renaissance Charter School at Goldenrod (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School Board of Orange County, Florida, as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated September 30, 2021.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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 30, 2021, 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 recommendations made in the preceding 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 are Renaissance Charter School at Goldenrod and 480033.

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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 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 maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

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

Purpose of this Letter

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



KEEFE McCULLOUGH

Fort Lauderdale, Florida
September 30, 2021