

**RENAISSANCE MIDDLE
CHARTER SCHOOL**
(A COMPONENT UNIT OF THE SCHOOL
BOARD OF MIAMI-DADE COUNTY, FLORIDA)

**BASIC FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION**

June 30, 2007

RENAISSANCE MIDDLE CHARTER SCHOOL
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
June 30, 2007

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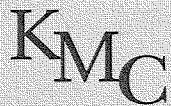
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BASIC FINANCIAL STATEMENTS



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Renaissance Middle Charter School
Miami, Florida

We have audited the accompanying basic financial statements of the governmental activities, the General Fund, and the remaining fund information of Renaissance Middle Charter School (the School), a component unit of the School Board of Miami-Dade County, Florida, as of and for the year ended June 30, 2007, as listed in the table of contents. These basic financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

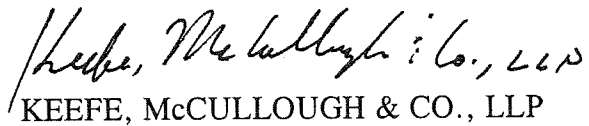
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the General Fund, and the remaining fund information of the School as of June 30, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 31, 2007 on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Renaissance Middle Charter School

The management's discussion and analysis on Pages 3 through 7, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The Statement of Revenues and Expenditures - General Fund - Management Format is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
August 31, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

RENAISSANCE MIDDLE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007

As management of Renaissance Middle Charter School (the School), a component unit of the School Board of Miami-Dade 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 year ended June 30, 2007.

Management's discussion and analysis is included at the beginning of the School's basic financial statements to provide, in layman's terms, the past and 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 and other supplementary information.

FINANCIAL HIGHLIGHTS

Our basic financial statements provide these insights into the results of this year's operations.

- As of June 30, 2007, the School's fund balance was \$ 5,957.
- As of June 30, 2007, the School has net assets of \$ 131,795, which represents amounts invested in capital assets, net of accumulated depreciation and related debt of \$ 125,838 and unrestricted of \$ 5,957.

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. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 assets presents information on all of the School's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the year. All changes in net assets 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).

RENAISSANCE MIDDLE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007

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 8 and 9 of this report.

Fund financial statements

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

Governmental funds

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

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

The School maintains only one governmental fund type, which is the General Fund. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and change in fund balance for the General Fund.

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

The governmental fund financial statements can be found on Pages 10 and 12 of this report.

RENAISSANCE MIDDLE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007

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 21 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning revenues and expenditures presented in a "management format" for the School's General Fund. Supplementary information can be found on Page 22 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The School has been in operation for two years; therefore, comparative government-wide data is presented. The School's net assets were \$ 131,795 at June 30, 2007. Of this amount, \$ 125,838 represents amounts invested in capital assets, net of related debt and \$ 5,957 represents amounts which are unrestricted. The School's net assets were \$ 153,476 at June 30, 2006, which represents amounts invested in capital assets, net of related debt. See Financial Highlights on page 3 of this report for an explanation of the reason for the change in net assets.

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

Renaissance Middle Charter School Net Assets		
	<u>June 30, 2007</u>	<u>June 30, 2006</u>
ASSETS:		
Current and other assets	\$ 146,009	\$ 120,965
Capital assets, net of depreciation	<u>125,838</u>	<u>153,476</u>
Total assets	<u>271,847</u>	<u>274,441</u>
LIABILITIES:		
Current liabilities	<u>140,052</u>	<u>120,965</u>
Total liabilities	<u>140,052</u>	<u>120,965</u>
NET ASSETS:		
Invested in capital assets, net of related debt	125,838	153,476
Unrestricted	<u>5,957</u>	<u>--</u>
Total net assets	\$ <u>131,795</u>	\$ <u>153,476</u>

RENAISSANCE MIDDLE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007

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 table below provides a condensed presentation of the School's revenues and expenses for the year ended June 30, 2007:

Renaissance Middle Charter School
Changes in Net Assets

	June 30, 2007	June 30, 2006
REVENUES:		
General revenues	\$ 584,894	\$ 238,795
Program revenues	<u>152,009</u>	<u>324,055</u>
Total revenues	<u>736,903</u>	<u>562,850</u>
FUNCTIONS/PROGRAM		
EXPENSES:		
Instruction	297,999	203,809
Instructional support services	233,431	109,644
Operation of non-instructional services	<u>227,154</u>	<u>95,921</u>
Total governmental activities	<u>758,584</u>	<u>409,374</u>
Increase (decrease) in net assets	\$ <u>(21,681)</u>	\$ <u>153,476</u>

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	2007		2006	
	Expenditures	Percent	Expenditures	Percent
<u>Governmental expenditures:</u>				
Instructional expenditures	\$ 266,486	36.3%	\$ 200,086	35.5%
Administrative services	67,010	9.2%	46,784	8.3%
Plant operations and maintenance	159,923	21.8%	60,437	10.7%
Fiscal services	172,152	23.4%	74,345	13.2%
All other functional programs	<u>68,572</u>	<u>9.3%</u>	<u>181,198</u>	<u>32.3%</u>
Total governmental expenditures	\$ <u>734,143</u>	<u>100.0%</u>	\$ <u>562,850</u>	<u>100.0%</u>

RENAISSANCE MIDDLE CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2007

General Fund budgetary highlights

Actual revenues were higher than budget amounts due primarily to local sources such as food service and aftercare program revenue. Expenditures were greater than budgeted amounts by approximately 6%. Instructional and instructional support expenses were lower than budget due to the overall student mix; however, this was offset by non-instructional expenses that were greater than budget.

Capital assets and debt administration

Capital assets

At June 30, 2007, the School had capital assets of \$ 125,838, net of accumulated depreciation, invested in computers and furniture and equipment, as compared to \$ 153,476 at June 30, 2006.

Economic factors and next year's budget

The State of Florida has approved an increase in education funding of approximately 8% for the FEFP program for the fiscal year 2007-2008; however, it is possible that this increase could be reduced significantly pending a special legislative session. Capital outlay revenue is expected to remain roughly the same as the prior year. The School will be adding an eighth grade for the 2007-2008 school year, and, as a result, student enrollment is expected to increase. These factors were considered in preparing the School's budget for fiscal year 2007-2008.

Requests for information

If you have any questions about this report or need additional information, please write Lorrie Davidson, Vice President of School Finance; Charter Schools USA; 6425 North Federal Highway, 5th Floor; Fort Lauderdale, Florida 33308.

RENAISSANCE MIDDLE CHARTER SCHOOL
STATEMENT OF NET ASSETS
June 30, 2007

A S S E T S

	Governmental <u>Activities</u>
CURRENT ASSETS:	
Cash and cash equivalents	\$ 127,523
Due from other governments	17,061
Prepaid expenses and other assets	<u>1,425</u>
Total current assets	146,009
NONCURRENT ASSETS:	
Capital assets (depreciable), net of accumulated depreciation	<u>125,838</u>
Total assets	<u>271,847</u>

L I A B I L I T I E S A N D N E T A S S E T S

CURRENT LIABILITIES:	
Accounts payable and accrued liabilities	2,746
Accrued contracted services	5,118
Due to management company	82,109
Due to related party	<u>50,079</u>
Total current liabilities	<u>140,052</u>
NET ASSETS:	
Invested in capital assets, net of related debt	125,838
Unrestricted	<u>5,957</u>
Total net assets	\$ <u>131,795</u>

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

RENAISSANCE MIDDLE CHARTER SCHOOL
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2007

		Program Revenues			Governmental Activities
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense) and Change in Net Assets
FUNCTIONS/PROGRAMS:					
Instruction:					
Regular instruction	\$ 279,686	\$ --	\$ 33,650	\$ --	\$ (246,036)
Exceptional instruction	18,313	--	--	--	(18,313)
Instructional support services:					
Instructional services	781	--	--	--	(781)
Administrative services	67,010	--	--	--	(67,010)
Transportation	5,717	--	--	--	(5,717)
Plant operations and maintenance	159,923	--	--	74,483	(85,440)
Operation of non-instructional services:					
Board services	10,608	--	--	--	(10,608)
Fiscal services	172,152	--	--	--	(172,152)
Food services	31,348	11,849	--	--	(19,499)
Central services	5,205	--	--	--	(5,205)
Community services	<u>7,841</u>	<u>32,027</u>	<u>--</u>	<u>--</u>	<u>24,186</u>
Total governmental activities	\$ <u>758,584</u>	\$ <u>43,876</u>	\$ <u>33,650</u>	\$ <u>74,483</u>	<u>(606,575)</u>
General revenues:					
Grants and entitlements					576,557
Interest and other					<u>8,337</u>
Total general revenues					<u>584,894</u>
Change in net assets					(21,681)
Net assets, July 1, 2006					<u>153,476</u>
Net assets, June 30, 2007					\$ <u>131,795</u>

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

RENAISSANCE MIDDLE CHARTER SCHOOL
BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2007

A S S E T S

	<u>General Fund</u>
ASSETS:	
Cash and cash equivalents	\$ 127,523
Due from other governments	17,061
Prepaid expenses and other assets	<u>1,425</u>
Total assets	\$ <u>146,009</u>

L I A B I L I T I E S A N D F U N D B A L A N C E

LIABILITIES:	
Accounts payable and other accrued liabilities	\$ 2,746
Accrued contracted services	5,118
Due to management company	82,109
Due to related party	<u>50,079</u>
Total liabilities	<u>140,052</u>
FUND BALANCE:	
Reserved for:	
Prepaid expenditures and other assets	1,425
Unreserved	<u>4,532</u>
Total fund balance	<u>5,957</u>
Total liabilities and fund balance	\$ <u>146,009</u>

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

RENAISSANCE MIDDLE CHARTER SCHOOL
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND
TO THE STATEMENT OF NET ASSETS
June 30, 2007

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF NET ASSETS ARE DIFFERENT BECAUSE:

Total fund balances of governmental funds in the balance sheet, page 10	\$	5,957
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Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the governmental fund:

Governmental capital assets	161,073	
Less accumulated depreciation	<u>(35,235)</u>	<u>125,838</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 8	\$	<u><u>131,795</u></u>
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The accompanying notes to basic financial statements are an integral part of these statements.

RENAISSANCE MIDDLE CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE -
GOVERNMENTAL FUND
For the Year Ended June 30, 2007

	<u>General Fund</u>
REVENUES:	
State sources	\$ 685,206
Local sources	22,867
Aftercare	<u>32,027</u>
Total revenues	<u>740,100</u>
EXPENDITURES:	
Current:	
Instruction:	
Regular instruction	248,173
Exceptional instruction	18,313
Instructional support services:	
Instructional services	781
Administrative services	67,010
Transportation	5,717
Plant operations and maintenance	159,923
Operation of non-instructional services:	
Board services	10,608
Fiscal services	172,152
Food services	31,348
Central services	5,205
Community services	7,841
Capital outlay:	
Site, building and equipment	<u>7,072</u>
Total expenditures	<u>734,143</u>
Net change in fund balance	5,957
FUND BALANCE, July 1, 2006	<u>--</u>
FUND BALANCE, June 30, 2007	\$ <u><u>5,957</u></u>

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

RENAISSANCE MIDDLE CHARTER SCHOOL
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGE IN FUND BALANCE OF
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2007

NET INCREASE IN FUND BALANCE - TOTAL
GOVERNMENTAL FUND, PAGE 12

\$ 5,957

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 cost of those
assets is depreciated over their estimated useful lives.

Capital expenditures	\$ 7,072	
Less current year provision for depreciation	(31,512)	
Less disposition	<u>(3,198)</u>	<u>(27,638)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL
ACTIVITIES, PAGE 9

\$ (21,681)

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

RENAISSANCE MIDDLE CHARTER SCHOOL
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2007

	Original Final/Budget	Actual	Variance
REVENUES:			
State sources	\$ 714,550	\$ 714,990	\$ 440
Local sources	6,000	22,867	16,867
Aftercare	<u>--</u>	<u>32,027</u>	<u>32,027</u>
Total revenues	<u>720,550</u>	<u>769,884</u>	<u>49,334</u>
EXPENDITURES:			
Instruction:			
Regular instruction	281,734	248,173	33,561
Exceptional instruction	26,108	18,313	7,795
Instructional support services:			
Pupil personnel services	--	781	(781)
Instructional services	1,054	--	1,054
Administrative services	75,391	67,010	8,381
Transportation	6,620	5,717	903
Plant operations and maintenance	159,253	159,923	(670)
Operation of non-instructional services:			
Board services	13,000	10,608	2,392
Fiscal services	91,882	172,152	(80,270)
Food services	26,439	31,348	(4,909)
Central services	29,047	34,989	(5,942)
Community services	--	7,841	(7,841)
Site, building and equipment	<u>10,000</u>	<u>7,072</u>	<u>2,928</u>
Total expenditures	<u>720,528</u>	<u>763,927</u>	<u>(43,399)</u>
Net change in fund balance	\$ <u><u>22</u></u>	\$ <u><u>5,957</u></u>	\$ <u><u>5,935</u></u>

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

RENAISSANCE MIDDLE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

NOTE 1 - ORGANIZATION AND OPERATIONS

Renaissance Middle Charter School (the School), a component unit of the School Board of Miami-Dade County, Florida, was established in June 2005 as a public charter middle school to serve students from sixth to eighth grade in Miami-Dade County. The School is sponsored by its charter-holder, Renaissance Charter School, Inc., a Florida nonprofit corporation organized in August 1998. As of June 30, 2007, approximately 100 students were enrolled in the School.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity:

The School operates under a charter granted by the sponsoring School District, the Miami-Dade County Public School District. The current charter is effective until June 30, 2015, and may be renewed for up to an additional fifteen years by mutual written agreement between the School and the Sponsor. 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 is considered a component unit of the Miami-Dade County Public School District.

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 reporting entity's 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(10), Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes.

Government-wide Statements:

The School's basic financial statements include both government-wide (reporting the School as a whole) and fund financial statements (reporting the School's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the School's activities are classified as governmental activities.

In the government-wide statement of net assets, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full accrual, economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations.

RENAISSANCE MIDDLE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The government-wide statement of activities reports both the gross and net cost of each of the School's functions. The net costs, by function, are also supported by general revenues (unrestricted contributions, investment earnings, miscellaneous revenue, etc.). The statement of activities reduces gross expenses (including provision for depreciation) by related program revenues, operating and capital grants and contributions. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

This government-wide focus is more on the ability to sustain the School as an entity and the change in the School's net assets resulting from the current year's activities.

Fund Financial Statements:

The accounts of the School are organized on the basis of funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures.

The General Fund is employed in accounting for the financial activities of the School. It is a governmental fund type and is used to account for all financial transactions.

Measurement focus and basis of accounting:

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the governmental-wide statement uses the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within sixty days after year-end or soon enough thereafter to be used to pay liabilities of the current period. For this purpose the current period means one year.

Cash and cash equivalents:

Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition.

The School considers all demand accounts and money market funds which are not subjected to withdrawal restrictions 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.

RENAISSANCE MIDDLE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and is net of a 5 % administration fee retained by the School Board. 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 nonprofit corporation whose revenue 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.

Use of estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Capital assets:

Property and equipment purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the School as assets with an initial cost of \$ 750 and useful life of over one year. Donated property and equipment assets are valued at the estimated fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related fixed assets. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Computer equipment	3-5 years
Furniture and equipment	5-8 years

Net assets:

Net assets are classified in two categories. The general meaning of each is as follows:

Invested in capital assets, net of related debt - represents the difference between the cost of capital assets, less accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Unrestricted - indicates that portion of net assets that is available to fund future operations.

RENAISSANCE MIDDLE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund balance:

Fund balance is classified in two categories. The general meaning of each is as follows:

Reserved - indicates the portion of fund balance not available for appropriation in subsequent periods or is legally segregated for a specific future use. These amounts do not represent available spendable resources.

Unreserved - indicates the portion of fund balance available to fund future operations.

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, except for the reporting of a 5% administration fee retained by the School Board.

A reconciliation of the General Fund presented on a budgetary basis to the amount presented in accordance with generally accepted accounting principles (GAAP) is as follows:

	<u>Revenues and Other Financing Sources</u>	<u>Expenditures</u>
Budgetary basis	\$ 769,884	\$ 763,927
Less: 5% administration fee retained by the School Board included as revenue and expenditures on a budgetary basis	<u>(29,784)</u>	<u>(29,784)</u>
GAAP basis	\$ <u>740,100</u>	\$ <u>734,143</u>

Reclassifications

Certain prior year amounts have been reclassified to be consistent and comparable with the current year financial statement presentation.

NOTE 3 - DEPOSITS

At June 30, 2007, the carrying amount of the deposits and cash on hand totaled \$ 127,523 with a bank balance of \$ 127,747.

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, 2007.

RENAISSANCE MIDDLE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

NOTE 4 - DUE FROM OTHER GOVERNMENTS

Due from other governments at June 30, 2007 consists of amounts due from the School Board for Capital Outlay as described in Note 10, as well as the 2006-2007 Performance Pay Bonus Allocation.

NOTE 5 - CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2007 are as follows:

	Balance at July 1, 2006	Additions	Deletions	Balance at June 30, 2007
Capital assets, depreciable:				
Computer equipment	\$ 141,538	\$ --	\$ --	\$ 141,538
Furniture and equipment	<u>15,661</u>	<u>7,072</u>	<u>(3,198)</u>	<u>19,535</u>
	<u>157,199</u>	<u>7,072</u>	<u>(3,198)</u>	<u>161,073</u>
Accumulated depreciation:				
Computer equipment	3,653	28,308	--	31,961
Furniture and equipment	<u>70</u>	<u>3,204</u>	<u>--</u>	<u>3,274</u>
	<u>3,723</u>	<u>31,512</u>	<u>--</u>	<u>35,235</u>
Net capital assets	\$ <u><u>153,476</u></u>	\$ <u><u>24,440</u></u>	\$ <u><u>(3,198)</u></u>	\$ <u><u>125,838</u></u>

Provision for depreciation was charged to governmental activities as follows:

Instructional support services - regular instruction	\$ <u><u>31,512</u></u>
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NOTE 6 - LEASES

The School previously entered into an operating lease agreement with Renaissance Elementary Charter School for the use of its premises. The lease expires in 2019. The School's portion of the monthly payments is \$ 8,038. In addition, the School is required to pay a portion of the operating expenses associated with the leased premises. The portion of rent and other operating expenses paid by the School is allocated according to the number of students in attendance.

The school also shares an operating lease agreement with Renaissance Elementary School for the lease of office equipment. The lease expires in September 2007 and requires monthly payments of \$ 60.

RENAISSANCE MIDDLE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

NOTE 6 - LEASES (continued)

Future minimum principal payments required under long-term noncancelable operating leases at June 30, 2007 are approximately as follows:

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2008	\$ 97,200
2009	96,600
2010	96,500
2011	96,500
2012	96,500
Thereafter	771,700

Rent expense totaled \$ 97,618 for the year ended June 30, 2007.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

The School has a formal agreement with Charter Schools USA, Inc. (CSUSA) to manage, staff, and operate the School. The agreement states that CSUSA shall receive all revenues minus certain expenses paid by the Board directly as its gross revenue, from which it pays all other operating costs of the School identified in the budget approved by the Board. CSUSA is entitled to retain as compensation for its services the difference, if any, between the amount of the School's revenues and the amount of revenues expended by CSUSA in the course of operation and management of the School. The agreement expires in June 2020.

For the fiscal year ended June 30, 2007, the amount of compensation received by CSUSA was \$ 172,109, which represented compensation for operating the School as well as the aftercare program.

The basic financial statements reflect a due to the management company which totaled \$ 82,109 as of June 30, 2007.

NOTE 8 - EMPLOYEE BENEFIT PLAN

During the year ended June 30, 2007, the School offered all of its full-time employees who had attained 21 years of age, a retirement plan under Internal Revenue Code Section 401(k). The employee is allowed to contribute up to a maximum of 20% of his/her annual gross compensation, subject to certain limitations.

NOTE 9 - DUE TO RELATED PARTY

Both the School and Renaissance Charter Middle School are related, as they both share common board membership and are managed by Charter Schools USA, Inc. These two schools share teachers, administrative staff, as well as share expenses, which include rent and other operating expenses. As of June 30, 2007, the basic financial statements include an amount due to related party in the amount of \$ 50,079, representing short-term advances for such expenses mentioned above.

NOTE 10 - 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

RENAISSANCE MIDDLE CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

NOTE 10 - CAPITAL APPROPRIATIONS FUNDING (continued)

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 \$ 74,483 for the 2006-2007 school year, which has been recognized as revenue in the accompanying basic financial statements. An amount of \$ 11,943 is due from the Florida Department of Education at June 30, 2007. If the CSCO funds are used to acquire tangible property assets, the School Board has a reversionary interest in those assets. In the event of non-renewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the School Board. The School has elected to use these funds to pay its portion of the lease expense on the facility.

NOTE 11 - RISK FINANCING

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 four years.

As disclosed in Note 7, 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.

SUPPLEMENTARY INFORMATION

RENAISSANCE MIDDLE CHARTER SCHOOL
STATEMENT OF REVENUES AND EXPENDITURES -
GENERAL FUND - MANAGEMENT FORMAT
For the Year Ended June 30, 2007

	Account	300 Purchased Services	400 Energy Services	500 Materials and Supplies	600 Capital Outlay	700 Other Expenses	Totals
Revenues:							
State sources	3300						\$ 714,990
Local sources	3400						<u>54,894</u>
Total revenues							<u>769,884</u>
Expenditures:							
Instruction	5000	\$ 236,428	\$ --	\$ 26,555	\$ 3,503	--	266,486
Pupil services	6100	--	--	--	781	--	781
Board	7100	10,608	--	--	--	--	10,608
School administration	7300	56,291	--	893	9,826	--	67,010
Fiscal services	7500	172,152	--	--	--	--	172,152
Food service	7600	16,895	--	14,453	--	--	31,348
Central services	7700	34,989	--	--	--	--	34,989
Pupil transportation services	7800	5,717	--	--	--	--	5,717
Operation of plant	7900	137,092	10,917	1,316	--	166	149,491
Maintenance of plant	8100	10,432	--	--	--	--	10,432
Community service	9100	7,841	--	--	--	--	7,841
Capital outlay:							
Other capital outlay	9300	--	--	--	7,072	--	<u>7,072</u>
Total expenditures		\$ <u>688,445</u>	\$ <u>10,917</u>	\$ <u>43,217</u>	\$ <u>21,182</u>	\$ <u>166</u>	<u>763,927</u>
Net change in fund balance							\$ <u><u>5,957</u></u>

OTHER INDEPENDENT AUDITORS' REPORTS



KEEFE, McCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

JOHN R. KEEFE, C.P.A.
JOHN E. McCULLOUGH, C.P.A. (RETIRED)
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**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 Middle Charter School
Miami, Florida

We have audited the basic financial statements of governmental activities, the General Fund, each major fund, and the aggregate remaining fund information of Renaissance Middle Charter School (the School), a component unit of the School Board of Miami-Dade County, Florida, as of June 30, 2007, which collectively comprise the School's basic financial statements and have issued our report thereon dated August 31, 2007. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the School's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School's financial statements that is more than inconsequential will not be prevented or detected by the School's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We do not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of 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 determination of financial statement amounts. 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.

This report is intended solely for the information and use of School's management, Board of Directors, the Auditor General of the State of Florida and various other governmental agencies and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report which is a matter of public record.


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
August 31, 2007



KEEFE, McCULLOUGH & CO., LLP
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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS

To the Board of Directors
Renaissance Middle Charter School
Miami, Florida

This letter is written in connection with our audit of the basic financial statements of Renaissance Middle Charter School (the School), a component unit of the School Board of Miami-Dade County, Florida, as of and for the year ended June 30, 2007. The purpose of this letter is to communicate to you any comments and recommendations, and to comply with the requirements of Chapter 10.850 Rules of the Auditor General, Rule 10.854(1)(d).


The following statements relate to requirements of the Auditor General:

1. There were no inaccuracies, irregularities, shortages, defalcations, fraud and/or violations of laws, rules or regulations reported for the preceding audit. Prior year contractual provisions violated and their status appear on Pages 28 and 29.
2. There were no recommendations made relating to the preceding audit.
3. There were no recommendations to improve the School's financial management, accounting procedures, and internal controls.
4. There were no violations of laws, rules, regulations, and contractual provisions discovered during our audit.
5. There were no illegal or improper expenditures discovered within the scope of the financial audit which may or may not materially affect the basic financial statements.
6. There were no other matters requiring correction which may or may not materially affect the basic financial statements reported on, including, but not limited to: improper or inadequate accounting procedures, failures to properly record financial transactions, or other inaccuracies, shortages, defalcations and instances of fraud or other reportable conditions.

Renaissance Middle Charter School

7. As required by the Rules of the Auditor General (Section 10.854(1)(d)2), a statement must be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(91), Florida Statutes. 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.

This report is intended solely for the use and information of the School's management, the Board of Directors, the Auditor General of the State of Florida and other governmental agencies, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
August 31, 2007



January 18, 2008

Miami Dade County Public Schools
ATTN: Trevor L. Williams, CPA, Asst Chief Auditor
Office of Management and Compliance Audits
1450 N.E. Second Avenue, Room 415
Miami, FL 33132

Re: Renaissance Charter Middle School
Audited Financials for the Year-End June 30, 2007

Sent Via Email to NFerradaz@dadeschools.net

Dear Mr. Williams:

Please be advised that I am in receipt of your letter dated December 19, 2007 regarding the above referenced school. Please allow me address the issues noted in your letter:

1. The school's decrease in net assets in the amount of (\$21,681) was caused by depreciation expense, which totaled \$31,512 for the year. The school did end the year with a positive fund balance of \$5,957, which was an improvement over the prior fiscal year.
2. The school's management agreement stipulates that the fee paid to the management company for services is equal to the difference between the school's revenues less expenses. Because of the way in which the fee is calculated, and the ability of the school and the management company were able to effectively utilize school resources in FY07, a higher fee was generated than what was originally planned. This was the cause of fiscal services expense to exceed the budgeted amount of \$80,270. In addition, the school's board of directors voted to modify the fee arrangement for the FY07 year by retaining a fund balance for the school which equaled approximately 1% of the FTE revenues received by the school in order to begin to build a fund balance reserve for future years.

I believe I have responded to all the issues stated in your letter. If you require additional documentation or have any questions, please do not hesitate to contact me at 954-202-3500, extension 235.

Sincerely,

Lorrie Davidson

Lorrie Davidson
VP of School Finance
Charter Schools USA, Inc.