

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

**BASIC FINANCIAL STATEMENTS**

June 30, 2013

RENAISSANCE MIDDLE CHARTER SCHOOL  
BASIC FINANCIAL STATEMENTS  
June 30, 2013

TABLE OF CONTENTS

	<u>PAGES</u>
BASIC FINANCIAL STATEMENTS	
Independent Auditors' Report	1-2
Management's Discussion and Analysis (not covered by Independent Auditors' Report)	3-7
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet - Governmental Funds	10
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	11
Statement of Revenues, Expenditures and Change in Fund Balances - Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balances of Governmental Funds to the Statement of Activities	13
Statement of Revenues and Expenditures - Budget and Actual - General Fund	14
Statement of Revenues and Expenditures - Budget and Actual - Special Revenue Fund	15
Statement of Assets and Liabilities - Agency Fund	16
Notes to Basic Financial Statements	17-25
OTHER INDEPENDENT AUDITORS' REPORTS	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26-27
Independent Auditors' Report to the Board of Directors	28-29

# BASIC FINANCIAL STATEMENTS



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Renaissance Middle Charter School  
Miami, 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 Middle Charter School (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School Board of Miami-Dade County, Florida, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

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 and each major fund of Renaissance Charter School, Inc. that is attributable to the transactions of the School. They do not purport to, and do not, present fairly the financial position of Renaissance Charter School, Inc. as of June 30, 2013 and its changes in financial position or budgetary comparisons, where applicable, for the year ended June 30, 2013 in conformity with accounting principles generally accepted in the United States of America.

### 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.

### Auditors' 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, 2013, and the respective changes in financial position, and budgetary comparison for the General Fund and Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **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 August 27, 2013, 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 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 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 & CO., LLP

Fort Lauderdale, Florida  
August 27, 2013

# MANAGEMENT'S DISCUSSION AND ANALYSIS

**RENAISSANCE MIDDLE CHARTER SCHOOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2013

As management of Renaissance Middle Charter School (the "School"), a Department of Renaissance Charter School, Inc. and 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 years ended June 30, 2013 and 2012.

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.

### **FINANCIAL HIGHLIGHTS**

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

- As of June 30, 2013, the School's fund balance was \$ 124,819 as compared to \$ 22,336 at June 30, 2012.
- As of June 30, 2013, the School has net position of \$ 170,093, as compared to \$ (15,491) as of June 30, 2012.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

#### **Government-Wide Financial Statements**

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

The statement of net position 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 financial statements can be found on pages 8 and 9 of this report.

**RENAISSANCE MIDDLE CHARTER SCHOOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2013

**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 several individual governmental funds. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and change in fund balances. The General Fund, Special Revenue 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 Special Revenue Fund to demonstrate compliance with the budget.

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

**Agency Fund**

In addition, the School has one agency fund which is a student activity fund. This fund is formed for educational and school purposes.

The basic agency fund financial statement can be found on page 16 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 17 through 25 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The School has been in operation for eight years; therefore, comparative government-wide data is presented. The School's net position was \$ 170,093 at June 30, 2013. Of this amount, \$ 106,541 represents net investment in capital assets and \$ 63,552 represents amounts which are unrestricted. The School's net position (deficit) was \$ (15,491) at June 30, 2012. Of this amount, \$ 38,198 represents net investment in capital assets and \$ (53,689) represents amounts which are unrestricted (deficit).



**RENAISSANCE MIDDLE CHARTER SCHOOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2013

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

Renaissance Middle Charter School Net Position		
	June 30, 2013	June 30, 2012
<b>ASSETS:</b>		
Current and other assets	\$ 391,653	\$ 264,407
Capital assets, net of depreciation	<u>106,541</u>	<u>81,725</u>
Total assets	<u>498,194</u>	<u>346,132</u>
<b>LIABILITIES:</b>		
Other liabilities	328,101	300,356
Long-term liabilities	<u>-</u>	<u>61,267</u>
Total liabilities	<u>328,101</u>	<u>361,623</u>
<b>NET POSITION:</b>		
Net investment in capital assets	106,541	38,198
Unrestricted (deficit)	<u>63,552</u>	<u>(53,689)</u>
Total net position (deficit)	<u>\$ 170,093</u>	<u>\$ (15,491)</u>

***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, 2013 and 2012:

Renaissance Middle Charter School Change in Net Position		
	June 30, 2013	June 30, 2012
<b>REVENUES:</b>		
General revenues	\$ 2,568,751	\$ 2,095,925
Program revenues	<u>370,786</u>	<u>433,012</u>
Total revenues	<u>2,939,537</u>	<u>2,528,937</u>
<b>FUNCTIONS/PROGRAM EXPENSES:</b>		
Instruction	1,289,816	1,108,729
Instructional support services	1,252,756	1,284,469
Non-instructional services	<u>211,381</u>	<u>207,384</u>
Total governmental activities	<u>2,753,953</u>	<u>2,600,582</u>
Change in net position	<u>\$ 185,584</u>	<u>\$ (71,645)</u>

**RENAISSANCE MIDDLE CHARTER SCHOOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2013

***Governmental Fund Expenditures***

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

<u>Functions/Programs</u>	<u>2013</u>		<u>2012</u>	
	<u>Expenditures</u>	<u>Percent</u>	<u>Expenditures</u>	<u>Percent</u>
Governmental expenditures:				
Instructional expenditures	\$ 1,232,778	43.4%	\$ 1,067,720	38.6%
Plant operations and maintenance	963,419	34.0%	942,664	34.0%
Administrative services	147,502	5.2%	207,666	7.5%
Food services	129,868	4.6%	125,361	4.5%
Transportation	107,400	3.8%	108,000	3.9%
All other functions/programs	<u>256,087</u>	<u>9.0%</u>	<u>194,264</u>	<u>11.5%</u>
Total governmental expenditures	<u>\$ 2,837,054</u>	<u>100.0%</u>	<u>\$ 2,645,675</u>	<u>100.0%</u>

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital assets***

At June 30, 2013, the School had capital assets of \$ 106,541, net of accumulated depreciation, invested in computer equipment, furniture and equipment, and leasehold improvements, as compared to \$ 81,725 at June 30, 2012.

***Long-term debt***

At June 30, 2013, the School had outstanding debt of \$ 61,267, as compared to \$ 119,552 at June 30, 2012. Additional information on the School's debt can be found in Note 7 on page 23.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Total revenues were unfavorable to the budget for the year ended June 30, 2013 mainly due to a budgeted contribution which was not needed. Enrollment was greater than anticipated in the budget and per student FEFP funding was greater than budget by 2%.

Expenditures were favorable to the budget by approximately \$ 170,000 mainly due to savings in instruction, school administration, fiscal services and operation of plant. The school completed the year with a change in fund balance which was approximately \$ 100,000 favorable to budget.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The State of Florida is projecting a 6.34% funding increase in per student revenue for next fiscal year. In addition, Charter School Capital Outlay funding is expected to increase.

Expenditures are budgeted to rise in proportion to the expected growth at the school. A salary and merit pay increase pool have been built into the budgets for all eligible school staff.

**RENAISSANCE MIDDLE CHARTER SCHOOL**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2013

**REQUESTS FOR INFORMATION**

If you have any questions about this report or need additional information, please write Hillary Daigle, Controller, Charter Schools USA, 6425 North Federal Highway, 5th Floor, Fort Lauderdale, Florida 33308.

RENAISSANCE MIDDLE CHARTER SCHOOL  
STATEMENT OF NET POSITION  
June 30, 2013

A S S E T S

	Governmental Activities
CURRENT ASSETS:	
Cash and cash equivalents	\$ 323,056
Due from management company	50,000
Due from other governments	7,851
Other receivables	237
Deposits	<u>10,509</u>
Total current assets	391,653
NONCURRENT ASSETS:	
Capital assets (depreciable), net of accumulated depreciation	<u>106,541</u>
Total assets	<u>498,194</u>

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

CURRENT LIABILITIES:	
Accounts payable and accrued liabilities	43,397
Salaries and wages payable	131,645
Due to related party	90,576
Due to Agency Fund	468
Unearned revenue	748
Note payable, due within one year	<u>61,267</u>
Total current liabilities	<u>328,101</u>
COMMITMENTS (Notes 8 and 9)	-
NET POSITION:	
Net investment in capital assets	106,541
Unrestricted	<u>63,552</u>
Total net position	\$ <u><u>170,093</u></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, 2013

		Program Revenues			Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense) and Change in Net Position
	<u>Expenditures</u>				
<b>FUNCTIONS/PROGRAMS:</b>					
Instruction	\$ 1,289,816	\$ -	\$ 39,538	\$ -	\$ (1,250,278)
Instructional staff training services	1,480	-	-	-	(1,480)
Instruction related technology	31,295	-	12,108	-	(19,187)
School board	13,159	-	-	-	(13,159)
School administration	147,502	-	-	-	(147,502)
Fiscal services	3,033	-	-	-	(3,033)
Food services	129,868	27,661	78,305	-	(23,902)
Central services	1,707	-	-	-	(1,707)
Pupil transportation services	107,400	-	-	-	(107,400)
Operation of plant	844,781	-	-	136,478	(708,303)
Maintenance of plant	120,298	-	-	-	(120,298)
Community services	58,960	76,696	-	-	17,736
Interest on long-term debt	4,654	-	-	-	(4,654)
Total governmental activities	<u>\$ 2,753,953</u>	<u>\$ 104,357</u>	<u>\$ 129,951</u>	<u>\$ 136,478</u>	<u>(2,383,167)</u>
General revenues:					
					2,544,149
Grants and entitlements					246
Investment earnings					5,000
Contributions					19,356
Miscellaneous					
Total general revenues					<u>2,568,751</u>
Change in net position					185,584
Net position (deficit), July 1, 2012					<u>(15,491)</u>
Net position, June 30, 2013					<u>\$ 170,093</u>

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

**RENAISSANCE MIDDLE CHARTER SCHOOL**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
June 30, 2013

**A S S E T S**

	General Fund	Special Revenue Fund	Capital Project Fund	Total
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 323,056	\$ -	\$ -	\$ 323,056
Due from management company	50,000	-	-	50,000
Due from other governments	-	-	7,851	7,851
Due from other funds	7,851	748	-	8,599
Other receivables	237	-	-	237
Deposits	10,509	-	-	10,509
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	\$ <u>391,653</u>	\$ <u>748</u>	\$ <u>7,851</u>	\$ <u>400,252</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 S**

<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities	\$ 43,397	\$ -	\$ -	\$ 43,397
Salaries and wages payable	131,645	-	-	131,645
Due to related party	90,576	-	-	90,576
Due to Agency Fund	468	-	-	468
Due to other funds	748	-	7,851	8,599
Unearned revenue	-	748	-	748
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	266,834	748	7,851	275,433
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
COMMITMENTS (Notes 8 and 9)	-	-	-	-
<b>FUND BALANCES:</b>				
Nonspendable:				
Deposits	10,509	-	-	10,509
Assigned to subsequent year's budget	92,307	-	-	92,307
Unassigned	22,003	-	-	22,003
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	124,819	-	-	124,819
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	\$ <u>391,653</u>	\$ <u>748</u>	\$ <u>7,851</u>	\$ <u>400,252</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 FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2013

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS, PAGE 10	\$ 124,819
--	------------

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

Capital assets used in governmental activities are not  
financial resources and, therefore, are not reported  
in the governmental fund.

Governmental cost of capital assets	\$	414,850	
Less accumulated depreciation		(308,309)	106,541

Liabilities not payable with current available resources  
are not reported as fund liabilities in the governmental  
fund statements. All liabilities both current and  
long-term, are reported in the government-wide  
statements.

Note payable	(61,267)
--------------	----------

NET POSITION OF GOVERNMENTAL ACTIVITIES, PAGE 8	\$ <u>170,093</u>
--	-------------------

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 BALANCES - GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2013

	General Fund	Special Revenue Fund	Capital Project Fund	Total
<b>REVENUES:</b>				
Federal through state	\$ -	\$ 88,997	\$ -	\$ 88,997
State sources	2,583,687	1,416	136,478	2,721,581
Local sources	52,263	-	-	52,263
Aftercare	76,696	-	-	76,696
	<u>2,712,646</u>	<u>90,413</u>	<u>136,478</u>	<u>2,939,537</u>
Total revenues				
<b>EXPENDITURES:</b>				
Instruction	1,232,778	-	-	1,232,778
Instructional staff training services	1,480	-	-	1,480
Instruction related technology	19,187	12,108	-	31,295
School board	13,159	-	-	13,159
School administration	147,502	-	-	147,502
Facilities acquisition and construction	83,514	-	-	83,514
Fiscal services	3,033	-	-	3,033
Food services	51,563	78,305	-	129,868
Central services	1,707	-	-	1,707
Pupil transportation services	107,400	-	-	107,400
Operation of plant	706,643	-	136,478	843,121
Maintenance of plant	120,298	-	-	120,298
Community services	58,960	-	-	58,960
Debt service:				
Principal	58,285	-	-	58,285
Interest	4,654	-	-	4,654
	<u>2,610,163</u>	<u>90,413</u>	<u>136,478</u>	<u>2,837,054</u>
Total expenditures				
Net change in fund balances	102,483	-	-	102,483
<b>FUND BALANCES, July 1, 2012</b>	<u>22,336</u>	<u>-</u>	<u>-</u>	<u>22,336</u>
<b>FUND BALANCES, June 30, 2013</b>	<u>\$ 124,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,819</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 BALANCES**  
**OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2013**

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

Change in fund balances - governmental fund, page 12	\$	102,483
--	----	---------

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.

Cost of capital assets	\$	83,514	
Provision for depreciation		<u>(58,698)</u>	24,816

Repayment of debt principal is an expenditure in  
 the governmental funds, but the repayment reduces  
 long-term liabilities in the statement of net position.

Repayments of principal		<u>58,285</u>
-------------------------	--	---------------

CHANGE IN NET POSITION OF GOVERNMENTAL  
 ACTIVITIES, PAGE 9

	\$	<u><u>185,584</u></u>
--	----	-----------------------

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, 2013

	Original and Final Budget	Actual	Variance
<b>REVENUES:</b>			
State sources	\$ 2,494,821	\$ 2,635,129	\$ 140,308
Local sources	249,063	52,263	(196,800)
Aftercare	84,600	76,696	(7,904)
	<u>2,828,484</u>	<u>2,764,088</u>	<u>(64,396)</u>
<b>EXPENDITURES:</b>			
Instruction	1,287,711	1,232,778	54,933
Pupil personnel services	9,125	-	9,125
Instruction and curriculum development services	8,000	-	8,000
Instructional staff training services	1,350	1,480	(130)
Instruction related technology	20,251	19,187	1,064
School board	27,000	13,159	13,841
School administration	176,796	147,502	29,294
Facilities acquisition and construction	111,607	83,514	28,093
Fiscal services	1,146	3,033	(1,887)
Food services	40,553	51,563	(11,010)
Central services	51,711	53,149	(1,438)
Pupil transportation services	109,597	107,400	2,197
Operation of plant	730,861	706,643	24,218
Maintenance of plant	129,263	120,298	8,965
Community services	55,917	58,960	(3,043)
Debt service:			
Principal	62,940	58,285	4,655
Interest	4,654	4,654	-
	<u>2,828,482</u>	<u>2,661,605</u>	<u>166,877</u>
Total expenditures	<u>2,828,482</u>	<u>2,661,605</u>	<u>166,877</u>
Net change in fund balance	\$ <u>2</u>	\$ <u>102,483</u>	\$ <u>102,481</u>

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 - SPECIAL REVENUE FUND**  
 For the Year Ended June 30, 2013

	Original and Final Budget	Actual	Variance
<b>REVENUES:</b>			
Federal sources:			
National school lunch program	\$ 79,236	\$ 76,889	\$ (2,347)
Race to the top	-	12,108	12,108
State sources:			
National school lunch program	-	1,416	1,416
	<u>79,236</u>	<u>90,413</u>	<u>11,177</u>
Total revenues			
	<u>79,236</u>	<u>90,413</u>	<u>11,177</u>
<b>EXPENDITURES:</b>			
Instruction related technology	-	12,108	(12,108)
Food services	79,236	78,305	931
	<u>79,236</u>	<u>90,413</u>	<u>(11,177)</u>
Total expenditures			
	<u>79,236</u>	<u>90,413</u>	<u>(11,177)</u>
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.

RENAISSANCE MIDDLE CHARTER SCHOOL  
STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUND  
June 30, 2013

A S S E T S

	<u>Student Activity</u>
ASSETS:	
Cash	\$ 21,142
Due from General Fund	468
Accounts receivable	<u>241</u>
Total assets	\$ <u><u>21,851</u></u>

L I A B I L I T I E S

LIABILITIES:	
Due to students	\$ <u>21,851</u>
Total liabilities	\$ <u><u>21,851</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, 2013

**NOTE 1 - ORGANIZATION AND OPERATIONS**

Renaissance Middle Charter School (the "School"), a Department of Renaissance Charter School, Inc. and 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 a Department of Renaissance Charter School, Inc., a Florida nonprofit corporation organized in August 1998. As of June 30, 2013, 460 students were enrolled in the School.

The basic financial statements of the School, a Department of Renaissance Charter School, Inc. and component unit of the School Board of Miami-Dade County, Florida, present only the balances, activity and disclosures related to the School. They do not purport to, and do not, present the financial position of the Renaissance Charter School, Inc. as of June 30, 2013, 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.

**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.

RENAISSANCE MIDDLE CHARTER SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the government-wide statement of net position, 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.

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. For the year ended June 30, 2013 the School had program revenues of \$ 370,786.

This government-wide focus is more on the ability to sustain the School as an entity and the change in the School's net position 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 School reports the following major governmental funds:

**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.

**Special Revenue Fund** – This 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 capital outlay funding that is legally restricted to expenditures for particular purposes.

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 government-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.

RENAISSANCE MIDDLE CHARTER SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents:

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.

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:

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.

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 2% 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 division of a nonprofit corporation. Revenue of the School is derived primarily from other governmental entities. The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in these basic financial statements.

Capital assets:

Property and equipment purchased or acquired are capitalized at historical cost or estimated historical cost. Capital assets are defined by the School as assets with an initial cost of \$ 750 and useful life of over one year. Donated property and equipment 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:

Furniture and equipment	5 years
Computer equipment	3-5 years
Leasehold improvements	10 years

RENAISSANCE MIDDLE CHARTER SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. For the year ended June 30, 2013 the School does not have any items that qualify for reporting in this category.

Unearned revenue:

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

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 any borrowings used for the acquisition, construction or improvement of those assets.
- Restricted- consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - indicates that portion of net position that is available 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.



RENAISSANCE MIDDLE CHARTER SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Restricted - this classification includes amounts that are restricted for specific purposes by external parties such as grantors and creditors or are imposed by law through constitutional provisions or enabling legislation.
- 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, except for the reporting of a 2% 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</u>	<u>Expenditures</u>
Budgetary basis, page 14	\$ 2,764,088	\$ 2,661,605
Less: 2% administration fee retained by the School Board included as revenue and expenditures on a budgetary basis	<u>(51,442)</u>	<u>(51,442)</u>
GAAP basis, page 12	<u>\$ 2,712,646</u>	<u>\$ 2,610,163</u>

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.

**RENAISSANCE MIDDLE CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2013

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Reclassifications:

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Date of Management Review:

The School has evaluated subsequent events through August 27, 2013, which is the date that the financial statements were available to be issued.

**NOTE 3 - DEPOSITS**

At June 30, 2013, the carrying amount of the deposits and cash on hand totaled \$ 344,198 with a bank balance of \$ 347,317.

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, 2013.

**NOTE 4 - DUE FROM OTHER GOVERNMENTS**

Due from other governments at June 30, 2013 consists of an amount due from the Florida Department of Education for capital outlay funding.

**NOTE 5 - CAPITAL ASSETS**

Capital asset balances and activity for the year ended June 30, 2013 are as follows:

	Balance at July 1, 2012	Additions	Deletions	Balance at June 30, 2013
Capital assets, depreciable:				
Furniture and equipment	\$ 76,332	\$ 14,505	\$ -	\$ 90,837
Computer equipment	239,489	56,009	-	295,498
Leasehold improvements	15,515	13,000	-	28,515
Total capital assets, depreciable	331,336	83,514	-	414,850
Accumulated depreciation:				
Furniture and equipment	44,241	12,099	-	56,340
Computer equipment	202,396	44,939	-	247,335
Leasehold improvements	2,974	1,660	-	4,634
Total accumulated depreciation	249,611	58,698	-	308,309
Net capital assets	\$ 81,725	\$ 24,816	\$ -	\$ 106,541

**RENAISSANCE MIDDLE CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2013

**NOTE 5 - CAPITAL ASSETS (continued)**

Provision for depreciation was charged to governmental activities as follows:

Instruction	\$ 57,038
Operation of plant	<u>1,660</u>
	<u>\$ 58,698</u>

**NOTE 6 - DUE TO RELATED PARTY**

Both the School and Renaissance Charter Elementary School ("RECS") are related, as they both are Departments of Renaissance Charter School, Inc. As of June 30, 2013, the basic financial statements include an amount due to RECS in the amount of \$ 90,576, representing short-term advances for payroll related expenditures.

**NOTE 7 - NOTE PAYABLE**

As of June 30, 2013, the basic financial statements include a note payable in the amount of \$ 61,267 which is due to Renaissance Charter Elementary School. The note has a three year repayment schedule and requires monthly payments of \$ 5,245, including interest at 5%, through June 2014. The note is for monies loaned for capital outlay purchases.

Future minimum payments at June 30, 2013 are approximately as follows:

Year Ending June 30,	
2014	\$ <u>61,300</u>

Changes in note payable during the year are as follows:

	Balance at July 1, 2012	Additions	Deletions	Balance at June 30, 2013	Due Within One Year
Note payable:					
Renaissance Charter Elementary School	\$ <u>119,552</u>	\$ <u>-</u>	\$ <u>58,285</u>	\$ <u>61,267</u>	\$ <u>61,267</u>
Total	\$ <u>119,552</u>	\$ <u>-</u>	\$ <u>58,285</u>	\$ <u>61,267</u>	\$ <u>61,267</u>

**NOTE 8 - LEASES**

The School leases its facility under an operating lease which expires in June 2019. The lease requires base monthly payments of \$ 47,283 as well as fees for common area maintenance.

RENAISSANCE MIDDLE CHARTER SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2013

NOTE 8 – LEASES (continued)

Future minimum lease payments required under long-term noncancelable operating leases at June 30, 2013 are approximately as follows:

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2014	\$ 567,400
2015	\$ 567,400
2016	\$ 567,400
2017	\$ 567,400
2018	\$ 567,400
Thereafter	\$ 567,400

Rent totaled \$ 567,396 for the year ended June 30, 2013.

NOTE 9 – COMMITMENTS

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, 2013, there was no amount of compensation received by CSUSA for operating the School.

The School’s accounts payable balance contains an amount payable to CSUSA of \$ 21,222. The School has an amount due from the management company of \$ 50,000 at June 30, 2013.

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, 2013, 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. The School contributed a matching amount of \$ 2,844 for the year ended June 30, 2013.

**RENAISSANCE MIDDLE CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2013

**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 district. The School's CSCO award totaled \$ 136,478 for the 2012/2013 school year, which has been recognized as revenue in the accompanying basic financial statements. If the CSCO funds are used to acquire tangible property assets, the School Board has a reversionary interest in those assets. In the event of non-renewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the School Board. The School has elected to use these funds to pay its portion of the lease expense on the facility.

**NOTE 12 - 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 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.

## OTHER INDEPENDENT AUDITORS' REPORTS



INDEPENDENT AUDITORS' 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, 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 Middle Charter School (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School Board of Miami-Dade County, Florida, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 27, 2013.

**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) to determine the 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 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*.

**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 & CO., LLP

Fort Lauderdale, Florida  
August 27, 2013





## INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS

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

We have audited the financial statements of Renaissance Middle Charter School (the "School"), a Department of Renaissance Charter School, Inc. and a component unit of the School Board of Miami-Dade County, Florida, as of and for the fiscal year ended June 30, 2013, and have issued our report thereon dated August 27, 2013.

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. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and 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 August 27, 2013, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.850, Rules of the Auditor General, which governs the conduct of charter school and similar entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditors' reports or schedule:

1. 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.
2. Section 10.854(1)(e)2., Rules of the Auditor General, requires a statement be included as to whether or not the charter school or center has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Renaissance Middle Charter School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
3. Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
4. Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address 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.

Renaissance Middle Charter School

5. Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the school. The official title of the School is Renaissance Middle Charter School.
6. Pursuant to Sections 10.854(1)(e)6.a. and 10.855(11), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Renaissance Middle Charter 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.

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 and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida  
August 27, 2013