

**RENAISSANCE ARTS
AND EDUCATION, INC.**

INDEPENDENT AUDITOR'S REPORT

for the fiscal year ended JUNE 30, 2025

King & Walker, CPAs, PL

Certified Public Accountants

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RENAISSANCE ARTS AND EDUCATION, INC.

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Independent Auditor's Report

To the Board of Directors Renaissance Arts and Education, Inc.,
Manatee County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Renaissance Arts and Education, Inc. (“Organization”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Organization, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Budgetary Comparison Schedule, and Note to Required Supplementary Information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 November 4, 2025, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

King & Walker, CPAs

November 4, 2025

Tampa, Florida

RENAISSANCE ARTS AND EDUCATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

The Management's Discussion and Analysis (MD&A) section of the annual financial report of the Renaissance Arts and Education, Inc., ("Organization") provides an overview of the Organization's financial activities for the fiscal year ended June 30, 2025.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the Organization's financial statements and notes to financial statements, as listed in the table of contents.

FINANCIAL HIGHLIGHTS

- For the fiscal year ended June 30, 2025, the Organization's revenues exceeded expenses as shown on the Organization's statement of activities by \$2,345,717.
- As shown on the statement of net position, the Organization reported an unrestricted net position balance of \$7,820,656.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- ✓ Government-wide financial statements
- ✓ Fund financial statements
- ✓ Notes to financial statements

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the Organization's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of Net Position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the Organization presented on the accrual basis of accounting. The statement of Net Position provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the Net Position, is a measure of the financial health of the Organization. The statement of activities presents information about the change in the Organization's Net Position and the results of operations, during the fiscal year. An increase or decrease in Net Position is an indication of whether the Organization's financial health is improving or deteriorating. To assess the overall financial position of the Organization, one needs to consider additional non-financial factors such as changes in the Organization student base funding level.

RENAISSANCE ARTS AND EDUCATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the Organization's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide financial statements.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund financial statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund financial statements provide a detailed short-term view that may be used to evaluate the Organization's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental fund to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the Organization's most significant funds. The Organization operates four funds; a General Fund to account for its general operations, a Special Revenue Fund to account for Federal grant programs, food service operations, and internal account activities, a Capital Projects Fund to account for its charter school capital outlay funds, and a Debt Service Fund to account for long-term debt resources and transactions. For reporting purposes, the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund are considered major funds of the Organization.

The Organization adopts annual budgets for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and Special Revenue Fund to demonstrate compliance with their budgets.

Notes to 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.

RENAISSANCE ARTS AND EDUCATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the Organization's current and prior year net position changes:

Net Position, End of Year			
Governmental Activities			
	6-30-24	6-30-25	Increase (Decrease)
ASSETS			
Current and Other Assets	\$ 9,667,812	\$ 12,218,357	\$ 2,550,545
Capital Assets, Net	<u>36,620,905</u>	<u>38,444,271</u>	<u>1,823,366</u>
Total Assets	<u>46,288,717</u>	<u>50,662,628</u>	<u>4,373,911</u>
LIABILITIES			
Current Liabilities	1,848,236	570,383	(1,277,853)
Noncurrent Liabilities	<u>31,479,875</u>	<u>34,785,922</u>	<u>3,306,047</u>
Total Liabilities	<u>33,328,111</u>	<u>35,356,305</u>	<u>2,028,194</u>
NET POSITION			
Net Investment in Capital Assets	5,141,030	3,658,349	(1,482,681)
Restricted	2,210,450	3,827,318	1,616,868
Unrestricted	<u>5,609,126</u>	<u>7,820,656</u>	<u>2,211,530</u>
Total Net Position	<u>\$ 12,960,606</u>	<u>\$ 15,306,323</u>	<u>\$ 2,345,717</u>

The largest portions of the Organization's total assets are cash and cash equivalents, investments, investments – restricted, accounts receivable, and capital assets, net of accumulated depreciation. Current liabilities consist of salaries and benefits payable and accounts payable. Long-term liabilities primarily consist of bonds payable for the purchase and construction of its Organization's facilities. The Organization reported an unrestricted net position balance of \$7,820,656.

RENAISSANCE ARTS AND EDUCATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

The following is a summary of the Organization's change in net position for the current and prior year:

Operating Results for the Year			
	Governmental Activities		
	6-30-24	6-30-25	Increase (Decrease)
Revenues:			
Federal Through State and Local	\$ 2,853,186	\$ 2,941,655	\$ 88,469
State	19,906,552	22,324,426	2,417,874
Local and Other	5,789,830	8,066,212	2,276,382
Total Revenues	28,549,568	33,332,293	4,782,725
Expenses:			
Instruction	13,896,929	14,132,566	235,637
Student Support Services	516,069	693,253	177,184
Instructional Media	115,612	117,277	1,665
Instructional Staff Training	33,065	22,944	(10,121)
Instructional Related Technology	383,777	135,633	(248,144)
Board	21,700	36,800	15,100
General Administration	101,607	-	(101,607)
School Administration	3,014,388	3,827,526	813,138
Facilities Acquisition & Construction	400,588	24,338	(376,250)
Fiscal Services	294,848	272,246	(22,602)
Food Services	996,335	1,414,902	418,567
Student Transportation	2,013,418	1,956,447	(56,971)
Operation of Plant	2,165,937	2,572,563	406,626
Maintenance of Plant	188,300	496,166	307,866
Community Service	427,019	616,306	189,287
Debt Service - Interest & Fiscal Charges	1,690,125	2,662,528	972,403
Unallocated Depreciation	1,886,724	2,005,081	118,357
Total Expenses	28,146,441	30,986,576	2,840,135
Increase/(Decrease) in Net Position	\$ 403,127	\$ 2,345,717	\$ 1,942,590

The largest revenue source for the Organization is the State of Florida (67%). The Organization also received 9% of its total revenue from Federal grants. Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data to determine the funds available for the Organization. The largest concentration of expenses was for Instruction related functions, which amounted to 49% of total expenditures.

RENAISSANCE ARTS AND EDUCATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS - (Unaudited)

FINANCIAL ANALYSIS OF THE ORGANIZATION'S FUNDS

Governmental Funds

As the Organization completed the year, its governmental funds reported a combined fund balance of \$11,647,974.

BUDGETARY HIGHLIGHTS

The budgets for the General Fund and the Special Revenue Fund for the fiscal year ended June 30, 2025, were developed based on the Organization's anticipated revenues and expenditures, the expected student population, and Federal grant programs for the fiscal year. Over the course of the year, management revised each fund's budget. For the fiscal year ended June 30, 2025, the actual expenditures were equal to the final budgets. Refer to the Budgetary Comparison Schedule for additional information.

CAPITAL ASSETS

The Organization's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$38,444,271 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture, fixtures, and equipment, motor vehicles, and construction in progress. Additional information regarding the Organization's capital assets can be found in the notes to the financial statements.

DEBT

On June 1, 2022, the Organization (via the City of Palmetto, Florida) issued \$30,970,000 of new debt to retire existing debt, for the construction of an elementary school, and the acquisition of motor vehicles costing approximately \$13,423,000. In June 2025, the Organization authorized a financing agreement for up to \$32,000,000 for construction of additional School facilities. As of June 30, 2025, only \$3,497,708 has been drawn from this loan. The Organization, also entered into a financing arrangement for approximately \$310,000 for the purchase of buses. Additional information regarding the Organization's long-term debt can be found in the notes to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Organization's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Organization's administrative offices at 700 Haben Blvd., Palmetto, FL 34211.

RENAISSANCE ARTS AND EDUCAITION, INC.

STATEMENT OF NET POSITION

June 30, 2025

	<u>Government Activities</u>
ASSETS	
Cash & Cash Equivalents	\$ 2,166,868
Investments	3,380,951
Investments - Restricted	2,396,355
Accounts Receivable	2,435,963
Due From Other Agencies	1,794,121
Prepaid Items & Deposits	44,099
Capital Assets:	
Land	6,328,047
Buildings & Fixed Equipment, Net	25,233,252
Furniture, Fixtures, and Equipment, Net	2,536,920
Motor Vehicles, Net	1,925,116
Construction in Progress	2,420,936
Total Capital Assets	<u>38,444,271</u>
TOTAL ASSETS	<u>50,662,628</u>
LIABILITIES	
Salaries and Benefits Payable	286,023
Accounts Payable	284,360
Noncurrent Liabilities:	
Due Within One Year:	
Notes Payable	352,531
Bonds Payable	275,000
Due After One Year:	
Notes Payable	4,458,386
Bonds Payable	29,700,005
TOTAL LIABILITIES	<u>35,356,305</u>
NET POSITION	
Net Investment in Capital Assets	3,658,349
Restricted	3,827,318
Unrestricted	7,820,656
TOTAL NET POSITION	<u>\$ 15,306,323</u>

The accompanying notes to the financial statements are an integral part of this statement.

RENAISSANCE ARTS AND EDUCATION, INC.

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2025

	Expenses	Program Revenues			Capital Grants and Contributions	\$	(Expenses) Revenue and Changes	Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities				
Governmental Activities:								
Instruction	\$ 14,132,566	\$ -	\$ 107,200	\$ -	\$ -	\$ (14,025,366)		
Student Support Services	693,253	-	-	-	-		(693,253)	
Instructional Media	117,277	-	-	-	-		(117,277)	
Instructional Staff Training	22,944	-	-	-	-		(22,944)	
Instructional Related Technology	135,633	-	-	-	-		(135,633)	
Board	36,800	-	-	-	-		(36,800)	
School Administration	3,827,526	-	-	-	-		(3,827,526)	
Facilities Acquisition & Construction	24,338	-	-	-	-		(24,338)	
Fiscal Services	272,246	-	-	-	-		(272,246)	
Food Services	1,414,902	154,529	1,414,902	-	-		154,529	
Student Transportation	1,956,447	-	-	-	-		(1,956,447)	
Operation of Plant	2,572,563	-	80,537	-	-		(2,492,026)	
Maintenance of Plant	496,166	-	-	-	-		(496,166)	
Community Service	616,306	1,063,736	-	-	-		447,430	
Debt Service - Interest & Fiscal Charges	2,662,528	-	-	-	1,550,592		(1,111,936)	
Unallocated Depreciation	2,005,081	-	-	-	-		(2,005,081)	
Total Governmental Activities	\$ 30,986,576	\$ 1,218,265	\$ 1,602,639	\$ 1,550,592			(26,615,080)	
General Revenue								
State Sources							20,773,834	
Local and Other							6,847,947	
Grants and Contributions not restricted to specific program							1,339,016	
Total General Revenues							28,960,797	
Change in Net Position							2,345,717	
Net Position - June 30, 2024							12,960,606	
Net Position - June 30, 2025							\$ 15,306,323	

The accompanying notes to the financial statements are an integral part of this statement.

RENAISSANCE ARTS AND EDUCATION, INC.

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash & Cash Equivalents	\$ 841,644	\$ 372,321	\$ 952,903	\$ -	\$ 2,166,868
Investments	3,380,951	-	-	-	3,380,951
Investments - Restricted	-	-	-	2,396,355	2,396,355
Due From Other Agencies	1,639,365	-	154,756	-	1,794,121
Accounts Receivable	2,435,963	-	-	-	2,435,963
Prepaid Items & Deposits	44,099	-	-	-	44,099
Due from Other Funds	49,017	-	-	-	49,017
Total Assets	<u>\$ 8,391,039</u>	<u>\$ 372,321</u>	<u>\$ 1,107,659</u>	<u>\$ 2,396,355</u>	<u>\$ 12,267,374</u>
LIABILITIES					
Salaries and Benefits Payable	\$ 286,023	\$ -	\$ -	\$ -	\$ 286,023
Accounts Payable	284,360	-	-	-	284,360
Due to Other Funds	-	-	49,017	-	49,017
Total Liabilities	<u>570,383</u>	<u>-</u>	<u>49,017</u>	<u>-</u>	<u>619,400</u>
FUND BALANCES					
Nonspendable	44,099	-	-	-	44,099
Restricted	-	372,321	1,058,642	2,396,355	3,827,318
Unassigned	7,776,557	-	-	-	7,776,557
Total Fund Balances	<u>7,820,656</u>	<u>372,321</u>	<u>1,058,642</u>	<u>2,396,355</u>	<u>11,647,974</u>
Total Liabilities and Fund Balances	<u>\$ 8,391,039</u>	<u>\$ 372,321</u>	<u>\$ 1,107,659</u>	<u>\$ 2,396,355</u>	<u>\$ 12,267,374</u>

The accompanying notes to the financial statements are an integral part of this statement.

RENAISSANCE ARTS AND EDUCAITION, INC.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**
June 30, 2025

Total Fund Balances - Governmental Funds \$ 11,647,974

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported as assets in governmental funds. 38,444,271

Long-term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds.

Notes Payable	(4,810,917)
Bonds Payable	<u>(29,975,005)</u>
	<u>(34,785,922)</u>

Total Net Position - Governmental Activities \$ 15,306,323

The accompanying notes to financial statements are an integral part of this statement.

RENAISSANCE ARTS AND EDUCATION, INC.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS**
For the Fiscal Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Intergovernmental:					
Federal Through State and Local	\$ 1,346,102	\$ 1,595,553	\$ -	\$ -	\$ 2,941,655
State	20,773,834	-	1,550,592	-	22,324,426
Local and Other	5,989,631	639,881	1,293,497	143,203	8,066,212
Total Revenues	<u>28,109,567</u>	<u>2,235,434</u>	<u>2,844,089</u>	<u>143,203</u>	<u>33,332,293</u>
Expenditures					
Current - Education:					
Instruction	13,885,410	89,545	157,611	-	14,132,566
Student Support Services	693,253	-	-	-	693,253
Instructional Media	117,277	-	-	-	117,277
Instructional Staff Training	22,944	-	-	-	22,944
Instructional Related Technology	135,633	-	-	-	135,633
Board	36,800	-	-	-	36,800
School Administration	3,797,623	-	29,903	-	3,827,526
Facilities Acquisition & Construction	-	-	24,338	-	24,338
Fiscal Services	258,516	-	13,730	-	272,246
Food Services	-	1,414,902	-	-	1,414,902
Student Transportation	1,956,447	-	-	-	1,956,447
Operation of Plant	2,487,132	80,537	4,894	-	2,572,563
Maintenance of Plant	496,166	-	-	-	496,166
Community Service	104,410	511,896	-	-	616,306
Fixed Capital Outlay:					
Facilities Acquisition & Construction	53,596	-	3,340,272	-	3,393,868
Other Capital Outlay	198,590	17,655	218,334	-	434,579
Debt Service:					
Principal	-	-	-	556,356	556,356
Interest & Fiscal Charges	870,794	-	-	1,784,984	2,655,778
Total Expenditures	<u>25,114,591</u>	<u>2,114,535</u>	<u>3,789,082</u>	<u>2,341,340</u>	<u>33,359,548</u>
Excess/(Deficiency) of Revenues					
Over Expenditures	2,994,976	120,899	(944,993)	(2,198,137)	(27,255)
Other Financing Sources (Uses):					
Loan Proceeds	309,946	-	3,545,707	-	3,855,653
Transfers In/Out)	(672,633)	-	(1,752,240)	2,424,873	-
Total Other Financing Sources (Uses)	<u>(362,687)</u>	<u>-</u>	<u>1,793,467</u>	<u>2,424,873</u>	<u>3,855,653</u>
Net Change in Fund Balances	2,632,289	120,899	848,474	226,736	3,828,398
Fund Balances, June 30, 2024	5,188,367	251,422	210,168	2,169,619	7,819,576
Fund Balances, June 30, 2025	<u>\$ 7,820,656</u>	<u>\$ 372,321</u>	<u>\$ 1,058,642</u>	<u>\$ 2,396,355</u>	<u>\$ 11,647,974</u>

The accompanying notes to financial statements are an integral part of this statement.

RENAISSANCE ARTS AND EDUCAITION, INC.

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES *For the Fiscal Year Ended June 30, 2025*

Net Change in Fund Balances - Governmental Funds	\$ 3,828,398
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Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlays	3,828,447
Depreciation Expense	<u>(2,005,081)</u>
	1,823,366

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

556,356

Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds:

Discount on Bonds Payable	(6,750)
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Long-term debt proceeds are reported as other financing sources in the Governmental Funds and as long-term liabilities in the Statement of Net Position.

(3,855,653)

Change in Net Position - Governmental Activities

\$ 2,345,717

The accompanying notes to the financial statements are an integral part of this statement.

RENAISSANCE ARTS AND EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ Reporting Entity

Renaissance Arts and Education, Inc., (“Organization”) is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the Organization is the not-for-profit corporation Board of Directors, which is comprised of not less than three members.

The Organization operates two charter schools, Manatee School for the Arts and HOLA! Elementary. The general operating authority for the charter school operations is contained in Section 1002.33, Florida Statutes. The Schools operate under separate charter agreements with the sponsoring school district, the District School Board of Manatee County, Florida, (“District”). The current charter for Manatee School for the Arts is effective until June 30, 2038, and HOLA!’s charter is effective until June 30, 2028, and both are subject to annual reviews and may be renewed by mutual agreement between the Organization and the District.

➤ Basis of Presentation

Government-wide Financial Statements: Government-wide financial statements, including the statement of Net Position and the statement of activities, present information about the Organization as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Organization’s governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Organization.

Fund Financial Statements: Fund financial statements report detailed information about the Organization in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

RENAISSANCE ARTS AND EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

The Organization considers all of its funds to be major governmental funds as follows:

- General Fund – to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue Fund – to account for Federal grant programs, food service operations, and internal account activities.
- Debt Service Fund – to account for the accumulation of resources for, and the payment of, long-term debt principal and interest and related costs.
- Capital Projects Fund – to account for all resources for the acquisition of capital assets and related items purchased by the Organization with loan proceeds and capital outlay funds.

➤ **Basis of Accounting**

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

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Organization considers revenues to be available if they are collected within 30 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

RENAISSANCE ARTS AND EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

➤ Cash and Cash Equivalents

Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of eight months or less from date of acquisition. The Organization considers all demand accounts and money market funds which are not subjected to withdrawal restrictions to be cash and cash equivalents.

The Organization's deposits are placed with banks and savings and loans qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

➤ Investments

The Organization had not adopted a written investment policy. Therefore, pursuant to Florida Statutes, the Organization is authorized to invest in the Florida PRIME investment pool, administered by the State Board of Administration (SBA); Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest-bearing time deposits and savings accounts in qualified public depositories, as defined by Section 280.02, Florida Statutes; and direct obligations of the United States Treasury.

The Organization's investments are set aside to make debt service payments, maintain sinking or reserve funds, and to purchase or construct capital assets and are classified as restricted. These investments are reported as restricted in the Debt Service Fund in the Balance Sheet – Governmental Funds.

➤ Capital Assets

Expenditures for capital assets acquired or constructed for general Organization purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of Net Position but are not reported in the governmental fund financial statements. Capital assets are defined by the Organization as those costing more than \$750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	10-40 years
Motor Vehicles	10 years
Furniture, Fixtures and Equipment	5-10 years

RENAISSANCE ARTS AND EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

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➤ Long-term Debt

Long-term obligations that will be financed by resources to be received in the future by the general fund are reported in the government-wide financial statements, not in the general fund. Current-year information relative to changes in long-term debt is described in subsequent notes.

➤ Compensated Absences

Compensated absences (i.e. paid absences for employee vacation and sick leave (personal leave) are recorded as an expenditure in governmental funds when leave is used. All administrative employees earned paid time off must be used by June 30 of each year or the leave time is forfeited. Teachers receive 6 days paid time off. If there are remaining days as of June 30, they are paid out at \$90 a day which is the substitute daily pay rate. The Organization leave policy does not allow for carrying leave into a future fiscal year. With the current leave policy there is no need for a provision for unpaid compensated absences in the government-wide or governmental fund financial statements.

➤ 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 Organization 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 then. The Organization does not have any items that qualify for reporting in this category.

➤ Net Position and Fund Balance Classification

Government-wide Financial Statements

Net Position are classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

RENAISSANCE ARTS AND EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Fund Financial Statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the Organization’s Board of Governance.
- Assigned – fund balance that is intended to be used by the Organization’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the Organization’s general fund and includes all spendable amounts not contained in the other classifications.

➤ **Order of Fund Balance Spending Policy**

The Organization’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as restricted fund balance. It is possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when nonspendable amounts plus the amount of restricted fund balances for specific purposes exceed the positive fund balance for non-general fund.

➤ **Revenue Sources**

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the Organization’s charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the Organization reports the number of full-time equivalent students and related data to the District.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department

RENAISSANCE ARTS AND EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

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of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the Organization is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students (FTE) reported by the Organization during designated full-time equivalent student survey periods. The Department may also adjust subsequent fiscal period allocations based upon an audit of the Organization's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplies by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the fiscal year ended June 30, 2025, the Organization reported 2,496.58 unweighted and 2,537.04 weighted FTE.

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Florida Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Organizations are required to maintain the following documentation for three years or until the completion of an FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC).
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC).
- Documentation for instructors teaching out-of-field (Rule 6A-1.0503, FAC).
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC).
- Evaluation and planning documents for weighted programs (Section 1010.305, Florida Statutes, and Rule 6A-6.03411, FAC).

The Organization receives Federal or state awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For Federal or state awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

The Organization receives state funds through the District under charter Organization capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based upon a capital outlay plan submitted to the District and are to be used for lease, rent or construction of Organization facilities. The Organization also receives funding through donations, fundraising efforts, and local property tax collections. The Organization follows the policy of applying restricted resources prior to applying unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

RENAISSANCE ARTS AND EDUCATION, INC.

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June 30, 2025

➤ Income Tax

The Organization is exempt from Federal tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related note to financial statements. The Organization's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

➤ Use of Estimates

In preparing the financial statements in conformity with generally accepted accounting principles in the United States (GAAP) management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of Net Position and affect revenues and expenditures for the period presented. Actual results could differ from those estimates.

➤ Subsequent Events

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

2. CASH DEPOSITS

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Organization's deposits may not be returned to the Organization. The Organization does not have a custodial credit risk policy. All cash deposits are held in banks that qualify as public depositories under Florida law. All such deposits are insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

3. DUE FROM OTHER AGENCIES

Amounts due from other agencies included in the accompanying statement of net position and balance sheet – governmental funds are amounts due for Sales Tax revenue and Federal grant expenditures awaiting reimbursement from the District. These receivables are considered fully collectible and therefore, no allowance for uncollectible accounts has been established.

4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2025, the General Fund was due \$49,017 from the Capital Projects Fund for a Charter School Capital Outlay payment. The Capital Projects Fund transferred \$1,752,240 and the General Fund transferred \$672,633 to the Debt Service Fund for payment of long-term debt. These amounts are netted together and not reported in the statement of activities.

RENAISSANCE ARTS AND EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

5. INVESTMENTS

The Organization categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

All of the Organization's recurring fair value measurements as of June 30, 2025, are valued using quoted market prices (Level 1 inputs).

The Organization's investments at June 30, 2025, are reported as follows:

Investment	Amount
US Bank - First American Government Obligations Fund	\$ 2,396,355
US Treasury Bills	1,870,580
Mutual Funds	1,510,371
Total	<u>\$ 5,777,306</u>

Investments are reported as investments and investments - restricted for financial statement reporting purposes.

6. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Land	\$ 5,974,631	\$ 353,416	\$ -	\$ 6,328,047
Construction in Progress	-	2,420,936	-	2,420,936
Buildings & Fixed Equipment	35,603,452	478,743	-	36,082,195
Furniture, Fixtures and Equipment	7,971,783	376,762	-	8,348,545
Motor Vehicles	2,541,732	198,590	-	2,740,322
Total Capital Assets	<u>52,091,598</u>	<u>3,828,447</u>	<u>-</u>	<u>55,920,045</u>
Less Accumulated Depreciation for:				
Buildings & Fixed Equipment	(9,443,211)	(1,405,732)	-	(10,848,943)
Furniture, Fixtures and Equipment	(5,238,277)	(573,348)	-	(5,811,625)
Motor Vehicles	(789,205)	(26,001)	-	(815,206)
Total Accumulated Depreciation	<u>(15,470,693)</u>	<u>(2,005,081)</u>	<u>-</u>	<u>(17,475,774)</u>
Governmental Activities Capital Assets, net	<u>\$ 36,620,905</u>	<u>\$ 1,823,366</u>	<u>\$ -</u>	<u>\$ 38,444,271</u>

All depreciation expense was shown as unallocated on the Statement of Activities.

RENAISSANCE ARTS AND EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

7. NOTES PAYABLE

	Balance at 6-30-25
<u>Truist Equipment Finance Corp. - Bus Loan</u>	
On July 1, 2023, the School entered into a promissory note to fund the purchase of 4 buses for \$586,257. The loan term is 72 months at an annual interest rate of 6.49 percent. Monthly payments are \$9,853 until maturity on July 1, 2029. In the event of default for non-payment of principal or interest on the Note, all outstanding amounts will become due and payable and the interest rate will increase by 4% and interest will accrue until paid.	\$ 406,402
<u>Truist Equipment Finance Corp. - Equipment Loan</u>	
On April 1, 2024, the School entered into a promissory note to fund the purchase of computer equipment and furniture, fixtures and equipment for \$784,033. The loan term is 48 months at an annual interest rate of 6.71 percent. Monthly payments are \$18,669 until maturity on April 1, 2028. In the event of default for non-payment of principal or interest on the Note, all outstanding amounts will become due and payable and the interest rate will increase by 4% and interest will accrue until paid.	576,603
<u>Truist Equipment Finance Corp. - Playground Loan</u>	
In July 2025, the School entered into a promissory note to fund the purchase of playground equipment for \$47,999. The loan term is 48 months at an annual interest rate of 6.57 percent. Monthly payments are \$1,140 until maturity in July 2028. In the event of default for non-payment of principal or interest on the Note, all outstanding amounts will become due and payable and the interest rate will increase by 4% and interest will accrue until paid.	38,083
<u>BankUnited Loan - Solar Project</u>	
The School approved the issuance of a loan with BankUnited for the purchase and installation of solar electrical system. Funds drawn on this loan totaled \$3,497,708 at June 30, 2025. Payments are interest only at a rate of 4.8% until completion of the system.	3,497,708
<u>Truist Bank Bus Loan</u>	
In February 2025, the School entered into a promissory note to fund the purchase of buses for \$309,946. The loan term is 48 months at an annual interest rate of 5.95%. In the event of default for non-payment of principal or interest on the Note, all outstanding amounts will become due and payable.	292,121
<u>Total Notes Payable</u>	<u>\$ 4,810,917</u>

RENAISSANCE ARTS AND EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Amounts payable for the notes payable are as follows:

Fiscal Year			
Ending June 30	Total	Principal	Interest
2026	\$ 595,654	\$ 352,531	\$ 243,123
2027	4,093,363	3,874,143	219,220
2028	390,426	364,519	25,907
2029	181,343	172,841	8,502
2030	47,933	46,883	1,050
Total	<u>\$ 5,308,719</u>	<u>\$ 4,810,917</u>	<u>\$ 497,802</u>

8. BONDS PAYABLE

Bonds payable at June 30, 2025, are as follows:

Bond Type	Amount Outstanding	Interest Rates	Annual Maturity To
Series 2021-A	\$ 30,218,000	4.250% - 5.625%	2062
Unamortized Bond Discount	(242,995)		
	<u>\$ 29,975,005</u>		

Revenue Bonds Series 2021A and 2021B – On June 1, 2022, the Organization issued tax-exempt revenue bonds through the City of Palmetto, Florida, (Series 2021A) for \$30,870,000 and taxable revenue bonds (Series 2021B) for \$100,000 secured by a mortgage on the property and buildings. The bonds were issued to refinance existing debt of approximately \$16,000,000 for previous acquisition of educational facilities and motor vehicles and approximately \$13,423,000 to fund the construction of an elementary school.

Series 2021A bonds are term bonds paying interest semi-annually at a rates ranging from 4.250% to 5.625% with maturities starting June 1, 2024, and ending June 1, 2062.

As required by the bond resolution, the Organization has established a reserve account and has accumulated and maintained adequate resources in the account. The Organization is required to disclose its debt service coverage ratio and days cash on hand as described in the Loan Agreement. The minimum debt service coverage ratio required is 1.1 to 1 as of June 30, 2025. The calculated debt service ratio at June 30, 2025, was 3.71. Further, the Organization agrees to have cash on hand of 45 days on June 30, 2025. The calculated days cash on hand at June 30, 2025, was 77 days.

In the event of default for non-payment of principal or interest on the bonds, the outstanding amounts will become due and payable.

RENAISSANCE ARTS AND EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

Annual requirements to amortize all bonded debt outstanding as of June 30, 2025, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
2026	\$ 1,888,594	275,000	1,613,594
2027	1,886,906	285,000	1,601,906
2028	1,884,794	295,000	1,589,794
2029	1,885,044	310,000	1,575,044
2030	1,889,544	330,000	1,559,544
2031-35	5,671,384	1,905,000	3,766,384
2036-40	5,936,963	2,440,000	3,496,963
2041-45	6,289,319	3,140,000	3,149,319
2046-50	10,532,213	4,045,000	3,794,072
2051-55	7,326,578	5,225,000	2,101,578
2056-60	8,116,434	6,800,000	1,316,434
2061-62	5,413,953	5,168,000	245,953
<i>add: Unamortized Bond Discount</i>	<i>(242,995)</i>	<i>(242,995)</i>	<i>-</i>
Total	<u>\$ 58,478,731</u>	<u>\$ 29,975,005</u>	<u>\$ 25,810,585</u>

9. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
GOVERNMENTAL ACTIVITIES:					
Bonds Payable	\$ 30,480,000	\$ -	\$ (262,000)	\$ 30,218,000	\$ 275,000
Unamortized Bond Discount	(249,745)	-	(6,750)	(242,995)	-
Total Bonds Payable	<u>30,230,255</u>	<u>-</u>	<u>(268,750)</u>	<u>29,975,005</u>	<u>275,000</u>
Notes Payable	1,249,620	3,855,653	(294,356)	4,810,917	352,531
Total Governmental Activities	<u>\$ 31,479,875</u>	<u>\$ 3,855,653</u>	<u>\$ (563,106)</u>	<u>\$ 34,785,922</u>	<u>\$ 627,531</u>

RENAISSANCE ARTS AND EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

10. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the Organization's State revenue:

Source	Amount
Florida Education Finance Program	\$ 18,316,659
Categorical Programs:	
Class Size Reduction	2,321,696
Charter School Capital Outlay	1,550,592
Miscellaneous	<u>135,479</u>
Total State Revenue	<u>\$ 22,324,426</u>

As provided in the charter school contracts, the District has charged the Organization an administrative fee totaling \$199,907.

11. FUNDING AND CREDIT CONCENTRATIONS

The Organization receives substantially all of its support and revenue from Federal, state and local funding sources, passed through the District, in the form of performance and budget based contracts. Continuing operation of the Organization is greatly dependent upon the continued support of these governmental agencies.

12. RISK MANAGEMENT PROGRAMS

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Organization carries commercial insurance. There have been no significant reductions in insurance coverage and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

13. RETIREMENT PLAN

The Organization has an employee savings plan under Section 401(k) of the Internal Revenue code. This plan allows eligible employees to defer a portion of their income on a pretax basis through plan contributions. Employer contributions to the plan are determined annually by the board of Directors. Contributions are directed to individual employee's accounts, and the individual employees allocate contributions and account balances among various available investment choices, therefore, the Organization has no liability for the administration or payments of benefits of the plan, and accordingly, the present value of the related benefits is not reflected in these financial statements. The Organization contribution to the plan for the year ended June 30, 2025, was \$352,942.

RENAISSANCE ARTS AND EDUCATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

14. COMMITMENTS AND CONTINGENT LIABILITIES

The Organization participates in state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the Organization has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2025, may be impaired.

In the opinion of the Organization, there are no significant liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

15. LEGAL MATTERS

In the normal course of conducting its operations, the Organization occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

RENAISSANCE ARTS AND EDUCAITION, INC.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND AND MAJOR SPECIAL REVENUE FUND (UNAUDITED)

For the Fiscal Year Ended June 30, 2025

	General Fund				Major Special Revenue Fund				Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)	
Revenues:									
Intergovernmental:									
Federal Through State and Local	\$ -	\$ 1,346,102	\$ 1,346,102	\$ -	\$ 1,379,816	\$ 1,595,553	\$ 1,595,553	\$ -	
State	-	20,773,834	20,773,834	-	-	-	-	-	
Local and Other	19,272,997	5,989,631	5,989,631	-	620,395	639,881	639,881	-	
Contributions	4,667,598	-	-	-	-	-	-	-	
Total Revenues	<u>23,940,595</u>	<u>28,109,567</u>	<u>28,109,567</u>	<u>-</u>	<u>2,000,211</u>	<u>2,235,434</u>	<u>2,235,434</u>	<u>-</u>	
Expenditures:									
Current - Education:									
Instruction	12,991,866	13,885,410	13,885,410	-	627,982	89,545	89,545	-	
Student Support Services	561,366	693,253	693,253	-	-	-	-	-	
Instructional Media	208,169	117,277	117,277	-	-	-	-	-	
Instructional Staff Training	28,000	22,944	22,944	-	-	-	-	-	
Instructional Related Technology	178,103	135,633	135,633	-	-	-	-	-	
Board	33,000	36,800	36,800	-	-	-	-	-	
School Administration	3,211,939	3,797,623	3,797,623	-	-	-	-	-	
Facilities Acquisition & Construction	-	-	-	-	-	-	-	-	
Fiscal Services	269,802	258,516	258,516	-	-	-	-	-	
Food Services	-	-	-	-	954,018	1,414,902	1,414,902	-	
Student Transportation	2,087,794	1,956,447	1,956,447	-	-	-	-	-	
Operation of Plant	2,394,409	2,487,132	2,487,132	-	-	80,537	80,537	-	
Maintenance of Plant	239,500	496,166	496,166	-	-	-	-	-	
Community Service	-	104,410	104,410	-	376,895	511,896	511,896	-	
Fixed Capital Outlay:					-	-	-	-	
Facilities Acquisition & Construction	-	53,596	53,596	-	-	-	-	-	
Other Capital Outlay	-	198,590	198,590	-	-	17,655	17,655	-	
Debt Service:					-	-	-	-	
Interest & Fiscal Charges	-	870,794	870,794	-	-	-	-	-	
Total Expenditures	<u>22,203,948</u>	<u>25,114,591</u>	<u>25,114,591</u>	<u>-</u>	<u>1,958,895</u>	<u>2,114,535</u>	<u>2,114,535</u>	<u>-</u>	
Excess (Deficiency) of Revenues Over Expenditures	<u>1,736,647</u>	<u>2,994,976</u>	<u>2,994,976</u>	<u>-</u>	<u>41,316</u>	<u>120,899</u>	<u>120,899</u>	<u>-</u>	
Other Financing Sources (Uses):									
Loan Proceeds	-	309,946	309,946	-	-	-	-	-	
Transfers In/(Out)	(500,000)	(672,633)	(672,633)	-	-	-	-	-	
Total Other Financing Sources (Uses)	<u>(500,000)</u>	<u>(362,687)</u>	<u>(362,687)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Net Change in Fund Balances	1,236,647	2,632,289	2,632,289	-	41,316	120,899	120,899	-	
Fund Balances, June 30, 2024	5,188,367	5,188,367	5,188,367	-	251,422	251,422	251,422	-	
Fund Balances, June 30, 2025	<u>\$ 6,425,014</u>	<u>\$ 7,820,656</u>	<u>\$ 7,820,656</u>	<u>\$ -</u>	<u>\$ 292,738</u>	<u>\$ 372,321</u>	<u>\$ 372,321</u>	<u>\$ -</u>	

See Independent Auditor's Report.

RENAISSANCE ARTS AND EDUCATION, INC.
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2025

1. BUDGETARY BASIS OF ACCOUNTING

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budgets may be amended by resolution at any Board meeting prior to the date for the annual report.



Members:

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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***

Independent Auditor's Report

To the Board of Directors of the Renaissance Arts and Education, Inc.,
Manatee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Renaissance Arts and Education, Inc., ("Organization") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated November 4, 2025.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

King & Walker, CPAs

November 4, 2025

Tampa, Florida