

MASTERY SCHOOLS OF CAMDEN, INC.
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

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YEAR ENDED JUNE 30, 2021**

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October 6, 2021

Commissioner
New Jersey Department of Education
200 Riverview Executive Plaza
CN 500
Trenton, NJ 08625

Dear Commissioner:

We are pleased to report that the Comprehensive Annual Financial Report of Mastery Schools of Camden, Inc. (the School) for the fiscal year ended June 30, 2021 has been submitted. As you know, the responsibility for both the accuracy of these data and completeness and fairness of the presentation, including all disclosures, rests with the management of the School. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of Mastery Schools of Camden, Inc. All disclosures necessary to enable the reader to gain an understanding of the School's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory Section includes this transmittal letter, the School's organizational chart and a list of principal officials. The Financial Section includes the basic financial statements and schedules, as well as the auditors' report thereon. The statistical section includes selected financial and demographic information. The School is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of New Jersey's OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to these single audits, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit Section of this report.

1. REPORTING ENTITY AND ITS SERVICES: Mastery Schools of Camden, Inc. is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the School are included in this report. Mastery Schools of Camden, Inc. operates a Renaissance school project under an operating agreement with the Camden City School District. The agreement began effective July 17, 2014 for a ten-year term.

2. ENROLLMENT OUTLOOK: The School completed the 2020-21 school year with an average daily enrollment of 2,687 students in kindergarten through twelfth grade at six locations. Based on the demand it is anticipated that, we will be able to maintain our enrollment for the foreseeable future.

3. MAJOR ACCOMPLISHMENTS: Mastery schools are organized around a common mission: "All students learn the academic and personal skills they need to be truly prepared for postsecondary success and able to pursue their dreams." Our work is rooted in an unwavering belief that our students can achieve at the highest levels. To fulfill our mission, we recognize that we must attend to the whole child – we value personal as well as academic skills, and we match our high expectations for students with high levels of support. Our program is comprised of four interlocking systems: Curriculum and Instruction, School Culture, Assessment & Data, and Student Support.

The School also has robust after-school programming for students through collaboration with local area organizations. In addition, the School has invested in family and community engagement staff and initiatives which support our goals related to student achievement and re-confirm our commitment to being a responsive, thoughtful partner for families and community leaders.

Mastery Schools of Camden students were housed in six schools across six buildings during the 2020-21 school year. The schools and locations were as follows:

- Cramer Hill Elementary – newly constructed facility opened in August 2017
- McGraw Elementary – former Camden City School District building
- Molina Lower Elementary – facility previously operated by Camden Community Charter School that opened as a Mastery school in August 2017
- Molina Upper Elementary – former Camden City School District building
- East Camden Middle – former Camden City School District building
- Mastery High School of Camden – former Camden City School district building.

4. INTERNAL ACCOUNTING CONTROLS: Management of the School is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School are protected from loss, theft, or misuse. To this end, adequate accounting data are compiled periodically to allow accurate preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the School is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure likewise is subjected to periodic evaluation by School management. Since grant periods differ in their prescribed fiscal years, representations are made prior to the end of the fiscal year for those grants having fiscal years other than July 1 through June 30.

As part of the School's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the School has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund and special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

6. ACCOUNTING SYSTEM AND REPORTS: The School accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the School is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7. CASH MANAGEMENT: The investment policy of the School is guided by state statute as detailed in "Notes to the Financial Statements", Note 2. The School has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit

public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the act.

8. RISK MANAGEMENT: The School carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard, and theft insurance on property and contents.

9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The firm of CliftonLarsonAllen LLP, a professional firm of accountants and auditors was selected and duly appointed by Mastery Schools of Camden, Inc. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of New Jersey's OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

Respectfully submitted,

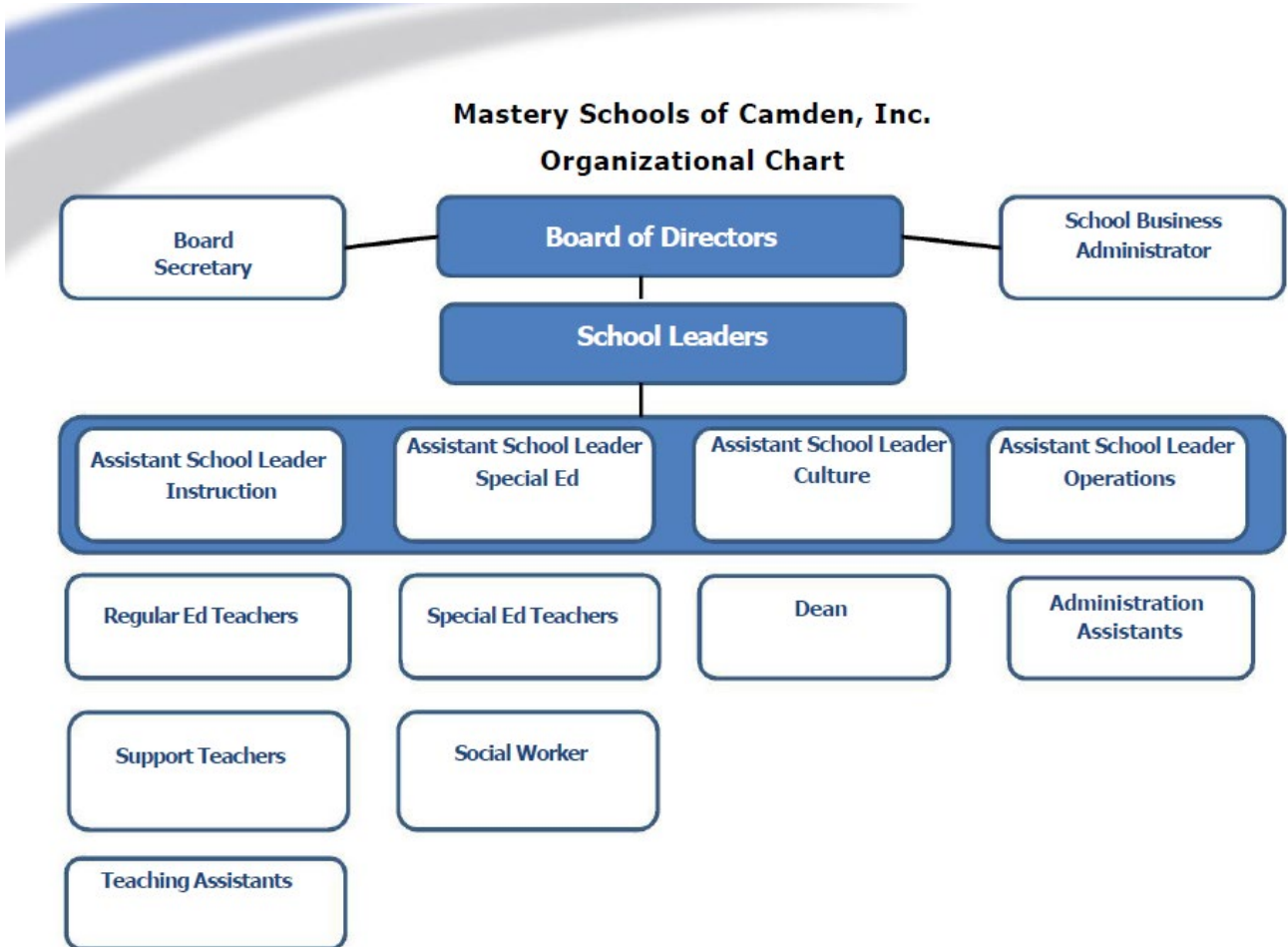
Christopher W Barts

Christopher W. Barts
School Business Administrator

Michael Patron

Michael Patron
Board Secretary

**MASTERY SCHOOLS OF CAMDEN, INC.
ORGANIZATIONAL CHART
JUNE 30, 2021**



**MASTERY SCHOOLS OF CAMDEN, INC.
ROSTER OF TRUSTEES AND OFFICIALS
JUNE 30, 2021**

Board of Trustees

Jim Sheward, Chair

Jamie Reynolds

Reuel Robinson

Sharell Sharp

Judy Tschirgi

School Leaders

Jessie Gismondi, School Leader – Cramer Hill Elementary

Rickia Reid, School Leader – Molina Elementary – Upper School

Kim Blake, School Leader – Molina Elementary – Lower School

Charmaine Giles, School Leader – McGraw Elementary

Stephen Williams, School Leader – East Camden Middle

William Hayes, School Leader – Mastery High School of Camden

Other

Michael Patron, Board Secretary

Christopher W. Barts, School Business Administrator

**MASTERY SCHOOLS OF CAMDEN, INC.
CONSULTANTS AND ADVISORS
JUNE 30, 2021**

AUDIT FIRM

CliftonLarsonAllen LLP
610 W. Germantown Pike, Suite 400
Plymouth Meeting, PA 19462

ATTORNEY

Thomas O. Johnston, Esq.
Johnston Law Firm, LLC
151 Forest Street, Suite A
Montclair, NJ 07042

OFFICIAL DEPOSITORY

M&T Bank
2335 Church Road
Cherry Hill, NJ 08002



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Mastery Schools of Camden, Inc.
Philadelphia, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Mastery Schools of Camden, Inc., in the County of Camden, state of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Mastery Schools of Camden, Inc.'s basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*. 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 auditors' 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, and each major fund of the Mastery Schools of Camden, Inc. as of June 30, 2021, 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.

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 10 through 14, the budgetary comparison schedule — General Fund on pages 37 through 39 and the budgetary comparison schedule — Special Revenue Fund on pages 40 through 41 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mastery Schools of Camden, Inc.'s basic financial statements. The schedules of expenditures of federal and state awards on pages 103 and 104, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the state of New Jersey's OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

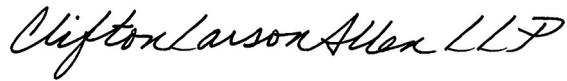
The schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Trustees
Mastery Schools of Camden, Inc.

The introductory section and the combining schedule of program revenues and expenditures - special revenue fund on pages 47 to 48 and the statistical section on pages 69 to 97 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2021 on our consideration of Mastery Schools of Camden, Inc.'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 Mastery Schools of Camden, Inc.'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 Mastery Schools of Camden, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania



Bruce W. Braunewell, CPA, Principal
Public School Accountant
PSA #20CS00261400

October 6, 2021

MASTERY SCHOOLS OF CAMDEN, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2021

The Board of Trustees of Mastery Schools of Camden, Inc. (the School) offers readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the School's financial statements.

Financial Highlights

- Total revenues on a governmental fund basis, which consisted mostly of School District student subsidies and other grants and contributions, increased from \$54,208,066 to \$56,425,515 due to an increase in the number of students from June 30, 2020.
- Total revenues on a governmental-wide basis increased from \$54,208,066 to \$61,957,161 due to an increase of School District student subsidies, special revenue federal aid and forgiveness of the Payroll Protection Program (PPP) loan.
- At the close of the current fiscal year, the School reported an ending general fund balance of \$18,830,659.
- The School's cash balance at June 30, 2021 was \$25,139,846, representing an increase of \$9,109,946 from June 30, 2020.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements as presented comprise four components: Management's Discussion and Analysis (this section), the basic financial statements, budgetary comparison and reporting required under *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of New Jersey's OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*.

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 and liabilities, 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 most recent fiscal 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.

The government-wide financial statements report on the function of the School that is principally supported by subsidies from school districts whose constituents attend the School.

**MASTERY SCHOOLS OF CAMDEN, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2021**

Overview of the Financial Statements (Continued)

Fund Financial Statements

A *fund* is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes. The School, like governmental type entities, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The School has two governmental funds — the general fund and special revenue fund.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School, assets exceeded liabilities by \$22,521,686 as of June 30, 2021.

	<u>2021</u>	<u>2020</u>
Current and Other Assets	\$ 26,680,507	\$ 17,654,430
Capital Assets	<u>3,659,090</u>	<u>3,440,780</u>
Total Assets	30,339,597	21,095,210
Current Liabilities	7,676,349	9,861,611
Noncurrent Liabilities	<u>162,214</u>	<u>267,491</u>
Total Liabilities	7,838,563	10,129,102
Net Investment in Capital Assets	3,391,599	3,038,973
Unrestricted	<u>19,109,435</u>	<u>7,927,135</u>
Total Net Position	<u>\$ 22,501,034</u>	<u>\$ 10,966,108</u>

**MASTERY SCHOOLS OF CAMDEN, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2021**

Government-Wide Financial Analysis (Continued)

The School's revenues are predominately from the Camden City School District, based on the student enrollment and awards from federal, state, and local sources.

	<u>2021</u>	<u>2020</u>
REVENUES		
Program Revenues:		
Special Revenue Federal Aid	\$ 4,425,335	\$ 3,031,200
General Revenues:		
Local Share	1,595,000	1,540,762
State Share	48,941,443	47,874,294
State Aid	1,326,631	1,240,011
PPP Loan Forgiveness	5,252,870	-
Other Revenue	415,882	521,799
	<u>61,957,161</u>	<u>54,208,066</u>
Total Revenues		
EXPENDITURES		
Instruction	27,156,044	27,121,064
Support Services	22,599,504	21,489,216
Interest on Long-Term Debt	20,652	29,934
Unallocated Depreciation	646,035	693,960
	<u>50,422,235</u>	<u>49,334,174</u>
Total Expenditures		
Change in Net Position	11,534,926	4,873,892
Net Position - Beginning	<u>10,966,108</u>	<u>6,092,216</u>
Net Position - Ending	<u>\$ 22,501,034</u>	<u>\$ 10,966,108</u>

**MASTERY SCHOOLS OF CAMDEN, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2021**

Government Fund

The focus of the School's *governmental fund* (the General Fund and Special Revenue Fund) is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

The School's general fund reported an ending fund balance of \$18,830,659. For the year ended June 30, 2021, the School's general fund revenues (\$52,000,180) exceeded expenditures (\$46,349,526) by \$5,650,654.

The School's special revenue fund reported an ending fund balance of \$-0-. For the year ended June 30, 2021, the School's revenues (\$4,425,335) equaled expenditures (\$4,425,335).

General Fund Budgetary Highlights

Actual revenues and other financing sources were less than budgeted revenues by \$277,820 primarily due to lower than budgeted state sources. Actual expenditures were less than budgeted expenditures by \$788,474 primarily due to less than budgeted instruction, administrative and support expenditures.

Capital Asset and Debt Administration

CAPITAL ASSETS

As of June 30, 2021, the School's investment in capital assets for its governmental activities totaled \$3,659,090 (net of accumulated depreciation). This investment in capital assets includes building, building improvements, and equipment.

Major capital asset purchases during the year included the following:

- Capital expenditures of \$159,313 for leasehold improvements
- Capital expenditures of \$705,032 for furniture, equipment and software

Additional information on the School's capital assets can be found in Note 3 of this report.

LONG-TERM DEBT

As of June 30, 2021, the School has long-term debt of \$246,839 for capital lease obligations.

Economic Factors and Next Year's Budgets and Rates

The School's primary source of revenue comes from per pupil funding from the Camden City School District. For the school year 2021-22, we are projecting total enrollment to be around 2,700, which is a slight increase over the 2020-2021 school year. Renaissance School per pupil funding for 2021-22 is expected to increase approximately 5% compared to 2020-21.

**MASTERY SCHOOLS OF CAMDEN, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2021**

Contacting the School's Financial Management

The financial report is designed to provide interested parties a general overview of the School's finances. Questions regarding any of the information provided in this report should be addressed to the School Business Administrator, Mastery Schools of Camden, Inc., 5700 Wayne Avenue, Philadelphia, PA 19144.

MASTERY SCHOOLS OF CAMDEN, INC.
A-1 STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 25,139,846
Receivables, Net	1,258,495
Prepaid Items	282,166
Capital Assets:	
Capital Assets, Net of Depreciation	3,659,090
Total Assets	30,339,597
LIABILITIES	
Accounts Payable and Accrued Liabilities	6,379,510
Due to Camden City School District	1,191,562
Capital Lease Obligations:	
Due Within One Year	105,277
Due in More than One Year	162,214
Total Liabilities	7,838,563
NET POSITION	
Net Investment in Capital Assets	3,391,599
Unrestricted	19,109,435
Total Net Position	\$ 22,501,034

See accompanying Notes to Financial Statements.

MASTERY SCHOOLS OF CAMDEN, INC.
A-2 STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Changes in
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities:					
Instruction:					
Regular Instruction	\$ 18,617,221	\$ -	\$ 872,134	\$ -	\$ (17,745,087)
Special Education Instruction	8,233,668	-	830,285	-	(7,403,383)
Summer School	91,051	-	-	-	(91,051)
Student Activities	214,104	-	-	-	(214,104)
Support Services:					
Administrative	10,095,157	-	271,793	-	(9,823,364)
Culture and Educational Support	3,148,508	-	1,207,293	-	(1,941,215)
Professional Development	44,798	-	-	-	(44,798)
Nursing	922,848	-	-	-	(922,848)
Community Advocacy and Engagement	706,932	-	317,102	-	(389,830)
Student Health Services	158,670	-	158,670	-	-
Student Transportation Services	604,714	-	190,170	-	(414,544)
Operations	6,917,877	-	577,888	-	(6,339,989)
Interest on Long-Term Debt	20,652	-	-	-	(20,652)
Unallocated Depreciation	646,035	-	-	-	(646,035)
Total Governmental Activities	<u>50,422,235</u>	<u>-</u>	<u>4,425,335</u>	<u>-</u>	<u>(45,996,900)</u>
Total Primary Government	<u>\$ 50,422,235</u>	<u>\$ -</u>	<u>\$ 4,425,335</u>	<u>\$ -</u>	<u>(45,996,900)</u>
General Revenues:					
Local Share					1,595,000
State Share					48,941,443
State Aid Not Restricted					1,326,631
PPP Loan Forgiveness					5,252,870
Other Revenue					415,882
Total General Revenues					<u>57,531,826</u>
Change in Net Position					11,534,926
Net Position - Beginning of Year					<u>10,966,108</u>
Net Position - End of Year					<u>\$ 22,501,034</u>

See accompanying Notes to Financial Statements.

MASTERY SCHOOLS OF CAMDEN, INC.
B-1 BALANCE SHEET — GOVERNMENTAL FUNDS
JUNE 30, 2021

ASSETS	General Fund	Special Revenue Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Cash and Cash Equivalents	\$ 25,139,846	\$ -	\$ 25,139,846
Receivables, Net	322,776	935,719	1,258,495
Due from Other Funds	935,719	-	935,719
Prepaid Expenditures	<u>282,166</u>	<u>-</u>	<u>282,166</u>
 Total Assets	 <u>\$ 26,680,507</u>	 <u>\$ 935,719</u>	 <u>\$ 27,616,226</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,203,260	\$ -	\$ 1,203,260
Accrued Expenses	5,176,250	-	5,176,250
Due to Other Funds	-	935,719	935,719
Due to Camden City School District	<u>1,191,562</u>	<u>-</u>	<u>1,191,562</u>
Total Liabilities	7,571,072	935,719	8,506,791
 DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	278,776	-	278,776
 FUND BALANCES			
Nonspendable:			
Prepaid Expenditures	282,166	-	282,166
Committed:			
Capital Reserve	1,500,000	-	1,500,000
Maintenance Reserve	300,000	-	300,000
Emergency Reserve	4,940,000	-	4,940,000
Strategic Reserve	11,800,000	-	11,800,000
Unassigned:			
General Fund	8,493	-	8,493
Total Fund Balances	<u>18,830,659</u>	<u>-</u>	<u>18,830,659</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 26,680,507</u>	 <u>\$ 935,719</u>	 <u>\$ 27,616,226</u>
 Total Governmental Fund Balances			 \$ 18,830,659
 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 Funds:			
Capital Assets			6,881,576
Accumulated Depreciation			<u>(3,222,486)</u>
Total			3,659,090
 Because some state agency revenues will not be collected for several months after fiscal year-end, they are not considered as "available" revenues in the funds.			
Unavailable state aid revenue increased by the amount during the year.			278,776
 Capital Lease Obligations used in Governmental Funds are not Financial Resources and, therefore, are not Reported in the Fund Liabilities. The Total Capital Lease Obligations, both Current and Long Term, are Reported in the Statement of Net Position. Balances at Year-end are:			
			<u>(267,491)</u>
Net Position of Governmental Activities			<u>\$ 22,501,034</u>

See accompanying Notes to Financial Statements.

MASTERY SCHOOLS OF CAMDEN, INC.
B-2 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES — GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Local Sources:			
Local Share	\$ 1,595,000	\$ -	\$ 1,595,000
Other Revenue	415,882	-	415,882
Total Local Sources	<u>2,010,882</u>	<u>-</u>	<u>2,010,882</u>
State Share	48,941,443	-	48,941,443
State Sources	1,047,855	-	1,047,855
Federal Sources	-	4,425,335	4,425,335
Total Revenues	<u>52,000,180</u>	<u>4,425,335</u>	<u>56,425,515</u>
EXPENDITURES			
Current:			
Instruction:			
Regular Instruction	17,976,692	872,134	18,848,826
Special Education Instruction	7,403,383	830,285	8,233,668
Summer School	91,051	-	91,051
Student Activities	214,104	-	214,104
Support Services:			
Administrative	9,978,332	271,793	10,250,125
Culture and Educational Support	1,941,215	1,207,293	3,148,508
Professional Development	44,798	-	44,798
Nursing	922,848	-	922,848
Psychologist	-	-	-
Community Advocacy and Engagement	389,830	317,102	706,932
Student Health Services	-	158,670	158,670
Student Transportation Services	414,544	190,170	604,714
Operations	<u>6,972,729</u>	<u>577,888</u>	<u>7,550,617</u>
Total Expenditures	<u>46,349,526</u>	<u>4,425,335</u>	<u>50,774,861</u>
NET CHANGE IN FUND BALANCES	5,650,654	-	5,650,654
Fund Balance - Beginning of Year	<u>13,180,005</u>	<u>-</u>	<u>13,180,005</u>
Fund Balance - End of Year	<u>\$ 18,830,659</u>	<u>\$ -</u>	<u>\$ 18,830,659</u>

See accompanying Notes to Financial Statements.

MASTERY SCHOOLS OF CAMDEN, INC.
B-3 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Net Change in Fund Balances - Governmental Funds	\$ 5,650,654
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
<p>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. This is the amount by which capital outlays exceeded depreciation in the period.</p>	
Capital Outlays	864,345
Depreciation Expense	<u>(646,035)</u>
Total	<u>218,310</u>
<p>Certain state subsidies receivable will be collected in the future, but are not available to pay for current period's expenditures and, therefore, are not recognized as revenue on the funds.</p>	
	278,776
<p>Governmental funds report capital lease and loan obligations proceeds as financing sources, while repayment is reported as expenditures. In the statement of net position, however, the capital lease and loan obligations increase liabilities and do not affect the statement of activities and repayment of principal reduces the obligations. The net effect of these differences in the treatment of the capital lease and loan obligations is as follows:</p>	
Repayment of Capital Lease Obligations	134,316
Forgiveness of Paycheck Protection Program Loan	<u>5,252,870</u>
Total	<u><u>5,387,186</u></u>
Change in Net Position of Governmental Activities	<u><u>\$ 11,534,926</u></u>

See accompanying Notes to Financial Statements.

**MASTERY SCHOOLS OF CAMDEN, INC.
B-4 STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
B-5 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
B-6 STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
B-7 STATEMENT OF FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
B-8 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Renaissance School and Reporting Entity

Mastery Schools of Camden, Inc. (the School) is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by GASB Statement No. 14. The School was formed in the state of New Jersey as a nonprofit corporation for the purpose of operating and maintaining a Renaissance school charter granted by the state of New Jersey. Mastery Schools of Camden, Inc. operates the Renaissance school project under an operating agreement with the Camden City School District and is located in the County of Camden, state of New Jersey. The Renaissance school project agreement began effective July 17, 2014 for a 10-year term. The School served over 2,600 students from grades kindergarten to 12th grade during the school year 2020-21 in six campuses: Cramer Hill Elementary, McGraw Elementary, Molina Lower Elementary, Molina Upper Elementary, East Camden Middle, and Mastery High School of Camden.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School. For the School, this includes general operations and special revenue activities of the School.

The primary criterion for including activities within the School's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, and ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School over which the Board exercises operating control. Based on the aforementioned criteria, the School has no component units to be included in the reporting entity. Further, the School is not includable in any other reporting entity on the basis of such criteria.

The Mastery Schools of Camden, Inc. School Board of Trustees also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

Its mission is all students learn the academic and personal skills they need to be truly prepared for postsecondary success and able to pursue their dreams.

Basis of Presentation

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The GASB is the accepted standard setting body for establishing government accounting and financial reporting principles. The GASB has issued a codification of governmental accounting and financial reporting standards.

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

**NOTE 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report on the School as a whole. The statement of activities demonstrates the degree to which the direct expenses of the School's function are offset by program revenues.

The fund financial statements (governmental fund balance sheet and statement of governmental fund revenues, expenditures, and changes in fund balance) report on the School's general fund and special revenue fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements:

The statement of net position and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by provider have been met.

Fund Financial Statements:

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are 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. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The school reports the following major governmental funds:

General Fund – The General Fund is the operating fund of the School and accounts for all revenues and expenditures of the School except for those required to be accounted for in other fund.

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major Capital Projects, Debt Service, or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Method of Accounting

Accounting standards requires a statement of net position, a statement of activities and changes in net position. It requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted.

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

**NOTE 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Method of Accounting (Continued)

These calculations are defined as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, and other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- *Restricted* – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors such as through debt covenants, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted net position* – This component of net position consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental funds report nonspendable portions of fund balance related to prepaid expenditures, long-term receivables, and corpus on any permanent fund. Restricted funds are constrained from outside parties (statute, grantors, bond agreements, etc.). Committed fund balances represent amounts constrained for a specific purpose by a governmental entity using its highest level of decision-making authority. Committed fund balances are established and modified by a resolution approved by the Board of Trustees. Assigned fund balances are intended by the School to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balances are considered the remaining amounts.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance are available, it is currently the School’s policy to use restricted first, then unrestricted fund balance. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, it is currently the School’s policy to use committed first, then assigned, and finally unassigned amounts.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with U.S. GAAP. An annual budget is adopted for the General Fund and Special Revenue Fund.

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

**NOTE 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Budgets and Budgetary Accounting (Continued)

The Budgetary Comparison Schedule should present both the original and the final appropriated budgets for the reporting period. The School has a general fund and special revenue fund budget; the original budgets were filed and accepted in March 2020 by the New Jersey Department of Education. There were multiple budget revisions during the year, all approved by the Board of Trustees. The budget is required supplementary information.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant Accounting Estimates — Self-Insured Claims

The School participates in a self-funded benefit payment plan (the Plan). The Mastery Charter High School is the sponsor of the Plan. The Plan covers eligible employees/members and dependents of the School as defined in the agreement. The School is primarily self-insured, up to certain limits, for employee group health claims. The Plan contains stop-loss insurance, which will reimburse the Plan for amounts of paid claims in excess of \$175,000 on any individual covered by the Plan in the policy year ending June 30, 2021. The stop-loss insurance also provides up to \$1,000,000 of coverage beyond the aggregate annual claims limit of \$19,885,618 for the fiscal year ended June 30, 2021. The annual claims limit is based on the average enrollment of 1469 covered employees, but is ultimately derived based on the actual covered employees times a monthly claims factor of \$1,128, for each month of the policy period.

During the year ended June 30, 2021, the School paid premiums to Mastery Charter High School based on 1) the Plan's historical claims experience, 2) actual claims for the year ended June 30, 2021, and 3) the estimated claims incurred but not reported. Such estimates were provided by the School's benefits consultant.

The expense under the program was approximately \$15,193,868, which includes the School's portion of \$2,852,562 for the year ended June 30, 2021.

Cash and Cash Equivalents

The School's cash is considered to be cash on hand, amounts held at financial institutions, and certificate of deposits that are readily convertible to known amounts of cash.

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

**NOTE 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Receivables

Receivables primarily consist of amounts due from the New Jersey Department of Education for federal and state subsidy programs. Receivables are stated at the amount management expects to collect from outstanding balances and net of any allowance for doubtful accounts. The allowance is estimated based on professional judgement and historical information. As of June 30, 2021, the allowance for doubtful accounts totaled \$5,538,894 and consists mainly of the FICA receivable from the state of New Jersey.

Prepaid Items

Prepaid items include payments to vendors for services applicable to future accounting periods such as rental payments and insurance premiums. The cost of the prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include leasehold improvements, furniture, equipment and software, are reported in the government-wide financial statements. All capital assets are capitalized at cost and updated for additions and retirements during the year. The School does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Capital assets of the School are depreciated using the straight-line method over the estimated useful lives of the assets.

Income Tax Status

The School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code. No provision for income taxes has been established, as the School has no unrelated business activity.

Deferred Inflows of Resources

Deferred Inflows of Resources, reported after Total Liabilities, is defined by GASB as an acquisition of net position that applies to future periods. The revenue is recognized in the applicable future period(s). The School has one item that is required to be reported in this category: unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from the FICA subsidy. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

**MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 CASH AND CASH EQUIVALENTS

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. The School invests in repurchase agreements with its bank wherein the funds are secured by obligations of the U.S. government or agencies or instrumentalities of the U.S. government. As of June 30, 2021, \$25,091,935 of the School's bank balance was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 25,091,935
Collateralized	-
Uninsured and Collateral Held by the Pledging Bank's Trust Department not in the School's Name	-
Total Custodial Credit Risk	<u>\$ 25,091,935</u>

Reconciliation to the Financial Statements:

Total Custodial Credit Risk	\$ 25,091,935
Plus: Insured Amount	250,000
Less: Outstanding Checks	(216,089)
Petty Cash	14,000
Total Cash Per Financial Statements	<u>\$ 25,139,846</u>

NOTE 3 CAPITAL ASSETS

Capital assets are stated at cost. Depreciation has been calculated on such assets using the straight-line method over the following estimated lives:

Leasehold Improvements	5 to 10 Years
Furniture and Equipment	5 to 10 Years
Capital Lease Equipment	5 Years
Software	3 Years

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year is summarized below:

	Beginning Balance <u>July 1, 2020</u>	Additions	Deletions	Ending Balance <u>June 30, 2021</u>
<u>Governmental Activities</u>				
Capital Assets, being Depreciated:				
Leasehold Improvements	\$ 2,098,005	\$ 159,313	\$ -	\$ 2,257,318
Furniture, Equipment and Software	2,866,723	705,032	-	3,571,755
Capital Lease Equipment	1,052,503	-	-	1,052,503
Total Capital Assets being Depreciated	<u>6,017,231</u>	<u>864,345</u>	<u>-</u>	<u>6,881,576</u>
Less Accumulated Depreciation for:				
Leasehold Improvements	237,024	80,501	-	317,525
Furniture, Equipment and Software	1,632,957	453,404	-	2,086,361
Capital Lease Equipment	706,470	112,130	-	818,600
Total Accumulated Depreciation	<u>2,576,451</u>	<u>646,035</u>	<u>-</u>	<u>3,222,486</u>
Total Capital Assets being Depreciated, Net	<u>3,440,780</u>	<u>218,310</u>	<u>-</u>	<u>3,659,090</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,440,780</u>	<u>\$ 218,310</u>	<u>\$ -</u>	<u>\$ 3,659,090</u>

NOTE 4 CAPITAL LEASE OBLIGATIONS

The School leases copiers under capital leases that expire between September 2021 and June 2024. As of June 30, 2021, the leased copiers are reflected at a cost of \$1,052,503 and related accumulated depreciation of \$818,600. The leases require monthly payments of principal and interest ranging from \$740 to \$2,770 at rates of 4.79% to 6.85% per annum.

Future minimum payments under the capital lease as of June 30, 2021 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 118,944
2023	102,180
2024	69,560
Total	<u>290,684</u>
Less: Amount Representing Interest	23,193
Present Value of Minimum Lease Payments	<u>\$ 267,491</u>

The following is a summary of changes in capital lease obligations for the year ended June 30, 2021:

	Balance <u>July 1, 2020</u>	Increases	Decreases	Balance <u>June 30, 2021</u>
Capital Lease Obligations	\$ 401,807	\$ -	\$ 134,316	\$ 267,491
Total Capital Lease Obligations	<u>\$ 401,807</u>	<u>\$ -</u>	<u>\$ 134,316</u>	<u>\$ 267,491</u>

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 PAYCHECK PROTECTION PROGRAM LOAN

On April 16, 2020, the School received loan proceeds in the amount of \$5,252,870 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to two and a half times the average monthly payroll expense of the qualifying business. The loan is forgivable if the borrower uses the loan proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent, and utilities, and maintains its payroll levels.

The loan was forgiven in full in June 2021 and included in general revenue in the statement of activities as of June 30, 2021.

The following is a summary of changes in PPP Loan for the year ended June 30, 2021:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
PPP Loan	\$ 5,252,870	\$ -	\$ 5,252,870	\$ -
Total Long-Term Debt	\$ 5,252,870	\$ -	\$ 5,252,870	\$ -

NOTE 6 REVENUE

The School receives a substantial amount of its support from federal, state, and local governments. A significant reduction in the level of support, if it were to occur, could have an effect on the School's programs and activities.

NOTE 7 GOVERNMENT GRANTS AND REIMBURSEMENT PROGRAMS

The School participates in numerous state and federal grant and reimbursement programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs and reimbursement programs for social security taxes, retirement expense and health services are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants and reimbursement programs, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the School, there are no significant contingent 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.

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 RETIREMENT PLANS

The School was accepted into the New Jersey Division of Pensions and Benefits Teachers' Pension and Annuity Fund (TPAF) and Public Employee's Retirement System (PERS) plans. Employee contributions will be retroactive to the hire date. Majority of the staff enrolled in TPAF and PERS plans by June 30, 2021 with a small percentage of staff remaining to enroll subsequent to year end.

In addition, the School is part of the Mastery Schools of Camden 403(b) Retirement Plan (403(b) plan), a multiple employer defined contribution plan under Section 403(b) of the Internal Revenue Code, in which School employees can elect to contribute a portion of their eligible compensation.

The total retirement plan contribution expense incurred for the year ended June 30, 2021 totaled \$1,089,005.

NOTE 9 RISK MANAGEMENT

The School is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School carries commercial insurance for such risks. There has been no significant reduction in insurance coverage from the previous year in any of the School's policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three years.

NOTE 10 MANAGEMENT AND TECHNOLOGY AGREEMENT

The School uses a Network Support Team (NST) for its educational, administrative, and financial services. The NST is a separate department that is included in the operations of the Mastery Charter High School.

The School has a management agreement with the Mastery Charter High School to provide educational, administrative, and financial services for the School by the NST. The NST management fee is 10% of local school funds plus reimbursement for any costs NST incurs in providing the educational, administrative, and financial services totaling \$5,053,644. The term of the agreement is July 1, 2019 through June 30, 2024.

The School also had a technology and equipment agreement that is renewed annually with Mastery Charter High School totaling \$665,000.

The NST management and technology fee totaled \$5,718,644 for the current year.

**MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 FACILITIES LEASE AGREEMENT

The School leases facilities under multiple operating leases that require base rent through July 2024. The School is also responsible for all costs of operating the facilities.

Future minimum rental payments required under the operating leases that have noncancelable lease terms in excess of one year are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 2,824,065
2023	2,810,108
2024	2,821,782
2025	185,537
Total	<u>\$ 8,641,492</u>

Rent expense was \$3,174,923 for the year ended June 30, 2021.

NOTE 12 NEWLY ADOPTED STATEMENTS ISSUED BY THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*, which is effective for fiscal years beginning after December 15, 2019. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Criteria for identifying fiduciary activities are generally defined as (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also defines four fiduciary funds that should be reported. The School adopted Statement No. 84 and determined the standard did not have any impact on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*, which is effective for fiscal years beginning after June 15, 2021. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The School is required to adopt Statement No. 87 for its fiscal year 2022 and assessing if the standard will have any impact on its financial statements.

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 NEWLY ADOPTED STATEMENTS ISSUED BY THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD (CONTINUED)

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, which is effective for fiscal years beginning after June 15, 2020. This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The School adopted Statement No. 93 for its fiscal year 2021 and determined the standard did not have any impact on its financial statements.

NOTE 13 RECENT ACCOUNTING PRONOUNCEMENTS

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is effective for fiscal years beginning after December 15, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The School is required to adopt Statement No. 89 for its fiscal year 2022 and assessing if the standard will have any impact on its financial statements.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests*, which is effective for fiscal years beginning after December 15, 2019. This Statement modifies previous guidance for reporting a government's majority equity interest in a legally separate organization. This Statement also provides guidance for reporting component unit if a government acquires a 100% equity interest in that component unit. An equity interest is a financial interest in a legally separate organization evidenced by the ownership of shares of the organization's stock or by otherwise having an explicit, measurable right to the net resources of the organization that is usually based on an investment of financial or capital resources by a government. An equity interest is explicit and measurable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resources is determinable. The School adopted Statement No. 90 for its fiscal year 2021 and determined the standard did not have any impact on its financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which is effective for fiscal years beginning after December 15, 2021. This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The School is required to adopt Statement No. 91 for its fiscal year 2023 and assessing if the standard will have any impact on its financial statements.

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*, which is effective for fiscal years beginning after June 15, 2021. This statement enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The School is required to adopt Statement No. 92 for its fiscal year 2022 and assessing if the standard will have any impact on its financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA)*, which is effective for fiscal years beginning after June 15, 2022. This Statement establishes standards of accounting and financial reporting for PPPs and APAs for governments. The School is required to adopt Statement No. 94 for its fiscal year 2023 and assessing if the standard will have any impact on its financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which is effective for fiscal years beginning after June 15, 2022. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology agreements. The School is required to adopt Statement No. 99 for its fiscal year 2023 and assessing if the standard will have any impact on its financial statements.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 31*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021. The School is required to adopt Statement No. 97 for its fiscal year 2022 and assessing if the standard will have any impact on its financial statements.

MASTERY SCHOOLS OF CAMDEN, INC.
C-1 BUDGETARY COMPARISON SCHEDULE — GENERAL FUND (UNAUDITED)
YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES					
Local Sources:					
Local Tax Levy	\$ 1,486,000	\$ 105,000	\$ 1,591,000	\$ 1,595,000	\$ 4,000
Other Revenue	200,000	215,000	415,000	415,882	882
Total Local Sources	1,686,000	320,000	2,006,000	2,010,882	4,882
State Sources:					
Equalization Aid	45,950,000	2,995,000	48,945,000	48,941,443	(3,557)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	548,000	626,000	1,174,000	895,359	(278,641)
Other State Revenue	50,000	103,000	153,000	152,496	(504)
Total State Sources	46,548,000	3,724,000	50,272,000	49,989,298	(282,702)
Total Revenues	48,234,000	4,044,000	52,278,000	52,000,180	(277,820)
EXPENDITURES					
Regular Education - Instruction:					
Salaries	12,521,000	(20,000)	12,501,000	12,472,552	28,448
Benefits	3,692,000	(671,000)	3,021,000	3,000,937	20,063
Professional Services	418,000	(32,000)	386,000	362,028	23,972
General Supplies	455,000	45,000	500,000	479,160	20,840
Books and Instructional Software	583,000	(19,000)	564,000	531,312	32,688
Computers	559,000	-	559,000	558,500	500
Furniture and Equipment	52,000	66,000	118,000	115,160	2,840
Field Trips	141,000	(141,000)	-	-	-
College Initiatives	254,000	(109,000)	145,000	122,236	22,764
Disciplinary Placements	355,000	(17,000)	338,000	334,807	3,193
Total Regular Education - Instruction	19,030,000	(898,000)	18,132,000	17,976,692	155,308
Special Education - Instruction:					
Salaries	4,410,000	(300,000)	4,110,000	4,099,663	10,337
Benefits	1,173,000	(38,000)	1,135,000	1,125,741	9,259
Purchased Professional-Educational Services	2,360,000	(289,000)	2,071,000	2,011,860	59,140
General Supplies	10,000	15,000	25,000	24,878	122
Books and Instructional Software	25,000	132,000	157,000	141,241	15,759
Total Special Education - Instruction	7,978,000	(480,000)	7,498,000	7,403,383	94,617
Summer School:					
Salaries	86,250	-	86,250	84,514	1,736
Benefits	6,750	-	6,750	6,537	213
Total Summer School	93,000	-	93,000	91,051	1,949

MASTERY SCHOOLS OF CAMDEN, INC.
C-1 BUDGETARY COMPARISON SCHEDULE — GENERAL FUND (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES (CONTINUED)					
Student Activities:					
Salaries	\$ 110,000	\$ -	\$ 110,000	\$ 100,723	\$ 9,277
Benefits	35,000	(15,000)	20,000	7,477	12,523
Professional Services	55,000	(35,000)	20,000	8,629	11,371
Supplies	100,000	-	100,000	97,275	2,725
Total Student Activities	300,000	(50,000)	250,000	214,104	35,896
Administrative:					
Salaries	2,217,000	(140,000)	2,077,000	2,060,483	16,517
Benefits	700,000	153,000	853,000	830,973	22,027
Purchased Professional/Technical Services	23,000	10,000	33,000	22,002	10,998
Aftercare Program	91,000	(91,000)	-	-	-
Legal Services	125,000	75,000	200,000	194,018	5,982
Management Fees	4,653,000	295,000	4,948,000	4,948,409	(409)
Insurance	279,000	(12,000)	267,000	263,832	3,168
Postage	28,000	7,000	35,000	30,475	4,525
Advertising/Marketing	26,000	10,000	36,000	25,370	10,630
Printing	189,000	(15,000)	174,000	153,151	20,849
Dues, Board and Other	42,000	10,000	52,000	50,771	1,229
Supplies	65,000	185,000	250,000	239,162	10,838
Telecommunications	310,000	(63,000)	247,000	236,655	10,345
Computers and Software	30,000	-	30,000	27,672	2,328
FICA Subsidy Reserve	-	896,000	896,000	895,359	641
Total Administrative	8,778,000	1,320,000	10,098,000	9,978,332	119,668
Support Services:					
Culture and Educational Support:					
Salaries	1,357,000	52,000	1,409,000	1,388,938	20,062
Benefits	576,000	(114,000)	462,000	450,344	11,656
Supplies and Materials	94,000	34,000	128,000	101,933	26,067
Total Culture and Educational Support	2,027,000	(28,000)	1,999,000	1,941,215	57,785
Professional Development:					
Purchased Professional Services	60,000	(10,000)	50,000	44,798	5,202
Total Professional Development	60,000	(10,000)	50,000	44,798	5,202
Nursing:					
Purchased Professional Services	202,000	169,000	371,000	330,312	40,688
Supplies	12,000	615,000	627,000	592,536	34,464
Total Nursing	214,000	784,000	998,000	922,848	75,152

MASTERY SCHOOLS OF CAMDEN, INC.
C-1 BUDGETARY COMPARISON SCHEDULE — GENERAL FUND (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES (CONTINUED)					
Support Services (Continued):					
Community Advocacy and Engagement:					
Salaries	\$ 301,000	\$ (111,000)	\$ 190,000	\$ 189,486	\$ 514
Benefits	106,000	(12,000)	94,000	77,249	16,751
Purchased Professional Services	23,000	69,000	92,000	89,899	2,101
Printing	30,000	(23,000)	7,000	5,967	1,033
General Supplies	60,000	(23,000)	37,000	27,229	9,771
Total Community Advocacy and Engagement	520,000	(100,000)	420,000	389,830	30,170
Student Transportation Services:					
Transportation Services	1,243,000	(790,000)	453,000	414,544	38,456
Total Student Transportation Services	1,243,000	(790,000)	453,000	414,544	38,456
Operations:					
Salaries	112,000	5,000	117,000	116,028	972
Benefits	62,000	-	62,000	47,181	14,819
Cleaning	1,816,000	(1,082,000)	734,000	701,128	32,872
Utilities	1,197,000	(29,000)	1,168,000	1,150,195	17,805
Building Rental	3,511,000	(326,000)	3,185,000	3,174,923	10,077
Maintenance and Repairs	760,000	601,000	1,361,000	1,335,339	25,661
Pest Control	43,000	10,000	53,000	37,555	15,445
Security	65,000	(30,000)	35,000	9,279	25,721
Trash and Snow	147,000	(46,000)	101,000	75,197	25,803
Supplies	266,000	65,000	331,000	325,904	5,096
Total Operations	7,979,000	(832,000)	7,147,000	6,972,729	174,271
Total Support Services	12,043,000	(976,000)	11,067,000	10,685,964	381,036
Total Expenditures	48,222,000	(1,084,000)	47,138,000	46,349,526	788,474
NET CHANGE IN FUND BALANCES	12,000	5,128,000	5,140,000	5,650,654	510,654
Fund Balance - Beginning of Year	2,438,781	2,462,020	4,900,801	13,180,005	13,586,204
FUND BALANCE - END OF YEAR	<u>\$ 2,450,781</u>	<u>\$ 7,590,020</u>	<u>\$ 10,040,801</u>	<u>\$ 18,830,659</u>	<u>\$ 14,096,858</u>

MASTERY SCHOOLS OF CAMDEN, INC.
C-2 BUDGETARY COMPARISON SCHEDULE — SPECIAL REVENUE FUND (UNAUDITED)
YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources:					
Entitlement Grants	\$ 2,664,000	\$ (8,000)	\$ 2,656,000	\$ 2,656,188	\$ 188
CARES Act Grants	1,230,000	(58,000)	1,172,000	1,172,437	437
IDEA Grant	597,000	-	597,000	596,710	(290)
Total Revenues	4,491,000	(66,000)	4,425,000	4,425,335	335
EXPENDITURES					
Current:					
Regular Education - Instruction:					
Salaries	480,000	-	480,000	479,795	205
Benefits	192,000	-	192,000	191,463	537
Books and Instructional Software	94,500	-	94,500	94,376	124
Computers	106,500	-	106,500	106,500	-
Total Regular Education - Instruction	873,000	-	873,000	872,134	866
Special Education - Instruction:					
Salaries	186,000	-	186,000	185,430	570
Benefits	31,000	-	31,000	30,119	881
Professional Services	597,000	-	597,000	596,710	290
Books and Instructional Software	19,000	-	19,000	18,026	974
Total Special Education - Instruction	833,000	-	833,000	830,285	2,715
Administrative:					
Salaries	100,000	-	100,000	99,114	886
Benefits	41,000	-	41,000	40,637	363
Computers and Software	16,000	-	16,000	15,328	672
Program Administration	106,000	-	106,000	105,235	765
Indirect	-	-	-	11,479	(11,479)
Total Administrative	263,000	-	263,000	271,793	(8,793)
Support Services:					
Culture and Educational Support					
Salaries	872,000	-	872,000	871,173	827
Benefits	337,000	-	337,000	336,120	880
Total Culture and Educational Support	1,209,000	-	1,209,000	1,207,293	1,707
Community Advocacy and Engagement:					
Salaries	222,000	-	222,000	221,348	652
Benefits	96,000	-	96,000	95,754	246
Total Community Advocacy and Engagement	318,000	-	318,000	317,102	898
Student Health Services					
Salaries	216,000	(66,000)	150,000	150,000	-
Benefits	9,000	-	9,000	8,670	330
Total Student Health Services	225,000	(66,000)	159,000	158,670	330

MASTERY SCHOOLS OF CAMDEN, INC.
C-2 BUDGETARY COMPARISON SCHEDULE — SPECIAL
REVENUE FUND (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
EXPENDITURES (CONTINUED)					
Student Transportation Services					
Contracted Carriers	\$ 191,000	\$ -	\$ 191,000	\$ 190,170	\$ 830
Total Student Transportation Services	<u>191,000</u>	<u>-</u>	<u>191,000</u>	<u>190,170</u>	<u>830</u>
Operations and Maintenance					
Salaries	100,000	-	100,000	99,590	410
Benefits	41,000	-	41,000	40,832	168
Custodial Services	300,000	-	300,000	300,000	-
Supplies	138,000	-	138,000	137,466	534
Total Operations and Maintenance	<u>579,000</u>	<u>-</u>	<u>579,000</u>	<u>577,888</u>	<u>1,112</u>
Total Support Services	<u>2,522,000</u>	<u>(66,000)</u>	<u>2,456,000</u>	<u>2,451,123</u>	<u>4,877</u>
Total Expenditures	<u>4,491,000</u>	<u>(66,000)</u>	<u>4,425,000</u>	<u>4,425,335</u>	<u>(335)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MASTERY SCHOOLS OF CAMDEN, INC.
C-3 BUDGET TO U.S. GAAP RECONCILIATION) (UNAUDITED)
YEAR ENDED JUNE 30, 2021**

**NOTE 1 EXPLANATION OF DIFFERENCES BETWEEN BUDGETARY INFLOWS AND
OUTFLOWS AND U.S. GAAP REVENUES AND EXPENDITURES**

The General Fund budget basis is U.S. GAAP; therefore no reconciliation is required.

SCHOOL BASED BUDGET SCHEDULES

**MASTERY SCHOOLS OF CAMDEN, INC.
D-1 COMBINING BALANCE SHEET
JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
D-2 BLENDED RESOURCE FUND — SCHEDULE OF EXPENDITURES
ALLOCATED BY RESOURCE TYPE — ACTUAL
JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
D-3 BLENDED RESOURCE FUND — SCHEDULE OF
BLENDED EXPENDITURES — BUDGET AND ACTUAL
JUNE 30, 2021**

NOT APPLICABLE

SPECIAL REVENUE FUND

Special Revenue Funds are used to account for the proceeds of special revenue resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

MASTERY SCHOOLS OF CAMDEN, INC.
E-1 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES,
SPECIAL REVENUE FUND — BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021

	Total	Title I Part A	Title I SIA	Title I Reallocated	Title III	Title III Immigrant	IDEA Part B	Elementary and Secondary School Emergency Relief Fund	Coronavirus Relief Fund
REVENUES									
Intergovernmental:									
Federal	\$ 4,425,335	\$ 2,104,696	\$ 355,300	\$ 69,150	\$ 120,409	\$ 6,633	\$ 596,710	\$ 792,071	\$ 380,366
Total Revenues	4,425,335	2,104,696	355,300	69,150	120,409	6,633	596,710	792,071	380,366
EXPENDITURES									
Current:									
Instruction:									
Regular Instruction	872,134	632,755	-	-	38,503	-	-	-	200,876
Special Education Instruction	830,285	-	215,549	-	-	-	596,710	-	18,026
Administrative	271,793	105,235	139,751	-	-	-	-	11,479	15,328
Support Services:									
Culture and Educational Support	1,207,293	1,049,604	-	69,150	81,906	6,633	-	-	-
Student Health Services	158,670	-	-	-	-	-	-	150,000	8,670
Community Advocacy and Engagement	317,102	317,102	-	-	-	-	-	-	-
Operations and Maintenance	577,888	-	-	-	-	-	-	440,422	137,466
Student Transportation	190,170	-	-	-	-	-	-	190,170	-
Total Expenditures	4,425,335	2,104,696	355,300	69,150	120,409	6,633	596,710	792,071	380,366
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MASTERY SCHOOLS OF CAMDEN, INC.
E-2 SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES —
ALL PROGRAMS — BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**MASTERY SCHOOLS OF CAMDEN, INC.
F-1 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
F-2 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE — BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
F-3 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
PROJECT BALANCE, AND PROJECT STATUS — BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

PROPRIETARY FUNDS

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the cost of providing goods and services be financed through user charges or there the Board has decided that periodical determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

For the year ended June 30, 2021, the School had no enterprise funds.

**MASTERY SCHOOLS OF CAMDEN, INC.
G-1 COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
G-2 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
G-3 COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

INTERNAL SERVICE FUND

**MASTERY SCHOOLS OF CAMDEN, INC.
G-4 COMBINING STATEMENT OF NET ASSETS
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
G-5 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
G-6 COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

FIDUCIARY FUNDS

**MASTERY SCHOOLS OF CAMDEN, INC.
H-1 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
H-2 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
H-3 STUDENT ACTIVITY AGENCY FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
H-4 PAYROLL AGENCY FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
H-5 UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND
YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
STATISTICAL SECTION (UNAUDITED)**

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

FINANCIAL TRENDS

MASTERY SCHOOLS OF CAMDEN, INC.
J-1 NET POSITION BY COMPONENT (UNAUDITED)
LAST SEVEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
GOVERNMENTAL ACTIVITIES							
Net Investment in Capital Assets	\$ 3,391,599	\$ 3,038,973	\$ 2,811,389	\$ 2,388,167	\$ 2,318,336	\$ 1,621,654	\$ 497,371
Unrestricted	19,109,435	7,927,135	3,280,827	3,036,375	1,379,336	72,636	40,863
Total Governmental Activities	<u>\$ 22,501,034</u>	<u>\$ 10,966,108</u>	<u>\$ 6,092,216</u>	<u>\$ 5,424,542</u>	<u>\$ 3,697,672</u>	<u>\$ 1,694,290</u>	<u>\$ 538,234</u>
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
SCHOOL-WIDE							
Net Investment in Capital Assets	\$ 3,391,599	\$ 3,038,973	\$ 2,811,389	\$ 2,388,167	\$ 2,318,336	\$ 1,621,654	\$ 497,371
Unrestricted	19,109,435	7,927,135	3,280,827	3,036,375	1,379,336	72,636	40,863
Total School-Wide Net Position	<u>\$ 22,501,034</u>	<u>\$ 10,966,108</u>	<u>\$ 6,092,216</u>	<u>\$ 5,424,542</u>	<u>\$ 3,697,672</u>	<u>\$ 1,694,290</u>	<u>\$ 538,234</u>

Source: CAFR Schedule A-1

**MASTERY SCHOOLS OF CAMDEN, INC.
J-2 CHANGES IN NET POSITION (UNAUDITED)
LAST SEVEN FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015
EXPENSES							
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 18,617,221	\$ 18,601,852	\$ 16,735,114	\$ 14,616,291	\$ 12,532,161	\$ 9,554,357	\$ 2,850,693
Special Education Instruction	8,233,668	8,188,093	7,615,559	6,694,678	5,253,662	3,875,399	718,722
Summer School	91,051	113,541	129,219	-	-	-	-
Student Activities	214,104	217,578	258,949	-	-	-	-
Support Services:							
Administrative	10,095,157	10,913,748	9,756,464	8,356,981	6,149,983	5,440,313	1,361,231
Culture And Educational Support	3,148,508	3,075,888	2,908,583	2,513,784	1,781,070	1,468,260	590,934
Professional Development	44,798	107,758	23,360	24,280	22,632	4,540	-
Nursing	922,848	331,233	361,242	310,810	324,330	309,266	139,934
Psychologist	-	-	77,189	80,890	132,808	132,905	15,463
Community Advocacy And Engagement	706,932	733,469	663,777	704,134	680,155	422,373	238,666
Student Health Services	158,670	-	-	-	-	-	-
Student Transportation Services	604,714	-	-	-	-	-	-
Operations	6,917,877	6,327,120	6,716,288	5,710,878	3,109,302	1,915,990	1,066,783
Other Support Services	-	-	-	-	-	-	1,750
Debt Service:							
Interest	20,652	29,934	19,616	17,376	20,290	17,102	5,154
Unallocated Depreciation	646,035	693,960	581,329	489,728	415,611	305,711	90,112
Total Expenditures	<u>50,422,235</u>	<u>49,334,174</u>	<u>45,846,689</u>	<u>39,519,830</u>	<u>30,422,004</u>	<u>23,446,216</u>	<u>7,079,442</u>
REVENUES							
Governmental Activities:							
Local Sources:							
Local Share	1,595,000	1,540,762	1,329,323	1,193,513	940,493	840,485	181,005
State Share	48,941,443	47,874,294	40,871,421	36,756,000	28,888,008	21,892,898	5,471,859
Other Revenue	415,882	521,799	512,771	60,819	19,540	92,220	1,375,505
Miscellaneous	-	-	-	71,787	25,685	14,203	4,021
PPP Loan Forgiveness	5,252,870	-	-	-	-	-	-
Total Local Sources	<u>56,205,195</u>	<u>49,936,855</u>	<u>42,713,515</u>	<u>38,082,119</u>	<u>29,873,726</u>	<u>22,839,806</u>	<u>7,032,390</u>
State Sources	1,326,631	1,240,011	1,111,724	1,012,474	896,569	592,534	180,517
Federal Sources	4,425,335	3,031,200	2,689,124	2,152,107	1,655,091	1,169,932	404,769
Total Revenues	<u>61,957,161</u>	<u>54,208,066</u>	<u>46,514,363</u>	<u>41,246,700</u>	<u>32,425,386</u>	<u>24,602,272</u>	<u>7,617,676</u>
NET REVENUE (EXPENSE)							
Government Activities	<u>11,534,926</u>	<u>4,873,892</u>	<u>667,674</u>	<u>1,726,870</u>	<u>2,003,382</u>	<u>1,156,056</u>	<u>538,234</u>
Total School-Wide Net Revenue	<u>\$ 11,534,926</u>	<u>\$ 4,873,892</u>	<u>\$ 667,674</u>	<u>\$ 1,726,870</u>	<u>\$ 2,003,382</u>	<u>\$ 1,156,056</u>	<u>\$ 538,234</u>

Source: CAFR Schedule A-2

MASTERY SCHOOLS OF CAMDEN, INC.
J-3 FUND BALANCES — GOVERNMENTAL FUNDS (UNAUDITED)
LAST SEVEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
GENERAL FUND							
Nonspendable:							
Prepaid Expenditures	\$ 282,166	\$ 499,873	\$ 238,958	\$ 46,673	\$ 262,801	\$ 568,001	\$ 268,513
Assigned:							
PPP Loan	-	5,252,870	-	-	-	-	-
Capital Reserve	-	-	-	-	100,000	-	-
Maintenance Reserve	-	-	-	-	500,000	-	-
Emergency Reserve	-	-	-	-	500,000	-	-
Committed:							
Capital Reserve	1,500,000	1,500,000	1,200,000	900,000	-	-	-
Maintenance Reserve	300,000	300,000	300,000	645,000	-	-	-
Emergency Reserve	4,940,000	5,600,000	1,500,000	1,405,000	-	-	-
Strategic Projects	11,800,000	-	-	-	-	-	-
Unassigned Fund Balance	8,493	27,262	41,869	39,702	16,535	(495,365)	(227,650)
Total General Fund	<u><u>\$ 18,830,659</u></u>	<u><u>\$ 13,180,005</u></u>	<u><u>\$ 3,280,827</u></u>	<u><u>\$ 3,036,375</u></u>	<u><u>\$ 1,379,336</u></u>	<u><u>\$ 72,636</u></u>	<u><u>\$ 40,863</u></u>

Source: CAFR Schedule B-1

MASTERY SCHOOLS OF CAMDEN, INC.
J-4 CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS (UNAUDITED)
LAST SEVEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015
REVENUES							
Local Sources:							
Local Share	\$ 1,595,000	\$ 1,540,762	\$ 1,329,323	\$ 1,193,513	\$ 940,493	\$ 840,485	\$ 181,005
State Share	48,941,443	47,874,294	40,871,421	36,756,000	28,888,008	21,892,898	5,471,859
Other Revenue	415,882	521,799	512,771	60,819	19,540	92,220	1,375,505
Miscellaneous	-	-	-	71,787	25,685	14,203	4,021
Total Local Sources	50,952,325	49,936,855	42,713,515	38,082,119	29,873,726	22,839,806	7,032,390
State Sources	1,047,855	1,240,011	1,111,724	1,012,474	896,569	592,534	180,517
Federal Sources	4,425,335	3,031,200	2,689,124	2,152,107	1,655,091	1,169,932	404,769
Total Revenues	56,425,515	54,208,066	46,514,363	41,246,700	32,425,386	24,602,272	7,617,676
EXPENDITURES							
Current:							
Instruction:							
Regular Instruction	18,848,826	18,790,506	16,993,294	14,704,976	12,856,742	10,079,633	3,044,882
Special Education Instruction	8,233,668	8,188,093	7,615,559	6,694,678	5,253,662	3,875,399	718,723
Summer School	91,051	113,541	129,219	-	-	-	-
Student Activities	214,104	217,578	258,949	-	-	-	-
Support Services:							
Administrative	10,250,125	11,135,609	10,085,296	8,502,140	6,277,429	5,531,735	1,387,089
Culture and Educational Support	3,148,508	3,075,888	2,912,123	2,517,284	1,784,400	1,481,130	345,542
Professional Development	44,798	107,758	23,360	24,280	22,632	4,540	-
Nursing	922,848	331,233	361,242	310,810	324,330	309,266	139,934
Psychologist	-	-	77,189	80,890	132,808	132,905	15,463
Community Advocacy and Engagement	706,932	733,469	663,777	704,134	680,155	422,373	238,666
Student Health Services	158,670	-	-	-	-	-	-
Student Transportation Services	604,714	-	-	-	-	-	-
Operations	7,550,617	6,868,083	7,149,903	6,050,469	3,786,528	2,733,518	1,281,745
Capital Lease Expenditures	-	275,240	147,575	39,414	98,428	344,284	147,562
Total Expenditures	50,774,861	49,836,998	46,417,486	39,629,075	31,217,114	24,914,783	7,319,606
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,650,654	4,371,068	96,877	1,617,625	1,208,272	(312,511)	298,070
OTHER FINANCING SOURCES							
Proceeds from Capital Lease Obligation (Nonbudgeted)	-	275,240	147,575	39,414	98,428	344,284	147,562
Proceeds from Paycheck Protection Program Loan (Nonbudgeted)	-	5,252,870	-	-	-	-	-
Total Other Financing Sources	-	5,528,110	147,575	39,414	98,428	344,284	147,562
NET CHANGE IN FUND BALANCES	<u>\$ 5,650,654</u>	<u>\$ 9,899,178</u>	<u>\$ 244,452</u>	<u>\$ 1,657,039</u>	<u>\$ 1,306,700</u>	<u>\$ 31,773</u>	<u>\$ 445,632</u>

Source: CAFR Schedule B-2

**MASTERY SCHOOLS OF CAMDEN, INC.
 J-5 GENERAL FUND — OTHER LOCAL REVENUE BY SOURCE (UNAUDITED)
 LAST SEVEN FISCAL YEARS**

<u>Years Ended June 30</u>	<u>Private Grants</u>	<u>Miscellaneous</u>	<u>Totals</u>
2021	\$ 124,588	\$ 291,294	\$ 415,882
2020	93,307	426,836	520,143
2019	314,460	198,311	512,771
2018	60,819	71,787	132,606
2017	19,540	25,685	45,225
2016	92,220	14,203	106,423
2015	1,375,505	4,021	1,379,526

Source: Renaissance School Records

REVENUE CAPACITY

**MASTERY SCHOOLS OF CAMDEN, INC.
J-6 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (UNAUDITED)
LAST SEVEN FISCAL YEARS**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
J-7 DIRECT AND OVERLAPPING PROPERTY TAX RATES (UNAUDITED)
LAST SEVEN FISCAL YEARS**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
J-8 PRINCIPAL PROPERTY TAXPAYERS (UNAUDITED)
LAST SEVEN FISCAL YEARS**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
J-9 PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED)
LAST SEVEN FISCAL YEARS**

NOT APPLICABLE

DEBT CAPACITY

**MASTERY SCHOOLS OF CAMDEN, INC.
J-10 RATIOS OF OUTSTANDING DEBT BY TYPE (UNAUDITED)
LAST SEVEN FISCAL YEARS**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
J-11 RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING (UNAUDITED)
LAST SEVEN FISCAL YEARS**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
J-12 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED)
LAST SEVEN FISCAL YEARS**

NOT APPLICABLE

DEMOGRAPHIC AND ECONOMIC INFORMATION

**MASTERY SCHOOLS OF CAMDEN, INC.
J-13 LEGAL DEBT MARGIN INFORMATION (UNAUDITED)
LAST SEVEN FISCAL YEARS**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
J-14 DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED)
LAST SEVEN FISCAL YEARS**

Year	Camden City Population ^a	Camden City Personal Income ^b	Camden County per Capita Personal Income ^c	Camden City Unemployment Rate ^d
2021	73,740	\$ 4,113,217,200	\$ 55,780	16.3 %
2020	73,562	\$ 3,979,924,886	\$ 54,103	8.9 %
2019	73,973	\$ 3,837,571,294	\$ 51,878	8.9 %
2018	74,532	\$ 3,681,284,544	\$ 49,392	9.8 %
2017	74,513	\$ 3,587,428,385	\$ 48,145	10.1 %
2016	75,826	\$ 3,502,782,070	\$ 46,195	11.1 %
2015	76,219	\$ 3,411,105,126	\$ 44,754	11.1 %

^a Population information provided by the NJ Dept. of Labor and Workforce Development.

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Personal capital income by County estimated based upon the 2000 Census published by the Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

OPERATING INFORMATION

**MASTERY SCHOOLS OF CAMDEN, INC.
J-15 PRINCIPAL EMPLOYERS (UNAUDITED)
LAST SEVEN FISCAL YEARS**

NOT APPLICABLE

MASTERY SCHOOLS OF CAMDEN, INC.
J-16 FULL TIME EQUIVALENT RENAISSANCE SCHOOL EMPLOYEES BY FUNCTION/PROGRAM (UNAUDITED)
LAST SEVEN FISCAL YEARS

FUNCTION/PROGRAM	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Instruction:							
Regular Instruction	156.0	163.0	153.0	130.0	106.0	87.0	30.0
Special Education Instruction	59.0	61.0	59.0	50.0	28.0	21.0	6.0
Other Instruction	28.0	22.0	17.0	14.0	17.0	17.7	4.5
Support Services:							
Student and Instruction Related Services	42.0	38.0	40.0	39.0	29.0	19.5	11.0
General Administration	37.0	36.0	34.0	39.0	25.0	29.3	8.0
 Total	<u>322.0</u>	<u>320.0</u>	<u>303.0</u>	<u>272.0</u>	<u>205.0</u>	<u>174.5</u>	<u>59.5</u>

Source: Renaissance School Personnel Records

**MASTERY SCHOOLS OF CAMDEN, INC.
J-17 OPERATING STATISTICS (UNAUDITED)
LAST SEVEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^a</u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE)^b</u>	<u>Average Daily Attendance (ADA)</u>	<u>Percent Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2015	474	\$ 7,612,944	\$ 16,061	N/A	30	15.8	380	356	N/A	93.5 %
2016	1,523	\$ 24,570,499	\$ 16,133	N/A	108	14.1	1,391	1,284	N/A	92.3 %
2017	1,623	\$ 31,118,686	\$ 19,174	N/A	134	12.1	1,651	1,506	N/A	91.2 %
2018	2,271	\$ 39,589,661	\$ 17,433	N/A	180	12.6	2,090	1,919	N/A	91.8 %
2019	2,439	\$ 46,269,911	\$ 18,971	N/A	212	11.5	2,274	2,121	N/A	93.3 %
2020	2,856	\$ 49,561,758	\$ 17,354	N/A	224	12.8	2,635	2,532	N/A	96.1 %
2021	2,805	\$ 50,774,861	\$ 18,102	N/A	215	13.0	2,687	2,395	N/A	89.1 %

Sources: Renaissance School records

Note: Enrollment based on June school count.

^a Teaching staff includes only full-time equivalents of certificated staff.

^b Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**MASTERY SCHOOLS OF CAMDEN, INC.
J-18 SCHOOL BUILDING INFORMATION (UNAUDITED)
LAST SEVEN FISCAL YEARS**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
J-19 SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY
SCHOOL FACILITY (UNAUDITED)
LAST SEVEN FISCAL YEARS**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
J-20 INSURANCE SCHEDULE (UNAUDITED)
YEAR ENDED JUNE 30, 2021**

	<u>Coverage</u>	<u>Deductible</u>
<u>School Package Policy</u>		
Building and Contents (All Locations)	\$ 459,907,793	\$ 25,000
Boiler and Machinery	100,000,000	25,000
General Liability (Each Occurrence)	1,000,000	-
General Liability (Aggregate)	3,000,000	-
Educators Legal Liability/Employment Practices Liability	5,000,000	100,000/150,000
General Automobile Liability	1,000,000	-
School Board Legal Liability	5,000,000	25,000
Umbrella	10,000,000	10,000
Excess Umbrella	10,000,000	-
Workers' Compensation	500,000	-
<u>Student Accident Insurance</u>		
Accidental Medical Expense Maximum Benefit	\$ 25,000	\$ -
Fidelity/Employee Theft Bond	\$ 500,000	\$ 5,000
Cyber Liability	\$ 2,000,000	\$ 25,000
International Package Policy	\$ 1,000,000	\$ -
Fiduciary Liability	\$ 2,000,000	\$ 5,000

Source: Renaissance School Records

**RENAISSANCE SCHOOL PERFORMANCE
FRAMEWORK FINANCIAL INDICATORS**

MASTERY SCHOOLS OF CAMDEN, INC.
J-21 FINANCIAL PERFORMANCE, FISCAL RATIOS — NEAR TERM INDICATORS (UNAUDITED)
LAST SEVEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015
Cash	\$ 25,139,846	\$ 16,029,900	\$ 10,377,793	\$ 9,913,337	\$ 8,168,562	\$ 3,494,443	\$ 813,091
Current Assets	26,680,507	17,654,430	11,335,802	10,226,961	8,696,463	4,527,796	1,711,809
Capital Assets - Net	3,659,090	3,440,780	3,111,544	2,693,401	2,706,430	2,018,476	624,229
Total Assets	<u>\$ 30,339,597</u>	<u>\$ 21,095,210</u>	<u>\$ 14,447,346</u>	<u>\$ 12,920,362</u>	<u>\$ 11,402,893</u>	<u>\$ 6,546,272</u>	<u>\$ 2,336,038</u>
Current Liabilities	\$ 7,676,349	\$ 9,861,611	\$ 8,195,678	\$ 7,320,667	\$ 7,434,073	\$ 4,565,974	\$ 1,698,720
Long-Term Liabilities	162,214	267,491	159,452	175,153	271,148	286,008	99,084
Total Liabilities	<u>\$ 7,838,563</u>	<u>\$ 10,129,102</u>	<u>\$ 8,355,130</u>	<u>\$ 7,495,820</u>	<u>\$ 7,705,221</u>	<u>\$ 4,851,982</u>	<u>\$ 1,797,804</u>
Net Position	<u>\$ 22,501,034</u>	<u>\$ 10,966,108</u>	<u>\$ 6,092,216</u>	<u>\$ 5,424,542</u>	<u>\$ 3,697,672</u>	<u>\$ 1,694,290</u>	<u>\$ 538,234</u>
Total Revenue	\$ 61,957,161	\$ 54,208,066	\$ 46,514,363	\$ 41,246,700	\$ 32,425,386	\$ 24,602,272	\$ 7,617,676
Total Expenses	50,422,235	49,334,174	45,846,689	39,519,830	30,422,004	23,446,216	7,079,442
Change in Net Position	<u>\$ 11,534,926</u>	<u>\$ 4,873,892</u>	<u>\$ 667,674</u>	<u>\$ 1,726,870</u>	<u>\$ 2,003,382</u>	<u>\$ 1,156,056</u>	<u>\$ 538,234</u>
Depreciation	\$ 646,035	\$ 693,960	\$ 581,329	\$ 489,728	\$ 415,611	\$ 305,711	\$ 90,112
Principal Payments	134,316	173,588	152,654	122,274	107,156	74,320	20,704
Interest Payments	20,652	29,934	19,616	17,376	20,290	17,102	5,154
Final Average Daily Enrollment	2,687	2,635	2,274	2,090	1,651	1,391	380
March 30th Budgeted Enrollment	2,645	2,558	2,195	2,100	1,750	1,400	600
	2021	2020	2019	2018	2017	2016	2015
Near Term Indicators							
Current Ratio	3.48	1.79	1.38	1.40	1.17	0.99	1.01
Unrestricted Days Cash	182	119	83	92	98	54	42
Enrollment Variance	1.02	1.03	1.04	1.00	0.94	0.99	0.63
Default	N/A	N/A	N/A	N/A	N/A	N/A	N/A

MASTERY SCHOOLS OF CAMDEN, INC.
J-22 FINANCIAL PERFORMANCE, FINANCIAL RATIOS — SUSTAINABILITY INDICATORS (UNAUDITED)
LAST SEVEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015
Cash	\$ 25,139,846	\$ 16,029,900	\$ 10,377,793	\$ 9,913,337	\$ 8,168,562	\$ 3,494,443	\$ 813,091
Current Assets	26,680,507	17,654,430	11,335,802	10,226,961	8,696,463	4,527,796	1,711,809
Capital Assets - Net	3,659,090	3,440,780	3,111,544	2,693,401	2,706,430	2,018,476	624,229
Total Assets	<u>\$ 30,339,597</u>	<u>\$ 21,095,210</u>	<u>\$ 14,447,346</u>	<u>\$ 12,920,362</u>	<u>\$ 11,402,893</u>	<u>\$ 6,546,272</u>	<u>\$ 2,336,038</u>
Current Liabilities	\$ 7,676,349	\$ 9,861,611	\$ 8,195,678	\$ 7,320,667	\$ 7,434,073	\$ 4,565,974	\$ 1,698,720
Long-Term Liabilities	162,214	267,491	159,452	175,153	271,148	286,008	99,084
Total Liabilities	<u>\$ 7,838,563</u>	<u>\$ 10,129,102</u>	<u>\$ 8,355,130</u>	<u>\$ 7,495,820</u>	<u>\$ 7,705,221</u>	<u>\$ 4,851,982</u>	<u>\$ 1,797,804</u>
Net Position	<u>\$ 22,501,034</u>	<u>\$ 10,966,108</u>	<u>\$ 6,092,216</u>	<u>\$ 5,424,542</u>	<u>\$ 3,697,672</u>	<u>\$ 1,694,290</u>	<u>\$ 538,234</u>
Total Revenue	\$ 61,957,161	\$ 54,208,066	\$ 46,514,363	\$ 41,246,700	\$ 32,425,386	\$ 24,602,272	\$ 7,617,676
Total Expenses	50,422,235	49,334,174	45,846,689	39,519,830	30,422,004	23,446,216	7,079,442
Change in Net Position	<u>\$ 11,534,926</u>	<u>\$ 4,873,892</u>	<u>\$ 667,674</u>	<u>\$ 1,726,870</u>	<u>\$ 2,003,382</u>	<u>\$ 1,156,056</u>	<u>\$ 538,234</u>
Depreciation	\$ 646,035	\$ 693,960	\$ 581,329	\$ 489,728	\$ 415,611	\$ 305,711	\$ 90,112
Principal Payments	134,316	173,588	152,654	122,274	107,156	74,320	20,704
Interest Payments	20,652	29,934	19,616	17,376	20,290	17,102	5,154
Final Average Daily Enrollment	2,687	2,635	2,274	2,090	1,651	1,391	380
March 30th Budgeted Enrollment	2,645	2,558	2,195	2,100	1,750	1,400	600

SINGLE AUDIT SECTION



**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***

Board of Trustees
Mastery Schools of Camden, Inc.
Camden, New Jersey

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 and *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*, the financial statements of the governmental activities, and each major fund of the Mastery Schools of Camden, Inc., as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Mastery Schools of Camden, Inc.'s basic financial statements, and have issued our report thereon dated October 6, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mastery Schools of Camden, Inc.'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 Mastery Schools of Camden, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Mastery Schools of Camden, Inc.'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 or significant deficiencies. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mastery Schools of Camden, Inc.'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* and *requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*.

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* and *requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 6, 2021



Bruce W. Braunewell, CPA, Principal
Public School Accountant
PSA #20CS00261400
October 6, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
AND NEW JERSEY OMB CIRCULAR 15-08**

Board of Trustees
Mastery Schools of Camden, Inc.
Camden, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited Mastery Schools of Camden, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement and New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Mastery Schools of Camden, Inc.'s major federal and state programs for the year ended June 30, 2021. Mastery Schools of Camden, Inc.'s major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Mastery Schools of Camden, Inc.'s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey*; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of New Jersey's OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Those standards, the Uniform Guidance and State of New Jersey's OMB Circular Letter 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Mastery Schools of Camden, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinions on compliance for each major federal and state program. However, our audit does not provide a legal determination of Mastery Schools of Camden, Inc.'s compliance.

Opinion on Each Major Federal and State Program

In our opinion, Mastery Schools of Camden, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

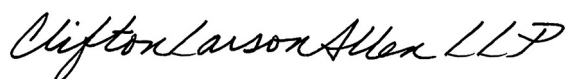
Report on Internal Control Over Compliance

Management of Mastery Schools of Camden, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Mastery Schools of Camden, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and state of New Jersey's OMB Circular Letter 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Mastery Schools of Camden, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and state of New Jersey's OMB Circular Letter 15-08. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 6, 2021



Bruce W. Braunewell, CPA, Principal
Public School Accountant
PSA #20CS00261400
October 6, 2021

MASTERY SCHOOLS OF CAMDEN, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A
YEAR ENDED JUNE 30, 2021

K-3

Federal Grantor/ Pass-Through Grantor/ Cluster/Program Title	Federal CFDA Number	Federal Award Identification Number	Grant/ Contract Period	Grant Amount	Accrued (Deferred) Revenue at July 1, 2020	Total Received for the Year	Federal Disbursements/ Expenditures	Accrued (Deferred) Revenue at June 30, 2021	Pass-through to Subrecipients	Pass-through Entity Identifying Number
<u>U.S. Department of Education:</u>										
Pass-through New Jersey Department of Education:										
Every Student Succeeds Act Consolidated Grant:										
Title I, Part A	84.010A	S010A190030	7/1/19 - 9/30/20	\$ 1,832,684	\$ 231,784	\$ 231,784	\$ -	\$ -	\$ -	n/a
Title I, Part A	84.010A	S010A190030	7/1/20 - 9/30/21	2,104,696	-	1,506,618	2,104,696	598,078	-	n/a
Total Title I, Part A					231,784	1,738,402	2,104,696	598,078	-	
Title I SIA	84.010A	S010A190030	7/1/19 - 9/30/20	254,200	56,200	56,200	-	-	-	n/a
Title I SIA	84.010A	S010A190030	7/1/20 - 9/30/21	355,300	-	257,577	355,300	97,723	-	n/a
Total Title I SIA					56,200	313,777	355,300	97,723	-	
Title I Reallocated	84.010A	S010A190030	7/1/20 - 9/30/21	69,150	-	69,150	69,150	-	-	n/a
Total Title I Reallocated					-	69,150	69,150	-	-	
Title III Immigrant	84.365	S011A180030	7/1/18 - 6/30/19	2,216	2,216	2,216	-	-	-	n/a
Title III	84.365A	S365A190030	7/1/19 - 6/30/20	123,718	16,918	16,918	-	-	-	n/a
Title III Immigrant	84.365	S011A180030	7/1/20 - 9/30/21	6,633	-	-	6,633	6,633	-	n/a
Title III	84.365A	S365A190030	7/1/20 - 9/30/21	168,477	-	96,308	120,409	24,101	-	n/a
Total Title III					19,134	115,442	127,042	30,734	-	
Special Education Cluster:										
IDEA, Part B - Basic	84.027A	H027A190100	7/1/19 - 9/30/20	480,650	49,308	49,308	-	-	-	n/a
IDEA, Part B - Basic	84.027A	H027A190100	7/1/20 - 9/30/21	583,323	-	417,697	583,323	165,626	-	n/a
IDEA, Part B - Preschool	84.027A	H173A190114	7/1/20 - 9/30/21	13,387	-	-	13,387	13,387	-	n/a
Total Special Education Cluster					49,308	467,005	596,710	179,013	-	
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act										
Elementary and Secondary School Emergency Relief Fund	84.425D	S425D2000027	3/13/20 - 9/30/22	1,297,124	-	761,901	792,071	30,170	-	n/a
Total Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act					-	761,901	792,071	30,170	-	
Total U.S. Department of Education					356,426	3,465,677	4,044,969	935,718	-	
<u>U.S. Department of Treasury:</u>										
Pass-through New Jersey Department of Education:										
Covid-19 Coronavirus Relief Fund	21.019	SLT007	7/1/20 - 12/31/20	380,366	-	380,366	380,366	-	-	
Total U.S. Department of Treasury					-	380,366	380,366	-	-	
Total Expenditures of Federal Awards					\$ 356,426	\$ 3,846,043	\$ 4,425,335	\$ 935,718	\$ -	

See accompanying Notes to Schedules of Federal and State Awards.

MASTERY SCHOOLS OF CAMDEN, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS, SCHEDULE B
YEAR ENDED JUNE 30, 2021

K-4

State Grantor Cluster/Program Title	Grant or State Project Number	Grant/ Contract Period	Grant Amount	Accrued (Deferred) Revenue at July 1, 2020	Total Received for the Year	Budgetary Expenditures	Accrued (Deferred) Revenue at June 30, 2021	Pass-through to Subrecipients	Pass-through Entity Identifying Number
New Jersey Department of Education:									
State Aid - Public Cluster:									
Equalization Aid	20-495-034-5120-078	7/1/19 - 6/30/20	\$ 45,904,966	\$ 700,609	\$ 747,085	\$ 46,476	\$ -	\$ -	n/a
Special Education Categorical Aid	20-495-034-5120-089	7/1/19 - 6/30/20	1,901,410	29,020	30,946	1,926	-	-	n/a
Equalization Aid	20-495-034-5120-078	7/1/20 - 6/30/21	46,972,613	-	48,081,208	46,972,613	(1,108,595)	-	n/a
Special Education Categorical Aid	20-495-034-5120-089	7/1/20 - 6/30/21	1,919,501	-	1,964,803	1,919,501	(45,302)	-	n/a
Total State Aid - Public Cluster				729,629	50,824,042	48,940,516	(1,153,897)	-	
Extraordinary Special Education Costs Aid	21-495-034-5120-044	7/1/20 - 6/30/21	27,960	-	27,960	27,960	-	-	n/a
Total Extraordinary Special Education Costs Aid				-	27,960	27,960	-	-	
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14 - 6/30/15	180,517	180,517	-	-	180,517	-	n/a
Reimbursed TPAF Social Security Contributions	16-495-034-5095-002	7/1/15 - 6/30/16	592,534	592,534	-	-	592,534	-	n/a
Reimbursed TPAF Social Security Contributions	17-495-034-5095-002	7/1/16 - 6/30/17	767,169	767,169	-	-	767,169	-	n/a
Reimbursed TPAF Social Security Contributions	18-495-034-5095-002	7/1/17 - 6/30/18	943,248	943,248	-	-	943,248	-	n/a
Reimbursed TPAF Social Security Contributions	19-495-034-5095-002	7/1/18 - 6/30/19	1,017,133	1,017,133	-	-	1,017,133	-	n/a
Reimbursed TPAF Social Security Contributions	20-495-034-5095-002	7/1/19 - 6/30/20	1,142,955	1,142,956	-	-	1,142,956	-	n/a
Reimbursed TPAF Social Security Contributions	21-495-034-5095-002	7/1/20 - 6/30/21	1,174,135	-	-	1,174,135	1,174,135	-	n/a
Total Reimbursed TPAF Social Security Contributions				4,643,557	-	1,174,135	5,817,692	-	
Total New Jersey Department of Education				5,373,186	50,852,002	50,142,611	4,663,795	-	
Total Expenditures of State Awards				\$ 5,373,186	\$ 50,852,002	\$ 50,142,611	\$ 4,663,795	\$ -	

See accompanying Notes to Schedules of Federal and State Awards.

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
JUNE 30, 2021

K-5

NOTE 1 GENERAL INFORMATION

The accompanying Schedules of Expenditures of Federal and State Awards present the activities of the federal and state financial assistance programs of Mastery Schools of Camden, Inc. (the School). Financial awards received directly from federal and state agencies, as well as financial assistance passed through other governmental agencies or nonprofit organizations, are included in the schedule.

NOTE 2 BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards include the federal and state grant activity of the School and are presented on the accrual basis of accounting. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of New Jersey's OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The Schedules of Expenditures of Federal and State Awards present only a selected portion of the activities of the School. It is not intended to, nor does it, present either the balance sheet, revenue, expenditures, or changes in fund balances of governmental funds. The financial activity for the aforementioned awards is reported in the School's statement of activities and statement of revenue, expenditures, and changes in fund balance – governmental funds.

NOTE 4 INDIRECT COST RATE

Mastery Schools of Camden, Inc. has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**MASTERY SCHOOLS OF CAMDEN, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

K-6

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Federal and State Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.425	Education Stabilization Fund Programs
21.019	Coronavirus Relief Fund Program

- Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000
- Auditee qualified as low-risk auditee? _____ X yes _____ no

**MASTERY SCHOOLS OF CAMDEN, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

K-6

Section I – Summary of Auditors' Results (Continued)

Identification of Major State Programs (Continued)

GMIS Number(s)	Name of State Program or Cluster
<u>State Aid – Public Cluster</u> 20-495-034-5120-078 20-495-034-5120-089	Equalization Aid Special Education Categorical Aid
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>1,504,278</u>
Auditee qualified as low-risk auditee?	<u> X </u> yes <u> </u> no

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal and State Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a) and the State of New Jersey's OMB Circular Letter 15-08.

K-7

Section IV – Prior Audit Findings

There were no prior year findings required to be reported under the Federal Single Audit Act and the State Single Audit Act.

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