

MASTERY SCHOOLS OF CAMDEN, INC.
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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October 13, 2022

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

Dear Commissioner:

We are pleased to report that the Annual Comprehensive Financial Report of Mastery Schools of Camden, Inc. (the School) for the fiscal year ended June 30, 2022 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 Annual Comprehensive 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 general purpose 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 2021-22 school year with an average daily enrollment of 2,814 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 has continued to adapt programming to effectively educate students throughout the COVID-19 pandemic and beyond. The School has leveraged increased technology and data-based curricular software to accelerate its academic program. These technological resources enable students to learn successfully either at home or in the classroom. The School has invested in additional devices and services for students, ensuring that every child has access to a computer and reliable home internet. The School prioritized health and safety as a critical facet of the year, ensuring that all students and staff had access to high-quality PPE, safe ventilation, socially distanced learning spaces, and ongoing surveillance testing. Lastly, the School has prioritized family and community member engagement to drive crucial aspects of student success, such as increased attendance, student safety, and at-home access to student academic data.

Mastery Schools of Camden students were housed in six schools across six buildings during the 2021-22 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 (U.S. 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.

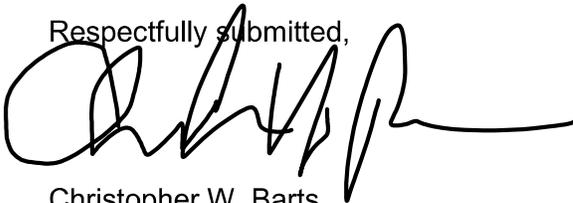
6. ACCOUNTING SYSTEM AND REPORTS: The School accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the School is organized on the basis of funds and account groups. These funds and account groups 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, cyber liability coverage, 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 general purpose 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,

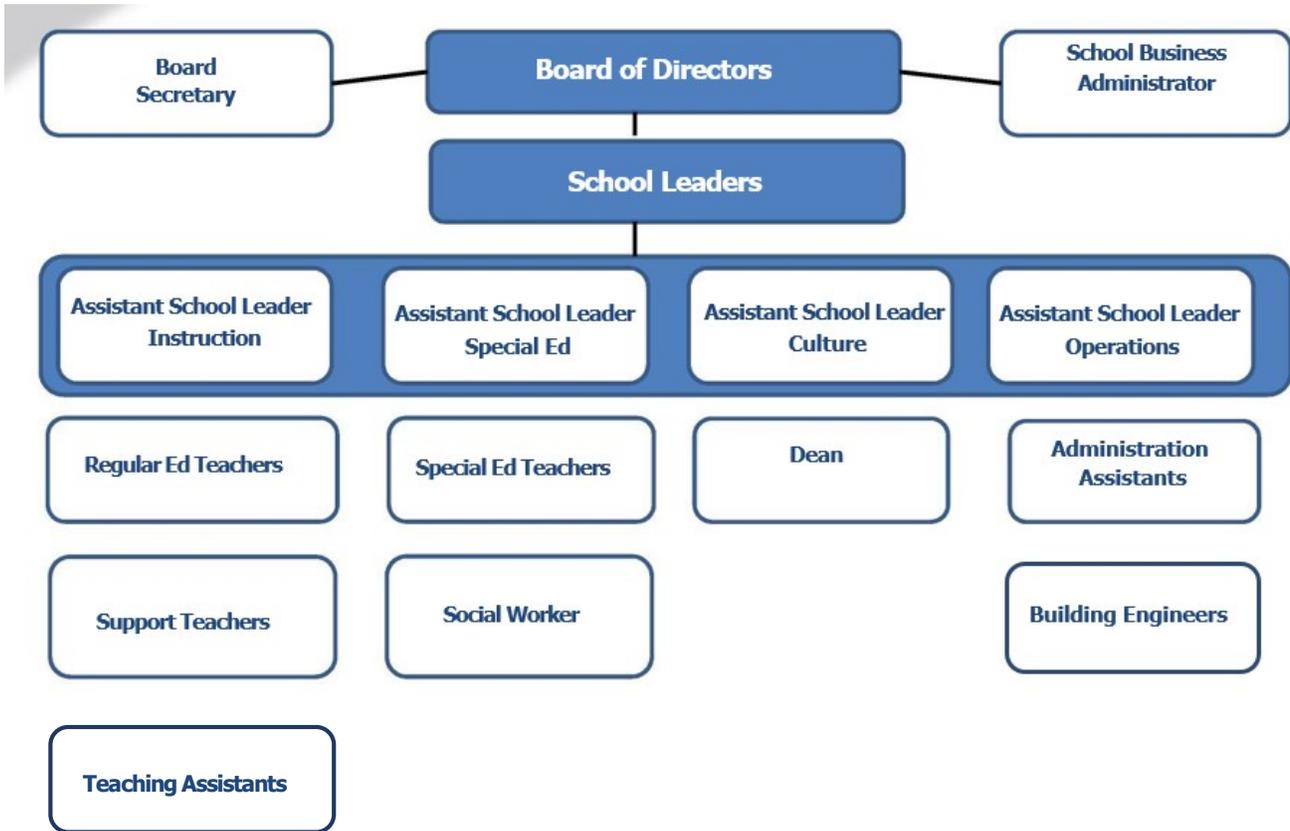


Christopher W. Barts
School Business Administrator



Michael Patron
Board Secretary

**MASTERY SCHOOLS OF CAMDEN, INC.
ORGANIZATIONAL CHART
JUNE 30, 2022**



**MASTERY SCHOOLS OF CAMDEN, INC.
ROSTER OF TRUSTEES AND OFFICIALS
JUNE 30, 2022**

Board of Trustees

Jim Sheward, Chair

Jamie Reynolds

Reuel Robinson

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

Danielle Horowitz, School Leader – McGraw Elementary

Stephen Williams, School Leader – East Camden Middle

Andrew Anderson, School Leader – Mastery High School of Camden

Other

Michael Patron, Board Secretary

Christopher W. Barts, School Business Administrator

**MASTERY SCHOOLS OF CAMDEN, INC.
CONSULTANTS, INDEPENDENT AUDITORS AND ADVISORS
JUNE 30, 2022**

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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Mastery Schools of Camden, Inc., in the County of Camden, state of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Mastery Schools of Camden, Inc.'s basic financial statements as listed in the table of contents.

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 Mastery Schools of Camden, Inc., as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule – General Fund, and the budgetary comparison schedule – Special Revenue Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Mastery Schools of Camden, Inc.'s basic financial statements. The schedules of expenditures of federal and state awards, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the combining schedule of program revenues and expenditures – Special Revenue Fund and the statistical section, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Board of Trustees
Mastery Schools of Camden, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2022, 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

A handwritten signature in cursive script that reads "Andrew Lee".

Andrew Lee, CPA, Principal
Public School Accountant
PSA #20CS00274900

October 13, 2022

MASTERY SCHOOLS OF CAMDEN, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022

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, 2022. 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, state sources and federal sources, increased from \$56,425,515 to \$68,970,680 due to an increase in the number of students and federal program awards from June 30, 2022.
- Total revenues on a governmental-wide basis increased from \$61,957,161 to \$68,691,904 due to an increase of School District student subsidies (local and state shares), state aid and special revenue federal aid offset by a decrease in PPP Loan Forgiveness revenue.
- At the close of the current fiscal year, the School reported an ending general fund balance of \$23,388,941.
- At the close of the current fiscal year, the School reported an ending government-wide net position balance of \$28,272,715.
- The School's cash balance at June 30, 2022 was \$16,415,711, representing a decrease of \$8,724,135 from June 30, 2022. This decrease was driven by the school investing reserve cash in state-allowable treasuries during the year.

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, 2022**

Overview of the Financial Statements (Continued)

Government-Wide Financial Statements (Continued)

GASB Statement No. 87, *Leases* requires the School to evaluate lease arrangements and record the activity on the government-wide financial statements for the right-to-use lease agreements. This GASB Statement requires implementation for the fiscal year ending June 30, 2022. As a result of the adoption, a restatement of net position was not required.

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 \$28,272,715 as of June 30, 2022.

	<u>2022</u>	<u>2021</u>
Current and Other Assets	\$ 33,685,523	\$ 26,680,507
Capital Assets	<u>40,112,863</u>	<u>3,659,090</u>
Total Assets	73,798,386	30,339,597
Current Liabilities	11,807,493	7,676,349
Noncurrent Liabilities	<u>33,718,178</u>	<u>162,214</u>
Total Liabilities	45,525,671	7,838,563
Net Investment in Capital Assets	4,883,774	3,391,599
Unrestricted	<u>23,388,941</u>	<u>19,109,435</u>
Total Net Position	<u>\$ 28,272,715</u>	<u>\$ 22,501,034</u>

**MASTERY SCHOOLS OF CAMDEN, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

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>2022</u>	<u>2021</u>
REVENUES		
Program Revenues:		
Special Revenue Federal Aid	\$ 8,540,602	\$ 4,425,335
General Revenues:		
Local Share	2,711,210	1,595,000
State Share	52,271,766	48,941,443
State Aid	4,751,410	1,326,631
PPP Loan Forgiveness	-	5,252,870
Other Revenue	<u>416,916</u>	<u>415,882</u>
 Total Revenues	 68,691,904	 61,957,161
EXPENDITURES		
Instruction	34,418,502	27,156,044
Support Services	24,358,626	22,599,504
Interest on Long-Term Debt	1,504,283	20,652
Unallocated Depreciation and Amortization	<u>2,638,812</u>	<u>646,035</u>
 Total Expenditures	 <u>62,920,223</u>	 <u>50,422,235</u>
 Change in Net Position	 5,771,681	 11,534,926
 Net Position - Beginning	 <u>22,501,034</u>	 <u>10,966,108</u>
 Net Position - Ending	 <u>\$ 28,272,715</u>	 <u>\$ 22,501,034</u>

**MASTERY SCHOOLS OF CAMDEN, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

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 \$23,388,941. For the year ended June 30, 2022, the School's general fund revenues and other financing sources (\$60,626,853) exceeded expenditures (\$56,068,571) by \$4,558,282.

The School's special revenue fund reported an ending fund balance of \$-0-. For the year ended June 30, 2022, the School's revenues (\$8,540,602) equaled expenditures (\$8,540,602).

General Fund Budgetary Highlights

Actual revenues and other financing sources were greater than budgeted revenues by \$1,139,453, primarily due to greater than budgeted local, state and right-to-use assets – leases issued financing sources (nonbudgeted). Actual expenditures were less than budgeted expenditures by \$1,247,772, primarily due to less than budgeted regular education instruction, special education instruction, administrative, support expenditures and right-to-use - lease expenditures (nonbudgeted).

Capital Asset and Debt Administration

CAPITAL ASSETS

As of June 30, 2022, the School's investment in capital assets for its governmental activities totaled \$38,876,954 (net of accumulated depreciation and amortization). This investment in capital assets includes building, building improvements, equipment, and right-of-use assets.

Major capital asset purchases during the year included the following:

- Capital expenditures of \$1,952,170 for leasehold improvements
- Capital expenditures of \$872,605 for furniture, equipment and software
- Capital expenditures of \$196,775 for right-to-use lease assets

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

LONG-TERM DEBT

As of June 30, 2022, the School has entered into multiple building facility and equipment lease agreements. The School was required to be record as right-to-use lease assets and lease liabilities from the implementation of GASB Statement No.87, *Leases*. As of June 30, 2022, the long-term debt of \$35,229,089 consisted of lease liability: right-to-use obligations.

**MASTERY SCHOOLS OF CAMDEN, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022**

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 2022-23, we are projecting total enrollment to be around 2,805, which is a slight increase over the 2021-2022 school year. Renaissance School per pupil funding for 2022-23 is expected to increase approximately 7% compared to 2021-22.

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, 2022

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 16,415,711
Investments	12,002,512
Receivables, Net	4,823,949
Prepaid Items	443,351
Capital Assets:	
Capital Assets, Net of Depreciation and Amortization	40,112,863
Total Assets	73,798,386
LIABILITIES	
Accounts Payable	2,540,262
Accrued Liabilities	6,440,770
Due to Camden City School District	1,278,278
Unearned Revenue	37,272
Lease Liability - Right-to-Use	
Due Within One Year	1,510,911
Due in More than One Year	33,718,178
Total Liabilities	45,525,671
NET POSITION	
Net Investment in Capital Assets	4,883,774
Unrestricted	23,388,941
Total Net Position	\$ 28,272,715

See accompanying Notes to Financial Statements.

MASTERY SCHOOLS OF CAMDEN, INC.
A-2 STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Total
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 23,718,710	\$ -	\$ 1,417,191	\$ -	\$ (22,301,519)	\$ (22,301,519)
Special Education Instruction	9,486,435	-	1,415,595	-	(8,070,840)	(8,070,840)
Summer School	711,570	-	519,210	-	(192,360)	(192,360)
Student Activities	501,787	-	-	-	(501,787)	(501,787)
Support Services:						
Administrative	10,929,199	-	933,202	-	(9,995,997)	(9,995,997)
Culture and Educational Support	3,998,838	-	2,110,254	-	(1,888,584)	(1,888,584)
Professional Development	363,879	-	25,625	-	(338,254)	(338,254)
Nursing	648,150	-	-	-	(648,150)	(648,150)
Community Advocacy and Engagement	562,503	-	318,343	-	(244,160)	(244,160)
Student Health Services	418,617	-	418,617	-	-	-
Student Transportation Services	2,309,459	-	1,196,236	-	(1,113,223)	(1,113,223)
Operations	5,127,981	-	186,329	-	(4,941,652)	(4,941,652)
Interest on Long-Term Debt	1,504,283	-	-	-	(1,504,283)	(1,504,283)
Unallocated Depreciation and Amortization	2,638,812	-	-	-	(2,638,812)	(2,638,812)
Total Governmental Activities	<u>62,920,223</u>	<u>-</u>	<u>8,540,602</u>	<u>-</u>	<u>(54,379,621)</u>	<u>(54,379,621)</u>
Total Primary Government	<u>\$ 62,920,223</u>	<u>\$ -</u>	<u>\$ 8,540,602</u>	<u>\$ -</u>	<u>(54,379,621)</u>	<u>(54,379,621)</u>
General Revenues:						
Local Share					2,711,210	2,711,210
State Share					52,271,766	52,271,766
State Aid Not Restricted					4,751,410	4,751,410
Other Revenue					<u>416,916</u>	<u>416,916</u>
Total General Revenues					60,151,302	60,151,302
Change in Net Position					5,771,681	5,771,681
Net Position - Beginning of Year					<u>22,501,034</u>	<u>22,501,034</u>
Net Position - End of Year					<u>\$ 28,272,715</u>	<u>\$ 28,272,715</u>

See accompanying Notes to Financial Statements.

MASTERY SCHOOLS OF CAMDEN, INC.
B-1 BALANCE SHEET — GOVERNMENTAL FUNDS
JUNE 30, 2022

ASSETS	General Fund	Special Revenue Fund	Total Governmental Funds
Cash and Cash Equivalents	\$ 16,415,711	\$ -	\$ 16,415,711
Investments	12,002,512	-	12,002,512
Receivables, Net	3,379,824	1,444,125	4,823,949
Due from Other Funds	1,444,125	-	1,444,125
Prepaid Expenditures	443,351	-	443,351
Total Assets	\$ 33,685,523	\$ 1,444,125	\$ 35,129,648
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 2,540,262	\$ -	\$ 2,540,262
Accrued Expenses	6,440,770	-	6,440,770
Due to Other Funds	-	1,444,125	1,444,125
Due to Camden City School District	1,278,278	-	1,278,278
Unearned Revenue	37,272	-	37,272
Total Liabilities	10,296,582	1,444,125	11,740,707
FUND BALANCES			
Nonspendable:			
Prepaid Expenditures	443,351	-	443,351
Committed:			
Capital Reserve	1,500,000	-	1,500,000
Maintenance Reserve	300,000	-	300,000
Emergency Reserve	7,907,000	-	7,907,000
Strategic Reserve	12,000,000	-	12,000,000
Unassigned:			
General Fund	1,238,590	-	1,238,590
Total Fund Balances	23,388,941	-	23,388,941
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 33,685,523	\$ 1,444,125	\$ 35,129,648
Total Governmental Fund Balances			\$ 23,388,941
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			45,155,561
Accumulated Depreciation and Amortization			(5,042,698)
Total			40,112,863
Lease Liability - Right-to-Use reported in governmental funds are not financial resources, and, therefore, are not reported in the fund liabilities. The total lease obligations, both current and long term, reported in the Statement of Net Position balance at year-end is:			
			(35,229,089)
Net Position of Governmental Activities			\$ 28,272,715

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, 2022

	General Fund	Special Revenue Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Local Sources:			
Local Share	\$ 2,711,210	\$ -	\$ 2,711,210
Other Revenue	416,916	-	416,916
Total Local Sources	<u>3,128,126</u>	<u>-</u>	<u>3,128,126</u>
State Share	52,271,766	-	52,271,766
State Sources	5,030,186	-	5,030,186
Federal Sources	-	8,540,602	8,540,602
Total Revenues	<u>60,430,078</u>	<u>8,540,602</u>	<u>68,970,680</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular Instruction	22,663,692	1,417,191	24,080,883
Special Education Instruction	8,070,840	1,415,595	9,486,435
Summer School	192,360	519,210	711,570
Student Activities	501,787	-	501,787
Support Services:			
Administrative	10,138,315	933,202	11,071,517
Culture and Educational Support	1,888,584	2,110,254	3,998,838
Professional Development	388,396	25,625	414,021
Nursing	648,150	-	648,150
Community Advocacy and Engagement	244,160	318,343	562,503
Student Health Services	-	418,617	418,617
Student Transportation Services	1,113,223	1,196,236	2,309,459
Operations	10,022,289	186,329	10,208,618
Right-to-Use - Lease Expenditures (Nonbudgeted)	196,775	-	196,775
Total Expenditures	<u>56,068,571</u>	<u>8,540,602</u>	<u>64,609,173</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 4,361,507	 -	 4,361,507
 OTHER FINANCING SOURCES			
Right-to-Use Assets - Leases Issued (Nonbudgeted)	196,775	-	196,775
Total Other Financing Sources	<u>196,775</u>	<u>-</u>	<u>196,775</u>
 NET CHANGE IN FUND BALANCES	 4,558,282	 -	 4,558,282
 Fund Balance - Beginning of Year	 <u>18,830,659</u>	 <u>-</u>	 <u>18,830,659</u>
 Fund Balance - End of Year	 <u>\$ 23,388,941</u>	 <u>\$ -</u>	 <u>\$ 23,388,941</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, 2022

Net Change in Fund Balances - Governmental Funds \$ 4,558,282

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the period.

Capital Outlays	3,021,550
Depreciation and Amortization Expense	<u>(2,638,812)</u>
Total	<u>382,738</u>

Certain state subsidies from the prior fiscal year were not collected until several months after fiscal year-end, and were, therefore, considered as "unavailable" revenues in the funds. These funds were collected during the current fiscal year and are now recognized as revenue in the governmental funds. (278,776)

Governmental funds report lease liability proceeds as financing sources, while repayment is reported as expenditures. In the statement of net position, however, the lease liabilities 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 lease liabilities is as follows:

Repayments of Lease Liability - Right-to-Use	1,306,212
Proceeds from Lease Liability - Right-to-Use	<u>(196,775)</u>
Total	<u>1,109,437</u>

Change in Net Position of Governmental Activities \$ 5,771,681

**MASTERY SCHOOLS OF CAMDEN, INC.
B-4 STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
B-5 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
B-6 STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
B-7 STATEMENT OF FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
B-8 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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 2,800 students from grades kindergarten to 12th grade during the school year 2021-22 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
YEAR ENDED JUNE 30, 2022

**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 require a statement of net position, a statement of activities and changes in net position. They require 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
YEAR ENDED JUNE 30, 2022

**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
YEAR ENDED JUNE 30, 2022

**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, 2022. The stop-loss insurance also provides up to \$1,000,000 of coverage beyond the aggregate annual claims limit of \$21,268,904 for the fiscal year ended June 30, 2022. The annual claims limit is based on the average enrollment of 1,466 covered employees, but is ultimately derived based on the actual covered employees times a monthly claims factor of \$1,209, for each month of the policy period.

During the year ended June 30, 2022, 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 2022, 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 \$21,247,891, which includes the School's portion of \$3,882,259 for the year ended June 30, 2022.

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.

Investments

Investments are reported at fair value, based on quotations for applicable national securities exchanges. Unrealized gains and losses from changes in fair value are recognized as other revenue.

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

**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, 2022, no allowance for doubtful accounts was deemed necessary.

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.

Leases

The School is a lessee for various equipment and building space. The School recognizes a lease liability – finance purchase and a capital asset or recognizes a lease liability – right to use and an intangible right-to use lease asset in the district-wide financial statements based on the criteria dictated in GASB Statement No. 87 – Leases.

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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

Leases (Continued)

At the commencement of a lease, the School determines based on the criteria dictated in GASB Statement No. 87 – *Leases*, if the lease is a financed purchased or a right to use lease liability. Then the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the School capital assets as land, land improvements, buildings and improvements or furniture and equipment.

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date. The intangible right-to use lease asset is amortized on a straight line basis over the life of the lease. The intangible right-to use lease asset is reported with the School's capital assets in its own category called Right-to-Use Lease Assets.

Key estimates and judgements related to leases include how the School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The School uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School is utilizing the treasury bill rate (corresponding to length of lease) in place at the date of implementation (July 1, 2021) along with other risk factors to determine the discount interest rate for leases.

The lease terms includes the noncancellable and renewals periods of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments through the end of the term, which includes any renewal periods.

The School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

**MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

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

Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized 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 standard, 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.

The School adopted the requirements of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the period of adoption. The adoption of GASB 87 standard did not have any impact on the beginning net position in the financial statements.

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, 2022, \$16,476,675 of the School's bank balance was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 16,476,675
Collateralized	-
Uninsured and Collateral Held by the Pledging Bank's Trust Department not in the School's Name	-
Total Custodial Credit Risk	\$ 16,476,675

Reconciliation to the Financial Statements:

Total Custodial Credit Risk	\$ 16,476,675
Plus: Insured Amount	250,000
Less: Outstanding Checks	(324,964)
Petty Cash	14,000
Total Cash Per Financial Statements	\$ 16,415,711

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 3 INVESTMENTS

Statutes authorize the School to invest in U.S. Treasury bills, U.S. government agency bonds, time or share accounts, or institutions insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation, or in certificates of deposit when they are secured by proper bond and/or collateral, repurchase agreements, State Treasurer's investment pools, or mutual funds.

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

Assets of the School for which values are determined on a recurring basis as of June 30, 2022, are summarized as follows:

	Level 1	Level 2	Level 3	Total
U.S. Treasury Bills	\$ 12,002,512	\$ -	\$ -	\$ 12,002,512
Total	<u>\$ 12,002,512</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,002,512</u>

There were no transfers between levels of the fair value hierarchy during the year ended June 30, 2022.

NOTE 4 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
Right-to-Use Lease Assets	5 to 28 Years
Software	3 Years

Capital asset activity for the year is summarized below:

	Beginning Balance July 1, 2021	Additions	Deletions	Ending Balance June 30, 2022
Governmental Activities				
Capital Assets, being Depreciated and Amortized:				
Leasehold Improvements	\$ 2,257,318	\$ 1,952,170	\$ -	\$ 4,209,488
Furniture, Equipment and Software	3,571,755	872,605	-	4,444,360
Right-to-Use Lease Assets	36,304,938	196,775	-	36,501,713
Total Capital Assets being Depreciated and Amortized	<u>42,134,011</u>	<u>3,021,550</u>	<u>-</u>	<u>45,155,561</u>
Less Accumulated Depreciation and Amortization for:				
Leasehold Improvements	317,525	85,285	-	402,810
Furniture, Equipment and Software	2,086,361	519,707	-	2,606,068
Right-to-Use Lease Assets	-	2,033,820	-	2,033,820
Total Accumulated Depreciation and Amortization	<u>2,403,886</u>	<u>2,638,812</u>	<u>-</u>	<u>5,042,698</u>
Total Capital Assets being Depreciated and Amortized, Net	<u>39,730,125</u>	<u>382,738</u>	<u>-</u>	<u>40,112,863</u>
Governmental Activities Capital Assets, Net	<u>\$ 39,730,125</u>	<u>\$ 382,738</u>	<u>\$ -</u>	<u>\$ 40,112,863</u>

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 5 LEASES

Lease Liability: Right-to-Use Asset Agreements

During the current year, the School entered into three new right-to-use lease arrangements for copier equipment. An initial lease liability was recorded in the amount of \$196,775 during the current fiscal year. The School is required to make various monthly principal and interest payments. The School used the interest rate of 6.17%, which was the rate indicated by the lessor as part of the agreements. The School leases copier equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027 with no renewal options.

The School leases building school facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2024. In addition, certain lease agreements provide for multiple renewal options of five years.

Total principal and interest costs for such leases for governmental funds were \$2,957,929 for the year ended June 30, 2022. Total future minimum lease payments under lease agreements are as follows:

Year Ending June 30,	<u>Governmental Activities</u>		
	Principal	Interest	Total
2023	\$ 1,510,911	\$ 1,444,071	\$ 2,954,982
2024	1,560,259	1,378,337	2,938,596
2025	948,257	1,325,441	2,273,698
2026	989,354	1,284,344	2,273,698
2027	1,009,393	1,242,108	2,251,501
2028-2032	5,593,967	5,538,253	11,132,220
2033 and thereafter	23,616,948	8,258,638	31,875,586
Total minimum lease payments	\$ 35,229,089	\$ 20,471,192	\$ 55,700,281

The lease agreements qualify as right-to-use assets for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as the date of their inception. The assets acquired through right-to-use asset lease agreements are as follows:

	<u>Governmental Activities</u>
Right-to-Use Lease Assets:	
Equipment	\$ 430,678
Buildings	36,071,035
Subtotal	36,501,713
Less: accumulated amortization	(2,033,820)
	\$ 34,467,893

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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, 2022 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.

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. In addition, certain School employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan. 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, 2022 totaled \$1,172,899 for PERS and \$33,455 for DCRP.

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.

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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 \$5,498,298. 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 \$858,004.

The NST management and technology fee totaled \$6,356,302 for the current year.

NOTE 11 NEWLY ADOPTED STATEMENTS ISSUED BY THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD

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 adopted Statement No. 89 and determined the standard did not have any impact on its financial statements.

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 adopted Statement No. 92 and determined the standard did not have any impact on its financial statements.

MASTERY SCHOOLS OF CAMDEN, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 11 NEWLY ADOPTED STATEMENTS ISSUED BY THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD (CONTINUED)

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 adopted Statement No. 97 and determined the standard did not have any impact on its financial statements.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This statement establishes the term “annual comprehensive financial report” and its acronym “ACFR”. That new term and acronym replace instances of “comprehensive annual financial report” and its acronym. The School has adopted Statement No. 98.

MASTERY SCHOOLS OF CAMDEN, INC.
C-1 BUDGETARY COMPARISON SCHEDULE — GENERAL FUND (UNAUDITED)
YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES					
Local Sources:					
Local Tax Levy	\$ 2,200,000	\$ 300,000	\$ 2,500,000	\$ 2,711,210	\$ 211,210
Other Revenue	216,000	(16,000)	200,000	416,916	216,916
Total Local Sources	<u>2,416,000</u>	<u>284,000</u>	<u>2,700,000</u>	<u>3,128,126</u>	<u>428,126</u>
State Sources:					
Equalization Aid	51,070,000	966,000	52,036,000	52,271,766	235,766
Reimbursed TPAF Social Security					
Contributions (Nonbudgeted)	897,000	3,508,600	4,405,600	4,684,380	278,780
Other State Revenue	100,000	245,800	345,800	345,806	6
Total State Sources	<u>52,067,000</u>	<u>4,720,400</u>	<u>56,787,400</u>	<u>57,301,952</u>	<u>514,552</u>
Total Revenues	54,483,000	5,004,400	59,487,400	60,430,078	942,678
EXPENDITURES					
Regular Education - Instruction:					
Salaries	15,544,000	(1,375,421)	14,168,579	14,157,381	11,198
Benefits	4,545,000	(760,303)	3,784,697	3,665,791	118,906
Professional Services	1,692,000	(389,000)	1,303,000	1,156,790	146,210
General Supplies	547,000	604,000	1,151,000	1,138,403	12,597
Books and Instructional Software	488,000	(123,057)	364,943	304,287	60,656
Computers	936,000	314,192	1,250,192	1,201,286	48,906
Furniture and Equipment	276,000	199,000	475,000	438,828	36,172
Field Trips	161,000	(11,000)	150,000	126,041	23,959
College Initiatives	206,000	(81,000)	125,000	68,392	56,608
Disciplinary Placements	355,000	73,000	428,000	406,493	21,507
Total Regular Education - Instruction	<u>24,750,000</u>	<u>(1,549,589)</u>	<u>23,200,411</u>	<u>22,663,692</u>	<u>536,719</u>
Special Education - Instruction:					
Salaries	4,446,000	(126,286)	4,319,714	4,313,075	6,639
Benefits	1,315,000	(2,185)	1,312,815	1,275,024	37,791
Purchased Professional-Educational Services	2,276,000	323,876	2,599,876	2,375,692	224,184
General Supplies	53,000	22,000	75,000	28,600	46,400
Books and Instructional Software	161,000	(41,000)	120,000	78,449	41,551
Total Special Education - Instruction	<u>8,251,000</u>	<u>176,405</u>	<u>8,427,405</u>	<u>8,070,840</u>	<u>356,565</u>
Summer School:					
Salaries	105,210	(3,810)	101,400	101,176	224
Benefits	60,690	(58,900)	1,790	1,773	17
Professional Services	62,100	27,500	89,600	89,411	189
Total Summer School	<u>228,000</u>	<u>(35,210)</u>	<u>192,790</u>	<u>192,360</u>	<u>430</u>

MASTERY SCHOOLS OF CAMDEN, INC.
C-1 BUDGETARY COMPARISON SCHEDULE — GENERAL FUND (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES (CONTINUED)					
Student Activities:					
Salaries	\$ 260,000	\$ -	\$ 260,000	\$ 257,642	\$ 2,358
Benefits	20,000	-	20,000	19,673	327
Professional Services	100,000	27,000	127,000	108,836	18,164
Supplies	55,000	65,000	120,000	115,636	4,364
Total Student Activities	435,000	92,000	527,000	501,787	25,213
Administrative:					
Salaries	1,285,000	356,393	1,641,393	1,611,783	29,610
Benefits	663,000	110,490	773,490	760,470	13,020
Purchased Professional/Technical Services	23,000	169,000	192,000	182,217	9,783
Aftercare Program	281,000	(171,000)	110,000	99,416	10,584
Legal Services	80,000	(30,000)	50,000	21,863	28,137
Management Fees	5,327,000	177,000	5,504,000	5,498,298	5,702
Insurance	279,000	51,000	330,000	325,481	4,519
Postage	28,000	7,000	35,000	27,877	7,123
Advertising/Marketing	58,000	53,000	111,000	89,120	21,880
Printing	200,000	(30,000)	170,000	157,879	12,121
Dues, Board and Other	42,000	20,000	62,000	57,944	4,056
Supplies/Equipment	203,000	210,915	413,915	412,512	1,403
Telecommunications	599,000	151,000	750,000	732,042	17,958
Computers and Software	-	40,000	40,000	20,737	19,263
Grant Administration	-	145,000	145,000	140,676	4,324
Total Administrative	9,068,000	1,259,798	10,327,798	10,138,315	189,483
Support Services:					
Culture and Educational Support:					
Salaries	720,401	631,593	1,351,994	1,341,529	10,465
Benefits	268,900	148,308	417,208	413,025	4,183
Supplies and Materials	136,500	37,044	173,544	134,030	39,514
Total Culture and Educational Support	1,125,801	816,945	1,942,746	1,888,584	54,162
Professional Development:					
Purchased Professional Services	44,000	350,375	394,375	388,396	5,979
Total Professional Development	44,000	350,375	394,375	388,396	5,979
Nursing:					
Purchased Professional Services	262,000	289,383	551,383	511,639	39,744
Supplies	757,000	(577,000)	180,000	136,511	43,489
Total Nursing	1,019,000	(287,617)	731,383	648,150	83,233

MASTERY SCHOOLS OF CAMDEN, INC.
C-1 BUDGETARY COMPARISON SCHEDULE — GENERAL FUND (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES (CONTINUED)					
Support Services (Continued):					
Community Advocacy and Engagement:					
Salaries	\$ 248,000	\$ (153,000)	\$ 95,000	\$ 56,779	\$ 38,221
Benefits	157,000	(106,000)	51,000	43,516	7,484
Professional Services	100,000	1,000	101,000	100,008	992
General Supplies	45,000	(1,000)	44,000	43,857	143
Total Community Advocacy and Engagement	550,000	(259,000)	291,000	244,160	46,840
Student Transportation Services:					
Transportation Services	225,000	898,764	1,123,764	1,113,223	10,541
Total Student Transportation Services	225,000	898,764	1,123,764	1,113,223	10,541
Operations:					
Salaries	79,800	38,052	117,852	107,542	10,310
Benefits	51,800	4,019	55,819	48,443	7,376
Purchased Professional Services	1,186,000	514,000	1,700,000	1,671,245	28,755
Cleaning	1,161,000	40,000	1,201,000	1,195,127	5,873
Utilities	2,814,000	96,000	2,910,000	2,906,732	3,268
Building Rental	5,400,000	(1,820,000)	3,580,000	3,548,231	31,769
Maintenance and Repairs	53,000	-	53,000	43,315	9,685
Pest Control	62,000	(30,000)	32,000	17,740	14,260
Security	172,000	28,000	200,000	189,152	10,848
Trash and Snow	364,000	(56,000)	308,000	294,762	13,238
Total Operations	11,343,600	(1,185,929)	10,157,671	10,022,289	135,382
Total Support Services	14,307,401	333,538	14,640,939	14,304,802	336,137
Right-to-Use - Lease Expenditures (Nonbudgeted)	-	-	-	196,775	(196,775)
Total Expenditures	57,039,401	276,942	57,316,343	56,068,571	1,247,772
EXCESS OF REVENUES OVER EXPENDITURES	(2,556,401)	4,727,458	2,171,057	4,361,507	2,190,450
OTHER FINANCING SOURCES					
Right-to-Use Assets - Leases Issued (Nonbudgeted)	-	-	-	196,775	196,775
Total Other Financing Sources	-	-	-	196,775	196,775
NET CHANGE IN FUND BALANCES	(2,556,401)	4,727,458	2,171,057	4,558,282	2,387,225
Fund Balance - Beginning of Year	2,450,781	7,590,020	10,040,801	18,830,659	14,096,858
FUND BALANCE - END OF YEAR	<u>\$ (105,620)</u>	<u>\$ 12,317,478</u>	<u>\$ 12,211,858</u>	<u>\$ 23,388,941</u>	<u>\$ 16,484,083</u>

MASTERY SCHOOLS OF CAMDEN, INC.
C-2 BUDGETARY COMPARISON SCHEDULE — SPECIAL REVENUE FUND (UNAUDITED)
YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources:					
Entitlement Grants	\$ 3,006,000	\$ -	\$ 3,006,000	\$ 3,005,360	\$ (640)
ESSER Grants	6,187,999	(1,458,999)	4,729,000	4,729,118	118
IDEA Grant	806,000	-	806,000	806,124	124
Total Revenues	9,999,999	(1,458,999)	8,541,000	8,540,602	(398)
EXPENDITURES					
Current:					
Regular Education - Instruction:					
Salaries	1,237,000	(500,579)	736,421	736,023	398
Benefits	501,150	(200,847)	300,303	300,303	-
Books and Instructional Software	235,000	57	235,057	235,057	-
Computers	145,850	(42)	145,808	145,808	-
Total Regular Education - Instruction	2,119,000	(701,411)	1,417,589	1,417,191	398
Summer School					
Salaries	442,790	(50,690)	392,100	392,100	-
Benefits	39,310	(100)	39,210	39,210	-
Professional Services	87,900	-	87,900	87,900	-
Total Special Education - Summer School	570,000	(50,790)	519,210	519,210	-
Special Education - Instruction:					
Salaries	501,000	(714)	500,286	500,286	-
Benefits	110,000	(815)	109,185	109,185	-
Professional Services	950,000	(143,876)	806,124	806,124	-
Total Special Education - Instruction	1,561,000	(145,405)	1,415,595	1,415,595	-
Administrative:					
Salaries	371,000	-	371,000	371,000	-
Benefits	147,000	(490)	146,510	146,510	-
Computers and Software	20,000	(915)	19,085	19,085	-
Program Administration	397,000	(393)	396,607	396,607	-
Total Administrative	935,000	(1,798)	933,202	933,202	-
Support Services:					
Culture and Educational Support					
Salaries	1,699,599	(201,593)	1,498,006	1,498,006	-
Benefits	677,100	(76,308)	600,792	600,792	-
Computers and Software	11,500	(44)	11,456	11,456	-
Total Culture and Educational Support	2,388,199	(277,945)	2,110,254	2,110,254	-
Community Advocacy and Engagement:					
Salaries	225,800	(25)	225,775	225,775	-
Benefits	92,600	(32)	92,568	92,568	-
Total Community Advocacy and Engagement	318,400	(57)	318,343	318,343	-

MASTERY SCHOOLS OF CAMDEN, INC.
C-2 BUDGETARY COMPARISON SCHEDULE — SPECIAL
REVENUE FUND (UNAUDITED) (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (CONTINUED)					
Professional Development					
Professional Services	\$ 76,000	\$ (50,375)	\$ 25,625	\$ 25,625	\$ -
Total Professional Development	76,000	(50,375)	25,625	25,625	-
Student Health Services					
Professional Services	449,000	(30,383)	418,617	418,617	-
Total Student Health Services	449,000	(30,383)	418,617	418,617	-
Student Transportation Services					
Contracted Carriers	1,397,000	(200,764)	1,196,236	1,196,236	-
Total Student Transportation Services	1,397,000	(200,764)	1,196,236	1,196,236	-
Operations and Maintenance					
Salaries	132,200	(52)	132,148	132,148	-
Benefits	54,200	(19)	54,181	54,181	-
Total Operations and Maintenance	186,400	(71)	186,329	186,329	-
Total Support Services	4,814,999	(559,595)	4,255,404	4,255,404	-
Total Expenditures	9,999,999	(1,458,999)	8,541,000	8,540,602	398
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>

MASTERY SCHOOLS OF CAMDEN, INC.
C-3 BUDGET TO U.S. GAAP RECONCILIATION (UNAUDITED)
YEAR ENDED JUNE 30, 2022

**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.

**MASTERY SCHOOLS OF CAMDEN, INC.
L-1 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY – PERS
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
L-2 SCHEDULE OF SCHOOL'S CONTRIBUTIONS - PERS
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
L-3 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - TPAF
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
L-4 SCHEDULE OF THE SCHOOL'S CONTRIBUTION TO
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
L-5 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
M-1 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
AND RELATED RATIOS
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

SCHOOL BASED BUDGET SCHEDULES

**MASTERY SCHOOLS OF CAMDEN, INC.
D-1 COMBINING BALANCE SHEET
JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
D-2 BLENDED RESOURCE FUND — SCHEDULE OF EXPENDITURES
ALLOCATED BY RESOURCE TYPE — ACTUAL
JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
D-3 BLENDED RESOURCE FUND — SCHEDULE OF
BLENDED EXPENDITURES — BUDGET AND ACTUAL
JUNE 30, 2022**

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, 2022

	Total	Title I Part A	Title I SIA	Title III	Title III Immigrant	IDEA Part B	Elementary and Secondary School Emergency Relief Fund	American Rescue Plan Elementary and Secondary Relief Fund
REVENUES								
Intergovernmental:								
Federal	\$ 8,540,602	\$ 2,667,957	\$ 284,074	\$ 44,329	\$ 9,000	\$ 806,124	\$ 4,689,212	\$ 39,906
Total Revenues	8,540,602	2,667,957	284,074	44,329	9,000	806,124	4,689,212	39,906
EXPENDITURES								
Current:								
Instruction:								
Regular Instruction	1,936,403	492,908	-	35,078	-	-	1,408,417	-
Special Education Instruction	1,415,595	-	206,484	-	-	806,124	402,987	-
Administrative	933,202	133,396	77,590	626	-	-	721,590	-
Support Services:								
Culture and Educational Support	2,110,252	1,723,310	-	-	-	-	386,942	-
Professional Development	25,625	-	-	8,625	9,000	-	4,500	3,500
Student Health Services	418,617	-	-	-	-	-	418,617	-
Community Advocacy and Engagement	318,343	318,343	-	-	-	-	-	-
Operations and Maintenance	186,329	-	-	-	-	-	186,329	-
Student Transportation	1,196,236	-	-	-	-	-	1,159,830	36,406
Total Expenditures	8,540,602	2,667,957	284,074	44,329	9,000	806,124	4,689,212	39,906
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>

**MASTERY SCHOOLS OF CAMDEN, INC.
E-2 SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES —
ALL PROGRAMS — BUDGETARY BASIS
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**MASTERY SCHOOLS OF CAMDEN, INC.
F-1 SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2022**

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, 2022**

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, 2022**

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, 2022, the School had no enterprise funds.

**MASTERY SCHOOLS OF CAMDEN, INC.
G-1 COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
G-2 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
G-3 COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

INTERNAL SERVICE FUND

**MASTERY SCHOOLS OF CAMDEN, INC.
G-4 COMBINING STATEMENT OF NET ASSETS
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
G-5 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
G-6 COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

FIDUCIARY FUNDS

**MASTERY SCHOOLS OF CAMDEN, INC.
H-1 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
H-2 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

LONG-TERM DEBT

**MASTERY SCHOOLS OF CAMDEN, INC.
I-1 SCHEDULE OF SERIAL BONDS
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
I-2 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
I-3 DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

NOT APPLICABLE

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

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i>	
These schedules contain trend information to help the reader understand how the School's financial performance and well-being have changed over time.	79
<i>Revenue Capacity</i>	
These schedules contain information to help the reader assess the School's most significant local revenue source.	85
<i>Debt Capacity</i>	
These schedules present information to help the reader assess the affordability of the School's current levels of outstanding debt and the School's ability to issue additional debt in the future.	90
<i>Demographic and Economic Information</i>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place.	95
<i>Operating Information</i>	
These schedules contain service and infrastructure data to help the reader understand how the information in the School's financial report relates to the services the school provides and the activities it performs.	98

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

FINANCIAL TRENDS

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

	<u>2022</u>	<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	\$ 4,883,774	\$ 3,391,599	\$ 3,038,973	\$ 2,811,389	\$ 2,388,167	\$ 2,318,336	\$ 1,621,654	\$ 497,371
Unrestricted	<u>23,388,941</u>	<u>19,109,435</u>	<u>7,927,135</u>	<u>3,280,827</u>	<u>3,036,375</u>	<u>1,379,336</u>	<u>72,636</u>	<u>40,863</u>
Total Governmental Activities	<u>\$ 28,272,715</u>	<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>2022</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	\$ 4,883,774	\$ 3,391,599	\$ 3,038,973	\$ 2,811,389	\$ 2,388,167	\$ 2,318,336	\$ 1,621,654	\$ 497,371
Unrestricted	<u>23,388,941</u>	<u>19,109,435</u>	<u>7,927,135</u>	<u>3,280,827</u>	<u>3,036,375</u>	<u>1,379,336</u>	<u>72,636</u>	<u>40,863</u>
Total School-Wide Net Position	<u>\$ 28,272,715</u>	<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: ACFR Schedule A-1

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

	2022	2021	2020	2019	2018	2017	2016	2015
EXPENSES								
Governmental Activities:								
Instruction:								
Regular Instruction	\$ 23,718,710	\$ 18,617,221	\$ 18,601,852	\$ 16,735,114	\$ 14,616,291	\$ 12,532,161	\$ 9,554,357	\$ 2,850,693
Special Education Instruction	9,486,435	8,233,668	8,188,093	7,615,559	6,694,678	5,253,662	3,875,399	718,722
Summer School	711,570	91,051	113,541	129,219	-	-	-	-
Student Activities	501,787	214,104	217,578	258,949	-	-	-	-
Support Services:								
Administrative	10,929,199	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	3,998,838	3,148,508	3,075,888	2,908,583	2,513,784	1,781,070	1,468,260	590,934
Professional Development	363,879	44,798	107,758	23,360	24,280	22,632	4,540	-
Nursing	648,150	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	562,503	706,932	733,469	663,777	704,134	680,155	422,373	238,666
Student Health Services	418,617	158,670	-	-	-	-	-	-
Student Transportation Services	2,309,459	604,714	-	-	-	-	-	-
Operations	5,127,981	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	1,504,283	20,652	29,934	19,616	17,376	20,290	17,102	5,154
Unallocated Depreciation and Amortization	2,638,812	646,035	693,960	581,329	489,728	415,611	305,711	90,112
Total Expenditures	<u>62,920,223</u>	<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	2,711,210	1,595,000	1,540,762	1,329,323	1,193,513	940,493	840,485	181,005
State Share	52,271,766	48,941,443	47,874,294	40,871,421	36,756,000	28,888,008	21,892,898	5,471,859
Other Revenue	416,916	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>55,399,892</u>	<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	4,751,410	1,326,631	1,240,011	1,111,724	1,012,474	896,569	592,534	180,517
Federal Sources	8,540,602	4,425,335	3,031,200	2,689,124	2,152,107	1,655,091	1,169,932	404,769
Total Revenues	<u>68,691,904</u>	<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>5,771,681</u>	<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>\$ 5,771,681</u>	<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: ACFR Schedule A-2

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

	2022	2021	2020	2019	2018	2017	2016	2015
GENERAL FUND								
Nonspendable:								
Prepaid Expenditures	\$ 443,351	\$ 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	1,500,000	1,200,000	900,000	-	-	-
Maintenance Reserve	300,000	300,000	300,000	300,000	645,000	-	-	-
Emergency Reserve	7,907,000	4,940,000	5,600,000	1,500,000	1,405,000	-	-	-
Strategic Projects	12,000,000	11,800,000	-	-	-	-	-	-
Unassigned Fund Balance	1,238,590	8,493	27,262	41,869	39,702	16,535	(495,365)	(227,650)
 Total General Fund	<u>\$ 23,388,941</u>	<u>\$ 18,830,659</u>	<u>\$ 13,180,005</u>	<u>\$ 3,280,827</u>	<u>\$ 3,036,375</u>	<u>\$ 1,379,336</u>	<u>\$ 72,636</u>	<u>\$ 40,863</u>

Source: ACFR Schedule B-1

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

	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES								
Local Sources:								
Local Share	\$ 2,711,210	\$ 1,595,000	\$ 1,540,762	\$ 1,329,323	\$ 1,193,513	\$ 940,493	\$ 840,485	\$ 181,005
State Share	52,271,766	48,941,443	47,874,294	40,871,421	36,756,000	28,888,008	21,892,898	5,471,859
Other Revenue	416,916	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	<u>55,399,892</u>	<u>50,952,325</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	5,030,186	1,047,855	1,240,011	1,111,724	1,012,474	896,569	592,534	180,517
Federal Sources	8,540,602	4,425,335	3,031,200	2,689,124	2,152,107	1,655,091	1,169,932	404,769
Total Revenues	<u>68,970,680</u>	<u>56,425,515</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>
EXPENDITURES								
Current:								
Instruction:								
Regular Instruction	24,080,883	18,848,826	18,790,506	16,993,294	14,704,976	12,856,742	10,079,633	3,044,882
Special Education Instruction	9,486,435	8,233,668	8,188,093	7,615,559	6,694,678	5,253,662	3,875,399	718,723
Summer School	711,570	91,051	113,541	129,219	-	-	-	-
Student Activities	501,787	214,104	217,578	258,949	-	-	-	-
Support Services:								
Administrative	11,071,517	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	3,998,838	3,148,508	3,075,888	2,912,123	2,517,284	1,784,400	1,481,130	345,542
Professional Development	414,021	44,798	107,758	23,360	24,280	22,632	4,540	-
Nursing	648,150	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	562,503	706,932	733,469	663,777	704,134	680,155	422,373	238,666
Student Health Services	418,617	158,670	-	-	-	-	-	-
Student Transportation Services	2,309,459	604,714	-	-	-	-	-	-
Operations	10,208,618	7,550,617	6,868,083	7,149,903	6,050,469	3,786,528	2,733,518	1,281,745
Right-to-Use - Lease Expenditures (Nonbudgeted)	196,775	-	275,240	147,575	39,414	98,428	344,284	147,562
Total Expenditures	<u>64,609,173</u>	<u>50,774,861</u>	<u>49,836,998</u>	<u>46,417,486</u>	<u>39,629,075</u>	<u>31,217,114</u>	<u>24,914,783</u>	<u>7,319,606</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,361,507	5,650,654	4,371,068	96,877	1,617,625	1,208,272	(312,511)	298,070
OTHER FINANCING SOURCES								
Right-to-Use Assets - Leases Issued (Nonbudgeted)	196,775	-	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	<u>196,775</u>	<u>-</u>	<u>5,528,110</u>	<u>147,575</u>	<u>39,414</u>	<u>98,428</u>	<u>344,284</u>	<u>147,562</u>
NET CHANGE IN FUND BALANCES	<u>\$ 4,558,282</u>	<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: ACFR Schedule B-2

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

<u>Years Ended June 30</u>	<u>Private Grants</u>	<u>Miscellaneous</u>	<u>Totals</u>
2022	\$ 6,216	\$ 410,700	\$ 416,916
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

REVENUE CAPACITY

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

NOT APPLICABLE

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

NOT APPLICABLE

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

NOT APPLICABLE

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

NOT APPLICABLE

DEBT CAPACITY

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

NOT APPLICABLE

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

NOT APPLICABLE

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

NOT APPLICABLE

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

NOT APPLICABLE

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Year	Camden City Population ^a	Camden City Personal Income ^b	per Capita Personal Income ^c	Camden City Unemployment Rate ^d
2022	71,773	\$ 4,222,405,590	\$ 58,830	7.1 %
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.

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

NOT APPLICABLE

OPERATING INFORMATION

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

FUNCTION/PROGRAM	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Instruction:								
Regular Instruction	174.0	156.0	163.0	153.0	130.0	106.0	87.0	30.0
Special Education Instruction	64.0	59.0	61.0	59.0	50.0	28.0	21.0	6.0
Other Instruction	31.0	28.0	22.0	17.0	14.0	17.0	17.7	4.5
Support Services:								
Student and Instruction Related Services	48.0	42.0	38.0	40.0	39.0	29.0	19.5	11.0
General Administration	34.0	37.0	36.0	34.0	39.0	25.0	29.3	8.0
 Total	<u>351.0</u>	<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 EIGHT 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 %
2022	2,789	\$ 64,412,398	\$ 23,095	N/A	239	11.7	2,814	2,571	N/A	91.4 %

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 EIGHT FISCAL YEARS**

NOT APPLICABLE

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

NOT APPLICABLE

**MASTERY SCHOOLS OF CAMDEN, INC.
J-20 INSURANCE SCHEDULE (UNAUDITED)
YEAR ENDED JUNE 30, 2022**

	<u>Coverage</u>	<u>Deductible</u>
<u>School Package Policy</u>		
Building and Contents (All Locations)	\$ 482,685,215	\$ 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 EIGHT FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015
Cash and Cash Equivalents	\$ 16,415,711	\$ 25,139,846	\$ 16,029,900	\$ 10,377,793	\$ 9,913,337	\$ 8,168,562	\$ 3,494,443	\$ 813,091
Current Assets	21,683,011	26,680,507	17,654,430	11,335,802	10,226,961	8,696,463	4,527,796	1,711,809
Investments	12,002,512	-	-	-	-	-	-	-
Capital Assets - Net	40,112,863	3,659,090	3,440,780	3,111,544	2,693,401	2,706,430	2,018,476	624,229
Total Assets	<u>\$ 73,798,386</u>	<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	\$ 11,807,493	\$ 7,676,349	\$ 9,861,611	\$ 8,195,678	\$ 7,320,667	\$ 7,434,073	\$ 4,565,974	\$ 1,698,720
Long-Term Liabilities	33,718,178	162,214	267,491	159,452	175,153	271,148	286,008	99,084
Total Liabilities	<u>\$ 45,525,671</u>	<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>\$ 28,272,715</u>	<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	\$ 68,691,904	\$ 61,957,161	\$ 54,208,066	\$ 46,514,363	\$ 41,246,700	\$ 32,425,386	\$ 24,602,272	\$ 7,617,676
Total Expenses	62,920,223	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>\$ 5,771,681</u>	<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 and Amortization	\$ 2,638,812	\$ 646,035	\$ 693,960	\$ 581,329	\$ 489,728	\$ 415,611	\$ 305,711	\$ 90,112
Principal Payments	1,344,410	134,316	173,588	152,654	122,274	107,156	74,320	20,704
Interest Payments	1,504,283	20,652	29,934	19,616	17,376	20,290	17,102	5,154
Final Average Daily Enrollment	2,814	2,687	2,635	2,274	2,090	1,651	1,391	380
March 30th Budgeted Enrollment	2,740	2,645	2,558	2,195	2,100	1,750	1,400	600
Near Term Indicators	2022	2021	2020	2019	2018	2017	2016	2015
Current Ratio	1.84	3.48	1.79	1.38	1.40	1.17	0.99	1.01
Unrestricted Days Cash	95	182	119	83	92	98	54	42
Enrollment Variance	1.03	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	N/A

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

	2022	2021	2020	2019	2018	2017	2016	2015
Cash and Cash Equivalents	\$ 16,415,711	\$ 25,139,846	\$ 16,029,900	\$ 10,377,793	\$ 9,913,337	\$ 8,168,562	\$ 3,494,443	\$ 813,091
Current Assets	21,683,011	26,680,507	17,654,430	11,335,802	10,226,961	8,696,463	4,527,796	1,711,809
Investments	12,002,512	-	-	-	-	-	-	-
Capital Assets - Net	40,112,863	3,659,090	3,440,780	3,111,544	2,693,401	2,706,430	2,018,476	624,229
Total Assets	<u>\$ 73,798,386</u>	<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	\$ 11,807,493	\$ 7,676,349	\$ 9,861,611	\$ 8,195,678	\$ 7,320,667	\$ 7,434,073	\$ 4,565,974	\$ 1,698,720
Long-Term Liabilities	33,718,178	162,214	267,491	159,452	175,153	271,148	286,008	99,084
Total Liabilities	<u>\$ 45,525,671</u>	<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>\$ 28,272,715</u>	<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	\$ 68,691,904	\$ 61,957,161	\$ 54,208,066	\$ 46,514,363	\$ 41,246,700	\$ 32,425,386	\$ 24,602,272	\$ 7,617,676
Total Expenses	62,920,223	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>\$ 5,771,681</u>	<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 and Amortization	\$ 2,638,812	\$ 646,035	\$ 693,960	\$ 581,329	\$ 489,728	\$ 415,611	\$ 305,711	\$ 90,112
Principal Payments	1,344,410	134,316	173,588	152,654	122,274	107,156	74,320	20,704
Interest Payments	1,504,283	20,652	29,934	19,616	17,376	20,290	17,102	5,154
Final Average Daily Enrollment	2,814	2,687	2,635	2,274	2,090	1,651	1,391	380
March 30th Budgeted Enrollment	2,740	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, 2022, 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 13, 2022.

Report on 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.

Report on 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 13, 2022



Andrew Lee, CPA, Principal
Public School Accountant
PSA #20CS00274900
October 13, 2022



**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

Opinion on 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Mastery Schools of Camden, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Mastery Schools of Camden, Inc.'s compliance with the compliance requirements referred to above

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Mastery Schools of Camden, Inc.'s federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Mastery Schools of Camden, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State of New Jersey's OMB Circular Letter 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Mastery Schools of Camden, Inc.'s compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State of New Jersey's OMB Circular Letter 15-08, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Mastery Schools of Camden, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Mastery Schools of Camden, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the and State of New Jersey's OMB Circular Letter 15-08, but not for the purpose of expressing an opinion on the effectiveness of Mastery Schools of Camden, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit

Report on 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 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 or 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 or

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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 13, 2022



Andrew Lee, CPA, Principal
Public School Accountant
PSA #20CS00274900
October 13, 2022

MASTERY SCHOOLS OF CAMDEN, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A
YEAR ENDED JUNE 30, 2022

K-3

Federal Grantor/ Pass-Through Grantor/ Cluster/Program Title	Federal Assistance Listing Number	Federal Award Identification Number	Grant/ Contract Period	Grant Amount	Accrued (Deferred) Revenue at July 1, 2021	Total Received for the Year	Federal Disbursements/ Expenditures	Accrued (Deferred) Revenue at June 30, 2022	Pass-through to Subrecipients	Pass-through Entity Identifying Number
U.S. Department of Education:										
Pass-through New Jersey Department of Education:										
Every Student Succeeds Act Consolidated Grant:										
Title I, Part A	84.010	S010A200030	7/1/20 - 9/30/21	\$ 2,104,696	\$ 598,078	\$ 598,078	\$ -	\$ -	\$ -	n/a
Title I, Part A	84.010	S010A210030	7/1/21 - 9/30/22	2,667,958	-	2,529,609	2,667,957	138,348	-	n/a
Total Title I, Part A					598,078	3,127,687	2,667,957	138,348	-	
Title I SIA	84.010	S010A200030	7/1/20 - 9/30/21	355,300	97,723	97,723	-	-	-	n/a
Title I SIA	84.010	S010A210030	7/1/21 - 9/30/22	324,500	-	264,759	284,074	19,315	-	n/a
Total Title I SIA					97,723	362,482	284,074	19,315	-	
Title III Immigrant	84.365A	S365A200030	7/1/20 - 9/30/21	6,633	6,633	6,633	-	-	-	n/a
Title III	84.365A	S365A200030	7/1/20 - 9/30/21	168,477	24,101	24,101	-	-	-	n/a
Title III Immigrant	84.365A	S365A210030	7/1/21 - 9/30/22	9,028	-	-	9,000	9,000	-	n/a
Title III	84.365A	S365A210030	7/1/21 - 9/30/22	163,734	-	-	44,329	44,329	-	n/a
Total Title III					30,734	30,734	53,329	53,329	-	
Special Education Cluster:										
IDEA, Part B - Basic	84.027A	H027A200100	7/1/20 - 9/30/21	583,323	165,626	165,626	-	-	-	n/a
IDEA, Part B - Preschool	84.173	H173A200114	7/1/20 - 9/30/21	13,387	13,387	13,387	-	-	-	n/a
IDEA, Part B - Basic	84.027A	H027A210100	7/1/21 - 9/30/22	607,134	-	420,663	607,134	186,471	-	n/a
IDEA, Part B - Preschool	84.173	H173A210114	7/1/21 - 9/30/22	14,430	-	14,430	14,430	-	-	n/a
ARP IDEA, Part B - Basic	84.027X	H027X210100	7/1/21 - 9/30/22	170,165	-	170,165	170,165	-	-	n/a
ARP IDEA, Part B - Preschool	84.173X	H173X210114	7/1/21 - 9/30/22	14,395	-	14,395	14,395	-	-	n/a
Total Special Education Cluster					179,013	798,666	806,124	186,471	-	
Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act										
COVID-19, Elementary and Secondary School Emergency Relief Fund	84.425D	S425D200027	3/13/20 - 9/30/22	1,297,124	30,170	535,223	505,053	-	-	n/a
Total Education Stabilization Fund Under the Coronavirus Aid, Relief and Economic Security Act					30,170	535,223	505,053	-	-	
Coronavirus Response and Relief Supplemental Appropriations Act of 2021										
COVID-19, Elementary and Secondary School Emergency Relief Fund II	84.425D	S425D210027	3/13/20 - 9/30/23	6,079,416	-	2,850,863	3,838,350	987,487	-	n/a
COVID-19, Elementary and Secondary School Emergency Relief Fund II Learning Acceleration	84.425D	S425D210027	3/13/20 - 9/30/23	390,145	-	282,138	301,407	19,269	-	n/a
COVID-19, Elementary and Secondary School Emergency Relief Fund II Mental Health	84.425D	S425D210027	3/13/20 - 9/30/23	45,000	-	44,402	44,402	-	-	n/a
Total Coronavirus Response and Relief Supplemental Appropriations Act of 2021					-	3,177,403	4,184,159	1,006,756	-	
American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund										
COVID-19, Homeless Children & Youth II	84.425W	215064233E	4/23/2021-9/30/2023	39,906	-	-	39,906	39,906	-	n/a
Total American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund					-	-	39,906	39,906	-	
Total U.S. Department of Education					935,718	8,032,195	8,540,602	1,444,125	-	
Total Expenditures of Federal Awards					\$ 935,718	\$ 8,032,195	\$ 8,540,602	\$ 1,444,125	\$ -	

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, 2022

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State Grantor Cluster/Program Title	Grant or State Project Number	Grant/ Contract Period	Grant Amount	Accrued (Deferred) Revenue at July 1, 2021	Total Received for the Year	Budgetary Expenditures	Accrued (Deferred) Revenue at June 30, 2022	Pass-through to Subrecipients	Pass-through Entity Identifying Number
<u>New Jersey Department of Education:</u>									
State Aid - Public Cluster:									
Equalization Aid	21-495-034-5120-078	7/1/20 - 6/30/21	\$ 46,972,613	\$ (1,108,595)	\$ (1,108,595)	\$ -	\$ -	\$ -	n/a
Special Education Categorical Aid	21-495-034-5120-089	7/1/20 - 6/30/21	1,919,501	(45,302)	(45,302)	-	-	-	n/a
Equalization Aid	22-495-034-5120-078	7/1/21 - 6/30/22	50,570,912	-	51,746,616	50,570,912	(1,175,704)	-	n/a
Special Education Categorical Aid	22-495-034-5120-089	7/1/21 - 6/30/22	1,700,853	-	1,740,396	1,700,853	(39,543)	-	n/a
Total State Aid - Public Cluster				(1,153,897)	52,333,115	52,271,765	(1,215,247)	-	
Extraordinary Special Education Costs Aid	22-495-034-5120-044	7/1/21 - 6/30/22	21,031	-	21,031	21,031	-	-	n/a
Total Extraordinary Special Education Costs Aid				-	21,031	21,031	-	-	
Reimbursed TPAF Social Security Contributions	21-495-034-5095-002	7/1/20 - 6/30/21	573,973	278,776	573,973	295,197	-	-	n/a
Reimbursed TPAF Social Security Contributions	22-495-034-5095-002	7/1/21 - 6/30/22	4,110,407	-	962,675	4,110,407	3,147,732	-	n/a
Total Reimbursed TPAF Social Security Contributions				278,776	1,536,648	4,405,604	3,147,732	-	
Charter & Renaissance School Project Emergent & Capital Maintenance Funds	22-495-034-5120-124	7/1/21 - 6/30/22	219,666	-	219,666	219,666	-	-	
Total Charter & Renaissance School Project Emergent & Capital Maintenance Funds				-	219,666	219,666	-	-	
Total New Jersey Department of Education				(875,121)	54,110,460	56,918,066	1,932,485	-	
Total Expenditures of State Awards				\$ (875,121)	\$ 54,110,460	\$ 56,918,066	\$ 1,932,485	\$ -	

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, 2022

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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, 2022**

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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

Federal Assistance Listing Number(s)	Name of Federal Program or Cluster
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief Fund I and II
84.425W	COVID-19 – Homeless Children and Youth

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, 2022**

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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> 22-495-034-5120-078 22-495-034-5095-002	Equalization Aid Reimbursed TPAF Social Security Contributions
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>1,707,542</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.

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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.