

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2023**



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October 30, 2023

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, 2023 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 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 2022-23 school year with an average daily enrollment of 2,847 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 in the post-pandemic era. The School has leveraged increased technology and data-based curricular software to accelerate its academic program. The School has invested in robust, consistently deployed curriculums across all core subjects (English, Math, Science, and Social Studies) to ensure a well-rounded, data-driven learning experience proven to drive student success. Lastly, the School has prioritized family and community member engagement to drive crucial aspects of student success, such as increased attendance, attention to trauma-informed practices, 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 2022-23 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. These funds 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,

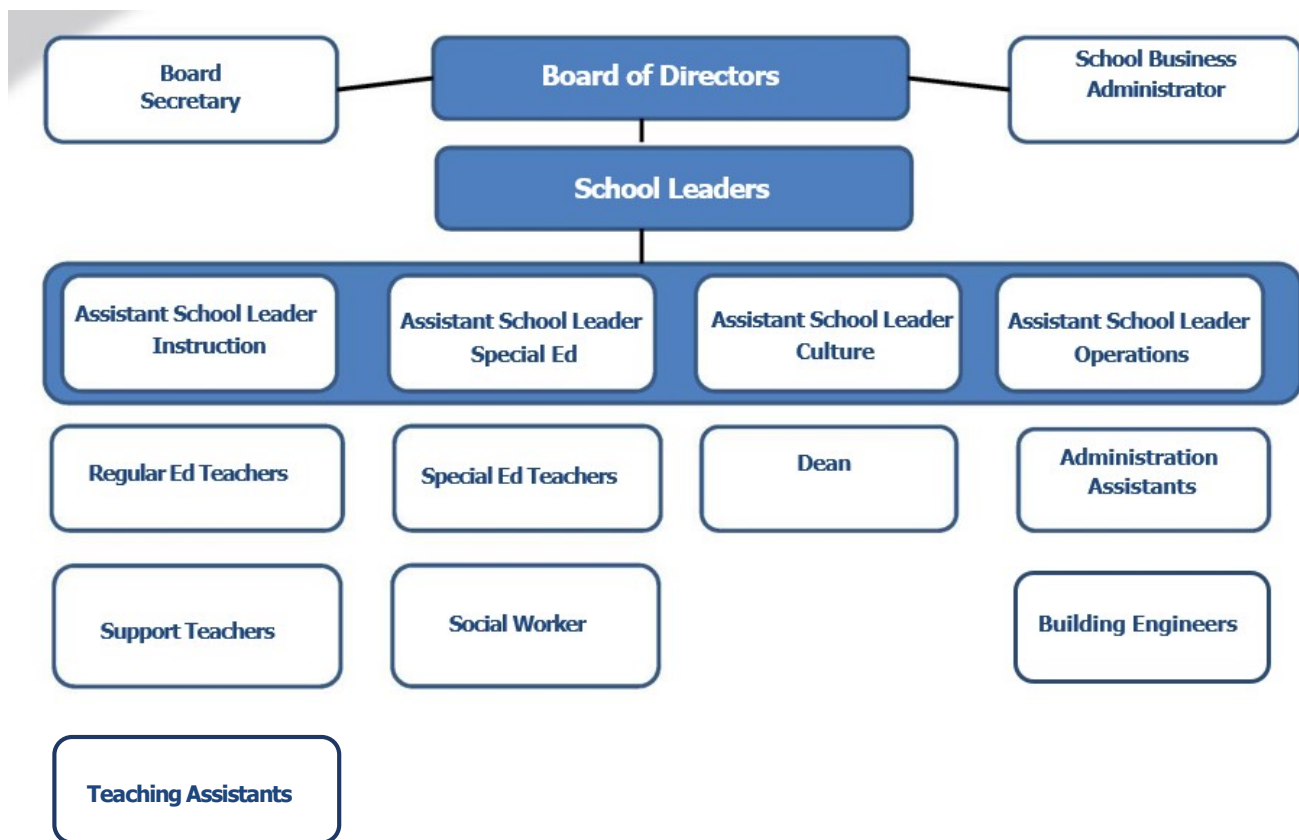


Christopher W. Barts  
School Business Administrator



Michael Patron  
Board Secretary

**MASTERY SCHOOLS OF CAMDEN, INC.  
ORGANIZATIONAL CHART  
JUNE 30, 2023**





**MASTERY SCHOOLS OF CAMDEN, INC.  
ROSTER OF TRUSTEES AND OFFICIALS  
JUNE 30, 2023**

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

Mina Lee, 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, 2023**

**AUDIT FIRM**

CliftonLarsonAllen LLP  
150 S. Warner Road, Suite 310  
King of Prussia, PA 19406

**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, 2023, 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, 2023, 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, the budgetary comparison schedule – Special Revenue Fund, the schedules of proportionate share of PERS net pension liability and contributions and the schedule of changes in the total OPEB liability and related ratios 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 30, 2023, 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**

King of Prussia, Pennsylvania



Daniel Sefick, CPA, Principal  
Public School Accountant PSA  
#20CS00277900

October 30, 2023

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2023**

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, 2023. 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, local sources, state sources and federal sources, increased from \$68,970,680 to \$76,349,506 due to an increase in the number of students and federal program awards from June 30, 2023.
- Total revenues on a governmental-wide basis increased from \$68,691,904 to \$76,349,506 due to an increase of School District student subsidies (local and state shares), state aid, other local sources and special revenue federal aid.
- At the close of the current fiscal year, the School reported an ending general fund balance of \$24,599,230.
- At the close of the current fiscal year, the School reported an ending government-wide net position balance of \$36,775,543.
- The School's cash balance at June 30, 2023 was \$17,817,886, representing an increase of \$1,402,175 from June 30, 2022. This increase was driven by the school's operating surplus for FY2023 and better collection of receivables during the current fiscal 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.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2023**

**Overview of the Financial Statements (Continued)**

***Government-Wide Financial Statements (Continued)***

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.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangement* requires the School to evaluate contract arrangements for the right to use another party's information technology and record the activity on the government-wide financial statements for the right-to-use subscription asset and subscription liability. This GASB Statement requires implementation for the fiscal year ending June 30, 2023. As a result of the adoption, there was no financial impact and 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 \$36,775,543 as of June 30, 2023.

	<u>2023</u>	<u>2022</u>
Current and Other Assets	\$ 34,440,037	\$ 33,685,523
Capital Assets	46,038,591	40,112,863
Total Assets	<u>80,478,628</u>	<u>73,798,386</u>
Deferred Outflows of Resources	13,760,043	-
Current Liabilities	23,363,806	11,807,493
Noncurrent Liabilities	32,234,894	33,718,178
Total Liabilities	<u>55,598,700</u>	<u>45,525,671</u>
Deferred Inflows of Resources	1,864,428	-
Net Investment in Capital Assets	12,224,164	4,883,774
Unrestricted	24,551,379	23,388,941
Total Net Position	<u>\$ 36,775,543</u>	<u>\$ 28,272,715</u>



**MASTERY SCHOOLS OF CAMDEN, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2023**

**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>2023</u>	<u>2022</u>
<b>REVENUES</b>		
Program Revenues:		
Special Revenue Federal Aid	\$ 14,144,927	\$ 8,540,602
General Revenues:		
Local Share	2,861,076	2,711,210
State Share	56,411,267	52,271,766
State Aid	1,873,231	4,751,410
Other Post Employment Benefits - On-Behalf Payments	1,866,505	-
Other Revenue	<u>1,059,005</u>	<u>416,916</u>
Total Revenues	78,216,011	68,691,904
<b>EXPENDITURES</b>		
Instruction	38,701,273	34,418,502
Support Services	26,714,199	24,358,626
Interest on Long-Term Debt	1,449,076	1,504,283
Unallocated Depreciation and Amortization	<u>2,848,635</u>	<u>2,638,812</u>
Total Expenditures	<u>69,713,183</u>	<u>62,920,223</u>
Change in Net Position	8,502,828	5,771,681
Net Position - Beginning	<u>28,272,715</u>	<u>22,501,034</u>
Net Position - Ending	<u><u>\$ 36,775,543</u></u>	<u><u>\$ 28,272,715</u></u>

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2023**

**Governmental 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 \$24,599,230. For the year ended June 30, 2023, the School's general fund revenues and other financing sources (\$62,315,258) exceeded expenditures (\$61,104,969) by \$1,210,289.

The School's special revenue fund reported an ending fund balance of \$-0-. For the year ended June 30, 2023, the School's revenues (\$14,144,927) equaled expenditures (\$14,144,927).

**General Fund Budgetary Highlights**

Actual revenues and other financing sources were greater than budgeted revenues by \$112,258, 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 \$3,178,031, primarily due to less than budgeted regular education instruction, special education instruction, administrative, support services expenditures and right-to-use - lease expenditures (nonbudgeted).

**Capital Asset and Debt Administration**

***CAPITAL ASSETS***

As of June 30, 2023, the School's investment in capital assets for its governmental activities totaled \$46,038,591 (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 \$8,024,025 for leasehold improvements
- Capital expenditures of \$808,633 for furniture, equipment and software
- Capital expenditures of \$110,679 for right-to-use lease assets

Additional information on the School's capital assets can be found in Note 4 of this report.

***LONG-TERM DEBT***

As of June 30, 2023, the School has entered into multiple building facility and equipment lease agreements. The School is required to record right-to-use lease assets and lease liabilities from the implementation of GASB Statement No.87, *Leases*. As of June 30, 2023, the long-term debt of \$33,814,427 consisted of lease liability: right-to-use obligations.

**MASTERY SCHOOLS OF CAMDEN, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2023**

**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 2023-24, we are projecting total enrollment to be around 2,830, which is approximately the same enrollment during the 2022-2023 school year. Renaissance School per pupil funding for 2023-24 is expected to increase approximately 7% compared to 2022-23.

**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, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 17,817,886
Investments	15,451,650
Receivables, Net	971,361
Prepaid Items	199,140
Capital Assets:	
Capital Assets, Net of Depreciation and Amortization	<u>46,038,591</u>
Total Assets	<u>80,478,628</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension Related	<u>13,760,043</u>
 Total Assets and Deferred Outflow of Resources	 94,238,671
 <b>LIABILITIES</b>	
Accounts Payable	2,633,620
Accrued Liabilities	5,945,271
Net Pension Liability	11,943,466
Due to Camden City School District	1,261,916
Lease Liability - Right-to-Use	
Due Within One Year	1,579,533
Due in More than One Year	<u>32,234,894</u>
Total Liabilities	<u>55,598,700</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension Related	<u>1,864,428</u>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	12,224,164
Unrestricted	<u>24,551,379</u>
 Total Net Position	 <u><u>\$ 36,775,543</u></u>

See accompanying Notes to Financial Statements.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**A-2 STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Changes in	Total
		Charges for	Operating	Capital	Total	
		Services	Grants and	Grants and	Governmental	
			Contributions	Contributions	Activities	Total
<b>Governmental Activities:</b>						
Instruction:						
Regular Instruction	\$ 25,814,883	\$ -	\$ 3,527,158	\$ -	\$ (22,287,725)	\$ (22,287,725)
Special Education Instruction	11,221,577	-	1,207,984	-	(10,013,593)	(10,013,593)
Summer School	946,664	-	-	-	(946,664)	(946,664)
Student Activities	718,149	-	-	-	(718,149)	(718,149)
Support Services:						
Administrative	11,668,369	-	1,659,948	-	(10,008,421)	(10,008,421)
Culture and Educational Support	4,826,111	-	2,690,858	-	(2,135,253)	(2,135,253)
Professional Development	549,282	-	218,715	-	(330,567)	(330,567)
Nursing	215,310	-	-	-	(215,310)	(215,310)
Community Advocacy and Engagement	692,717	-	302,697	-	(390,020)	(390,020)
Student Health Services	450,000	-	450,000	-	-	-
Student Transportation Services	2,392,006	-	2,186,087	-	(205,919)	(205,919)
Operations	5,920,404	-	1,901,480	-	(4,018,924)	(4,018,924)
Interest on Long-Term Debt	1,449,076	-	-	-	(1,449,076)	(1,449,076)
Unallocated Depreciation and Amortization	2,848,635	-	-	-	(2,848,635)	(2,848,635)
Total Governmental Activities	<u>69,713,183</u>	<u>-</u>	<u>14,144,927</u>	<u>-</u>	<u>(55,568,256)</u>	<u>(55,568,256)</u>
Total Primary Government	<u>\$ 69,713,183</u>	<u>\$ -</u>	<u>\$ 14,144,927</u>	<u>\$ -</u>	<u>(55,568,256)</u>	<u>(55,568,256)</u>
<b>General Revenues:</b>						
Local Share					2,861,076	2,861,076
State Share					56,411,267	56,411,267
State Aid Not Restricted					1,873,231	1,873,231
Other Post Employment Benefits - On-Behalf Payments					1,866,505	1,866,505
Other Revenue					1,059,005	1,059,005
Total General Revenues					<u>64,071,084</u>	<u>64,071,084</u>
Change in Net Position					8,502,828	8,502,828
Net Position - Beginning of Year					<u>28,272,715</u>	<u>28,272,715</u>
Net Position - End of Year					<u>\$ 36,775,543</u>	<u>\$ 36,775,543</u>

See accompanying Notes to Financial Statements.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**B-1 BALANCE SHEET — GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 17,817,886	\$ -	\$ 17,817,886
Investments	15,451,650	-	15,451,650
Receivables, Net	190,457	780,904	971,361
Due from Other Funds	780,904	-	780,904
Prepaid Expenditures	199,140	-	199,140
Total Assets	<u>\$ 34,440,037</u>	<u>\$ 780,904</u>	<u>\$ 35,220,941</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 2,633,620	\$ -	\$ 2,633,620
Accrued Expenses	5,945,271	-	5,945,271
Due to Other Funds	-	780,904	780,904
Due to Camden City School District	1,261,916	-	1,261,916
Total Liabilities	<u>9,840,807</u>	<u>780,904</u>	<u>10,621,711</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid Expenditures	199,140	-	199,140
Committed:			
Capital Reserve	1,500,000	-	1,500,000
Maintenance Reserve	300,000	-	300,000
Emergency Reserve	8,000,000	-	8,000,000
Pension Reserve	1,175,000	-	1,175,000
Strategic Reserve	12,750,000	-	12,750,000
Unassigned:			
General Fund	675,090	-	675,090
Total Fund Balances	<u>24,599,230</u>	<u>-</u>	<u>24,599,230</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 34,440,037</u>	<u>\$ 780,904</u>	<u>\$ 35,220,941</u>
Total Governmental Fund Balances			\$ 24,599,230
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			52,561,936
Accumulated Depreciation and Amortization			<u>(6,523,345)</u>
Total			46,038,591
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:			
			(33,814,427)
Long-term liabilities that pertain to governmental funds, including net pension obligations, deferred outflows and deferred inflows are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.			
Pension			<u>(47,851)</u>
Net Position of Governmental Activities			<u>\$ 36,775,543</u>

See accompanying Notes to Financial Statements.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**B-2 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES — GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
Local Sources:			
Local Share	\$ 2,861,076	\$ -	\$ 2,861,076
Other Revenue	1,059,005	-	1,059,005
Total Local Sources	3,920,081	-	3,920,081
State Share	56,411,267	-	56,411,267
State Sources	1,873,231	-	1,873,231
Federal Sources	-	14,144,927	14,144,927
Total Revenues	62,204,579	14,144,927	76,349,506
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular Instruction	21,585,590	3,527,158	25,112,748
Special Education Instruction	9,674,571	1,207,984	10,882,555
Summer School	946,664	-	946,664
Student Activities	718,149	-	718,149
Support Services:			
Administrative	9,840,690	1,659,948	11,500,638
Culture and Educational Support	1,899,261	2,690,858	4,590,119
Professional Development	330,567	218,715	549,282
Nursing	215,310	-	215,310
Community Advocacy and Engagement	367,803	302,697	670,500
Student Health Services	-	450,000	450,000
Student Transportation Services	205,919	2,186,087	2,392,006
Operations	12,244,144	1,901,480	14,145,624
Debt Service:			
Principal - Lease Liability	1,516,546	-	1,516,546
Interest Expense	1,449,076	-	1,449,076
Right-to-Use - Lease Expenditures (Nonbudgeted)	110,679	-	110,679
Total Expenditures	61,104,969	14,144,927	75,249,896
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	1,099,610	-	1,099,610
<b>OTHER FINANCING SOURCES</b>			
Right-to-Use Assets - Leases Issued (Nonbudgeted)	110,679	-	110,679
Total Other Financing Sources	110,679	-	110,679
<b>NET CHANGE IN FUND BALANCES</b>	1,210,289	-	1,210,289
Fund Balance - Beginning of Year	23,388,941	-	23,388,941
Fund Balance - End of Year	\$ 24,599,230	\$ -	\$ 24,599,230

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, 2023**

Net Change in Fund Balances - Governmental Funds	\$ 1,210,289
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Amounts Reported for Governmental Activities in the Statement of Activities  
are Different Because:

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

Capital Outlays	8,943,337
Loss on Disposal of Capital Assets	(160,179)
Depreciation and Amortization Expense	<u>(2,848,635)</u>
Total	<u>5,934,523</u>

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	1,516,546
Proceeds from Lease Liability - Right-to-Use	<u>(110,679)</u>
Total	<u>1,405,867</u>

Governmental funds report school pension contributions as expenditures. However, in the statement of activities, the cost incurred for future pension benefits is reported as pension expense, as follows:

Change in Pension Expense	<u>(47,851)</u>
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Change in Net Position of Governmental Activities	<u>\$ 8,502,828</u>
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**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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 project 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 12<sup>th</sup> grade during the school year 2022-23 in six campuses: Cramer Hill Elementary, McGraw Elementary, Molina Lower Elementary, Molina Upper Elementary, East Camden Middle, and Mastery High School of Camden.

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

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

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

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

**Basis of Presentation**

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

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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 120 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**  
**JUNE 30, 2023**

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

**Method of Accounting (Continued)**

These calculations are defined as follows:

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

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

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

**Budgets and Budgetary Accounting**

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

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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 2022 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 \$200,000 on any individual covered by the Plan in the policy year ending June 30, 2023. The stop-loss insurance also provides up to \$1,000,000 of coverage beyond the aggregate annual claims limit of \$23,205,263 for the fiscal year ended June 30, 2023. The annual claims limit is based on the average enrollment of 1,409 covered employees, but is ultimately derived based on the actual covered employees times a monthly claims factor of \$1,373, for each month of the policy period.

During the year ended June 30, 2023, 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 2023, 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 \$20,151,912, which includes the School's portion of \$4,092,190 for the year ended June 30, 2023.

**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**  
**JUNE 30, 2023**

**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, 2023, 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 and Outflows of Resources**

In addition to assets and liabilities, the statements of net position report separate sections of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net assets that applies to a future period which will not be recognized as an inflow of resources until that time.

Deferred charges for defined benefit plans result from the difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the state's proportion of expenses and liabilities to the pension as a whole, differences between the School's pension contributions and its proportionate share of contributions, and the School's pension contributions subsequent to the pension valuation measurement date.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows resources to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms investments are reported at fair value.

**On-Behalf Payment and OPEB**

The School has recorded a revenue and expense for payments made to the School Employees' Health Benefit Program, by the State of New Jersey (the State) on behalf of certain employees of the School. For the fiscal year ending June 30, 2023, the School implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, whereby the State is responsible for the employer contributions and the total OPEB liability resulting from a special funding situation. Therefore, for the fiscal year ended June 30, 2023, the School has reported its proportionate share of the collective OPEB expense and revenue for the State's OPEB expense.

**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*.

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.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**Leases (Continued)**

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 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 statement of net position.

**Adoption of New Accounting Standards**

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Agreements (SBITA)*. This standard requires the recognition of right-to-use subscription assets and subscription liabilities for contracts that convey control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this standard, a lessee is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The School adopted the requirements of the guidance effective July 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption. The adoption of GASB 96 standard did not have any impact on the beginning net position in the financial statements.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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, 2023, \$17,815,919 of the School's bank balance was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ 17,815,919
Collateralized	-
Uninsured and Collateral Held by the Pledging Bank's Trust Department not in the School's Name	-
Total Custodial Credit Risk	<u><u>\$ 17,815,919</u></u>

Reconciliation to the Financial Statements:

Total Custodial Credit Risk	\$ 17,815,919
Plus: Insured Amount	250,000
Less: Outstanding Checks	(262,033)
Petty Cash	14,000
Total Cash Per Financial Statements	<u><u>\$ 17,817,886</u></u>

**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, 2023, are summarized as follows:

	Level 1	Level 2	Level 3	Total
U.S. Treasury Bills	\$ 15,451,650	\$ -	\$ -	\$ 15,451,650
Total	<u><u>\$ 15,451,650</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,451,650</u></u>

There were no transfers between levels of the fair value hierarchy during the year ended June 30, 2023.



**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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, 2022	Additions	Deletions	Ending Balance June 30, 2023
<u>Governmental Activities</u>				
Capital Assets, being Depreciated and Amortized:				
Leasehold Improvements	\$ 4,209,488	\$ 8,024,025	\$ 168,655	\$ 12,064,858
Furniture, Equipment and Software	4,444,360	808,633	1,299,549	3,953,444
Right-to-Use Lease Assets	36,501,713	110,679	68,758	36,543,634
Total Capital Assets being Depreciated and Amortized	45,155,561	8,943,337	1,536,962	52,561,936
Less Accumulated Depreciation and Amortization for:				
Leasehold Improvements	402,810	203,420	7,675	598,555
Furniture, Equipment and Software	2,606,068	585,323	1,299,549	1,891,842
Right-to-Use Lease Assets	2,033,820	2,059,892	60,764	4,032,948
Total Accumulated Depreciation and Amortization	5,042,698	2,848,635	1,367,988	6,523,345
Total Capital Assets being Depreciated and Amortized, Net	40,112,863	6,094,702	168,974	46,038,591
Governmental Activities Capital Assets, Net	<u>\$ 40,112,863</u>	<u>\$ 6,094,702</u>	<u>\$ 168,974</u>	<u>\$ 46,038,591</u>

**NOTE 5 LEASES**

**Lease Liability: Right-to-Use Asset Agreements**

During the current year, the School entered into two new right-to-use lease arrangements for copier equipment. An initial lease liability was recorded in the amount of \$110,679 during the current fiscal year. The School is required to make various monthly principal and interest payments. The School used the interest rates of 6.85% and 8.68%, which were the rates 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.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5 LEASES (CONTINUED)**

Total principal and interest costs for such leases for governmental funds were \$2,965,622 for the year ended June 30, 2023. Total future minimum lease payments under lease agreements are as follows:

<u>Governmental Activities</u>			
Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,579,533	\$ 1,384,903	\$ 2,964,436
2025	970,637	1,330,421	2,301,058
2026	1,013,458	1,287,600	2,301,058
2027	1,035,367	1,243,494	2,278,861
2028	1,031,517	1,199,487	2,231,004
2029-2033	5,833,489	5,298,731	11,132,220
2034 and Thereafter	22,350,426	7,298,714	29,649,140
Total Minimum Lease Payments	<u>\$ 33,814,427</u>	<u>\$ 19,043,350</u>	<u>\$ 52,857,777</u>

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	\$ 472,599
Buildings	36,071,035
Subtotal	<u>36,543,634</u>
Less: Accumulated Amortization	<u>(4,032,948)</u>
Total	<u>\$ 32,510,686</u>

**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.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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, 2023 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. All staff are enrolled in TPAF, PERS, and DCRP plans, based on eligibility.

Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

**New Jersey Division of Pensions and Benefits Teachers' Pension and Annuity Fund**

The New Jersey Division of Pensions and Benefits Teachers' Pension and Annuity Fund (TPAF) was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full-time certified teachers or professional staff of the public school systems in New Jersey.

The TPAF is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the School and the systems other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by New Jersey State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

As of the year ended June 30, 2023, the School was accepted into the plan but the School did not have any funding allocation per the June 30, 2022 State of New Jersey Teachers' Pension and Annuity Fund Report.

*See accompanying Notes to Financial Statements.*

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**New Jersey Defined Contribution Retirement Program**

The New Jersey Defined Contribution Retirement Program (DCRP) is a defined contribution pension plan, which was established July 1, 2007 under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage.

Employees who do not earn the minimum salary or work the minimum hours required for enrollment in the Public Employees' Retirement System or Teachers' Pension and Annuity Fund.

Contributions are required from the date of DCRP eligibility. When enrolled in the DCRP, members contribute 5.5 percent of the base salary to a tax-deferred investment account established with Empower (formerly Prudential), which jointly administers the DCRP investments with the New Jersey Division of Pensions & Benefits (NJDPB). Member contributions are matched by a 3 percent employer contribution.

Plan members direct the investment of contributions to insurance companies and mutual fund companies selected by the New Jersey Division of Pensions' Pension Provider Selector Board. These companies administer plan funds based on alternate benefit contracts with the New Jersey Division of Pensions.

Amounts deferred under the plan are not available to employees until termination, retirement, death, or unforeseeable emergency.

The plan carrier is as follows: Empower, formerly Prudential.

During fiscal year 2023, the School incurred expenses totaling \$30,022 for the employer share of qualified employees.

**Public Employees' Retirement System**

The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of Plan members are determined by state statute. In accordance with Chapter 62, P.L. 1994, Plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.0% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012, and increases each subsequent July 1.

*See accompanying Notes to Financial Statements.*

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 RETIREMENT PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Annually, employer contributions to the PERS are actuarially determined and include the School's normal contribution plus any accrued liability, which ensures adequate funding for future pension system liability. The amount of contributions recognized by PERS from the School as of June 30, 2023, were \$998,006.

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to the June 30, 2022 measurement date:

- Actuarial cost method is entry age normal, level percent of pay.
- Straight-line amortization of investments over five years and amortization of assumption changes and noninvestment gains/losses over the average expected remaining service lives of all employees that are provided benefits.
- Inflation rate:
  - Price 2.75%
  - Wage 3.25%
- Investment return of 7.00%, including inflation.
- Salary increases of 2.00 – 6.00% based on years of service through 2026, and 3.00 – 7.00% based on years of service thereafter.
- Asset Valuation using fair (market) value.
- Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from generational basis. Mortality improvement is based on Scale MP-2019.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 PENSIONS PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

In accordance with state statute, the long-term expected rate of return on pension plan investments was determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022, are summarized in the following table below.

PERS's policy in regard to the allocation of invested Plan assets is established and may be amended by the PERS Board of Trustees. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension. Following is the PERS Board of Trustees' adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30 2023.

	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Asset Class:		
Cash	4.00 %	1.75 %
U.S. Equity	27.00	8.12
Non-U.S. Developed Markets Equity	13.50	8.38
Emerging Markets Equity	5.50	10.33
Private Equity	13.00	11.80
Real Estate	8.00	11.19
Real Assets	3.00	7.60
High Yield Bonds	4.00	4.95
Private Credit	8.00	8.10
Investment Grade Credit	7.00	3.38
U.S. Treasuries	4.00	1.75
Risk Mitigation Strategies	3.00	4.91
Total	<u>100.00 %</u>	

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 PENSIONS PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

The discount rate used to measure the total PERS pension liability was 6.28% and 7.00% as of June 30, 2022 and 2021, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

The following presents the School's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00% as of June 30, 2023, as well as what the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00% in 2023) or one percentage point higher (8.00% in 2023) than the current rate.

Sensitivity of the School's Proportionate Share of the PERS Net Pension Liability to Changes in the Discount Rate			
	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
2023	\$ 15,473,802	\$ 11,943,466	\$ 9,126,239

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, the fiduciary net position of PERS and additions to or deductions from PERS's fiduciary net position have been determined on the same basis as they are reported in the PERS's financial statements. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Detailed information about PERS' fiduciary net position is available in the PERS Comprehensive Annual Financial Report, which can be found at [www.state.nj.us/treasury/pensions/financial-reports.shtml](http://www.state.nj.us/treasury/pensions/financial-reports.shtml).

PERS measured the net pension liability as of June 30, 2022. The total PERS pension liability used to calculate the net pension liability was determined by rolling forward the total pension liability calculated as of June 30, 2021 to June 30, 2022. PERS calculated the employer's proportion of the net pension liability using the ratio of each employer's one-year contributions to total participating employers' contributions for the group. At June 30, 2022, the School's proportion was 0.0791%, an increase of 0.0791% from its proportion calculated as of June 30, 2021.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 PENSIONS PLANS (CONTINUED)**

**Public Employees' Retirement System (Continued)**

At June 30, 2023, the amount recognized as the School's proportionate share of the PERS June 30, 2022 net pension liability (measurement date) was \$11,943,466. For the year ended June 30, 2023, the School recognized PERS pension expense of \$2,121,815. At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to the PERS pension are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Expected and Actual Experience	\$ 86,202	\$ 76,018
Changes of Assumptions	37,005	1,788,410
Net Difference Between Projected and Actual Investment Earnings	494,329	-
Changes in Proportions	12,066,549	-
Total Contributions and Proportionate Share of Contributions after the Measurement Date	1,075,958	-
Total	<u>\$ 13,760,043</u>	<u>\$ 1,864,428</u>

The School will recognize the \$1,075,958 reported as 2023 deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the PERS net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as PERS pension expense as follows.

<u>Year Ending June 30,</u>	<u>Amortization</u>
2024	\$ 1,369,658
2025	1,872,209
2026	2,139,613
2027	2,949,475
2028	2,392,937
2029	95,765
Total	<u>\$ 10,819,657</u>

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS**

Other postemployment benefits (OPEB) are benefits, such as healthcare benefits, that are paid in the period after employment and that are provided separately from a pension plan. OPEB does not include termination benefits or termination payments for sick leave.



**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund postretirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired state employees and retired educational employees.

The cost of these benefits is funded through contributions by the State of New Jersey (the State) in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126 which provides employer paid health benefits to members of PERS, and the Alternate Benefit Program (ABP) who retired from a board of education or county college with 25 years of service.

**Plan Description and Benefits Provided**

The School is in a "special funding situation", as described in GASB Statement No. 75, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the School.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for State Health Benefits Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefit Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52: 14-17.32f, the State provides employer-paid coverage to employees who retire from a Board of Education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011, will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

**Total Nonemployer OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The School's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School did not recognize any portion of the collective net OPEB liability in the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the School.

The total OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability:	\$50,646,462,966		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 4.25% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projection from the current year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decrease to 4.50% in fiscal year 2033. For HMO, the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Discount Rate**

The discount rate used to measure the total OPEB liability for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total OPEB Liability Reported by the State of New Jersey:**

	School's Proportionate Share of the OPEB liability	Total OPEB Liability
Balance at June 30, 2021 Measurement Date	\$ -	\$ 60,007,650,970
Changes Recognized for the Fiscal Year:		
Service Cost	-	2,770,618,025
Interest on Total OPEB Liability	419,660	1,342,187,139
Changes of Benefit Terms	-	-
Effect of Differences Between Expected and Actual Experience	20,066,276	1,399,200,736
Effect of Changes of Assumptions	(4,248,030)	(13,586,368,097)
Contributions from the Employer	(402,350)	(1,286,825,807)
Net Changes	15,835,556	(9,361,188,004)
Balance at June 30, 2022 Measurement Date	\$ 15,835,556	\$ 50,646,462,966

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

*Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate:*

The following presents the total nonemployer OPEB liability as of June 30, 2022, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
School's Proportionate Share of the Net OPEB Liability	\$ 18,613,030	\$ 15,835,556	\$ 13,609,549
Total OPEB Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

*Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate:*

The following presents the total nonemployer OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed on page 39 as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
School's Proportionate Share of the Net OPEB Liability	\$ 13,089,055	\$ 15,835,556	\$ 19,443,252
Total OPEB Liability	\$ 41,862,397,391	\$ 50,646,462,966	\$ 62,184,866,635

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the fiscal year ended June 30, 2023, the School recognized OPEB expense and related revenue of \$1,866,505 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

The State of New Jersey's total OPEB liability is \$50,646,462,966. Of this amount, the total OPEB liability attributable to the School was \$15,835,556. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School of 0.0003%.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to OPEB (Continued)*

In accordance with GASB Statement 75, as the School does not recognize a liability for the proportionate share of the OPEB liability; there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources.

At June 30, 2022, the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 9,042,402,619	\$ 15,462,950,679
Changes of Assumptions	8,765,620,577	17,237,289,230
Net Difference Between Projected and Actual Investment Earnings	-	-
Changes in Proportions	-	-
Total Contributions and Proportionate Share of Contributions after the Measurement Date	TBD	N/A
Total	<u>\$ 17,808,023,196</u>	<u>\$ 32,700,239,909</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30.</u>	<u>Amortization</u>
2023	\$ (2,517,151,602)
2024	(2,517,151,602)
2025	(2,517,151,602)
2026	(2,175,449,761)
2027	(1,243,951,140)
Thereafter	(3,921,361,006)
Total	<u>\$ (14,892,216,713)</u>

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 10 RISK MANAGEMENT**

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

**NOTE 11 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 \$5,927,234. 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 \$1,009,000.

The NST management and technology fee totaled \$6,936,234 for the current year.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**C-1 BUDGETARY COMPARISON SCHEDULE — GENERAL FUND (UNAUDITED)**  
**YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 2,860,000	\$ 1,000	\$ 2,861,000	\$ 2,861,076	\$ 76
Other Revenue	150,000	909,000	1,059,000	1,059,005	5
Total Local Sources	3,010,000	910,000	3,920,000	3,920,081	81
State Sources:					
Equalization Aid	56,390,000	21,000	56,411,000	56,411,267	267
Reimbursed TPAF Social Security Contributions	1,265,000	-	1,265,000	1,265,855	855
Other State Revenue	190,000	417,000	607,000	607,376	376
Total State Sources	57,845,000	438,000	58,283,000	58,284,498	1,498
Total Revenues	60,855,000	1,348,000	62,203,000	62,204,579	1,579
<b>EXPENDITURES</b>					
Regular Education - Instruction:					
Salaries	15,708,727	(2,065,000)	13,643,727	13,592,214	51,513
Benefits	4,782,752	(1,265,000)	3,517,752	2,931,808	585,944
Professional Services	723,882	-	723,882	675,273	48,609
General Supplies	522,000	303,000	825,000	793,515	31,485
Books and Instructional Software	952,240	385,000	1,337,240	1,288,841	48,399
Computers	1,107,241	-	1,107,241	1,072,992	34,249
Furniture and Equipment	156,000	275,000	431,000	424,724	6,276
Field Trips	171,000	46,000	217,000	188,306	28,694
College Initiatives	131,000	84,000	215,000	211,356	3,644
Disciplinary Placements	409,000	21,000	430,000	406,561	23,439
Total Regular Education - Instruction	24,663,842	(2,216,000)	22,447,842	21,585,590	862,252
Special Education - Instruction:					
Salaries	5,268,254	-	5,268,254	5,234,139	34,115
Benefits	1,362,316	6,000	1,368,316	1,105,275	263,041
Purchased Professional-Educational Services	3,275,522	-	3,275,522	3,176,507	99,015
Books and Instructional Software	228,924	(34,000)	194,924	158,650	36,274
Total Special Education - Instruction	10,135,016	(28,000)	10,107,016	9,674,571	432,445
Summer School:					
Salaries	600,000	(18,000)	582,000	581,723	277
Benefits	77,000	(32,000)	45,000	44,494	506
Professional Services	323,000	-	323,000	320,447	2,553
Total Summer School	1,000,000	(50,000)	950,000	946,664	3,336

See accompanying Notes to Financial Statements.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**C-1 BUDGETARY COMPARISON SCHEDULE — GENERAL FUND (UNAUDITED) (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES (CONTINUED)</b>					
Student Activities:					
Salaries	\$ 300,000	\$ -	\$ 300,000	\$ 280,351	\$ 19,649
Benefits	25,000	-	25,000	20,778	4,222
Professional Services	75,000	175,000	250,000	242,753	7,247
Supplies	175,000	-	175,000	174,267	733
Total Student Activities	575,000	175,000	750,000	718,149	31,851
Administrative:					
Salaries	966,316	230,927	1,197,243	1,118,801	78,442
Benefits	661,736	(60,000)	601,736	241,954	359,782
Purchased Professional/Technical Services	60,000	35,000	95,000	44,078	50,922
Aftercare Program	327,000	(121,000)	206,000	189,683	16,317
Legal Services	75,000	-	75,000	62,455	12,545
Management Fees	5,925,000	49,000	5,974,000	5,927,234	46,766
Insurance	339,000	(13,000)	326,000	324,481	1,519
Postage	30,000	-	30,000	23,794	6,206
Advertising/Marketing	125,000	(75,000)	50,000	17,592	32,408
Printing	21,486	15,000	36,486	15,836	20,650
Dues, Board and Other	53,000	1,232,000	1,285,000	1,048,494	236,506
Supplies/Equipment	322,000	40,000	362,000	226,415	135,585
Telecommunications	820,000	(530,000)	290,000	285,519	4,481
Grant Administration	269,000	51,000	320,000	314,354	5,646
Total Administrative	9,994,538	853,927	10,848,465	9,840,690	1,007,775
Support Services:					
Culture and Educational Support:					
Salaries	1,306,238	83,000	1,389,238	1,347,540	41,698
Benefits	652,904	(211,000)	441,904	302,123	139,781
Supplies and Materials	125,000	149,000	274,000	249,598	24,402
Total Culture and Educational Support	2,084,142	21,000	2,105,142	1,899,261	205,881
Professional Development:					
Purchased Professional Services	181,285	170,000	351,285	330,567	20,718
Total Professional Development	181,285	170,000	351,285	330,567	20,718
Nursing:					
Purchased Professional Services	230,000	45,000	275,000	188,359	86,641
Supplies	210,000	(170,000)	40,000	26,951	13,049
Total Nursing	440,000	(125,000)	315,000	215,310	99,690
Community Advocacy and Engagement:					
Salaries	\$ 196,115	\$ (53,000)	\$ 143,115	\$ 131,017	\$ 12,098
Benefits	112,307	(52,000)	60,307	52,776	7,531
Professional Services	100,000	(13,000)	87,000	86,035	965
General Supplies	148,881	(42,000)	106,881	97,975	8,906
Total Community Advocacy and Engagement	557,303	(160,000)	397,303	367,803	29,500

See accompanying Notes to Financial Statements.



**MASTERY SCHOOLS OF CAMDEN, INC.**  
**C-1 BUDGETARY COMPARISON SCHEDULE — GENERAL FUND (UNAUDITED) (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES (CONTINUED)</b>					
Support Services (Continued):					
Student Transportation Services:					
Transportation Services	\$ 274,840	\$ 59,073	\$ 333,913	\$ 205,919	\$ 127,994
Total Student Transportation Services	274,840	59,073	333,913	205,919	127,994
Operations:					
Salaries	138,379	(45,000)	93,379	74,952	18,427
Benefits	77,335	(19,000)	58,335	31,174	27,161
Cleaning	11,806	126,000	137,806	132,318	5,488
Utilities	1,307,000	-	1,307,000	1,212,084	94,916
Building CAM Charges	96,892	141,000	237,892	216,347	21,545
Maintenance and Repairs	9,851,000	360,000	10,211,000	10,011,338	199,662
Pest Control	43,000	22,000	65,000	63,715	1,285
Security	65,000	116,000	181,000	128,792	52,208
Trash and Snow	178,000	52,000	230,000	199,524	30,476
Supplies	215,000	(25,000)	190,000	173,900	16,100
Total Operations	11,983,412	728,000	12,711,412	12,244,144	467,268
Total Support Services	15,520,982	693,073	16,214,055	15,263,004	951,051
Debt Service:					
Principal - Lease Liability - Equipment	135,155	-	135,155	135,155	-
Principal - Lease Liability - Buildings	1,381,391	-	1,381,391	1,381,391	-
Interest Expense - Equipment	20,359	-	20,359	20,359	-
Interest Expense - Buildings	1,428,717	-	1,428,717	1,428,717	-
Total Debt Service	2,965,622	-	2,965,622	2,965,622	-
Right-to-Use - Lease Expenditures (Nonbudgeted)	-	-	-	110,679	(110,679)
Total Expenditures	64,855,000	(572,000)	64,283,000	61,104,969	3,178,031
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(4,000,000)	1,920,000	(2,080,000)	1,099,610	3,179,610
<b>OTHER FINANCING SOURCES</b>					
Right-to-Use Assets - Leases Issued (Nonbudgeted)	-	-	-	110,679	110,679
Total Other Financing Sources	-	-	-	110,679	110,679
<b>NET CHANGE IN FUND BALANCES</b>	(4,000,000)	1,920,000	(2,080,000)	1,210,289	3,290,289
Fund Balance - Beginning of Year	(105,620)	12,317,478	12,211,858	23,388,941	14,096,858
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (4,105,620)</u>	<u>\$ 14,237,478</u>	<u>\$ 10,131,858</u>	<u>\$ 24,599,230</u>	<u>\$ 17,387,147</u>

See accompanying Notes to Financial Statements.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**C-2 BUDGETARY COMPARISON SCHEDULE — SPECIAL REVENUE FUND (UNAUDITED)**  
**YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Federal Sources:					
Entitlement Grants	\$ 3,025,319	\$ -	\$ 3,025,319	\$ 3,025,319	\$ -
ESSER Grants	8,931,475	1,544,927	10,476,402	10,476,402	-
IDEA Grant	643,206	-	643,206	643,206	-
Total Revenues	12,600,000	1,544,927	14,144,927	14,144,927	-
<b>EXPENDITURES</b>					
Current:					
Regular Education - Instruction:					
Salaries	1,731,273	-	1,731,273	1,731,273	-
Benefits	578,248	-	578,248	578,248	-
Instructional Materials	19,760	-	19,760	19,760	-
Professional Services	640,118	132,000	772,118	772,118	-
Computers	266,759	159,000	425,759	425,759	-
Total Regular Education - Instruction	3,236,158	291,000	3,527,158	3,527,158	-
Special Education - Instruction:					
Salaries	211,746	200,000	411,746	411,746	-
Benefits	90,684	-	90,684	90,684	-
Instructional Materials	14,076	-	14,076	14,076	-
Professional Services	148,478	543,000	691,478	691,478	-
Total Special Education - Instruction	464,984	743,000	1,207,984	1,207,984	-
Administrative:					
Salaries	732,956	-	732,956	732,956	-
Benefits	273,264	-	273,264	273,264	-
Program Administration	653,728	-	653,728	653,728	-
Total Administrative	1,659,948	-	1,659,948	1,659,948	-
Support Services:					
Culture and Educational Support:					
Salaries	1,925,762	-	1,925,762	1,925,762	-
Benefits	765,096	-	765,096	765,096	-
Total Culture and Educational Support	2,690,858	-	2,690,858	2,690,858	-
Community Advocacy and Engagement:					
Salaries	213,885	-	213,885	213,885	-
Benefits	87,693	-	87,693	87,693	-
Supplies	1,119	-	1,119	1,119	-
Total Community Advocacy and Engagement	302,697	-	302,697	302,697	-

See accompanying Notes to Financial Statements.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**C-2 BUDGETARY COMPARISON SCHEDULE — SPECIAL**  
**REVENUE FUND (UNAUDITED) (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONTINUED)</b>					
Professional Development:					
Professional Services	\$ 218,715	\$ -	\$ 218,715	\$ 218,715	\$ -
Total Professional Development	218,715	-	218,715	218,715	-
Student Health Services:					
Professional Services	450,000	-	450,000	450,000	-
Total Student Health Services	450,000	-	450,000	450,000	-
Student Transportation Services:					
Contracted Carriers	1,675,160	510,927	2,186,087	2,186,087	-
Total Student Transportation Services	1,675,160	510,927	2,186,087	2,186,087	-
Operations and Maintenance:					
Salaries	101,621	-	101,621	101,621	-
Benefits	41,665	-	41,665	41,665	-
Custodial Services	1,758,194	-	1,758,194	1,758,194	-
Total Operations and Maintenance	1,901,480	-	1,901,480	1,901,480	-
Total Support Services	7,238,910	510,927	7,749,837	7,749,837	-
Total Expenditures	12,600,000	1,544,927	14,144,927	14,144,927	-
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**C-3 BUDGET TO U.S. GAAP RECONCILIATION (UNAUDITED)**  
**JUNE 30, 2023**

**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**  
**LAST TEN FISCAL YEARS**

	<b>Measurement Date Ending</b> <b>6/30/2022</b>
School's Proportion of the Net Pension Liability	0.0791%
School's Proportionate Share of the Net Pension Liability	\$ 11,943,466
School's Covered-Employee Payroll	5,713,151
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	209.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%

*See accompanying Notes to Financial Statements.*

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**L-2 SCHEDULE OF THE SCHOOL'S CONTRIBUTIONS - PERS**  
**LAST TEN FISCAL YEARS**

	<b>Fiscal Year Ended 6/30/2023</b>
Contractually Required Contribution	\$ 998,006
Contributions in Relation to the Contractually Required Contribution	998,006
Contribution Deficiency (Excess)	-
School's Covered-Employee Payroll	5,713,151
Contribution as a Percentage of School's Covered-Employee Payroll	17.47%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**L-5 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2023**

**Public Employees Retirement System (PERS)**

Change in Benefit Terms – None

Change in Assumptions - The discount rate changed from 5.55% as of June 30, 2023, to 5.39% as of June 30, 2022, in accordance with Paragraph 44 of GASB Statement No. 67.

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**M-1 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND**  
**RELATED RATIOS**  
**LAST TEN FISCAL YEARS**

	<u>2023</u>
Changes Recognized for the Fiscal Year:	
Service Cost	\$ -
Interest Cost	419,660
Change in Benefit Terms	-
Difference Between Expected and Actual Experience	20,066,276
Change of Assumptions	(4,248,030)
Member Contributions	13,335
Gross Benefit Payments	<u>(415,685)</u>
Net Change in Total OPEB Liability	15,835,556
Total OPEB Liability - Beginning of Year	<u>-</u>
Total OPEB Liability - End of Year	<u><u>\$ 15,835,556</u></u>
School's Covered Employee Payroll	\$ 21,676,204
Total OPEB liability as a Percentage of School's Covered Employee Payroll	73%
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the School	0.03%
School's Contributions	\$ -

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**Notes to Schedule:**

*Changes of Benefits Terms - none*

*Changes of Assumptions - The discount rate changed from 2.16% to 3.54%.*



**SCHOOL-BASED BUDGET SCHEDULES –**

**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, 2023**

	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
<b>REVENUES</b>								
Intergovernmental:								
Federal	\$ 14,144,927	\$ 2,599,849	\$ 251,526	\$ 173,916	\$ 28	\$ 643,206	\$ 2,330,403	\$ 8,145,999
Total Revenues	14,144,927	2,599,849	251,526	173,916	28	643,206	2,330,403	8,145,999
<b>EXPENDITURES</b>								
Current:								
Instruction:								
Regular Instruction	3,527,159	509,069	-	156,465	-	-	510,062	2,351,563
Special Education Instruction	1,207,984	-	163,057	-	-	643,206	203,253	198,468
Administrative	1,659,947	129,992	88,469	1,893	-	-	116,520	1,323,073
Support Services:								
Culture and Educational Support	2,690,859	1,659,210	-	-	-	-	-	1,031,649
Professional Development	218,715	-	-	14,439	28	-	568	203,680
Student Health Services	450,000	-	-	-	-	-	-	450,000
Community Advocacy and Engagement	302,697	301,578	-	1,119	-	-	-	-
Operations and Maintenance	1,901,479	-	-	-	-	-	1,500,000	401,479
Student Transportation	2,186,087	-	-	-	-	-	-	2,186,087
Total Expenditures	14,144,927	2,599,849	251,526	173,916	28	643,206	2,330,403	8,145,999
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	-	-	-	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CAPITAL PROJECTS FUND**

**NOT APPLICABLE**

**PROPRIETARY FUNDS**

**NOT APPLICABLE**

### **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 where 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, 2023, the School had no enterprise funds.

**INTERNAL SERVICE FUND**

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**NOT APPLICABLE**



**LONG-TERM DEBT**

**NOT APPLICABLE**

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

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

## **FINANCIAL TRENDS**

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>GOVERNMENTAL ACTIVITIES</b>									
Net Investment in Capital Assets	\$ 12,224,164	\$ 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>24,551,379</u>	<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>\$ 36,775,543</u>	<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>
	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>SCHOOL-WIDE</b>									
Net Investment in Capital Assets	\$ 12,224,164	\$ 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>24,551,379</u>	<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>\$ 36,775,543</u>	<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 NINE FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>EXPENSES</b>									
Governmental Activities:									
Instruction:									
Regular Instruction	\$ 25,814,883	\$ 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	11,221,577	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	946,664	711,570	91,051	113,541	129,219	-	-	-	-
Student Activities	718,149	501,787	214,104	217,578	258,949	-	-	-	-
Support Services:									
Administrative	11,668,369	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	4,826,111	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	549,282	363,879	44,798	107,758	23,360	24,280	22,632	4,540	-
Nursing	215,310	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	692,717	562,503	706,932	733,469	663,777	704,134	680,155	422,373	238,666
Student Health Services	450,000	418,617	158,670	-	-	-	-	-	-
Student Transportation Services	2,392,006	2,309,459	604,714	-	-	-	-	-	-
Operations	5,920,404	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	1,449,076	1,504,283	20,652	29,934	19,616	17,376	20,290	17,102	5,154
Unallocated Depreciation and Amortization	2,848,635	2,638,812	646,035	693,960	581,329	489,728	415,611	305,711	90,112
Total Expenditures	69,713,183	62,920,223	50,422,235	49,334,174	45,846,689	39,519,830	30,422,004	23,446,216	7,079,442
<b>REVENUES</b>									
Governmental Activities:									
Local Sources:									
Local Share	2,861,076	2,711,210	1,595,000	1,540,762	1,329,323	1,193,513	940,493	840,485	181,005
State Share	56,411,267	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	1,059,005	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	62,197,853	55,399,892	56,205,195	49,936,855	42,713,515	38,082,119	29,873,726	22,839,806	7,032,390
State Sources	1,873,231	4,751,410	1,326,631	1,240,011	1,111,724	1,012,474	896,569	592,534	180,517
Federal Sources	14,144,927	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	78,216,011	68,691,904	61,957,161	54,208,066	46,514,363	41,246,700	32,425,386	24,602,272	7,617,676
<b>NET REVENUE (EXPENSE)</b>									
Government Activities	8,502,828	5,771,681	11,534,926	4,873,892	667,674	1,726,870	2,003,382	1,156,056	538,234
Total School-Wide Net Revenue	\$ 8,502,828	\$ 5,771,681	\$ 11,534,926	\$ 4,873,892	\$ 667,674	\$ 1,726,870	\$ 2,003,382	\$ 1,156,056	\$ 538,234

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>GENERAL FUND</b>									
Nonspendable:									
Prepaid Expenditures	\$ 199,140	\$ 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	1,500,000	1,200,000	900,000	-	-	-
Maintenance Reserve	300,000	300,000	300,000	300,000	300,000	645,000	-	-	-
Emergency Reserve	8,000,000	7,907,000	4,940,000	5,600,000	1,500,000	1,405,000	-	-	-
Pension Reserves	1,175,000	-	-	-	-	-	-	-	-
Strategic Projects	12,750,000	12,000,000	11,800,000	-	-	-	-	-	-
Unassigned Fund Balance	675,090	1,238,590	8,493	27,262	41,869	39,702	16,535	(495,365)	(227,650)
Total General Fund	<u>\$ 24,599,230</u>	<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>

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>REVENUES</b>									
Local Sources:									
Local Share	\$ 2,861,076	\$ 2,711,210	\$ 1,595,000	\$ 1,540,762	\$ 1,329,323	\$ 1,193,513	\$ 940,493	\$ 840,485	\$ 181,005
State Share	56,411,267	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	1,059,005	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	60,331,348	55,399,892	50,952,325	49,936,855	42,713,515	38,082,119	29,873,726	22,839,806	7,032,390
State Sources	1,873,231	5,030,186	1,047,855	1,240,011	1,111,724	1,012,474	896,569	592,534	180,517
Federal Sources	14,144,927	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	76,349,506	68,970,680	56,425,515	54,208,066	46,514,363	41,246,700	32,425,386	24,602,272	7,617,676
<b>EXPENDITURES</b>									
Current:									
Instruction:									
Regular Instruction	25,112,748	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	10,882,555	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	946,664	711,570	91,051	113,541	129,219	-	-	-	-
Student Activities	718,149	501,787	214,104	217,578	258,949	-	-	-	-
Support Services:									
Administrative	11,500,638	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	4,590,119	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	549,282	414,021	44,798	107,758	23,360	24,280	22,632	4,540	-
Nursing	215,310	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	670,500	562,503	706,932	733,469	663,777	704,134	680,155	422,373	238,666
Student Health Services	450,000	418,617	158,670	-	-	-	-	-	-
Student Transportation Services	2,392,006	2,309,459	604,714	-	-	-	-	-	-
Operations	14,145,624	10,208,618	7,550,617	6,868,083	7,149,903	6,050,469	3,786,528	2,733,518	1,281,745
Debt Service:									
Principal - Lease Liability	1,516,546	-	-	-	-	-	-	-	-
Interest Expense	1,449,076	-	-	-	-	-	-	-	-
Right-to-Use - Lease Expenditures (Nonbudgeted)	110,679	196,775	-	275,240	147,575	39,414	98,428	344,284	147,562
Total Expenditures	75,249,896	64,609,173	50,774,861	49,836,998	46,417,486	39,629,075	31,217,114	24,914,783	7,319,606
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,099,610	4,361,507	5,650,654	4,371,068	96,877	1,617,625	1,208,272	(312,511)	298,070
<b>OTHER FINANCING SOURCES</b>									
Right-to-Use Assets - Leases Issued (Nonbudgeted)	110,679	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	110,679	196,775	-	5,528,110	147,575	39,414	98,428	344,284	147,562
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 1,210,289</u>	<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 NINE FISCAL YEARS**

<u>Years Ended June 30</u>	<u>Private Grants</u>	<u>Miscellaneous</u>	<u>Totals</u>
2023	\$ -	\$ 1,059,005	\$ 1,059,005
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

Source: Renaissance School Records



**REVENUE CAPACITY**

**NOT APPLICABLE**

**DEBT CAPACITY**

**NOT APPLICABLE**

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

Year	Camden City Population <sup>a</sup>	Camden City Personal Income <sup>b</sup>	per Capita Personal Income <sup>c</sup>	Camden City Unemployment Rate <sup>d</sup>
2023	70,966	\$ 4,374,486,172	\$ 61,642	3.6 %
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 %

<sup>a</sup> Population information provided by the NJ Dept. of Labor and Workforce Development.

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Personal capital income by County estimated based upon the 2000 Census published by the Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

## **OPERATING INFORMATION**

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

<b>FUNCTION/PROGRAM</b>	<u>2023</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>
Instruction:									
Regular Instruction	167.0	174.0	156.0	163.0	153.0	130.0	106.0	87.0	30.0
Special Education Instruction	67.0	64.0	59.0	61.0	59.0	50.0	28.0	21.0	6.0
Other Instruction	32.0	31.0	28.0	22.0	17.0	14.0	17.0	17.7	4.5
Support Services:									
Student and Instruction Related Services	31.0	48.0	42.0	38.0	40.0	39.0	29.0	19.5	11.0
General Administration	<u>51.0</u>	<u>34.0</u>	<u>37.0</u>	<u>36.0</u>	<u>34.0</u>	<u>39.0</u>	<u>25.0</u>	<u>29.3</u>	<u>8.0</u>
 Total	<u><u>348.0</u></u>	<u><u>351.0</u></u>	<u><u>322.0</u></u>	<u><u>320.0</u></u>	<u><u>303.0</u></u>	<u><u>272.0</u></u>	<u><u>205.0</u></u>	<u><u>174.5</u></u>	<u><u>59.5</u></u>

Source: Renaissance School Personnel Records

**MASTERY SCHOOLS OF CAMDEN, INC.  
J-17 OPERATING STATISTICS (UNAUDITED)  
LAST NINE 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 <sup>a</sup></u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) <sup>b</sup></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 %
2023	2,835	\$ 75,249,896	\$ 26,504	N/A	266	10.7	2,847	2,626	N/A	92.2 %

Sources: Renaissance School records

Note: Enrollment based on June school count.

<sup>a</sup> Teaching staff includes only full-time equivalents of certificated staff.

<sup>b</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**MASTERY SCHOOLS OF CAMDEN, INC.**  
**J-20 INSURANCE SCHEDULE (UNAUDITED)**  
**YEAR ENDED JUNE 30, 2023**

	<u>Coverage</u>	<u>Deductible</u>
<u>School Package Policy</u>		
Building and Contents (All Locations)	\$ 563,574,179	\$ 25,000
Boiler and Machinery (Equipment Breakdown)	Included	25,000
General Liability (Each Occurrence)	1,000,000	-
General Liability (Aggregate)	3,000,000	-
General Automobile Liability	1,000,000	-
Umbrella	10,000,000	10,000
Excess Umbrella	5,000,000	-
Workers' Compensation	500,000	-
Educators Legal Liability/Employment Practices Liability	5,000,000	100,000/150,000
School Board Legal Liability	5,000,000	25,000
<u>Student Accident Insurance</u>		
Accidental Medical Expense Maximum Benefit	\$ 25,000	\$ -
Fidelity/Employee Theft Bond	\$ 500,000	\$ 5,000
Cyber Liability	\$ 1,000,000	\$ 50,000
International Package Policy	\$ 1,000,000	\$ -
Fiduciary Liability	\$ 2,000,000	\$ 5,000

*\*see policy for additional deductible related to earth movement, flood, named storm, water damage*

Source: Renaissance School Records



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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Cash and Cash Equivalents	\$ 17,817,886	\$ 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	18,988,387	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	15,451,650	12,002,512	-	-	-	-	-	-	-
Capital Assets - Net	46,038,591	40,112,863	3,659,090	3,440,780	3,111,544	2,693,401	2,706,430	2,018,476	624,229
Deferred Outflows	13,760,043	-	-	-	-	-	-	-	-
Total Assets and Deferred Outflows	<u>\$ 94,238,671</u>	<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	\$ 11,420,340	\$ 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	44,178,360	33,718,178	162,214	267,491	159,452	175,153	271,148	286,008	99,084
Deferred Inflows	1,864,428	-	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflows	<u>\$ 57,463,128</u>	<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>\$ 36,775,543</u>	<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	\$ 78,216,011	\$ 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	69,713,183	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>\$ 8,502,828</u>	<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	\$ 2,848,635	\$ 2,638,812	\$ 646,035	\$ 693,960	\$ 581,329	\$ 489,728	\$ 415,611	\$ 305,711	\$ 90,112
Principal Payments	1,516,546	1,344,410	134,316	173,588	152,654	122,274	107,156	74,320	20,704
Interest Payments	1,449,076	1,504,283	20,652	29,934	19,616	17,376	20,290	17,102	5,154
Final Average Daily Enrollment	2,847	2,814	2,687	2,635	2,274	2,090	1,651	1,391	380
March 30th Budgeted Enrollment	2,800	2,740	2,645	2,558	2,195	2,100	1,750	1,400	600
Near Term Indicators	2023	2022	2021	2020	2019	2018	2017	2016	2015
Current Ratio	1.66	1.84	3.48	1.79	1.38	1.40	1.17	0.99	1.01
Unrestricted Days Cash	93	95	182	119	83	92	98	54	42

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Cash and Cash Equivalents	\$ 17,817,886	\$ 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	18,988,387	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	15,451,650	12,002,512	-	-	-	-	-	-	-
Capital Assets - Net	46,038,591	40,112,863	3,659,090	3,440,780	3,111,544	2,693,401	2,706,430	2,018,476	624,229
Deferred Outflows	13,760,043	-	-	-	-	-	-	-	-
Total Assets and Deferred Outflows	<u>\$ 94,238,671</u>	<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	\$ 11,420,340	\$ 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	44,178,360	33,718,178	162,214	267,491	159,452	175,153	271,148	286,008	99,084
Deferred Inflows	1,864,428	-	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflows	<u>\$ 57,463,128</u>	<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>\$ 36,775,543</u>	<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	\$ 78,216,011	\$ 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	69,713,183	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>\$ 8,502,828</u>	<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	\$ 2,848,635	\$ 2,638,812	\$ 646,035	\$ 693,960	\$ 581,329	\$ 489,728	\$ 415,611	\$ 305,711	\$ 90,112
Principal Payments	1,516,546	1,344,410	134,316	173,588	152,654	122,274	107,156	74,320	20,704
Interest Payments	1,449,076	1,504,283	20,652	29,934	19,616	17,376	20,290	17,102	5,154

## **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, 2023, 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 30, 2023.

**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. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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**

King of Prussia, Pennsylvania  
October 30, 2023



Daniel Sefick, CPA, Principal  
Public School Accountant  
PSA #20CS00277900  
October 30, 2023



**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, 2023. 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, 2023.

***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**

King of Prussia, Pennsylvania  
October 30, 2023



Daniel Sefick, CPA, Principal  
Public School Accountant  
PSA #20CS00277900  
October 30, 2023



**MASTERY SCHOOLS OF CAMDEN, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, SCHEDULE A**  
**YEAR ENDED JUNE 30, 2023**

**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, 2022	Total Received for the Year	Federal Disbursements/ Expenditures	Accrued (Deferred) Revenue at June 30, 2023	Pass-through to Subrecipients	Pass-through Entity Identifying Number
<u>U.S. Department of Education:</u>										
Pass-through New Jersey Department of Education:										
Every Student Succeeds Act Consolidated Grant:										
Title I, Part A	84.010	S010A210030	7/1/21 - 9/30/22	\$ 2,667,958	\$ 138,348	\$ 138,348	\$ -	\$ -	\$ -	n/a
Title I, Part A	84.010	S010A220030	7/1/22 - 9/30/23	2,599,849	-	2,391,300	2,599,849	208,549	-	n/a
Total Title I, Part A					138,348	2,529,648	2,599,849	208,549	-	
Title I SIA	84.010	S010A210030	7/1/21 - 9/30/22	324,500	19,315	19,315	-	-	-	n/a
Title I SIA	84.010	S010A220030	7/1/22 - 9/30/23	251,526	-	251,526	251,526	-	-	n/a
Total Title I SIA					19,315	270,841	251,526	-	-	
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
Title III Immigrant	84.365A	S365A220030	7/1/22 - 9/30/23	28	-	-	28	28	-	n/a
Title III	84.365A	S365A220030	7/1/22 - 9/30/23	210,305	-	140,800	173,916	33,116	-	n/a
Total Title III					53,329	194,129	173,944	33,144	-	
Special Education Cluster:										
IDEA, Part B - Basic	84.027A	H027A210100	7/1/21 - 9/30/22	607,134	186,471	186,471	-	-	-	n/a
IDEA, Part B - Basic	84.027A	H027A220100	7/1/22 - 9/30/23	625,283	-	625,283	625,283	-	-	n/a
IDEA, Part B - Preschool	84.173	H173A220114	7/1/22 - 9/30/23	17,923	-	17,923	17,923	-	-	n/a
Total Special Education Cluster					186,471	829,677	643,206	-	-	
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	987,487	3,228,554	2,241,067	-	-	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	19,269	108,007	88,738	-	-	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	-	598	598	-	-	n/a
Total Coronavirus Response and Relief Supplemental Appropriations Act of 2021					1,006,756	3,337,159	2,330,403	-	-	
American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund										
COVID-19, American Rescue Plan ESSER	84.425U	S425U210027	3/13/20 - 9/30/24	13,663,095	-	7,006,637	7,509,456	502,819	-	n/a
COVID-19, Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20 - 9/30/24	350,823	-	189,672	207,483	17,811	-	n/a
COVID-19, Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20 - 9/30/24	40,000	-	39,534	39,534	-	-	n/a
COVID-19, Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	3/13/20 - 9/30/24	40,000	-	31,579	31,579	-	-	n/a
COVID-19, NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20 - 9/30/24	445,613	-	339,366	357,947	18,581	-	n/a
COVID-19, Homeless Children & Youth II	84.425W	215064233E	4/23/21-9/30/23	39,906	39,906	39,906	-	-	-	n/a
Total American Rescue Plan Elementary and Secondary Schools Emergency Relief Fund					39,906	7,646,694	8,145,999	539,211	-	
Total U.S. Department of Education					1,444,125	14,808,148	14,144,927	780,904	-	
Total Expenditures of Federal Awards					\$ 1,444,125	\$ 14,808,148	\$ 14,144,927	\$ 780,904	\$ -	

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, 2023**

**K-4**

State Grantor Cluster/Program Title	Grant or State Project Number	Grant/ Contract Period	Grant Amount	Accrued (Deferred) Revenue at July 1, 2022	Total Received for the Year	Budgetary Expenditures	Accrued (Deferred) Revenue at June 30, 2023	Pass-through to Subrecipients	Pass-through Entity Identifying Number
<u>New Jersey Department of Education:</u>									
State Aid - Public Cluster:									
Equalization Aid	22-495-034-5120-078	7/1/21 - 6/30/22	\$ 50,570,912	\$ (1,175,704)	\$ (1,175,704)	\$ -	\$ -	\$ -	n/a
Special Education Categorical Aid	22-495-034-5120-089	7/1/21 - 6/30/22	1,700,853	(39,543)	(39,543)	-	-	-	n/a
Equalization Aid	23-495-034-5120-078	7/1/22 - 6/30/23	54,619,656	-	55,782,516	54,619,656	(1,162,860)	-	n/a
Special Education Categorical Aid	23-495-034-5120-089	7/1/22 - 6/30/23	1,797,611	-	1,829,754	1,791,611	(38,143)	-	n/a
Total State Aid - Public Cluster				(1,215,247)	56,397,023	56,411,267	(1,201,003)	-	
Extraordinary Special Education Costs Aid	23-495-034-5120-044	7/1/22 - 6/30/23	39,538	-	39,538	39,538	-	-	n/a
Total Extraordinary Special Education Costs Aid				-	39,538	39,538	-	-	
Reimbursed TPAF Social Security Contributions	22-495-034-5095-002	7/1/21 - 6/30/22	4,110,407	3,147,732	3,147,732	-	-	-	n/a
Reimbursed TPAF Social Security Contributions	23-495-034-5095-002	7/1/22 - 6/30/23	1,265,855	-	1,145,831	1,265,855	120,024	-	n/a
Total Reimbursed TPAF Social Security Contributions				3,147,732	4,293,563	1,265,855	120,024	-	
Charter & Renaissance School Project Emergent & Capital Maintenance Funds	23-495-034-5120-124	7/1/22 - 6/30/23	441,198	-	441,198	441,198	-	-	n/a
Total Charter & Renaissance School Project Emergent & Capital Maintenance Funds				-	441,198	441,198	-	-	
NJ State Reimbursement for Lead Water Testing	23-495-034-5120-104	7/1/22 - 6/30/23	11,100	-	11,100	11,100	-	-	n/a
Total NJ State Reimbursement for Lead Water Testing				-	11,100	11,100	-	-	
Total New Jersey Department of Education				1,932,485	61,182,422	58,168,958	(1,080,979)	-	
Total Expenditures of State Awards				\$ 1,932,485	\$ 61,182,422	\$ 58,168,958	\$ (1,080,979)	\$ -	

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, 2023**

**K-5**

**NOTE 1 GENERAL INFORMATION**

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

**NOTE 2 BASIS OF PRESENTATION**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

**NOTE 4 INDIRECT COST RATE**

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

**MASTERY SCHOOLS OF CAMDEN, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

K-6

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***Section I – Summary of Auditors' Results***

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***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 II

84.425U

COVID-19 – American Rescue Plan Elementary  
and Secondary Schools Emergency Relief Fund

84.010

Title I Grants to Local Educational Agencies

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, 2023**

K-6

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***Section I – Summary of Auditors' Results (Continued)***

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***Identification of Major State Programs (Continued)***

<b>GMIS Number(s)</b>	<b>Name of State Program or Cluster</b>
<u>State Aid – Public Cluster</u> 23-495-034-5120-078	Equalization Aid
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

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***Section II – Financial Statement Findings***

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

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

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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***

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