

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF
MASTERY SCHOOLS OF CAMDEN, INC.
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

MASTERY SCHOOLS OF CAMDEN, INC.

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June 30, 2024

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N/A=Not Applicable

INTRODUCTORY SECTION



December 10, 2024

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

Dear Commissioner:

The Annual Comprehensive Financial Report of Mastery Schools of Camden, Inc. (the Renaissance School) for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Renaissance School. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Renaissance School. All disclosures necessary to enable the reader to gain an understanding of the Renaissance 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 and list of principal officials. The financial section includes the financial statements and schedules, as well as the auditor's report. The statistical section includes unaudited data from the Renaissance School's previous fiscal years since inception. The Renaissance School is required to undergo annual single audit in conformity with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance and the State Treasury OMB's Circular Letter 15-08, *"Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments."* Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws and regulations and findings and recommendations is 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 Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds of the Renaissance School are included in this report. Mastery Schools of Camden, Inc. operates a school project under an operating agreement with the Camden City School District. The agreement began effective July 17, 2014, for a ten-year term. The renewal was postponed until fiscal year 2025 and, therefore, the Renaissance School will operate under the existing agreement until July 2025.
- 2) **Enrollment Outlook:** Mastery Schools of Camden, Inc. completed the 2023-24 school year with an average daily enrollment of 2,841 students in kindergarten through twelfth grade at six locations. Based on the demand, it is anticipated that the Renaissance School 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 and Data, and Student Support.

The Renaissance School has continued to adapt programming to effectively educate students in the post-pandemic era. The Renaissance School has leveraged increased technology and data-based curricular software to accelerate its academic program. The Renaissance 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 Renaissance 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.

The Renaissance School's students were housed in six schools across six buildings during the 2023-24 school year. The Renaissance 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 Renaissance 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 Renaissance School is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Renaissance School are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and state financial assistance, the Renaissance School also is responsible for ensuring that an adequate control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the Renaissance School's management.

As part of the Renaissance 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 Renaissance School has complied with applicable laws and regulations. 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 to June 30.

- 5) **Budgetary Controls:** In addition to internal accounting controls, the Renaissance School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Renaissance School and the State of New Jersey. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balances at June 30, 2024.

- 6) **Accounting System and Reports:** The Renaissance School's accounting records reflect GAAP, as promulgated by GASB. The accounting system of the Renaissance School is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to Basic Financial Statements", Note 2.
- 7) **Cash Management:** The investment policy of the Renaissance School is guided in large by the state statute as detailed in "Notes to Basic Financial Statements," Note 2. The Renaissance School had 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 failed banking institutions in New Jersey. The law requires Governmental Units to deposit funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 8) **Risk Management:** The Renaissance School carries various forms of insurance, including, but not limited to, general liability, automobile liability and comprehensive/collision, and hazard and theft insurance on property and contents.
- 9) **Other Information:**

Independent Audit – State statutes require an annual audit by an independent Certified Public Accountant or Registered Municipal Accountant. The Accounting firm of AAFCPAs, Inc. was selected by the Renaissance School.

In addition to meeting the requirements set forth in the state statutes, the Renaissance School is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the New Jersey OMB's Circular 15-08, *"Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid"*. Information related to this single audit, including the auditor's report on internal control and compliance with applicable *laws and regulations* and findings and recommendations are included in the single audit section of this report.

Respectfully submitted,

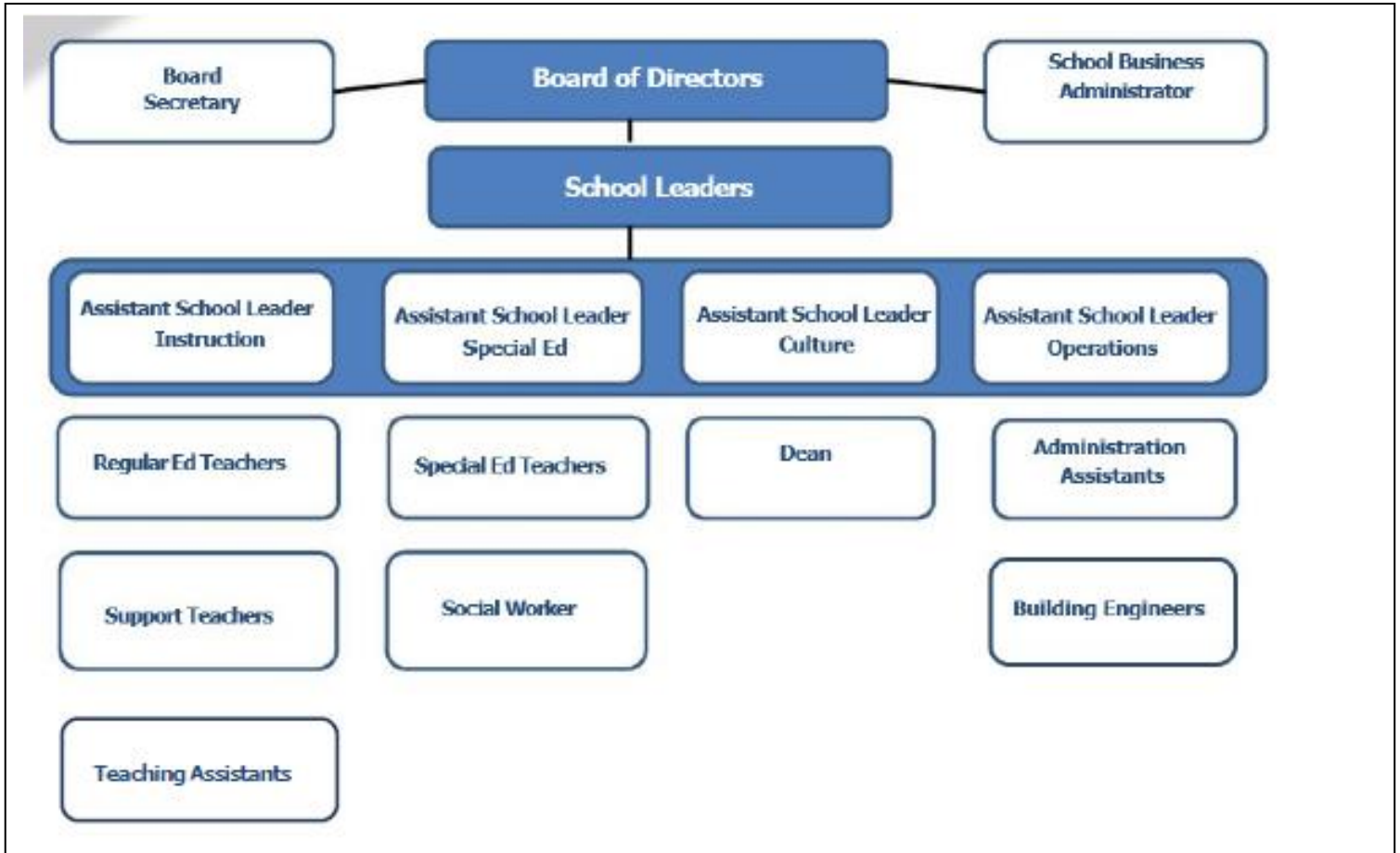


Christopher W. Barts
School Business Administrator



Michael Patron
Board Secretary

ORGANIZATIONAL CHART
JUNE 30, 2024



**ROSTER OF TRUSTEES AND OFFICERS
JUNE 30, 2024**

<u>Board of Trustees</u>		<u>Term Expires</u>
James Sheward, Chair		6/30/24
Jamie Reynolds (Resigned 2/29/2024)		6/30/24
Judith Tschirgi		6/30/24
Reuel Robinson		6/30/24
Johan Velez-Millan		6/30/24
<u>School Leaders</u>	<u>School</u>	
Jessie Gismondi, School Leader	Cramer Hill Elementary	
Stephen Williams, School Leader	Molina Elementary – Upper School	
Mina Lee, School Leader	Molina Elementary – Lower School	
Danielle Horowitz, School Leader	McGraw Elementary	
Lynette Padin-Reyes, School Leader	East Camden Middle	
Andrew Anderson, School Leader	Mastery High School of Camden	
<u>Other</u>		
Michael Patron, Board Secretary		
Christopher W. Barts, School Business Administrator		

CONSULTANTS, INDEPENDENT AUDITORS AND ADVISORS

AUDIT FIRM

AAFCPAs, Inc.
50 Washington Street
Westborough, MA 01581

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

FINANCIAL SECTION

**Unmodified Opinion on Financial Statements Accompanied by Required Supplementary Information,
Supplementary Information and Other Information – Governmental Entity**

Independent Auditor's Report

To the Board of Trustees of
Mastery Schools of Camden, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mastery Schools of Camden, Inc. (the Renaissance School), County of Camden, State of New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Renaissance School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mastery Schools of Camden, Inc. as of June 30, 2024, and the respective changes in net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 and audit requirements as prescribed by the *Office of School Finance, Department of Education, State of New Jersey*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Renaissance School 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 opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Renaissance School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Renaissance School'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 Information and Pension Information* (as listed in the table of contents) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Renaissance School's basic financial statements. The individual fund financial statements and Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance for the year ended June 30, 2024, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the provisions of New Jersey OMB's Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024, on our consideration of the Renaissance School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Renaissance School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Renaissance School's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "AAFCPA, Inc." The letters are stylized and cursive.

Westborough, Massachusetts
December 10, 2024

Matthew T. McGinnis, C.P.A.
Public School Accountant
PSA #20CC04260100

REQUIRED SUPPLEMENTARY INFORMATION - PART I
MANAGEMENT'S DISCUSSION AND ANALYSIS

MASTERY SCHOOLS OF CAMDEN, INC.

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

The Board of Trustees of Mastery Schools of Camden, Inc. (the Renaissance School) offers readers of the Renaissance School's financial statements this narrative overview and analysis of the financial activities of the Renaissance School for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented herein conjunction with the Renaissance School's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-24 include the following:

- Total revenues on a governmental fund basis, which consisted mostly of School District student subsidies, local sources, state sources, and Federal sources, increased from \$76,349,506 to \$86,839,163 due to an increase in the number of students and Federal program awards from June 30, 2024, which resulted in an increase of School District student subsidies (local and state shares), state aid, other local sources, special revenue Federal aid and on-behalf TPAF contributions.
- At the close of the current fiscal year, the Renaissance School reported an ending general fund balance of \$31,294,168.
- At the close of the current fiscal year, the Renaissance School reported an ending government-wide net position balance of \$47,145,012.
- The Renaissance School's cash balance at June 30, 2024, was \$17,521,492, representing a decrease of \$296,394 from June 30, 2023. This decrease was driven by the timing of the Renaissance School's collections and payments with respect to each year-end.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information that includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Renaissance School.

Government-Wide Financial Statements

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

The statement of net position presents information on all of the Renaissance 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 Renaissance School is improving or deteriorating.

The statement of activities presents information showing how the Renaissance School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

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

MASTERY SCHOOLS OF CAMDEN, INC.

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

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

Financial Analysis of Mastery Schools of Camden, Inc. as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Renaissance School, assets (including deferred outflow of resources) exceeded liabilities (including deferred inflow of resources) by \$47,145,012 as of June 30, 2024.

	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 40,018,746	\$ 34,440,037
Capital assets, net	19,491,371	13,527,905
Right-to-use lease assets, net	<u>30,712,547</u>	<u>32,510,686</u>
Total assets	<u>\$ 90,222,664</u>	<u>\$ 80,478,628</u>
Deferred outflows of resources	<u>\$ 10,292,400</u>	<u>\$ 13,760,043</u>
Current liabilities	\$ 8,724,578	\$ 23,363,806
Noncurrent liabilities	<u>43,645,253</u>	<u>32,234,894</u>
Total liabilities	<u>\$ 52,369,831</u>	<u>\$ 55,598,700</u>
Deferred inflows of resources	<u>\$ 1,000,221</u>	<u>\$ 1,864,428</u>
Net investment in capital assets	\$ 17,720,802	\$ 12,224,164
Unrestricted	<u>29,424,210</u>	<u>24,551,379</u>
Total net position	<u>\$ 47,145,012</u>	<u>\$ 36,775,543</u>

MASTERY SCHOOLS OF CAMDEN, INC.

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Financial Analysis of Mastery Schools of Camden, Inc. as a Whole (Continued)**

The Renaissance 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>2024</u>	<u>2023</u>
Revenues:		
Program revenues:		
Special revenue Federal aid	\$ 10,783,088	\$ 14,144,927
Special revenue State aid	903,410	-
General revenues:		
Local share	3,031,020	2,861,076
State share	60,806,813	56,411,267
State aid	9,072,898	1,873,231
Other revenue	<u>2,241,934</u>	<u>1,059,005</u>
Total revenues	<u>86,839,163</u>	<u>76,349,506</u>
Expenditures:		
Instruction	36,618,322	36,786,917
Support services	24,717,463	26,714,199
Reimbursed TPAF Social Security contributions	1,212,753	*
On-behalf TPAF contributions	7,770,138	-
Interest on long-term debt	1,385,028	1,449,076
Loss on disposals of capital assets and leases	14,632	-
Net increase in pension deficit	1,822,107	47,851
Unallocated depreciation and amortization	<u>2,929,251</u>	<u>2,848,635</u>
Total expenditures	<u>76,469,694</u>	<u>67,846,678</u>
Change in net position	10,369,469	8,502,828
Net Position - Beginning	<u>36,775,543</u>	<u>28,272,715</u>
Net Position - Ending	<u>\$ 47,145,012</u>	<u>\$ 36,775,543</u>

* Information was presented within instructional and support services expenses in the prior year audit

Governmental Fund

The focus of the Renaissance 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 Renaissance 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.

MASTERY SCHOOLS OF CAMDEN, INC.

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Financial Analysis of Mastery Schools of Camden, Inc. as a Whole (Continued)

The Renaissance School's general fund reported an ending fund balance of \$31,294,168. For the year ended June 30, 2024, the Renaissance School's general fund revenues \$75,152,665 exceeded expenditures and other financing uses (\$68,457,727) by \$6,694,938.

The Renaissance School's special revenue fund did not report an ending fund balance. For the year ended June 30, 2024, the Renaissance School's revenues \$11,686,498 equaled expenditures (\$11,686,498).

General Fund Budgetary Highlights

Actual revenues were greater than budgeted revenues by \$8,638,174, primarily due to greater than budgeted local, state and right-to-use assets - leases issued financing sources (nonbudgeted) and On-behalf TPAF contributions (nonbudgeted). Actual expenditures were greater than budgeted expenditures by \$3,761,672, primarily due to less than budgeted regular education instruction, special education instruction, administrative, support services expenditures, and right-to-use - lease expenditures (nonbudgeted) offset by On-behalf TPAF contributions (nonbudgeted).

Capital Asset and Right-to-Use Lease Assets

As of June 30, 2024, the Renaissance School's investment in capital assets for its governmental activities totaled \$50,203,918 (net of accumulated depreciation and amortization). This investment in capital assets includes building, building improvements, equipment, and right-to-use assets.

Major capital asset purchases during the year included the following:

- Capital expenditures of \$1,550,669 for leasehold improvements
- Capital expenditures of \$498,644 for furniture, equipment and software
- Capital expenditures of \$4,824,672 for construction services
- Capital expenditures of \$283,312 for right-to-use lease assets

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

Long-term Debt

As of June 30, 2024, the Renaissance School has entered into multiple building facility and equipment lease agreements. The Renaissance 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, 2024, the long-term debt of \$32,483,116 consisted of lease liabilities: right-to-use obligations.

Economic Factors and Next Year's Budgets and Rates

The Renaissance School's primary source of revenue comes from per-pupil funding from the Camden City School District. For the Renaissance School's school year 2024-25, we are projecting total enrollment to be around 2,830, which is approximately the same enrollment during the 2023-2024 school year. Renaissance School per-pupil funding for 2024-25 is expected to increase approximately 8% compared to 2024-25.

Contacting the Renaissance School's Financial Management

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

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of Mastery Schools of Camden, Inc.'s operations. These financial statements present the financial position and operating results of all funds as of June 30, 2024.

SCHOOL-WIDE FINANCIAL STATEMENTS

MASTERY SCHOOLS OF CAMDEN, INC.

Statement of Net Position
June 30, 2024

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 17,521,492
Investments	21,269,994
Receivables	835,433
Prepaid expenses	391,827
Capital assets, net	19,491,371
Right-to-use lease assets, net	30,712,547
	<u>90,222,664</u>
Total assets	90,222,664
Deferred Outflow of Resources:	
Pension deferred outflows	10,292,400
	<u>10,292,400</u>
Total assets and deferred outflow of resources	<u>\$ 100,515,064</u>
Liabilities:	
Accounts payable	\$ 4,741,470
Accrued expenses	2,751,843
Net pension liability	11,162,137
Due to Camden City School District	1,231,265
Lease liabilities	32,483,116
	<u>52,369,831</u>
Total liabilities	52,369,831
Deferred Inflow of Resources:	
Pension deferred inflows	1,000,221
	<u>1,000,221</u>
Total liabilities and deferred inflow of resources	<u>53,370,052</u>
Net Position:	
Invested in capital assets	17,720,802
Unrestricted	29,424,210
	<u>47,145,012</u>
Total net position	47,145,012
Total liabilities, deferred inflow of resources and net position	<u>\$ 100,515,064</u>
Fund Balance, June 30, 2024 - B-1	\$ 31,294,168
Cost of capital assets, net of accumulated depreciation	19,491,371
Cost of right-to-use lease assets, net of accumulated amortization	30,712,547
Principal balance of lease liabilities	(32,483,116)
	<u>17,720,802</u>
Net position before pension adjustments	49,014,970
Less - pension, net (deficit)	(1,869,958)
	<u>47,145,012</u>
Total Net Position, June 30, 2024	<u>\$ 47,145,012</u>

MASTERY SCHOOLS OF CAMDEN, INC.

Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net Expense (Revenue) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$ 24,427,641	\$ -	\$ 2,543,068	\$ -	\$ 21,884,573
Special education instruction	10,814,843	-	1,428,740	-	9,386,103
Summer school	602,259	-	399,509	-	202,750
Student activities	773,579	-	25,492	-	748,087
Support services:					
Administrative	11,514,592	-	1,500,370	-	10,014,222
Culture and educational support	4,311,071	-	2,291,469	-	2,019,602
Professional development	327,072	-	4,750	-	322,322
Nursing	766,222	-	-	-	766,222
Community advocacy and engagement	459,152	-	116,755	-	342,397
Student transportation services	2,202,752	-	692,414	-	1,510,338
Operations	5,136,602	-	1,780,521	-	3,356,081
Reimbursed TPAF Social Security contributions	1,212,753	-	-	-	1,212,753
TPAF Pension (On-Behalf - Non-Budgeted)	6,102,980	-	-	-	6,102,980
TPAF Post-Retirement Medical (On-Behalf - Non-Budgeted)	1,661,008	-	-	-	1,661,008
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	6,150	-	-	-	6,150
Capital Outlay:					
Leasehold improvements	1,550,669	-	-	-	1,550,669
Furniture, equipment and software	498,644	-	-	-	498,644
Construction services	4,824,672	-	-	903,410	3,921,262
Interest on long-term debt	1,385,028	-	-	-	1,385,028
Total governmental activities	<u>78,577,689</u>	<u>-</u>	<u>10,783,088</u>	<u>903,410</u>	<u>66,891,191</u>
Total primary government	<u>\$ 78,577,689</u>	<u>\$ -</u>	<u>\$ 10,783,088</u>	<u>\$ 903,410</u>	<u>66,891,191</u>
General Revenues:					
Local share					3,031,020
State share					60,806,813
State aid not restricted					9,072,898
Other miscellaneous income					2,241,934
Total general revenues					<u>75,152,665</u>
Other Financing Uses:					
Lease principal payments					<u>(1,566,536)</u>
Change in fund balance					6,694,938
Increase in net Capital Outlay					5,963,466
Excess amortization and lease interest expense over cash payments on leases					(466,828)
Decrease in pension deficit (A-1 Net Position)					<u>(1,822,107)</u>
Change in net position					10,369,469
Net Position - beginning July 1					<u>36,775,543</u>
Net Position - ending June 30					<u>\$ 47,145,012</u>

The accompanying notes are an integral part of these statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

MASTERY SCHOOLS OF CAMDEN, INC.

Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 17,521,492	\$ -	\$ 17,521,492
Investments	21,269,994	-	21,269,994
Receivables	225,826	609,607	835,433
Due (to) from other funds	609,607	(609,607)	-
Prepaid expenditures	391,827	-	391,827
Total assets	<u>\$ 40,018,746</u>	<u>\$ -</u>	<u>\$ 40,018,746</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 4,741,470	\$ -	\$ 4,741,470
Accrued expenses	2,751,843	-	2,751,843
Due to Camden City School District	1,231,265	-	1,231,265
Total liabilities	<u>8,724,578</u>	<u>-</u>	<u>8,724,578</u>
Fund Balances:			
Nonspendable:			
Prepaid expenditures	391,827	-	391,827
Committed:			
Capital Reserve	2,500,000	-	2,500,000
Maintenance Reserve	500,000	-	500,000
Emergency Reserve	9,006,000	-	9,006,000
Pension Reserve	1,350,000	-	1,350,000
Strategic Reserve	17,546,341	-	17,546,341
Unassigned:			
General fund	-	-	-
Total fund balances	<u>31,294,168</u>	<u>-</u>	<u>31,294,168</u>
Total liabilities and fund balances	<u>\$ 40,018,746</u>	<u>\$ -</u>	<u>\$ 40,018,746</u>

Amounts reported for *Governmental Activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$22,837,358 and the accumulated depreciation is \$3,345,987 (see Note 4).	\$ 19,491,371
Deferred Outflows related to pension contributions subsequent to the net pension liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements (see Note 7).	10,292,400
Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements (see Note 7).	(1,000,221)
Net pension liability, not due and payable in the current period and therefore are not reported as liabilities in the fund statements (see Note 7).	(11,162,137)
Right-to-use assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$36,661,799 and the accumulated amortization is \$5,949,252 (see Note 4).	30,712,547
Lease liabilities used in governmental activities are not financial resources and therefore are not reported in the funds (see Note 5).	(32,483,116)
Net position of governmental activities	<u>\$ 47,145,012</u>

MASTERY SCHOOLS OF CAMDEN, INC.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues:			
Local sources:			
Local share	\$ 3,031,020	\$ -	\$ 3,031,020
Other revenue	2,241,934	-	2,241,934
Total - local sources	5,272,954	-	5,272,954
State share	60,806,813	-	60,806,813
State sources	9,072,898	903,410	9,976,308
Federal sources	-	10,783,088	10,783,088
Total revenues	75,152,665	11,686,498	86,839,163
Expenditures:			
Current:			
Instruction:			
Regular instruction	21,884,573	2,543,068	24,427,641
Special education instruction	9,386,103	1,428,740	10,814,843
Summer school	202,750	399,509	602,259
Student activities	748,087	25,492	773,579
Supportive services:			
Administrative	10,014,222	1,500,370	11,514,592
Culture and educational support	2,019,602	2,291,469	4,311,071
Professional development	322,322	4,750	327,072
Nursing	766,222	-	766,222
Community advocacy and engagement	342,397	116,755	459,152
Student transportation services	1,510,338	692,414	2,202,752
Operations	3,356,081	1,780,521	5,136,602
Reimbursed TPAF Social Security contributions	1,212,753	-	1,212,753
TPAF Pension (On-Behalf - Non-Budgeted)	6,102,980	-	6,102,980
TPAF Post-Retirement Medical (On-Behalf - Non-Budgeted)	1,661,008	-	1,661,008
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	6,150	-	6,150
Debt service:			
Interest expense	1,385,028	-	1,385,028
Capital Outlay:			
Leasehold improvements	1,550,669	-	1,550,669
Furniture, equipment and software	498,644	-	498,644
Construction services	3,921,262	903,410	4,824,672
Total expenditures	66,891,191	11,686,498	78,577,689
Excess of revenues over expenditures	8,261,474	-	8,261,474
Other Financing Uses:			
Lease principal payments	1,566,536	-	1,566,536
Net change in fund balances	6,694,938	-	6,694,938
Fund Balance - July 1, 2023	24,599,230	-	24,599,230
Fund Balance - June 30, 2024	\$ 31,294,168	\$ -	\$ 31,294,168

MASTERY SCHOOLS OF CAMDEN, INC.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2024

Total net change in fund balances - Governmental Funds (from B-2) **\$ 6,694,938**

Amounts reported for governmental activities in the statement
of activities (A-2) are different because:

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

Depreciation expense	(885,880)		
Disposals of equipment	(24,639)		
Capital outlay	<u>6,873,985</u>		5,963,466

New lease increase in right-to-use assets offset by the current year amortization of the right-to-use assets, allocated over the term of the leases.

Right-to-use assets	283,312		
Disposal of leases	(38,080)		
Amortization expense	<u>(2,043,371)</u>		(1,798,139)

New lease increase in lease liabilities offset by the current year principal payments on lease liabilities. Principal payments on lease liabilities decrease liabilities in the statement of net position, but are included in the governmental funds as expenses.

Lease liabilities	(283,312)		
Disposal of leases	48,087		
Principal payments	<u>1,566,536</u>		1,331,311

Pension contributions are reported in governmental funds as expenditures; however, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changes during the period.

(1,822,107)

Change in net position of governmental activities

\$ 10,369,469

NOTES TO THE BASIC FINANCIAL STATEMENTS

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

1. DESCRIPTION OF THE RENAISSANCE SCHOOL AND REPORTING ENTITY

Mastery Schools of Camden, Inc. (the Renaissance School) is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. The Renaissance 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 ten-year term. The Renaissance School served over 2,800 students from grades kindergarten to twelfth grade during the Renaissance School's school year 2023-24 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 Renaissance School are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Renaissance School. For the Renaissance School, this includes general operations and special revenue activities of the Renaissance School.

The primary criterion for including activities within the Renaissance 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 Renaissance 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 Renaissance School over which the Board exercises operating control. Based on the aforementioned criteria, the Renaissance School has no component units to be included in the reporting entity. Further, the Renaissance School is not includable in any other reporting entity on the basis of such criteria.

The Renaissance School's 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.

The Renaissance School's 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Renaissance School is presented to assist in understanding the Renaissance School's financial statements and notes are a representation of the Renaissance School's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles in the United States as applied to governmental units and have been consistently applied in the preparation of these financial statements.

The financial statements of the Renaissance School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing Governmental Accounting and Financial Reporting principles.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Renaissance School's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

Renaissance School Government-Wide and Fund Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report on the Renaissance School as a whole. The statement of activities demonstrates the degree to which the direct expenses of the Renaissance 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 Renaissance School's general fund and special revenue fund.

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 Renaissance 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 Renaissance School reports the following major governmental funds:

- *General Fund* - The General Fund is the operating fund of the Renaissance School and accounts for all revenues and expenditures of the Renaissance 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.

Fund Accounting

The Renaissance School segregates transactions related to certain school functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Renaissance School at a more detailed level.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability, resulting from exchange and exchange-like transactions, are incurred (i.e., the exchange takes place), regardless of the timing of cash flows.

In the fund financial statements, governmental fund and agency funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible with the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental funds revenues.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County Office and the Education Commissioner for approval. Budgets, except for the special revenue fund, which is prepared using a non-GAAP budgetary basis, are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of P.L. 2004 c73 (S1701). The Board of Trustees did not make any material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below.

Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental funds types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognized encumbrances as expenditures and also recognized the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, cash in banks, and all highly liquid investments with a maturity of three months or less.

New Jersey Schools are limited as to the types of investments and types of financial institution they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey Renaissance Schools.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (Continued)

Additionally, the Renaissance School has adopted a cash management plan that 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 loss funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. Seq. established the requirements for the security of deposits of Governmental Units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan Institutions, bank (both state and national banks) and saving bank, the deposits of which are Federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposit of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Investments

The Renaissance School's investments (see Note 3) consisted of \$21,267,569 of U.S. Government treasury's and \$2,425 of cash that are presented in the financial statements at fair value. U.S. Government treasury's have an active market with quoted prices and, as a result, the market price of identical securities (Level 1 inputs) is used to determine fair value.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In the accompanying school-wide statement of net position, deferred outflows of resources consistent of deferred amounts on net pension liability.

Deferred amounts on net pension liability are reported in the Renaissance School-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Renaissance School has one type which arises only under the accrual basis of accounting that qualify for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the Renaissance School-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include leasehold improvements, software, furniture, fixtures and equipment, are reported in the applicable governmental column of the government-wide financial statements. Capital assets are defined by the Renaissance School as assets with initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or, if donated, through estimation procedures performed by an independent appraisal company.

The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized. Donated capital assets are capitalized at estimated fair market value on the date donated. Depreciation of capital assets is computed and recorded by the straight-line method.

The following estimated useful lives are used to compute depreciation:

<u>Description of Capital Cost</u>	<u>Estimated Useful Lives</u>
Leasehold improvements	27 years or life of lease
Furniture and equipment	5 - 7 years
Software	3 years

Net Position/Fund Balance

School-Wide Statements

In the Renaissance School-wide statements, there are three classes of net position:

- *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 is 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. Net investment in capital assets also include right-to-use lease assets reduced by lease obligations.
- *Restricted Net Position* - 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. There was no restricted net position as of June 30, 2024.
- *Unrestricted Net Position* - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance and Equity

The Renaissance School follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54"), in establishing fund balance classifications that comprise a hierarchy based primarily on the extent to which government is bound to observe constraints imposed upon the use of resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds' financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. *Nonspendable* - includes amounts that cannot be spent because they either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. *Restricted* - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. *Committed* - includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. *Assigned* - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. *Unassigned* - includes all spendable amounts not contained in the other classifications.

At June 30, 2024, the Renaissance School had committed and nonspendable fund balances. The Renaissance School did not have any unassigned fund balances as of June 30, 2024.

When both restricted and unrestricted resources are available for use, it is the Renaissance School's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the Renaissance School first spends committed funds, then assigned funds, and finally, unassigned funds.

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that is not contingent on a specific event that is outside the control of the Renaissance School and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Renaissance School and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The non-current portion of the liability is not reported. The Renaissance School had no compensated absences as of June 30, 2024.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, the non-current portion of compensated absences and mortgage payable (if any) that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

Due to Camden City School District

The Renaissance School receives monthly tuition (State and Local Share) based on projected enrollment on October 15 of the fiscal year. These projections are reconciled for actual enrollment as of year-end and any overpayments are due back to the School District. As of June 30, 2024, there is \$1,231,265 due back to the School District, and is reflected as due to Camden City School District in the accompanying statement of net position.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates that affect the recorded amount 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 expenditures during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Renaissance School accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. The Renaissance School has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at June 30, 2024. The Renaissance School's information returns are subject to examination by the Federal and state jurisdictions.

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's 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 Payments

Revenues and expenditures of the General Fund include payments made by the State of New Jersey for pension and Social Security contributions for certified teacher members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the Renaissance School's annual budget (see Note 7).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

The Renaissance School follows the accounting and disclosure standards pertaining to GASB No. 72, *Fair Value Measurement and Application*, for qualifying assets and liabilities. Fair value is defined as the price that the Renaissance School would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants at the measurement date.

The Renaissance School uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of the Renaissance School. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that are developed using market data, such as publicly available information about actual events or transactions, and which reflect the assumptions that market participants would use when pricing an asset or liability. Unobservable inputs are inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing an asset or liability.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2 - Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 - Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

Leases

The Renaissance School accounts for any lease (see Note 5) with a term greater than one year in accordance with GASB 87, *Leases* (GASB 87). The lease terms are defined as the noncancellable period of any lease, plus any options to extend under such leases, when management is reasonably certain those options will be exercised. Accordingly, the net present value of the estimated future minimum payments is reflected as a right-to-use lease asset and lease liability. The right-to-use lease assets (see Note 4) will be recognized on a straight-line basis over the lesser of the life of the asset or the remaining lease period. The right-to-use assets related to the facility lease are being amortized over the term of each respective lease.

Subsequent Events

The Renaissance School has evaluated all subsequent events occurring through the date of the Independent Auditor's Report of December 10, 2024, which is the date the financial statements were available to be issued. No events that met the criteria for disclosure within the financial statements.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

3. DEPOSITS AND INVESTMENTS

New Jersey statutes require that schools deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Schools are also permitted to deposit public funds in the State of New Jersey Cash Management Fund (NJCMF), the New Jersey Arbitrage Rebate Management Fund (NJARM) and the M.B.I.A Class.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows: The market value of the collateral must equal at least 5% of the average daily balance of collected funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75% of its capital funds or \$200,000,000. All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Deposits

The Renaissance School's cash and cash equivalents are classified below to inform financial statement users about the extent to which the Renaissance School's deposits and investments are exposed to custodial credit risk. As of June 30, 2024, the Renaissance School's carrying amount of deposits and investments is as follows:

	<u>School-Wide Financial Statements</u>
Cash Balance	<u>\$ 17,521,492</u>

Operating cash accounts are held in the Renaissance School's name by one banking institution. At June 30, 2024, the Renaissance School's bank balances were \$17,620,402. Of the bank balance, \$250,000 of the Renaissance School's cash deposits on June 30, 2024, was secured by the Federal deposit insurance and \$17,370,402 was covered by a collateral pool maintained by the bank as required by New Jersey statutes in accordance with the New Jersey GUDPA.

Reconciliation to the financial statements:

Total cash balance covered by collateral pool	\$ 17,370,402
Plus - insured amount	250,000
Plus - petty cash	12,000
Less - outstanding checks	<u>(110,910)</u>
Total cash and cash equivalents per School-wide financial statements	<u>\$ 17,521,492</u>

3. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

GASB Statement No. 40 requires that the Renaissance School disclose whether its deposits are exposed to custodial risk (risk that in the event of failure of the counterparty, the Renaissance School would not be able to recover the value of its deposit or investment). In general, deposits are considered to be exposed to custodial risk by three categories described below:

Category 1

Insured or collateralized with securities held by the Renaissance School or by its agent in the Renaissance School's name.

Category 2

Collateralized with securities held by the pledging public depository's trust department or agent in the Renaissance School's name.

Category 3

Uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Renaissance School's name.

The Renaissance School does not have a policy for the management of the custodial risk, other than depositing all of its funds in banks covered by GUDPA.

Investments

New Jersey statutes permit the Renaissance School to purchase the following types of securities:

1. Bonds or other obligations of the United States or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
3. Bonds or other obligations of the Renaissance School.
4. New Jersey Cash Management Fund, New Jersey Arbitrage Rebate Management Fund and MBIA CLASS.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

3. DEPOSITS AND INVESTMENTS (Continued)**Investments (Continued)**

Statutes authorize the Renaissance 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 U.S. Treasury bills mature at various dates through November 2024.

Assets of the Renaissance School for which values are determined on a recurring basis as of June 30, 2024, are summarized as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 2,425	\$ -	\$ -	\$ 2,425
U.S. Treasury Bills	<u>21,267,569</u>	<u>-</u>	<u>-</u>	<u>21,267,569</u>
	<u>\$ 21,269,994</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,269,994</u>

There were no transfers between levels of the fair value hierarchy during the year ended June 30, 2024.

4. CAPITAL ASSETS AND RIGHT-TO-USE LEASE ASSETS

The following schedule is a summarization of the governmental activities changes in capital assets for the fiscal year ended June 30, 2024:

<u>Governmental Activities</u>	<u>Beginning Balance July 1, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance June 30, 2024</u>
Capital assets being depreciated:				
Leasehold improvements	\$ 7,085,218	\$ 1,550,669	\$ (36,235)	\$ 8,599,652
Furniture, equipment and software	<u>3,953,444</u>	<u>498,644</u>	<u>(18,694)</u>	<u>4,433,394</u>
Total capital assets being depreciated	11,038,662	2,049,313	(54,929)	13,033,046
Construction in progress	<u>4,979,640</u>	<u>4,824,672</u>	<u>-</u>	<u>9,804,312</u>
Total capital assets	<u>16,018,302</u>	<u>6,873,985</u>	<u>(54,929)</u>	<u>22,837,358</u>
Less - accumulated depreciated:				
Leasehold improvements	598,555	288,084	(11,596)	875,043
Furniture, equipment and software	<u>1,891,842</u>	<u>597,796</u>	<u>(18,694)</u>	<u>2,470,944</u>
Total accumulated depreciation	<u>2,490,397</u>	<u>885,880</u>	<u>(30,290)</u>	<u>3,345,987</u>
Total capital assets, net	<u>\$ 13,527,905</u>	<u>\$ 5,988,105</u>	<u>\$ (24,639)</u>	<u>\$ 19,491,371</u>

Depreciation expense of \$885,880 was charged to an unallocated function.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

4. CAPITAL ASSETS AND RIGHT-TO-USE LEASE ASSETS (Continued)

Construction in progress as of June 30, 2024, primarily consists of construction related to the improvements on the Renaissance School's Molina Elementary School and was completed and placed into service in August 2024.

Changes in right-to-use assets are as follows for the fiscal year ended June 30, 2024:

<u>Governmental Activities</u>	<u>Beginning Balance July 1, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance June 30, 2024</u>
Equipment	\$ 472,598	\$ 283,312	\$ (165,144)	\$ 590,766
Building	<u>36,071,033</u>	<u>-</u>	<u>-</u>	<u>36,071,033</u>
Total right-to-use lease assets	36,543,631	283,312	(165,144)	36,661,799
Less - amortization	<u>4,032,945</u>	<u>2,043,371</u>	<u>(127,064)</u>	<u>5,949,252</u>
Total right-to-use lease assets, net	<u>\$ 32,510,686</u>	<u>\$ (1,760,059)</u>	<u>\$ (38,080)</u>	<u>\$ 30,712,547</u>

5. LEASE OBLIGATIONS

The Renaissance School leases school building facilities under various noncancelable lease agreements that expire at various dates through July 2049. The lease agreements contain a renewable option of five years, which were not included in the initial calculation as the fair market value of the future payments was not readily determinable. The leases required aggregate monthly cash payments of approximately \$233,000 during the year ended June 30, 2024. Interest expense on the building leases was \$1,369,301 for the year ended June 30, 2024, which is included in interest on long-term debt in the accompanying statement of activities. The net present value of the building lease liabilities was \$32,045,752 as of June 30, 2024, which was calculated using a discount rate of 4.2% (the Renaissance School's estimated incremental borrowing rate as of July 1, 2021). Principal payments surrounding building lease liabilities were \$1,452,481 during the year ended June 30, 2024, which are included in lease principal payments in the accompanying statement of activities.

The Renaissance School leases copier equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through February 2029 with no renewal options. The leases required aggregate monthly cash payments of approximately \$18,000 during the year ended June 30, 2024. Interest expense on the equipment leases was \$15,727 for the year ended June 30, 2024, which is included in interest on long-term debt in the accompanying statement of activities. The net present value of the equipment lease liabilities was \$437,364 as of June 30, 2024, which was calculated using discount rates ranging from approximately 6% through 8.5% (estimated incremental borrowing rate as of July 1, 2021, or lease commencement date). Principal payments surrounding equipment lease liabilities were \$114,055 during the year ended June 30, 2024, which are included in lease principal payments in the accompanying statement of activities.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

5. LEASE OBLIGATIONS (Continued)

Future minimum cash payments required on the leases and amortization and the right-to-use lease assets are as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Amortization</u>
2025	\$ 1,351,364	\$ 1,020,734	\$ 1,493,481
2026	1,303,690	1,068,407	1,493,481
2027	1,355,850	1,179,589	1,493,481
2028	1,102,825	1,013,682	1,388,272
2029	1,155,943	1,087,761	1,320,310
2030 - 2034	5,048,952	6,083,268	6,872,501
2035 - 2039	3,630,177	7,502,043	6,872,501
2040 - 2044	2,034,754	6,811,466	5,322,260
2045 - 2049	728,090	6,594,130	4,228,765
2050 - 2054	-	122,036	64,505
	<u>\$ 17,711,645</u>	<u>\$ 32,483,116</u>	<u>\$ 30,549,667</u>

6. PENSION PLANS**Description of Plans**

Description of Plans - The majority of the employees of the Renaissance School are covered by either the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF) (both of which are contributory defined benefits plans). Both were established by state statute and are administered by the New Jersey Division of Pensions and Benefits (the Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the PERS and TPAF. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625.

Teachers' Pension and Annuity Fund (TPAF) - 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 the State.

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 Renaissance School and the systems other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - PERS was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care to substantially all full-time employees of the State or any county municipality, school, or public agency provided the employee is not a member of another state-administered retirement system. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

6. **PENSION PLAN** (Continued)

Description of Plans (Continued)

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

During fiscal year 2024, the Renaissance School incurred expenses totaling \$30,412 for the employer's share of qualified employees.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15a and 43:03B and N.J.S.A. 18A: for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after twenty-five years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years).

Members may seek early retirement after achieving twenty-five years of service credit or they may elect deferred retirement after achieving eight to ten years of service, in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provide for specified medical benefits for member who retire after achieving twenty-five years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes - Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need thirty years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes - Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended thirty-year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PERS), the UAAL will be amortized over a closed thirty-year period until the remaining period reaches twenty, when the amortization period will revert to an open-ended twenty-year period.

6. PENSION PLAN (Continued)

Cost-of-Living Adjustment Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

Contribution Requirements

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums. Under current statute, the Renaissance School is a non-contributing employer of TPAF (i.e., the State of New Jersey makes the employer contribution on behalf of public school districts and Renaissance schools).

The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27, for TPAF, which is a cost-sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost-sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Renaissance School.

PERS employer contributions are made annually by the Board of Trustees to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

The Renaissance School's contribution to PERS for the year ended June 30, 2024, was \$1,029,972.

In accordance with N.J.S.A 18A:66-66, the State reimbursed the Renaissance School \$1,212,753 for the year ended June 30, 2024, for the employer's share of Social Security contributions for TPAF members, as calculated on their base salaries. Also, the State paid \$7,770,138 into the TPAF pension representing on-behalf employer's portion of the TPAF Pension System Contributions, TPAF Post-Retirement Medical Benefits Contributions, and TPAF Long-Term Disability Insurance Premium Contributions for the Renaissance School. These amounts have been included in the school-wide financial statements and the fund financial statements as revenue and expenditure in accordance with GASB No. 68, *Accounting and Financial Reporting for Pensions*.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

7. PENSION PLANS – GASB 68

Teachers' Pension and Annuity Fund (TPAF)

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the TPAF and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF.

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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

The employer contributions for the Renaissance School are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the Renaissance School (the Employer) is considered to be in a special funding situation as defined by GASB Statement No. 68, and the State is treated as a non-employer contributing entity. Since the Employer does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the Renaissance School. However, the State's portion of the net pension liability that was associated with the Renaissance School was \$60,582,265 as measured on June 30, 2023.

For the year ended June 30, 2024, the Renaissance School's pension expense of \$1,488,330 and revenue of \$1,488,330 for support was provided by the State. The measurement period for the pension expense and revenue reported in the Renaissance School's financial statements (A-2) at June 30, 2024, is based upon changes in the collective net pension liability with a measurement period of June 30, 2022 through June 30, 2023. Accordingly, the pension expense and the related revenue associated with the support provided by the State are based upon the changes in the collective net pension liability between July 1, 2022 and June 30, 2023.

Although the Renaissance School does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the Renaissance School. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	<u>June 30, 2023</u>
Collective deferred outflows of resources	\$ 2,423,548,676
Collective deferred inflows of resources	\$ 14,741,373,312
Collective net pension liability (Non-employer - State of New Jersey)	\$ 51,032,669,551
State's portion of the net pension liability that was associated with the Renaissance School	\$ 60,582,265
State's portion of the net pension liability that was associated with the Renaissance School as a percentage of the collective net pension liability	.118713%

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

7. PENSION PLANS – GASB 68 (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% - 4.25% based on years of service
Investment Rate of Return:	7%

Pre-retirement, mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% 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 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

7. PENSION PLANS – GASB 68 (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return (Continued)

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023, are summarized in the following table:

	Target Allocation	Long-term Expected Real Rate of Return
US Equity	28.00%	8.98%
Non-US Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Assets	3.00%	8.40%
Real Estate	8.00%	8.58%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2023. 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 100% of the actuarially determined contributions for the state. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the Renaissance School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Since the Renaissance School has no proportionate share of the net pension liability because of the special funding situation, the Renaissance School would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at:

<https://www.nj.gov/treasury/pensions/documents/financial/gasb/gasb68-tpaf24.pdf>

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

7. PENSION PLANS – GASB 68 (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at: <http://www.nj.gov/treasury/pensions/gasb-notices.shtml>

Public Employees' Retirement System (PERS)

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

At June 30, 2024, the Renaissance School reported a liability of \$11,162,137 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The Renaissance School's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the year ended June 30, 2023. At June 30, 2023, the Renaissance School's proportion was 0.077063%.

For the year ended June 30, 2024, the Renaissance School recognized pension expense of \$2,806,093. At June 30, 2024, the Renaissance School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 106,724	\$ 45,627
Changes of assumptions	24,521	676,473
Net difference between projected and actual earnings on pension plan investments	51,403	-
Changes in proportion and differences between Renaissance School's contributions and proportionate share of contributions	9,079,780	278,121
Renaissance School's contributions subsequent to the measurement date	<u>1,029,972</u>	<u>-</u>
Total	<u>\$ 10,292,400</u>	<u>\$ 1,000,221</u>

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

7. PENSION PLANS – GASB 68 (Continued)**Public Employees' Retirement System (PERS) (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)***

The \$1,029,972 reported as deferred outflows of resources related to pensions resulting from the Renaissance School's contributions subsequent to the measurement date (i.e., for the Renaissance School year ended June 30, 2024, the plan measurement date was June 30, 2023) will be recognized as a reduction of the net pension liability measured as of June 30, 2024.

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2024	\$ (589,319)
2025	(328,935)
2026	459,665
2027	(82,262)
2028	<u>1,399</u>
Total	<u>\$ (539,452)</u>
	<u>June 30, 2023</u>
Collective deferred outflows of resources	\$ 1,080,204,730
Collective deferred inflows of resources	\$ 1,780,216,457
Collective net pension liability (Non-State - Local Group)	\$ 14,606,489,066
Renaissance School's proportion of net pension liability	\$ 11,162,137
Renaissance School's proportion percentage	0.077063%

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary increases:	2.75% - 6.55% based on years of service
Investment rate of return:	7.00%

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

7. PENSION PLANS – GASB 68 (Continued)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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 the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.98%
Non-US Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Assets	3.00%	8.40%
Real Estate	8.00%	8.58%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

7. PENSION PLANS – GASB 68 (Continued)

Public Employees' Retirement System (PERS) (Continued)

Sensitivity of the Renaissance School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate is assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

The following presents the Renaissance School's proportionate share of the net pension liability measured as of June 30, 2023, calculated using the discount rate of 7.00%, as well as what the Renaissance School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (6.00%)	2024 Current Discount Rate (7.00%)	1% Increase (8.00%)
Renaissance School's proportionate share of the net pension liability	<u>\$ 14,653,233</u>	<u>\$ 11,162,137</u>	<u>\$ 8,364,955</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at: <http://www.nj.gov/treasury/pensions/gasb-notices.shtml>.

8. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required the TPAF and the PERS, respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating twenty-five years of credited service or on a disability retirement. P.L. 2007, c 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees.

The cost of these benefits is funded through contributions by 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.

8. POST-RETIREMENT BENEFITS (Continued)

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 who retired from a board of education or county college with twenty-five years of service.

Other Postemployment Benefit Plan (OPEB)

Plan Description and Benefits Provided

The Renaissance 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 Renaissance 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 twenty-five years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, 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 twenty 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 twenty-five 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.

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 Renaissance School's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the Renaissance 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 Renaissance School. Note that actual numbers will be published in the NJ State's ACFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>).

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

8. POST-RETIREMENT BENEFITS (Continued)

Other Postemployment Benefit Plan (OPEB) (Continued)

Actuarial Assumptions

The total OPEB 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. The total OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020. 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.

	TPAF	PERS	PFRS
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.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of TPAF, PERS and PFRS experience studies for July 1, 2018 through June 30, 2021.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.5% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to 4.50% long-term trend rate after seven years.

For the Medicare Part B reimbursement, the trend rate is 5%.

Discount Rate

The discount rate for June 30, 2023, was 3.65%. 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.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

8. POST-RETIREMENT BENEFITS (Continued)**Other Postemployment Benefit Plan (OPEB) (Continued)*****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
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 members	-	42,650,252
Contributions from the employer	(402,350)	(1,329,476,059)
Net changes	15,835,556	(9,361,188,004)
Balance at June 30, 2022 measurement date	15,835,556	50,646,462,966
Changes recognized for the fiscal year:		
Service cost	2,666,214	2,136,235,476
Interest on total OPEB liability	715,304	1,844,113,951
Effect of differences between expected and actual experience	1,591,555	(980,424,863)
Effect of changes of assumptions	40,937	105,539,463
Contributions from the members	18,331	47,258,104
Contributions from the employer	(557,591)	(1,437,516,858)
Net changes	4,474,750	1,715,205,273
Balance at June 30, 2023 measurement date	\$ 20,310,306	\$ 52,361,668,239

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

The following presents the total nonemployer OPEB liability as of June 30, 2023, 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 one-percentage point lower or one-percentage point higher than the current rate:

	2023		
	1% Decrease (2.65%)	At Discount Rate (3.65%)	1% Increase (4.65%)
Renaissance School's proportionate share of the net OPEB liability	\$ 23,810,347	\$ 20,310,306	\$ 17,500,179
Total OPEB liability	\$ 61,385,066,712	\$ 52,361,668,239	\$ 45,116,926,835

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

8. POST-RETIREMENT BENEFITS (Continued)**Other Postemployment Benefit Plan (OPEB) (Continued)*****Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate (Continued)***

	2022		
	1% Decrease (2.54%)	At Discount Rate (3.54%)	1% Increase (4.54%)
Renaissance 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, 2023, calculated using the healthcare trend 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 one-percentage point lower or one-percentage point higher than the current rate:

	2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Renaissance School's proportionate share of the net OPEB liability	\$ 16,860,685	\$ 20,310,306	\$ 24,824,144
Total OPEB liability	\$ 43,468,257,358	\$ 52,361,668,239	\$ 63,998,719,320

	2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Renaissance School's proportionate share of the net OPEB liability	\$ 13,089,055	\$ 15,835,556	\$ 19,443,252
Total OPEB liability	\$ 41,862,397,291	\$ 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, 2024, the Renaissance School had no OPEB expense 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 \$52,361,668,239. Of this amount, the total OPEB liability attributable to the Renaissance School was \$20,310,306. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the Renaissance School of 0.0388%.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

8. POST-RETIREMENT 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 Renaissance School's 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, 2023, the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,639,717,639	\$ (13,791,541,217)
Changes of assumptions	7,445,895,322	(14,449,948,556)
Contributions subsequent to the measurement date	<u>TBD</u>	<u>N/A</u>
Total	<u>\$ 15,085,612,961</u>	<u>\$ (28,241,489,773)</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>	
2024	\$ (2,611,225,301)
2025	(2,611,225,301)
2026	(2,269,523,460)
2027	(1,338,024,839)
2028	(273,877,609)
Thereafter	<u>(4,052,000,302)</u>
Total	<u>\$ (13,155,876,812)</u>

9. SIGNIFICANT ACCOUNTING ESTIMATES SELF-INSURED CLAIMS

The Renaissance 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 Renaissance School as defined in the agreement. The Renaissance 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 which ended June 30, 2024. The stop-loss insurance also provides up to \$1,000,000 of coverage beyond the aggregate annual claims limit of \$24,412,819 for the fiscal year ended June 30, 2024. The annual claims limit is based on the average enrollment of 1,348 covered employees, but is ultimately derived based on the actual covered employees times a monthly claims factor of \$1,509 for each month of the policy period.

During the year ended June 30, 2024, the Renaissance School paid premiums to its Network Support Team (NST) which is a department within the operations of Mastery Charter High School (see Note 14) based on 1) the Plan's historical claims experience, 2) actual claims for the year ended June 30 2024, and 3) the estimated claims incurred but not reported. Such estimates were provided by the Renaissance School's benefits consultant.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

9. SIGNIFICANT ACCOUNTING ESTIMATES SELF-INSURED CLAIMS (Continued)

The expense under the program was approximately \$20,748,550, which includes the Renaissance School's portion of \$4,618,207 for the year ended June 30, 2024.

10. ECONOMIC DEPENDENCY

The Renaissance School received 97% of its total general revenues through contracts from New Jersey. A significant reduction in the level of support, if it were to occur, could have an effect on the Renaissance School's programs and activities.

11. CONTINGENT LIABILITIES

Certain amounts from Federal and state agencies are subject to possible audit by the appropriate government agencies. In the opinion of management, the results of such audits, if any, will not have a material effect on the net position of the Renaissance School as of June 30, 2024, or on its changes in fund balances for the year then ended.

The Renaissance School, from time-to-time, is the defendant in lawsuits. It is management's belief that the Renaissance School will prevail in these lawsuits. Accordingly, no amounts have been reflected in the accompanying financial statements for any potential liability resulting from these lawsuits.

12. RISK MANAGEMENT

The Renaissance 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.

Property and Liability Insurance - The Renaissance School maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (UNAUDITED) of this Annual Comprehensive Financial Report.

New Jersey Unemployment Compensation - The Renaissance School has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Renaissance School is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Renaissance School is billed quarterly for amounts due to the State.

13. RECEIVABLES

Receivables as of June 30, 2024, consisted of accounts, intergovernmental, grants, and miscellaneous. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Accounts receivable	<u>\$ 225,826</u>	<u>\$ 609,607</u>	<u>\$ 835,433</u>

There was no allowance for doubtful accounts recorded as of June 30, 2024.

As of June 30, 2024, approximately 96% of the Renaissance School's accounts receivable were due from three funders.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2024

14. MANAGEMENT AND TECHNOLOGY AGREEMENT

The Renaissance School uses the NST for its educational, administrative, and financial services.

The Renaissance School has a management agreement with the Mastery Charter High School to provide educational, administrative, and financial services for the Renaissance 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. The fee for fiscal year 2024 was \$6,383,783 and is included in administrative in the accompanying statement of activities. The term of the agreement is July 1, 2024 through June 30, 2029.

The Renaissance School also had a technology and equipment agreement that is renewed annually with Mastery Charter High School totaling \$1,019,000.

15. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet (B-1) and the Government-wide Statement of Net Position (A-1)

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term assets, including capital assets and right-to-use lease assets, which are not considered a current asset and therefore are not reported in the funds and lease liabilities, which are not considered current liabilities and reported on the funds.

The reconciliation is as follows:

Fund balance per B-1 as of June 30, 2024	\$ 31,294,168
Cost of capital assets, net accumulated depreciation	19,491,371
Cost of right-to-use lease assets, net of accumulated amortization	30,712,547
Principal balance of lease liabilities	(32,483,116)
Pension deferred outflows	10,292,400
Pension deferred inflows	(1,000,221)
Deferred pension liability as of June 30, 2024	<u>(11,162,137)</u>
Net position (per A-1) as of June 30, 2024	<u>\$ 47,145,012</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

MASTERY SCHOOLS OF CAMDEN, INC.

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,020,203	\$ 6,885	\$ 3,027,088	\$ 3,031,020	\$ 3,932
Other Revenue	500,000	954,000	1,454,000	2,241,934	787,934
Total - Local Sources	3,520,203	960,885	4,481,088	5,272,954	791,866
State Sources:					
Equalization Aid	60,589,797	138,115	60,727,912	60,806,813	78,901
Reimbursed TPAF Social Security Contributions	1,202,000	(2,000)	1,200,000	1,212,753	12,753
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	6,102,980	6,102,980
TPAF Post-Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	1,661,008	1,661,008
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	-	-	-	6,150	6,150
Other State Revenue	98,001	7,490	105,491	90,007	(15,484)
Total - State Sources	61,889,798	143,605	62,033,403	69,879,711	7,846,308
Total Revenues	65,410,001	1,104,490	66,514,491	75,152,665	8,638,174
Expenditures:					
Instruction:					
Regular Education - Instruction:					
Salaries	15,476,000	(800,473)	14,675,527	14,363,719	311,808
Benefits	3,873,054	(198,796)	3,674,258	3,072,953	601,305
Professional Services	976,000	382,784	1,358,784	1,268,759	90,025
Instructional Materials	1,046,622	181,000	1,227,622	1,144,660	82,962
Computers	1,148,317	180,000	1,328,317	1,234,393	93,924
Furniture and Equipment	15,000	-	15,000	11,763	3,237
Field Trips	180,000	48,000	228,000	227,181	819
College Initiatives	155,000	130,000	285,000	159,850	125,150
Alternative Education Placements	456,000	-	456,000	401,295	54,705
Total Regular Education - Instruction	23,325,993	(77,485)	23,248,508	21,884,573	1,363,935
Special Education - Instruction:					
Salaries	5,960,940	(495,000)	5,465,940	5,180,242	285,698
Benefits	1,336,489	(19,492)	1,316,997	1,229,527	87,470
Alternative Education Placements	1,687,000	(80,215)	1,606,785	1,454,461	152,324
Professional Services	1,469,004	49,000	1,518,004	1,417,367	100,637
Instructional Materials	172,776	-	172,776	104,506	68,270
Total Special Education - Instruction	10,626,209	(545,707)	10,080,502	9,386,103	694,399
Summer School:					
Summer School Programming	260,491	(57,000)	203,491	202,750	741
Total Summer School	260,491	(57,000)	203,491	202,750	741
Student Activities:					
Salaries	395,000	32,508	427,508	400,223	27,285
Benefits	30,000	-	30,000	29,853	147
Professional Services	49,508	175,492	225,000	221,014	3,986
Supplies	75,000	22,000	97,000	96,997	3
Total Student Activities	549,508	230,000	779,508	748,087	31,421
Total Instruction	34,762,201	(450,192)	34,312,009	32,221,513	2,090,496
Support Services:					
Administrative:					
Salaries	1,359,612	170,000	1,529,612	1,470,828	58,784
Benefits	592,253	102,444	694,697	618,074	76,623
Professional Services	55,000	25,000	80,000	73,334	6,666
Aftercare Program	365,000	(165,000)	200,000	162,181	37,819
Legal Services	75,000	-	75,000	59,923	15,077
Management Fees	6,361,000	23,000	6,384,000	6,383,783	217
Insurance	350,000	(25,000)	325,000	311,476	13,524
Administrative Materials	489,000	124,000	613,000	449,357	163,643
Advertising/Marketing	116,000	(36,000)	80,000	26,671	53,329
Dues, Board and Other	56,000	36,000	92,000	91,212	788
Telecommunications	845,000	(470,000)	375,000	179,541	195,459
Grant Administration	183,000	5,000	188,000	187,842	158
Total Administrative	10,846,865	(210,556)	10,636,309	10,014,222	622,087

MASTERY SCHOOLS OF CAMDEN, INC.

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures: (Continued)					
Support Services: (Continued)					
Culture and Educational Support:					
Salaries	1,585,243	(176,868)	1,408,375	1,293,764	114,611
Benefits	680,133	(232,485)	447,648	443,287	4,361
Supplies and Materials	162,000	122,000	284,000	282,551	1,449
Total Culture and Educational Support	<u>2,427,376</u>	<u>(287,353)</u>	<u>2,140,023</u>	<u>2,019,602</u>	<u>120,421</u>
Professional Development:					
Purchased Professional Services	302,250	21,000	323,250	322,322	928
Total Professional Development	<u>302,250</u>	<u>21,000</u>	<u>323,250</u>	<u>322,322</u>	<u>928</u>
Nursing:					
Purchased Professional Services	700,000	125,000	825,000	766,222	58,778
Total Nursing	<u>700,000</u>	<u>125,000</u>	<u>825,000</u>	<u>766,222</u>	<u>58,778</u>
Community Advocacy and Engagement:					
Community Engagement Services	738,245	(354,000)	384,245	342,397	41,848
Total Community Advocacy and Engagement:	<u>738,245</u>	<u>(354,000)</u>	<u>384,245</u>	<u>342,397</u>	<u>41,848</u>
Student Transportation Services:					
Transportation Services	1,457,586	215,001	1,672,587	1,510,338	162,249
Total Student Transportation Services	<u>1,457,586</u>	<u>215,001</u>	<u>1,672,587</u>	<u>1,510,338</u>	<u>162,249</u>
Operations:					
Salaries	136,621	-	136,621	108,686	27,935
Benefits	84,665	-	84,665	39,173	45,492
Cleaning	208,192	(42,000)	166,192	165,183	1,009
Utilities	1,350,000	-	1,350,000	1,325,254	24,746
Maintenance and Repairs	2,877,000	(1,329,985)	1,547,015	879,464	667,551
Pest Control	63,000	-	63,000	53,004	9,996
Security	241,000	86,000	327,000	326,845	155
Trash and Snow	235,000	75,000	310,000	309,720	280
Supplies	150,000	133,000	283,000	148,752	134,248
Total Operations	<u>5,345,478</u>	<u>(1,077,985)</u>	<u>4,267,493</u>	<u>3,356,081</u>	<u>911,412</u>
Total Support Services	<u>21,817,800</u>	<u>(1,568,893)</u>	<u>20,248,907</u>	<u>18,331,184</u>	<u>1,917,723</u>
Total General Expense	<u>56,580,001</u>	<u>(2,019,085)</u>	<u>54,560,916</u>	<u>50,552,697</u>	<u>4,008,219</u>
Reimbursed TPAF Social Security Contributions	<u>1,202,000</u>	<u>11,000</u>	<u>1,213,000</u>	<u>1,212,753</u>	<u>247</u>
On-Behalf TPAF Contributions					
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	6,102,980	(6,102,980)
TPAF Post-Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	1,661,008	(1,661,008)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	-	-	-	6,150	(6,150)
Total On-Behalf TPAF Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,770,138</u>	<u>(7,770,138)</u>
Debt Service:					
Interest Expense - Equipment	-	15,727	15,727	15,727	-
Interest Expense - Buildings	1,470,000	(100,699)	1,369,301	1,369,301	-
Total Debt Service	<u>1,470,000</u>	<u>(84,972)</u>	<u>1,385,028</u>	<u>1,385,028</u>	<u>-</u>
Capital Outlay:					
Leasehold Improvements	1,551,000	(331)	1,550,669	1,550,669	-
Furniture, Equipment and Software	85,000	413,644	498,644	498,644	-
Construction Services	3,922,000	(738)	3,921,262	3,921,262	-
Total Capital Outlay	<u>5,558,000</u>	<u>412,575</u>	<u>5,970,575</u>	<u>5,970,575</u>	<u>-</u>
Total Expenditures - General Fund	<u>64,810,001</u>	<u>(1,680,482)</u>	<u>63,129,519</u>	<u>66,891,191</u>	<u>(3,761,672)</u>
Excess of Revenues Over Expenditures	<u>600,000</u>	<u>2,784,972</u>	<u>3,384,972</u>	<u>8,261,474</u>	<u>4,876,502</u>
Other Financing Uses:					
Principal - Lease Liability - Equipment	-	114,055	114,055	114,055	-
Principal - Lease Liability - Buildings	1,500,000	-	1,500,000	1,452,481	47,519
Total Other Financing Uses	<u>1,500,000</u>	<u>114,055</u>	<u>1,614,055</u>	<u>1,566,536</u>	<u>47,519</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(900,000)</u>	<u>2,670,917</u>	<u>1,770,917</u>	<u>6,694,938</u>	<u>4,828,983</u>
Fund Balance, July 1	<u>-</u>	<u>24,599,230</u>	<u>24,599,230</u>	<u>24,599,230</u>	<u>-</u>
Fund Balance, June 30	<u>\$ (900,000)</u>	<u>\$ 27,270,147</u>	<u>\$ 26,370,147</u>	<u>\$ 31,294,168</u>	<u>\$ 4,828,983</u>

MASTERY SCHOOLS OF CAMDEN, INC.

Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal Sources:					
Entitlement Grants	\$ 3,118,999	\$ (14,000)	\$ 3,104,999	\$ 3,104,666	\$ 333
ESSER Grants	6,111,000	152,500	6,263,500	6,263,445	55
IDEA Grant	610,000	124,000	734,000	734,019	(19)
Emergency Education Relief	-	191,600	191,600	191,520	80
Bipartisan Safer Communities Act	-	489,000	489,000	489,438	(438)
Total Federal Sources	9,839,999	943,100	10,783,099	10,783,088	11
State Sources:					
Other State Revenue	-	903,410	903,410	903,410	-
Total State Sources	-	903,410	903,410	903,410	-
Total Revenues	9,839,999	1,846,510	11,686,509	11,686,498	11
Expenditures:					
Regular Education - Instruction:					
Salaries	1,147,001	107,472	1,254,473	1,254,462	11
Benefits	470,000	44,329	514,329	514,329	-
Instructional Materials	563,061	-	563,061	563,061	-
Professional Services	19,000	192,216	211,216	211,216	-
Total Regular Education - Instruction	2,199,062	344,017	2,543,079	2,543,068	11
Special Education - Instruction:					
Salaries	142,060	-	142,060	142,060	-
Benefits	58,245	-	58,245	58,245	-
Instructional Materials	27,224	-	27,224	27,224	-
Professional Services	587,996	613,215	1,201,211	1,201,211	-
Total Special Education - Instruction	815,525	613,215	1,428,740	1,428,740	-
Summer School:					
Salaries	363,870	-	363,870	363,870	-
Benefits	35,639	-	35,639	35,639	-
Total Summer School	399,509	-	399,509	399,509	-
Student Activities:					
Salaries	5,000	-	5,000	5,000	-
Professional Services	20,492	-	20,492	20,492	-
Total Student Activities	25,492	-	25,492	25,492	-
Administrative:					
Salaries	734,102	-	734,102	734,102	-
Benefits	300,982	-	300,982	300,982	-
Program Administration	465,286	-	465,286	465,286	-
Total Administrative	1,500,370	-	1,500,370	1,500,370	-
Support Services:					
Culture and Educational Support:					
Salaries	1,638,757	(14,132)	1,624,625	1,624,625	-
Benefits	666,844	-	666,844	666,844	-
Total Culture and Educational Support	2,305,601	(14,132)	2,291,469	2,291,469	-
Professional Development:					
Professional Service	4,750	-	4,750	4,750	-
Total Professional Development	4,750	-	4,750	4,750	-
Community Advocay and Engagement:					
Salaries	82,805	-	82,805	82,805	-
Benefits	33,950	-	33,950	33,950	-
Total Community Advocay and Engagement	116,755	-	116,755	116,755	-

MASTERY SCHOOLS OF CAMDEN, INC.

Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures: (Continued)					
Support Services: (Continued)					
Student Transportation Services:					
Contracted Carriers	692,414	-	692,414	692,414	-
Total Student Transportation Services	692,414	-	692,414	692,414	-
Operations and Maintenance:					
Salaries	98,379	-	98,379	98,379	-
Benefits	40,335	-	40,335	40,335	-
Custodial Services	1,641,807	-	1,641,807	1,641,807	-
Total Operations and Maintenance	1,780,521	-	1,780,521	1,780,521	-
Total Support Services	4,900,041	(14,132)	4,885,909	4,885,909	-
Capital Outlay:					
Construction Services	-	903,410	903,410	903,410	-
Total Capital Outlay	-	903,410	903,410	903,410	-
Total Expenditures	9,839,999	1,846,510	11,686,509	11,686,498	11
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, Jun 30	\$ -	\$ -	\$ -	\$ -	\$ -

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

MASTERY SCHOOLS OF CAMDEN, INC.

Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

The General Fund budget and the Special Revenue budget basis are GAAP, therefore, no reconciliation is required.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

MASTERY SCHOOLS OF CAMDEN, INC.

Schedule of the Renaissance School's Proportionate Share of the Net Pension Liability - PERS
 For the Fiscal Years Ended June 30*

	<u>2024</u>	<u>2023</u>
Renaissance School Proportion of the Net Position Liability (Asset)	0.0771%	0.0791%
Renaissance School Proportionate Share of the Net Position Liability (Asset)	<u>11,162,137</u>	<u>11,943,466</u>
Renaissance School Covered Employee Payroll	5,891,275	5,713,151
Renaissance School Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	189.47%	209.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.78%	62.91%

* Until a full ten year trend is compiled, information will be presented for those years for which the information is available.

MASTERY SCHOOLS OF CAMDEN, INC.Schedule of Renaissance School Contributions - PERS
For the Fiscal Years Ended June 30*

	<u>2024</u>	<u>2023</u>
Contractually Required Contribution	\$ 1,029,972	\$ 998,006
Contributions in Relation to the Contractually Required Contributions	<u>(1,029,972)</u>	<u>(998,006)</u>
Contribution Deficiency (Excess)	-	-
Renaissance School Covered Employee Payroll	5,891,275	5,713,151
Contributions as a Percentage of Covered Employee Payroll	17.48%	17.47%

* Until a full ten year trend is compiled, information will be presented for those years for which the information is available.

MASTERY SCHOOLS OF CAMDEN, INC.

Schedule of the Renaissance School's Proportionate Share of the Net Pension Liability - TPAF
 For the Fiscal Years Ended June 30*

	2024
Renaissance School Proportion of the Net Pension Liability (Asset)**	N/A
State's Proportionate Share of the Net Pension Liability (Asset) associated with the Renaissance School	100%
Renaissance School Proportionate Share of the Net Pension Liability (Asset)**	N/A
State's Proportionate Share of the Net Pension Liability (Asset) associated with the Renaissance School	60,582,265
Total	<u>60,582,265</u>
Renaissance School Covered Employee Payroll	1,212,753
Renaissance School Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	0%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	4995%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53%

** Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the Renaissance School (employer) does not contribute directly to the plan, there is no net pension liability to report in the financial statements of the Renaissance School.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Required Supplementary Information Pension Schedules
For the Fiscal Year Ended June 30, 2024

Public Employees' Retirement System (PERS)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after twenty-five years of service or under the disability provisions of PERS.

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back one year for males and females) with adjustments for mortality improvements from the base year of 2013 Based on Projection Scale AA.

Teachers' Pension and Annuity Fund (TPAF)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after twenty-five years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus fifteen years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus seven years to account for future mortality improvement.

MASTERY SCHOOLS OF CAMDEN, INC.

Schedule of Changes in the Renaissance School's Total OPEB Liability and
Related Ratios - PERS and TPAF
For the Fiscal Years Ended June 30*

	<u>2024</u>	<u>2023</u>
Changes for the Year:		
Service cost	\$ 2,666,214	\$ -
Interest cost	715,304	419,660
Changes of benefit terms	-	-
Changes of assumptions	40,937	(4,248,030)
Changes between expected and actual experiences	1,591,555	20,066,276
Member contributions	18,331	13,335
Gross benefit payments	<u>(557,591)</u>	<u>(415,685)</u>
Net change in total OPEB liability	4,474,750	15,835,556
Total OPEB Liability - beginning of year	<u>15,835,556</u>	<u>-</u>
Total OPEB Liability - end of year	<u><u>\$ 20,310,306</u></u>	<u><u>\$ 15,835,556</u></u>
Covered Employee Payroll - PERS and TPAF	<u><u>\$ 23,997,278</u></u>	<u><u>\$ 21,676,204</u></u>
Total OPEB liability as a percentage of covered employee payroll	85%	73%
State's proportionate share of the net OPEB liability (asset) associated with the Renaissance School	0.03%	0.03%
Renaissance School's contributions	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

* Until a full ten year trend is compiled, information will be presented for those years for which the information is available.

Notes to Schedule:

Changes of Benefits Terms - None

Changes of Assumptions - The discount rate changed from 2.16% to 3.65%.

OTHER SUPPLEMENTARY INFORMATION

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.

Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	Total	Title I Part A	Title III	Title III Immigration	IDEA Part B	American Rescue Plan Elementary and Secondary Relief Fund	ARP Emergency Assistance to Non-Public Schools and Governor's Emergency Education Relief	Bipartisan Safer Communities Act	Emergent and Capital Maintenance
Revenues:									
Intergovernmental:									
State	\$ 903,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 903,410
Federal	10,783,088	2,944,914	139,742	20,010	734,019	6,263,445	191,520	489,438	-
Total Revenues	11,686,498	2,944,914	139,742	20,010	734,019	6,263,445	191,520	489,438	903,410
Expenditures:									
Instruction:									
Regular Education - Instruction and Summer School	2,942,577	451,857	47,545	20,010	-	2,231,645	191,520	-	-
Special Education - Instruction	1,428,740	-	89,279	-	734,019	146,246	-	459,196	-
Extra Curricular	25,492	-	-	-	-	-	-	25,492	-
Administrative	1,500,370	147,246	2,918	-	-	1,350,206	-	-	-
Support Services:									
Culture/Educational Support	2,291,469	2,229,056	-	-	-	62,413	-	-	-
Professional Development	4,750	-	-	-	-	-	-	4,750	-
Community Advocacy and Engagement	116,755	116,755	-	-	-	-	-	-	-
Operations and Maintenance	1,780,521	-	-	-	-	1,780,521	-	-	-
Student Transportation	692,414	-	-	-	-	692,414	-	-	-
Capital Outlay	903,410	-	-	-	-	-	-	-	903,410
Total Expenditures	11,686,498	2,944,914	139,742	20,010	734,019	6,263,445	191,520	489,438	903,410
Excess (Deficit) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LONG-TERM DEBT

MASTERY SCHOOLS OF CAMDEN, INC.

Long-Term Debt
Schedule of Obligations Under Leases
For the Fiscal Year Ended June 30, 2024

Purpose	Date of Original Issue/ GASB 87 Adoption Date	Term of Lease	Amount of Original Lease		Interest Rate	Balance June 30, 2023	Issued Current Year	Retired Current Year	Balance June 30, 2024
			Principal	Interest					
Building 1	7/1/2021	28 Years	\$ 6,920,598	\$ 4,589,899	4.20%	\$ 6,684,780	\$ -	\$ 144,199	\$ 6,540,581
Building 2	7/1/2021	20 Years	10,334,946	4,905,054	4.20%	9,646,438	-	366,519	9,279,919
Building 3	7/1/2021	28 Years	1,597,062	1,121,515	4.20%	1,542,641	-	33,276	1,509,365
Building 4	7/1/2021	28 Years	3,492,770	2,452,751	4.20%	3,373,754	-	72,776	3,300,978
Building 5	7/1/2021	28 Years	12,078,131	8,481,710	4.20%	11,666,571	-	251,661	11,414,910
Building 6	7/1/2021	3 Years	1,647,528	103,694	4.20%	584,049	-	584,049	-
Copier 1	8/1/2023	5 Years	82,296	20,904	8.50%	-	82,296	12,383	69,913
Copier 2	8/1/2023	5 Years	41,148	10,452	8.50%	-	41,148	6,191	34,957
Copier 3	8/1/2023	5 Years	82,296	20,904	8.50%	-	82,296	12,383	69,913
Copier 4	3/1/2024	5 Years	77,572	19,628	8.50%	-	77,572	4,134	73,438
Copier 5	7/1/2021	5 Years	39,320	9,006	6.00%	27,062	-	8,313	18,749
Copier 6	7/1/2021	5 Years	39,320	6,850	6.00%	26,558	-	8,314	18,244
Copier 7	6/14/2022	5 Years	118,135	11,802	6.00%	98,997	-	23,825	75,172
Copier 8	9/30/2022	5 Years	73,787	12,853	6.00%	65,961	-	14,161	51,800
Copier 9	9/30/2022	5 Years	36,893	8,708	6.00%	31,797	-	6,620	25,177
Copier 10	7/1/2021	3 Years	51,768	5,205	6.17%	18,805	-	18,805	-
Copier 11	7/1/2021	3 Years	51,768	5,205	6.17%	18,805	-	18,805	-
Copier 12	7/1/2021	3 Years	51,768	5,205	6.17%	18,805	-	18,805	-
Copier 13	7/1/2021	3 Years	25,884	2,602	6.17%	9,404	-	9,404	-
						<u>\$ 33,814,427</u>	<u>\$ 283,312</u>	<u>\$ 1,614,623</u>	<u>\$ 32,483,116</u>

STATISTICAL SECTION (UNAUDITED)

This part of Mastery Schools of Camden, Inc.'s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about Mastery Schools of Camden, Inc.'s overall financial health.

Contents

Exhibits

Financial Trends

J-1 to J-5

These schedules contain trend information to help the reader understand how the Renaissance School's financial performance and well-being have changed over time.

Revenue Capacity

J-6 to J-9

These schedules contain information to help the reader assess the Renaissance School's most significant local revenue source, the property tax.

Debt Capacity

J-10 to J-13

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the Renaissance School's ability to issue additional debt in the future.

Demographic and Economic Information

J-14 and J-15

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Renaissance School's financial activities take place.

Operating Information

J-16 to J-20

These schedules contain service and infrastructure data to help the reader understand how the information in the Renaissance School's financial report relates to the services the government provides and the activities it performs.

School Performance Framework Financial Indicators

J-21

These schedules contain financial indicators to help the reader understand how the Renaissance School's financial performance have changed over time.

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

FINANCIAL TRENDS

MASTERY SCHOOLS OF CAMDEN, INC.

Net Position by Component
 For the Fiscal Years Ended June 30
(Accrual Basis of Accounting)

	<u>2024</u>	<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>
Governmental Activities:										
Invested in capital assets	\$ 17,720,802	\$ 12,224,164	\$ 4,883,774	\$ 3,391,599	\$ 3,038,973	\$ 2,811,389	\$ 2,388,167	\$ 2,138,336	\$ 1,621,654	\$ 497,371
Unrestricted	<u>29,424,210</u>	<u>24,551,379</u>	<u>23,388,942</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 net position	<u>\$ 47,145,012</u>	<u>\$ 36,775,543</u>	<u>\$ 28,272,716</u>	<u>\$ 22,501,034</u>	<u>\$ 10,966,108</u>	<u>\$ 6,092,216</u>	<u>\$ 5,424,542</u>	<u>\$ 3,517,672</u>	<u>\$ 1,694,290</u>	<u>\$ 538,234</u>
School-wide:										
Invested in capital assets	\$ 17,720,802	\$ 12,224,164	\$ 4,883,774	\$ 3,391,599	\$ 3,038,973	\$ 2,811,389	\$ 2,388,167	\$ 2,138,336	\$ 1,621,654	\$ 497,371
Unrestricted	<u>29,424,210</u>	<u>24,551,379</u>	<u>23,388,942</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 district net position	<u>\$ 47,145,012</u>	<u>\$ 36,775,543</u>	<u>\$ 28,272,716</u>	<u>\$ 22,501,034</u>	<u>\$ 10,966,108</u>	<u>\$ 6,092,216</u>	<u>\$ 5,424,542</u>	<u>\$ 3,517,672</u>	<u>\$ 1,694,290</u>	<u>\$ 538,234</u>

MASTERY SCHOOLS OF CAMDEN, INC.

Changes in Net Position
For the Fiscal Years Ended June 30
(Accrual Basis of Accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Governmental activities:										
Instruction:										
Regular Instruction	\$ 24,427,641	\$ 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	10,814,843	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	602,259	946,664	711,570	91,051	113,541	129,219	-	-	-	-
Student Activities	773,579	718,149	501,787	214,104	217,578	258,949	-	-	-	-
Support Services:										
Administrative	11,514,592	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 Education Support	4,311,071	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	327,072	549,282	363,879	44,798	107,758	23,360	24,280	22,632	4,540	-
Nursing	766,222	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	459,152	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	2,202,752	2,392,006	2,309,459	604,714	-	-	-	-	-	-
Operations	5,136,602	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
Reimbursed TPAF Social Security	1,212,753	-	-	-	-	-	-	-	-	-
On-behalf TPAF Contributions	7,770,138	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	1,385,028	1,449,076	1,504,283	20,652	29,934	19,616	17,376	20,290	17,102	5,154
Net Loss on Disposal of Capital Assets and Leases	14,632	-	-	-	-	-	-	-	-	-
Unallocated Depreciation and Amortization	2,929,251	2,848,635	2,638,812	646,035	693,960	581,329	489,728	415,611	305,711	90,112
Total governmental activities expenses	<u>\$ 74,647,587</u>	<u>\$ 69,713,183</u>	<u>\$ 62,920,223</u>	<u>\$ 50,422,235</u>	<u>\$ 49,334,174</u>	<u>\$ 45,846,689</u>	<u>\$ 39,519,830</u>	<u>\$ 30,422,004</u>	<u>\$ 23,446,216</u>	<u>\$ 7,079,442</u>
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 11,686,498	\$ 16,018,158	\$ 13,292,012	\$ 5,751,966	\$ 4,271,211	\$ 3,800,848	\$ 3,164,581	\$ 2,551,660	\$ 1,762,466	\$ 585,286
Total governmental activities program revenues	<u>\$ 11,686,498</u>	<u>\$ 16,018,158</u>	<u>\$ 13,292,012</u>	<u>\$ 5,751,966</u>	<u>\$ 4,271,211</u>	<u>\$ 3,800,848</u>	<u>\$ 3,164,581</u>	<u>\$ 2,551,660</u>	<u>\$ 1,762,466</u>	<u>\$ 585,286</u>
Net (Expense)/Revenue:										
Governmental Activities	<u>\$ (62,961,089)</u>	<u>\$ (53,695,025)</u>	<u>\$ (49,628,211)</u>	<u>\$ (44,670,269)</u>	<u>\$ (45,062,963)</u>	<u>\$ (42,045,841)</u>	<u>\$ (36,355,249)</u>	<u>\$ (27,870,344)</u>	<u>\$ (21,683,750)</u>	<u>\$ (6,494,156)</u>
Total school-wide net expense	<u>\$ (62,961,089)</u>	<u>\$ (53,695,025)</u>	<u>\$ (49,628,211)</u>	<u>\$ (44,670,269)</u>	<u>\$ (45,062,963)</u>	<u>\$ (42,045,841)</u>	<u>\$ (36,355,249)</u>	<u>\$ (27,870,344)</u>	<u>\$ (21,683,750)</u>	<u>\$ (6,494,156)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Local Share	\$ 3,031,020	\$ 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	60,806,813	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	9,072,898	1,059,005	416,916	415,882	521,799	512,771	60,819	19,540	92,220	1,375,505
Miscellaneous Income	2,241,934	-	-	-	-	-	71,787	25,685	14,203	4,021
Total governmental activities	<u>75,152,665</u>	<u>60,331,348</u>	<u>55,399,892</u>	<u>50,952,325</u>	<u>49,936,855</u>	<u>42,713,515</u>	<u>38,082,119</u>	<u>29,873,726</u>	<u>22,839,806</u>	<u>7,032,390</u>
Total Revenues and Other Changes in Net Position	<u>\$ 75,152,665</u>	<u>\$ 60,331,348</u>	<u>\$ 55,399,892</u>	<u>\$ 50,952,325</u>	<u>\$ 49,936,855</u>	<u>\$ 42,713,515</u>	<u>\$ 38,082,119</u>	<u>\$ 29,873,726</u>	<u>\$ 22,839,806</u>	<u>\$ 7,032,390</u>
Change in Net Position (before pension adjustments):										
Governmental Activities	<u>\$ 12,191,576</u>	<u>\$ 6,636,323</u>	<u>\$ 5,771,681</u>	<u>\$ 6,282,056</u>	<u>\$ 4,873,892</u>	<u>\$ 667,674</u>	<u>\$ 1,726,870</u>	<u>\$ 2,003,382</u>	<u>\$ 1,156,056</u>	<u>\$ 538,234</u>
Total school	<u>\$ 12,191,576</u>	<u>\$ 6,636,323</u>	<u>\$ 5,771,681</u>	<u>\$ 6,282,056</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>

MASTERY SCHOOLS OF CAMDEN, INC.

Fund Balances - Governmental Funds
 For the Fiscal Years Ended June 30
(Modified Accrual Basis of Accounting)

	<u>2024</u>	<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>
General Fund:										
Nonexpendable:										
Prepaid Expenditures	\$ 391,827	\$ 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	2,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,200,000	900,000	-	-	-
Maintenance Reserve	500,000	300,000	300,000	300,000	300,000	300,000	645,000	-	-	-
Emergency Reserve	9,006,000	8,000,000	7,907,000	4,940,000	5,600,000	1,500,000	1,405,000	-	-	-
Pension Reserve	1,350,000	1,175,000	-	-	-	-	-	-	-	-
Strategic Projects	17,546,341	12,750,000	12,000,000	11,800,000	-	-	-	-	-	-
Unassigned Fund Balance	<u>-</u>	<u>675,090</u>	<u>1,238,950</u>	<u>8,493</u>	<u>27,262</u>	<u>41,869</u>	<u>39,702</u>	<u>16,535</u>	<u>(495,365)</u>	<u>(227,650)</u>
Total General Fund	<u>\$ 31,294,168</u>	<u>\$ 24,599,230</u>	<u>\$ 23,389,301</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.

Changes in Fund Balances - Governmental Funds
 For the Fiscal Years Ended June 30
(Modified Accrual Basis of Accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Local Sources:										
Local share	\$ 3,031,020	\$ 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	60,806,813	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	2,241,934	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	66,079,767	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	9,976,308	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	10,783,088	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	86,839,163	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
Expenditures:										
Current:										
Instruction:										
Regular instruction	24,427,641	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	10,814,843	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	602,259	946,664	711,570	91,051	113,541	129,219	-	-	-	-
Student activities	773,579	718,149	501,787	214,104	217,578	258,949	-	-	-	-
Supportive services:										
Administrative	11,514,592	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	4,311,071	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	327,072	549,282	414,021	44,798	107,758	23,360	24,280	22,632	4,540	-
Nursing	766,222	215,310	648,150	922,848	331,233	361,242	310,810	324,330	309,266	139,934
Psychological	-	-	-	-	-	77,189	80,890	132,808	132,905	15,463
Community advocacy and engagement	459,152	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	2,202,752	2,392,006	2,309,459	604,714	-	-	-	-	-	-
Operations	5,136,602	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
Reimbursed TPAF Social Security Contributions	1,212,753	-	-	-	-	-	-	-	-	-
On-behalf TPAF Contributions	7,770,138	-	-	-	-	-	-	-	-	-
Debt service:										
Principal - lease liability	1,566,536	1,516,546	-	-	-	-	-	-	-	-
Interest expense	1,385,028	1,449,076	-	-	-	-	-	-	-	-
Capital Outlay:										
Leasehold improvements	1,550,669	-	-	-	-	-	-	-	-	-
Furniture, equipment and software	498,644	-	-	-	-	-	-	-	-	-
Construction services	4,824,672	-	-	-	-	-	-	-	-	-
Right-to-use lease expenditures (nonbudgeted)	-	110,679	196,775	-	275,240	147,575	39,414	98,428	344,284	147,562
Total expenditures and other financing uses	80,144,225	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
Net change in fund balances	\$ 6,694,938	\$ 1,099,610	\$ 4,361,507	\$ 5,650,654	\$ 4,371,068	\$ 96,877	\$ 1,617,625	\$ 1,208,272	\$ (312,511)	\$ 298,070

Source: School Financial Statements

MASTERY SCHOOLS OF CAMDEN, INC.

General Fund - Other Local Revenue by Source

For the Fiscal Years Ended June 30

(Modified Accrual Basis of Accounting)

	<u>Private Grants</u>	<u>Interest and Investment Income</u>	<u>Miscellaneous</u>	<u>Totals</u>
2015	\$ 1,375,505	\$ - *	\$ 4,021	\$ 1,379,526
2016	92,220	- *	14,203	106,423
2017	19,540	- *	25,685	45,225
2018	60,819	- *	71,787	132,606
2019	314,460	- *	198,311	512,771
2020	93,307	- *	426,836	520,143
2021	124,588	- *	291,294	415,882
2022	6,216	- *	410,700	416,916
2023	205,372	646,589	207,044	1,059,005
2024	154,692	1,630,862	456,380	2,241,934

Source: School Financial Statements

* Interest and investment income is included in Miscellaneous in prior years.

DEBT CAPACITY

MASTERY SCHOOLS OF CAMDEN, INC.

Ratios of Outstanding Debt by Type
For the Fiscal Years Ended June 30

Fiscal Year Ended June 30,	Governmental Activities				Business-type Activities	Total Charter School	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Financing Leases	Bond Anticipation Notes	Financing Leases			
2024	\$ -	\$ -	\$ 32,483,116	\$ -	\$ -	\$ 32,483,116	0.95%	\$ 587
2023	\$ -	\$ -	\$ 33,814,427	\$ -	\$ -	\$ 33,814,427	0.97%	\$ 568

Note: Details regarding the Renaissance School's outstanding debt can be found in the notes to the basic financial statements (Note 5).

Note: See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

DEMOGRAPHIC AND ECONOMIC INFORMATION

MASTERY SCHOOLS OF CAMDEN, INC.

Demographic and Economic Statistics
For the Fiscal Years Ended June 30

<u>Year</u>	<u>Population^a</u>	<u>Personal Income^b</u>	<u>County Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
2015	76,219	3,411,105,126	44,754	11.1%
2016	75,826	3,502,782,070	46,195	11.1%
2017	74,513	3,587,428,385	48,145	10.1%
2018	74,532	3,681,284,544	49,392	9.8%
2019	73,973	3,837,571,294	51,878	8.9%
2020	73,562	3,681,284,544	54,103	8.9%
2021	73,740	3,587,428,385	55,780	16.3%
2022	71,773	3,502,782,070	58,830	7.1%
2023	70,966	3,411,105,126	61,642	3.6%
2024	*	*	*	4.8%

Source:

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

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

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

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

* Data was not available at time of issuance.

OPERATING INFORMATION

MASTERY SCHOOLS OF CAMDEN, INC.

Full-Time Equivalent School Employees by Function/Program
For the Fiscal Years Ended June 30

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction:										
Regular	172.0	167.0	174.0	156.0	163.0	153.0	130.0	106.0	87.0	30.0
Special education	58.0	67.0	64.0	59.0	61.0	59.0	50.0	28.0	21.0	6.0
Other instruction	38.0	32.0	31.0	28.0	22.0	17.0	14.0	17.0	17.7	4.5
Administration	29.0	31.0	34.0	37.0	36.0	34.0	39.0	29.0	19.5	11.0
Support Services:										
Student and instructional support	43.0	51.0	48.0	42.0	38.0	40.0	39.0	25.0	29.3	8.0
Total	<u>340.0</u>	<u>348.0</u>	<u>351.0</u>	<u>322.0</u>	<u>320.0</u>	<u>303.0</u>	<u>272.0</u>	<u>205.0</u>	<u>174.5</u>	<u>59.5</u>

Source: School Personnel Records

MASTERY SCHOOLS OF CAMDEN, INC.

Operating Statistics
For the Fiscal Years Ended June 30

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per-Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^a</u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE)^b</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2015	474	\$ 7,612,944	\$ 16,061	N/A	30	16	380	355	N/A	93.42%
2016	1,523	24,570,499	16,133	0.45%	108	14	1,391	1,284	266.05%	92.31%
2017	1,623	31,118,686	19,174	18.85%	134	12	1,651	1,506	18.69%	91.22%
2018	2,271	39,589,661	17,433	-9.08%	180	13	2,090	1,919	26.59%	91.82%
2019	2,439	46,269,911	26,327	51.02%	212	12	2,274	2,121	8.80%	93.27%
2020	2,856	49,561,757	17,929	0.45%	224	13	2,635	2,532	15.88%	91.13%
2021	2,805	50,774,861	15,915	-13.10%	215	13	2,687	2,395	1.97%	89.13%
2022	2,789	64,212,398	23,023	-12.55%	239	12	2,814	2,571	4.73%	91.36%
2023	2,835	75,139,217	26,504	47.83%	266	11	2,847	2,626	1.17%	92.24%
2024	2,841	78,577,689	27,658	73.79%	268	11	2,851	2,673	0.14%	93.76%

Sources: School records

Note: Enrollment based on annual October district count.

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

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

MASTERY SCHOOLS OF CAMDEN, INC.

Insurance Schedule

June 30, 2024

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
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	5,000,000	25,000
Student Accident Insurance:		
Accidental Medical Expense Maximum Benefit	25,000	-
Fidelity/Employee Theft Bond	500,000	5,000
Cyber Liability	1,000,000	100,000
International Package Policy	1,000,000	-

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

MASTERY SCHOOLS OF CAMDEN, INC.

Renaissance School Performance Indicators
For the Fiscal Years Ended June 30

	2022	2023	2024	Source
Cash (unrestricted)	16,415,711	17,817,866	17,521,492	Audit: Exhibit A-1
Current Assets (include cash)	33,685,523	34,440,037	40,018,746	Audit: Exhibit A-1
Current Liabilities	11,807,493	11,420,340	8,724,578	Audit: Exhibit A-1
Total Expenses	62,920,223	69,713,183	80,144,225	Audit: Exhibit A-2
Change in Net Position	5,771,681	8,502,708	10,369,469	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	2,814	2,847	2,851	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	2,740	2,800	2,830	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	N/A			Auditor/Workpapers
Interest Expense				Auditor/Workpapers
Principal Payments				Auditor/Workpapers
Interest Payments				Auditor/Workpapers

Performance Indicators	2022	2023	2024	3 YR CUM	Calculation****	Target****
Near Term Indicators						
1a. Current Ratio (working capital ratio)	2.85	3.02	4.59		Current Assets/Current Liabilities	> 1.1 or between 1.0 1.1 with positive trend
1b. Unrestricted days cash on hand	95.23	93.29	79.80		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c. Enrollment Variance	103%	102%	101%	102%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.** Default on loans or delinquent in debt payments	No	No	No		Auditor	not in default
Sustainability Indicators						
2a*** 3 Year Cumulative Cash Flow	(8,724,135)	1,402,155	(296,374)	0	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b Debt Service Coverage Ratio	N/A	N/A	N/A		N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

* For renaissance schools: use Oct 15 count if no final count; use head count if ADE not available
 ** Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No
 *** 2023 =2023 Cash - 2022 Cash; 2022 =2022 Cash-2021 Cash; 2021 =2021 Cash-2020 Cash
 **** Refer to NJ Performance Framework

Meets Standard

Does Not Meet Standard

Falls Far Below Standard

SINGLE AUDIT SECTION K

Exhibit K-1

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditor's Report

To the Board of Trustees of
Mastery Schools of Camden, Inc.:

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 Mastery Schools of Camden, Inc. (the Renaissance School), which comprise the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Renaissance School as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated December 10, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Renaissance School'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Renaissance School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Renaissance School's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Renaissance School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 audit requirements as prescribed by the *Office of School Finance, Department of Education and 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 audit 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.

AAFCPAs, Inc.

Westborough, Massachusetts
December 10, 2024

Matthew T. McGinnis, C.P.A.
Public School Accountant
PSA #20CC04260100

Exhibit K-2

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 Letter 15-08

Independent Auditor's Report

To the Board of Trustees of
Mastery Schools of Camden, Inc.:

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 (the Renaissance School) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Renaissance School's major Federal and state programs for the year ended June 30, 2024. The Renaissance School's major Federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Renaissance School 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, 2024.

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 and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey Department of the Treasury OMB's Circular Letter 15-08, *Single Audit Policy for Receipts of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Renaissance School 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 and state program. Our audit does not provide a legal determination of the Renaissance School'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 the Renaissance School's Federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to on the previous page occurred, whether due to fraud or error, and express an opinion on the Renaissance School'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 New Jersey Department of the Treasury OMB's 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 on the previous page 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 the Renaissance School'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 New Jersey Department of the Treasury OMB's 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 the Renaissance School'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 the Renaissance School'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, but not for the purpose of expressing an opinion on the effectiveness of the Renaissance School'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 and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section 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.

Report on Internal Control Over Compliance (Continued)

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 Department of Treasury OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in black ink that reads "AAFCPA, Inc.". The letters are stylized and cursive.

Westborough, Massachusetts
December 10, 2024

Matthew T. McGinnis, C.P.A.
Public School Accountant
PSA #20CC04260100

MASTERY SCHOOLS OF CAMDEN, INC.

Schedule of Expenditures of Federal Awards, Schedule A
For the Year Ended June 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing (AL) Number	Pass-Through Identification Number	Grant Period Beginning/ Ending Date	Grant Amount	Accrued or (Deferred) Revenue at July 1, 2023	Total Received for the Year	Final Federal Disbursements/ Expenditures	Accrued or (Deferred) at June 30, 2024
U.S. Department of Education:								
Special Revenue Fund:								
Pass-Through New Jersey Department of Education:								
Every Student Succeeds Act Consolidated Grant:								
Title I Grants to Local Educational Agencies	84.010	S010A220030	7/1/22 - 9/30/23	\$ 2,599,849	\$ 208,549	\$ 208,549	\$ -	\$ -
Title I Grants to Local Educational Agencies	84.010	S010A230030	7/1/23 - 9/30/24	2,973,363	-	2,701,592	2,944,914	243,322
Total AL No. 84.010				5,573,212	208,549	2,910,141	2,944,914	243,322
English Language Acquisition State Grants								
English Language Acquisition State Grants	84.365A	S365A220030	7/1/22 - 9/30/23	210,333	33,143	33,143	-	-
English Language Acquisition State Grants	84.365A	S365A230030	7/1/23 - 9/30/24	182,311	-	138,002	159,752	21,750
Total AL No. 84.365				392,644	33,143	171,145	159,752	21,750
Special Education Cluster:								
Special Education Grants to States	84.027A	H027A230100	7/1/23 - 9/30/24	715,614	-	713,459	715,614	2,155
Special Education Preschool Grants	84.173	H173A230114	7/1/23 - 9/30/24	18,405	-	18,405	18,405	-
Total Special Education Cluster				734,019	-	731,864	734,019	2,155
COVID-19 Education Stabilization Fund								
COVID-19 Education Stabilization Fund	84.425U	S425U210027	3/13/20 - 9/30/24	14,539,531	539,210	6,674,761	6,261,368	125,817
COVID-19 Education Stabilization Fund	84.425U	S425W210031	3/13/20 - 9/30/24	41,983	-	2,077	2,077	-
Total AL No. 84.425U				14,581,514	539,210	6,676,838	6,263,445	125,817
COVID-19 Education Stabilization Fund								
COVID-19 Education Stabilization Fund	84.425V	S425V210031	10/11/2023 - 8/31/2024	191,520	-	191,520	191,520	-
Total AL No. 84.425V				191,520	-	191,520	191,520	-
Total AL No. 84.425				14,773,034	539,210	6,868,358	6,454,965	125,817
Bipartisan Safer Communities Act:								
Student Support and Academic Enrichment Program	84.424F	S424F220030	9/1/2023 - 9/30/2025	1,312,000	-	272,875	489,438	216,563
					-	272,875	489,438	216,563
Total U.S. Department of Education					780,902	10,954,383	10,783,088	609,607
Total Expenditures of Federal Awards					\$ 780,902	\$ 10,954,383	\$ 10,783,088	\$ 609,607

MASTERY SCHOOLS OF CAMDEN, INC.

Schedule of Expenditures of State Financial Assistance, Schedule B
For the Year Ended June 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant/Contract Period	Grant Amount	Accrued (Deferred) Revenue at July 1, 2023	Total Received for the Year	Budgetary Expenditures	Accrued (Deferred) Revenue at June 30, 2024
New Jersey Department of Education:							
State Aid - Public Cluster:							
Equalization Aid	23-495-034-5120-078	7/1/22 - 6/30/23	\$ 54,619,656	\$ (1,162,860)	\$ (1,162,860)	\$ -	\$ -
Equalization Aid	24-495-034-5120-078	7/1/23 - 6/30/24	58,194,198	-	60,097,896	58,960,698	(1,137,198)
				(1,162,860)	58,935,036	58,960,698	(1,137,198)
Special Education Categorical Aid	23-495-034-5120-089	7/1/22 - 6/30/23	1,791,611	(38,143)	(38,143)	-	-
Special Education Categorical Aid	24-495-034-5120-089	7/1/23 - 6/30/24	1,846,114	-	1,881,721	1,846,114	(35,607)
Total State Aid - Public Cluster				(1,201,003)	60,778,614	60,806,812	(1,172,805)
Reimbursed TPAF Social Security Contributions	23-495-034-5095-002	7/1/22 - 6/30/23	1,265,855	120,024	120,024	-	-
Reimbursed TPAF Social Security Contributions	24-495-034-5095-002	7/1/23 - 6/30/24	1,212,753	-	1,100,300	1,212,753	112,453
Total Reimbursed TPAF Social Security Contributions				120,024	1,220,324	1,212,753	112,453
On-Behalf Teachers' Pension and Annuity Fund	23-495-034-5095-002	7/1/23 - 6/30/24	6,102,980	-	-	6,102,980	-
On-Behalf Teachers' Pension and Annuity Fund - Post-Retirement Medical	23-495-034-5095-002	7/1/23 - 6/30/24	1,661,008	-	-	1,661,008	-
On-Behalf Teachers' Pension and Annuity Fund - Long-term Disability Insurance	23-495-034-5095-002	7/1/23 - 6/30/24	6,150	-	-	6,150	-
Total On-Behalf TPAF Contributions				-	-	7,770,138	-
Charter and Renaissance School Project Emergent and Capital Maintenance Funds	24-495-034-5120-124	7/1/23 - 6/30/24	903,410	-	903,410	903,410	-
Total Charter and Renaissance School Project Emergent and Capital Maintenance Funds				-	903,410	903,410	-
NJ Climate Awareness Education	23-100-034-5063-359	4/1/23-6/30/23	6,660	-	6,660	6,660	-
Total NJ Climate Awareness Education				-	6,660	6,660	-
Medical Assistance Program	655222	7/1/23 - 6/30/24	83,348	-	83,348	83,348	-
Total Medical Assistance Program				-	83,348	83,348	-
Total New Jersey State Department of Education				(1,080,979)	62,992,356	70,783,121	(1,060,352)
Less: On-Behalf TPAF Pension System Contributions:							
On-Behalf Teachers' Pension and Annuity Fund	23-495-034-5095-002	7/1/23 - 6/30/24	6,102,980	-	-	(6,102,980)	-
On-Behalf Teachers' Pension and Annuity Fund - Post-Retirement Medical	23-495-034-5095-002	7/1/23 - 6/30/24	1,661,008	-	-	(1,661,008)	-
On-Behalf Teachers' Pension and Annuity Fund - Long-term Disability Insurance	23-495-034-5095-002	7/1/23 - 6/30/24	6,150	-	-	(6,150)	-
Total Expenditures of State Awards - Major Program Determination				\$ (1,080,979)	\$ 62,992,356	\$ 63,012,983	\$ (1,060,352)

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to the Schedules of Awards and Financial Assistance
For the Year Ended June 30, 2024

1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance programs (collectively, the Schedules) include Federal and state award activity of Mastery Schools of Camden, Inc. (the Renaissance School). All Federal and state awards received directly from Federal and state agencies, as well as Federal awards and state financial assistance passed through other government agencies, are included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

2. BASIS OF ACCOUNTING

The accompanying Schedules are presented on the accrual basis of accounting. The information in these schedules is 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* (Uniform Guidance); and the provisions of New Jersey Department of the Treasury OMB's Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

3. RELATIONSHIP TO THE BASIC FINANCIAL STATEMENTS

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

Awards and financial assistance revenues are reported in the Renaissance School's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 69,879,711	\$ 69,879,711
Special Revenue Fund	<u>10,783,088</u>	<u>903,410</u>	<u>11,686,498</u>
Total Awards and Financial Assistance	<u>\$ 10,783,088</u>	<u>\$ 70,783,121</u>	<u>\$ 81,566,209</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying Schedules agree with the amounts reported in the related Federal and state financial reports.

5. OTHER

The Teachers' Pension and Annuity Fund (TPAF) Social Security Contributions of \$1,212,753 represent the amount to be reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2024.

The amount reported as On-Behalf TPAF Pension Contributions, On-Behalf TPAF Post-Retirement Medical Benefits Contributions and On-Behalf TPAF Long-term Disability Insurance in the amount of \$7,770,138, represents the amount paid by the state on behalf of the Renaissance School for the fiscal year ended June 30, 2024.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to the Schedules of Awards and Financial Assistance
For the Year Ended June 30, 2024

6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions are not subject to a State single audit and, therefore, are excluded from the major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the Renaissance School's basic financial statements and the amount subject to State single audit and major program determination.

7. DE MINIMIS INDIRECT COST RATE

The Renaissance School has not elected 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
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Is a "going concern" emphasis-of-matter paragraph included in the auditor's report? Yes X No

Internal control over financial reporting:

- Material weakness(es) disclosed? Yes X No
- Significant deficiency(ies) disclosed? Yes X No

Noncompliance material to financial statements disclosed? Yes X No

Federal Awards

Internal control over major Federal program:

- Material weakness(es) disclosed? Yes X No
- Significant deficiency(ies) disclosed? Yes X No

Type of auditor's report issued on compliance for major Federal program: Unmodified

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 program:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Numbers</u>
COVID-19 - Education Stabilization Fund	84.425U/ 84.425V

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
For the Fiscal Year Ended June 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS (Continued)**State Awards**

	<u>Yes</u>	<u>No</u>
Dollar threshold used to distinguish between type A and type B programs (.520)	\$ 1,890,389	
Auditee qualified as low-risk auditee:		X
Type of auditor's report issued:	Unmodified	
Internal control over major program:		
Material weakness(es) identified:		X
Significant deficiencies identified not considered to be material weakness(es)?	X	None Reported
Type of auditor's report on compliance for major program:	Unmodified	
Any audit findings disclosed that are required to reported in Accordance with NJ OMB Circular Letter 15-08?		X
Identification of major program:		
<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>	
20-495-034-5120-078	Equalization Aid - Local	

MASTERY SCHOOLS OF CAMDEN, INC.

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

2. FINANCIAL STATEMENT FINDINGS

None

3. FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

None