

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF

**MASTERY SCHOOLS OF CAMDEN, INC.
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

MASTERY SCHOOLS OF CAMDEN, INC.

Contents
June 30, 2025

	<u>Pages</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1 - 3
Organizational Chart	4
Roster of Trustees and Officers	5
Consultants, Independent Auditors and Advisors	6
FINANCIAL SECTION	
Unmodified Opinion on Financial Statements Accompanied by Required Supplementary Information and Supplementary Information - Governmental Entity.....	7 - 9
Required Supplementary Information - Part I	
Management's Discussion and Analysis	10 - 13
Basic Financial Statements:	
A. School-wide Financial Statements	
A-1 Statement of Net Position	14
A-2 Statement of Activities	15
B. Fund Financial Statements	
Governmental Funds:	
B-1 Balance Sheet	16
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	17
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Proprietary Funds:	
B-4 Statement of Net Assets	N/A
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
B-6 Statement of Cash Flows	N/A
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to Basic Financial Statements	19 - 47
Required Supplemental Information - Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule General Fund	48 - 49
C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule Special Revenue Fund	50 - 51
Note to Required Supplementary Information:	
C-3 Budgetary-to-GAAP Reconciliation.....	52

MASTERY SCHOOLS OF CAMDEN, INC.

Contents
June 30, 2025

FINANCIAL SECTION (Continued)	<u>Pages</u>
Required Supplementary Information - Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68):	
L-1 Schedule of the Renaissance School's Proportionate Share of the Net Pension Liability - PERS	53
L-2 Schedule of Renaissance School Contributions - PERS	54
L-3 Schedule of the Renaissance School's Proportionate Share of the Net Pension Liability - TPAF	55
L-4 Schedule of the School District's Contribution Teachers' Pension and Annuity Fund (TPAF)	N/A
L-5 Notes to Required Supplementary Information Pension Schedules	56
M. Schedules Related to Accounting and Reporting for OPEB (GASB 75)	
M-1 Schedule of Changes in the Renaissance School's Total OPEB Liability and Related Ratios - PERS and TPAF	57
Other Supplementary Information:	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures Special Revenue Fund - Budgetary Basis	58
E-2 Schedule of Preschool Education Aid Expenditures - Preschool - All Programs - Budgetary Basis	N/A
F. Capital Project Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
F-2a Schedule of Project Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	N/A
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Position	N/A
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-3 Combining Statement of Cash Flows	N/A
Internal Service Funds:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A

MASTERY SCHOOLS OF CAMDEN, INC.

Contents
June 30, 2025

	<u>Pages</u>
FINANCIAL SECTION (Continued)	
Required Supplementary Information - Part III (Continued)	
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Fund Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
I. Long-Term Debt:	
I-1 Schedules of Serial Bonds Payable	N/A
I-2 Schedule of Obligations Under Leases	59
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A
I-4 Schedule of Obligations Under Subscription-Based Information Technology Arrangements	N/A
Statistical Section (Unaudited):	
J. Financial Trends:	
J-1 Net Position by Component	60
J-2 Changes in Net Position	61
J-3 Fund Balances - Governmental Funds	62
J-4 Changes in Fund Balances - Governmental Funds	63
J-5 General Fund - Other Local Revenue by Source	64
J. Revenue Capacity:	
J-6 Assessed Value and Actual Value of Taxable Property	N/A
J-7 Direct and Overlapping Property Tax Rates	N/A
J-8 Principal Property Taxpayers.....	N/A
J-9 Property Tax Levies and Collections	N/A
J. Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	65
J-11 Ratios of General Bonded Debt Outstanding	N/A
J-12 Direct and Overlapping Governmental Activities Debt	N/A
J-13 Legal Debt Margin Information	N/A
J. Demographic and Economic Information:	
J-14 Demographic and Economic Statistics	66
J-15 Principal Employers	N/A
J. Operating Information:	
J-16 Full-Time Equivalent School Employees by Function/Program	67
J-17 Operating Statistics	68
J-18 School Building Information	N/A
J-19 Schedule of Allowable Maintenance Expenditures by School Facility	N/A
J-20 Insurance Schedule	69
J-21 Renaissance School Project Framework, Finance Performance, Fiscal Ratios	70

MASTERY SCHOOLS OF CAMDEN, INC.

Contents
June 30, 2025

SINGLE AUDIT SECTION K		<u>Pages</u>
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 <i>Government Auditing Standards</i>	71 - 72
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	73 - 75
K-3	Schedule of Expenditures of Federal Awards, Schedule A	76
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	77
K-5	Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance	78 -79
K-6	Schedule of Findings and Questioned Costs	80 - 82
K-7	Summary Schedule of Prior Year Findings and Questioned Costs	N/A

N/A = Not Applicable

INTRODUCTORY SECTION



Mastery Schools of Camden

December 12, 2025

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

Dear Commissioner:

We are pleased to report that the Annual Comprehensive Financial Report of Mastery Schools of Camden, Inc. (the Renaissance School) for the fiscal year ended June 30, 2025, has been submitted. The responsibility for both the accuracy of these data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Renaissance School. To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of Mastery Schools of Camden, Inc. All disclosures necessary to enable the reader to gain an understanding of the 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, the Renaissance School's organizational chart and a list of principal officials. The Financial Section includes the financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information. The Renaissance School is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State of New Jersey's OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to these single audits, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit Section of this report.

- 1) **Reporting Entity and Its Services:** Mastery Schools of Camden, Inc. is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds and account groups of the Renaissance School are included in this report. Mastery Schools of Camden, Inc. operates a Renaissance school project under an operating agreement with the Camden City School District. The agreement began effective July 17, 2014, for a ten-year term. The renewal was completed in fiscal year 2025, with approval for a five-year renewal period. Therefore, the Renaissance School operated under the existing agreement in 2025 and will sign a new five-year term agreement in fiscal year 2026.
- 2) **Enrollment Outlook:** The Renaissance School completed the 2024-25 school year with an average daily enrollment of 2,850 students in kindergarten through twelfth grade at five locations. Based on the demand, it is anticipated that we will be able to maintain our enrollment for the foreseeable future.

- 3) **Major Accomplishments:** Mastery Schools of Camden 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, Social Studies, as well as supportive programming such as Music, PE, Health, and Art) to ensure a well-rounded, data-driven learning experience proven to drive student success. 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 has also leveraged high-quality Dual Language instructional programming at all three Elementary-level schools (Cramer Hill, McGraw, and Molina) to serve students from primarily Spanish-speaking homes achieve at the highest possible levels.

Mastery Schools of Camden students were housed in five schools across five buildings during the 2024-25 school year. The schools and locations were as follows:

- Cramer Hill Elementary - newly constructed facility opened in August 2017
- McGraw Elementary - former Camden City School District building
- Molina 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. To this end, adequate accounting data are compiled periodically to allow accurate preparation of financial statements in conformity with generally accepted accounting principles (U.S. GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and state financial assistance, the Renaissance School is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure likewise is subjected to periodic evaluation by 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 through 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 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 reappropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balances at June 30, 2025.

- 6) **Accounting System and Reports:** The Renaissance School accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (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 the Financial Statements", Note 2.
- 7) **Cash Management:** The investment policy of the Renaissance School is guided by state statute as detailed in "Notes to the Financial Statements", Note 2. The Renaissance School has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the act.
- 8) **Risk Management:** The Renaissance School carries various forms of insurance, including but not limited to general liability, cyber liability coverage, automobile liability, and comprehensive/collision, hazard, and theft insurance on property and contents.
- 9) **Other Information:**

Independent Audit - Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Accounting firm of AAFCPAs, Inc. was selected and duly appointed by Mastery Schools of Camden, Inc.

In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State of New Jersey's OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Respectfully submitted,

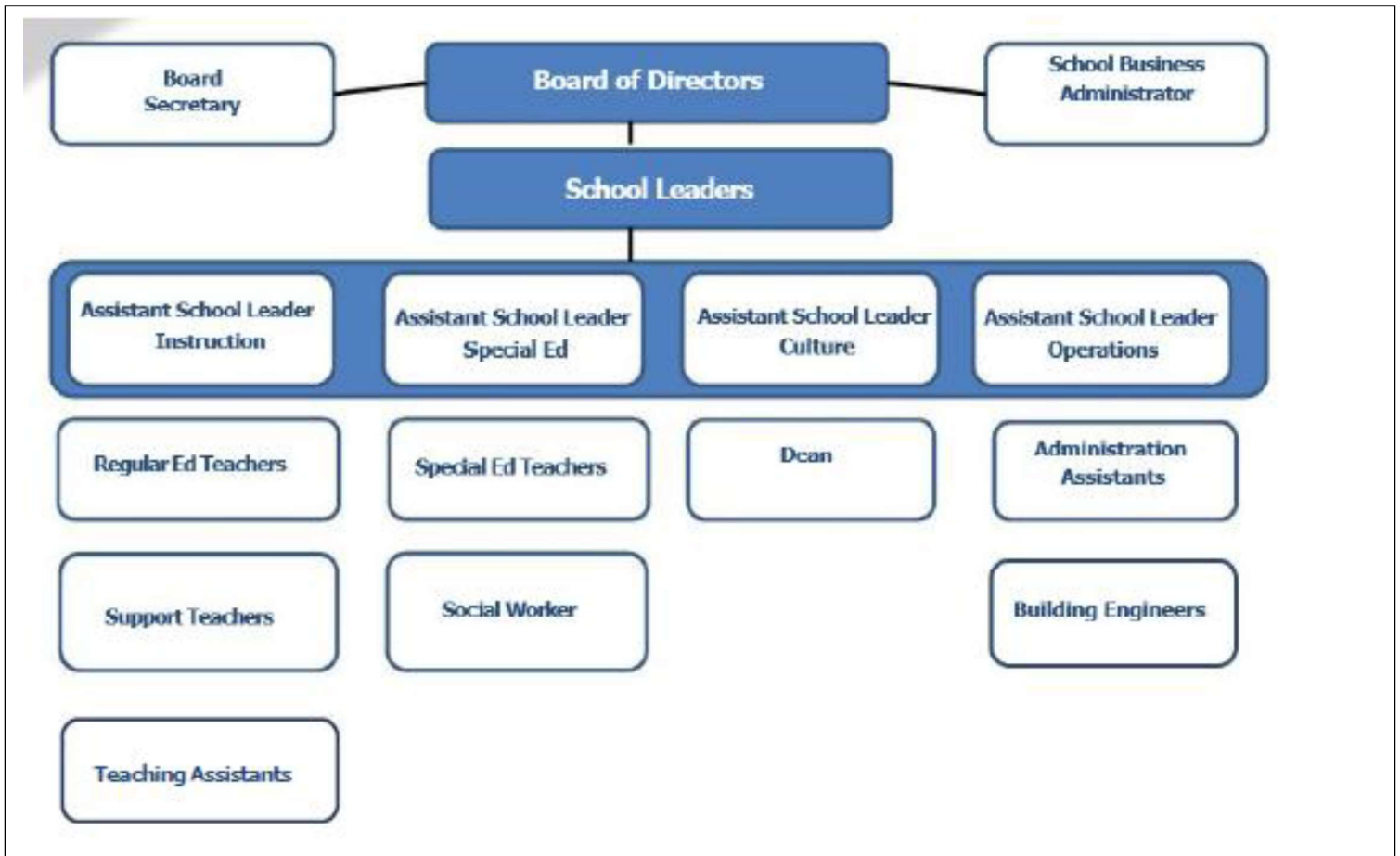


Christopher W. Barts
School Business Administrator



Michael Patron
Board Secretary

**ORGANIZATIONAL CHART
JUNE 30, 2025**



**ROSTER OF TRUSTEES AND OFFICERS
JUNE 30, 2025**

Board of Trustees

Term Expires

James Sheward, Chair (Resigned 6/18/2025)	Resigned
Hosea Harvey, Chair (Effective 6/18/2025)	6/30/26
Judith Tschirgi	6/30/26
Reuel Robinson (Resigned 6/23/2025)	Resigned
Johana Velez-Millan	6/30/26

School Leaders

School

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
Maurice Towns, School Leader	Mastery High School of Camden

Other

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, 2025, 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, 2025, 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.

Emphasis of Matter

During fiscal year 2025, the Renaissance School adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, which modifies the accounting treatment for accrued compensated absences in the statement of net position (see Note 2). Our opinion is not modified with respect to this matter.

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, 2025, 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 12, 2025, 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.

AAFCPAs, Inc.

Boston, Massachusetts
December 12, 2025

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, 2025

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, 2025. We encourage readers to consider the information presented herein conjunction with the Renaissance School's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2024-25 include the following:

- Total revenues on a governmental basis, consisting primarily of School District student subsidies, local sources, state sources, and federal sources, increased from \$86,839,163 to \$87,139,072. The increase was mainly driven by an approximate 8% rise in per-pupil funding, partially offset by a reduction in federal program awards due to the expiration of ESSER funding following the conclusion of COVID-19–related programs during the year ended June 30, 2025.
- At the close of the current fiscal year, the Renaissance School reported an ending general fund balance of \$33,316,177.
- At the close of the current fiscal year, the Renaissance School reported an ending government-wide net position balance of \$51,320,220.
- The Renaissance School's cash balance at June 30, 2025, was \$17,711,238, representing an increase of \$189,746 from June 30, 2024. This increase 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, 2025

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 \$51,320,220 as of June 30, 2025.

	<u>2025</u>	<u>2024</u>
Current assets	\$ 40,979,005	\$ 40,018,746
Capital assets, net	24,944,129	19,491,371
Right-to-use lease assets, net	<u>29,219,065</u>	<u>30,712,547</u>
Total assets	<u>\$ 95,142,199</u>	<u>\$ 90,222,664</u>
Deferred outflows of resources	<u>\$ 7,539,200</u>	<u>\$ 10,292,400</u>
Current liabilities	\$ 7,662,828	\$ 8,724,578
Noncurrent liabilities	<u>42,845,486</u>	<u>43,645,253</u>
Total liabilities	<u>\$ 50,508,314</u>	<u>\$ 52,369,831</u>
Deferred inflows of resources	<u>\$ 852,865</u>	<u>\$ 1,000,221</u>
Net investment in capital assets	\$ 22,700,812	\$ 17,720,802
Unrestricted	<u>28,619,408</u>	<u>29,424,210</u>
Total net position	<u>\$ 51,320,220</u>	<u>\$ 47,145,012</u>

MASTERY SCHOOLS OF CAMDEN, INC.

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

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>2025</u>	<u>2024</u>
Revenues:		
Program revenues:		
Special revenue Federal aid	\$ 5,737,658	\$ 10,783,088
Special revenue State aid	389,840	903,410
General revenues:		
Local share	3,455,662	3,031,020
State share	65,879,447	60,806,813
State aid	9,542,578	9,072,898
Other revenue	<u>2,133,887</u>	<u>2,241,934</u>
Total revenues	<u>87,139,072</u>	<u>86,839,163</u>
Expenditures:		
Instruction	41,261,140	36,618,322
Support services	25,336,619	24,717,463
Reimbursed TPAF Social Security contributions	1,194,952	1,212,753
On-behalf TPAF contributions	8,240,907	7,770,138
Interest on long-term debt	1,337,069	1,385,028
Loss on disposals of capital assets and leases	45,682	14,632
Net increase in pension deficit	2,086,661	1,822,107
Net decrease in compensated absences	(202,980)	-
Unallocated depreciation and amortization	<u>2,720,684</u>	<u>2,929,251</u>
Total expenditures	<u>82,020,734</u>	<u>76,469,694</u>
Change in net position	5,118,338	10,369,469
Net Position - beginning, as restated	<u>46,201,882</u> *	<u>36,775,543</u>
Net Position - ending	<u>\$ 51,320,220</u>	<u>\$ 47,145,012</u>

* The prior year comparative information does not include a compensated absence accrual for adoption of GASB 101 (see Note 2) for impact of current year adoption on beginning net position.

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, 2025

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 \$33,316,177. For the year ended June 30, 2025, the Renaissance School's general fund revenues \$81,011,574 exceeded expenditures and other financing uses (\$78,989,565) by \$2,022,009.

The Renaissance School's special revenue fund did not report an ending fund balance. For the year ended June 30, 2025, the Renaissance School's revenues \$6,127,498 equaled expenditures (\$6,127,498).

General Fund Budgetary Highlights

Actual revenues were greater than budgeted revenues by \$8,034,074, primarily due to greater than budgeted local and On-behalf TPAF contributions (nonbudgeted). Actual expenditures were greater than budgeted expenditures by \$7,912,065, primarily due to less than budgeted regular education instruction, special education instruction, and administrative, offset by On-behalf TPAF contributions (nonbudgeted).

Capital Assets and Right-to-Use Lease Assets

As of June 30, 2025, the Renaissance School's investment in capital assets for its governmental activities totaled \$54,163,194 (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 \$2,191,429 for leasehold improvements
- Capital expenditures of \$539,710 for furniture, equipment and software
- Capital expenditures of \$3,994,503 for construction services

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, 2025, 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, 2025, the long-term debt of \$31,462,382 consisted of lease liabilities.

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 2025-26, we are projecting total enrollment to be around 2,830, which is approximately the same enrollment during the 2024-2025 school year. Renaissance School per-pupil funding for 2025-26 is expected to increase approximately 1.6% 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, 2025.

SCHOOL-WIDE FINANCIAL STATEMENTS

MASTERY SCHOOLS OF CAMDEN, INC.

Statement of Net Position
June 30, 2025

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 17,711,238
Investments	22,328,570
Receivables	246,313
Prepaid expenses	692,884
Capital assets, net	24,944,129
Right-to-use lease assets, net	<u>29,219,065</u>
Total assets	95,142,199
Deferred Outflow of Resources:	
Pension deferred outflows	<u>7,539,200</u>
Total assets and deferred outflow of resources	<u>\$ 102,681,399</u>
Liabilities:	
Accounts payable	\$ 5,281,964
Accrued expenses	2,306,804
Due to Camden City School District	74,060
Compensated absences	740,150
Net pension liability	10,642,954
Lease liabilities	<u>31,462,382</u>
Total liabilities	50,508,314
Deferred Inflow of Resources:	
Pension deferred inflows	<u>852,865</u>
Total liabilities and deferred inflow of resources	<u>51,361,179</u>
Net Position:	
Net investment in capital assets	22,700,812
Unrestricted	<u>28,619,408</u>
Total net position	<u>51,320,220</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 102,681,399</u>
Fund Balance, June 30, 2025 - B-1	<u>\$ 33,316,177</u>
Cost of capital assets, net of accumulated depreciation	24,944,129
Cost of right-to-use lease assets, net of accumulated amortization	29,219,065
Principal balance of lease liabilities	(31,462,382)
Compensated absences	<u>(740,150)</u>
Net position before pension adjustments	55,276,839
Less - pension, net (deficit)	<u>(3,956,619)</u>
Total Net Position, June 30, 2025	<u>\$ 51,320,220</u>

MASTERY SCHOOLS OF CAMDEN, INC.

Statement of Activities
For the Year Ended June 30, 2025

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:					
Instruction:					
Regular	\$ 27,874,675	\$ -	\$ 1,402,439	\$ -	\$ 26,472,236
Special education	11,851,101	-	1,444,006	-	10,407,095
Summer school	502,672	-	118,384	-	384,288
Student activities	1,032,692	-	84,596	-	948,096
Support services:					
Administrative	11,803,047	-	332,494	-	11,470,553
Culture and educational support	4,216,561	-	2,215,169	-	2,001,392
Professional development	140,413	-	6,650	-	133,763
Nursing	806,910	-	-	-	806,910
Community advocacy and engagement	279,978	-	133,920	-	146,058
Student transportation services	2,246,600	-	-	-	2,246,600
Operations	5,843,110	-	389,840	-	5,453,270
Reimbursed TPAF Social Security contributions	1,194,952	-	-	-	1,194,952
TPAF Pension (On-Behalf - Non-Budgeted)	6,372,253	-	-	-	6,372,253
TPAF Post-Retirement Medical (On-Behalf - Non-Budgeted)	1,861,978	-	-	-	1,861,978
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	6,676	-	-	-	6,676
Capital Outlay:					
Leasehold improvements	2,191,429	-	-	-	2,191,429
Furniture, equipment and software	539,710	-	-	-	539,710
Construction services	3,994,503	-	-	-	3,994,503
Interest on lease liabilities	1,337,069	-	-	-	1,337,069
Total governmental activities	<u>84,096,329</u>	<u>-</u>	<u>6,127,498</u>	<u>-</u>	<u>77,968,831</u>
Total primary government	<u>\$ 84,096,329</u>	<u>\$ -</u>	<u>\$ 6,127,498</u>	<u>\$ -</u>	<u>77,968,831</u>
General Revenues:					
Local share					3,455,662
State share					65,879,447
State sources					9,542,578
Other revenue					2,133,887
Total general revenues					<u>81,011,574</u>
Other Financing Uses:					
Lease principal payments					<u>(1,020,734)</u>
Change in fund balance					2,022,009
Increase in net Capital Outlay					5,452,758
Excess amortization and lease interest expense over cash payments on leases					(472,748)
Decrease in compensated absences					202,980
Increase in pension deficit (A-1 Net Position)					<u>(2,086,661)</u>
Change in net position					5,118,338
Net Position - beginning July 1, as restated (see Note 2)					<u>46,201,882</u>
Net Position - ending June 30					<u>\$ 51,320,220</u>

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

MASTERY SCHOOLS OF CAMDEN, INC.

Balance Sheet
 Governmental Funds
 June 30, 2025

	General Fund	Special Revenue Fund	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 17,711,238	\$ -	\$ 17,711,238
Investments	22,328,570	-	22,328,570
Receivables	120,784	125,529	246,313
Due (to) from other funds	125,529	(125,529)	-
Prepaid expenditures	692,884	-	692,884
Total assets	<u>\$ 40,979,005</u>	<u>\$ -</u>	<u>\$ 40,979,005</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 5,281,964	\$ -	\$ 5,281,964
Accrued expenses	2,306,804	-	2,306,804
Due to Camden City School District	74,060	-	74,060
Total liabilities	<u>7,662,828</u>	<u>-</u>	<u>7,662,828</u>
Fund Balances:			
Nonspendable:			
Prepaid expenditures	692,884	-	692,884
Committed:			
Capital Reserve	2,500,000	-	2,500,000
Maintenance Reserve	500,000	-	500,000
Emergency Reserve	11,700,000	-	11,700,000
Pension Reserve	1,350,000	-	1,350,000
Strategic Projects	16,573,293	-	16,573,293
Total fund balances	<u>33,316,177</u>	<u>-</u>	<u>33,316,177</u>
Total liabilities and fund balances	<u>\$ 40,979,005</u>	<u>\$ -</u>	<u>\$ 40,979,005</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 \$29,093,915 and the accumulated depreciation is \$4,149,786 (see Note 4).	\$ 24,944,129
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).	7,539,200
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).	(852,865)
Compensated absences, not due and payable in the current period and therefore are not reported as liabilities in the fund statements (see Note 2).	(740,150)
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).	(10,642,954)
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 \$35,014,271 and the accumulated amortization is \$5,795,206 (see Note 4).	29,219,065
Lease liabilities used in governmental activities are not financial resources and therefore are not reported in the funds (see Note 5).	<u>(31,462,382)</u>
Net position of governmental activities	<u>\$ 51,320,220</u>

MASTERY SCHOOLS OF CAMDEN, INC.

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2025

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Local sources:			
Local share	\$ 3,455,662	\$ -	\$ 3,455,662
Other revenue	2,133,887	-	2,133,887
Total - local sources	<u>5,589,549</u>	<u>-</u>	<u>5,589,549</u>
State share	65,879,447	-	65,879,447
State sources	9,542,578	389,840	9,932,418
Federal sources	-	5,737,658	5,737,658
Total revenues	<u>81,011,574</u>	<u>6,127,498</u>	<u>87,139,072</u>
Expenditures:			
Current:			
Instruction:			
Regular instruction	26,472,236	1,402,439	27,874,675
Special education	10,407,095	1,444,006	11,851,101
Summer school	384,288	118,384	502,672
Student activities	948,096	84,596	1,032,692
Supportive services:			
Administrative	11,470,553	332,494	11,803,047
Culture and educational support	2,001,392	2,215,169	4,216,561
Professional development	133,763	6,650	140,413
Nursing	806,910	-	806,910
Community advocacy and engagement	146,058	133,920	279,978
Student transportation services	2,246,600	-	2,246,600
Operations	5,453,270	389,840	5,843,110
Reimbursed TPAF Social Security contributions	1,194,952	-	1,194,952
TPAF Pension (On-Behalf - Non-Budgeted)	6,372,253	-	6,372,253
TPAF Post-Retirement Medical (On-Behalf - Non-Budgeted)	1,861,978	-	1,861,978
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	6,676	-	6,676
Debt service:			
Interest expense	1,337,069	-	1,337,069
Capital outlay:			
Leasehold improvements	2,191,429	-	2,191,429
Furniture, equipment and software	539,710	-	539,710
Construction services	3,994,503	-	3,994,503
Total expenditures	<u>77,968,831</u>	<u>6,127,498</u>	<u>84,096,329</u>
Excess of revenues over expenditures	3,042,743	-	3,042,743
Other Financing Uses:			
Lease principal payments	<u>1,020,734</u>	<u>-</u>	<u>1,020,734</u>
Net change in fund balances	2,022,009	-	2,022,009
Fund Balance - July 1, 2024	<u>31,294,168</u>	<u>-</u>	<u>31,294,168</u>
Fund Balance - June 30, 2025	<u>\$ 33,316,177</u>	<u>\$ -</u>	<u>\$ 33,316,177</u>

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, 2025

Total net change in fund balances - Governmental Funds (from B-2)

\$ 2,022,009

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	(1,227,202)
Net disposals of equipment	(45,682)
Capital outlay	<u>6,725,642</u>

Current year amortization of the right-to-use assets allocated over the term of the leases.

(1,493,482)

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.

1,020,734

Governmental funds report compensated absences as expenditures. However, in the statement of activities, the (cost) benefit incurred for future compensated absences is reported as decrease (increase) in compensated absences.

202,980

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.

(2,086,661)

Change in net position of governmental activities

\$ 5,118,338

NOTES TO THE BASIC FINANCIAL STATEMENTS

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

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 which expired on June 30, 2024. The Renaissance School received an extension through negotiations; the extensions is through December 31, 2025, or until the new agreement is negotiated and signed. The Renaissance School served over 2,840 students from grades kindergarten to twelfth grade during the Renaissance School's school year 2024-25 in five campuses: Cramer Hill Elementary, McGraw Elementary, Molina 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.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

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.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

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.

Recently Adopted Accounting Policies

GASB Statement No. 101 - Compensated Absences

During fiscal year 2025, the Renaissance School implemented GASB Statement No. 101 (GASB 101), *Compensated Absences*. This statement establishes a unified model for the recognition and measurement of compensated absences, such as vacation, sick leave and paid time off, by requiring recognition of a liability when the leave is attributable to services already rendered, the leave accumulates, and it is more-likely-than-not that the leave will be used or paid.

The implementation of GASB 101 resulted in a significant change in the measurement of the Renaissance School's compensated absences liability, due to a broader recognition threshold and changes in how leave benefits are accrued. As a result, beginning net position was reduced by \$943,130 to reflect the cumulative effect of applying the new accounting standard.

The cumulative effect of the changes related to the adoption of the new compensated absences standard as of July 1, 2024, were as follows:

<u>Balance Sheet</u>	<u>As Previously Reported</u>	<u>Effect of Adoption</u>	<u>As Restated</u>
Net position	<u>\$ 47,145,012</u>	<u>\$ (943,130)</u>	<u>\$ 46,201,882</u>

GASB Statement No. 102 – Certain Risk Disclosures

The Renaissance School implemented GASB Statement No. 102, *Certain Risk Disclosures*, for the fiscal year ended June 30, 2025. This standard requires disclosure of certain concentrations and constraints that expose the government to significant financial risk if specific events occur. Accordingly, the implementation of GASB 102 did not have a material impact on the financial statements for the fiscal year ended June 30, 2025.

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.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets/Budgetary Control (Continued)

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.

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, banks (both state and national banks) and saving banks, 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 consisted of \$22,328,168 of U.S. Government treasuries and \$402 of cash that are presented in the financial statements at fair value (see Note 3). U.S. Government treasuries 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.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 \$2,500 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

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and right-to-use lease assets, including restricted capital assets (if any), net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds, mortgages, notes, lease liabilities 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.
- *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, 2025.
- *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".

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, 2025, the Renaissance School had committed and nonspendable fund balances. The Renaissance School did not have any unassigned, assigned or restricted fund balances as of June 30, 2025.

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.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. There is no current portion of the compensated absences due as of June 30, 2025. The non-current portion of the liability is reported in the government-wide statement of net position. The Renaissance School had compensated absences of \$740,150 as of June 30, 2025.

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, 2025, there is \$74,060 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, 2025. The Renaissance School's information returns are subject to examination by the Federal and state jurisdictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows resources to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/deductions from PERS'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).

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.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 12, 2025, which is the date the financial statements were available to be issued. No events that met the criteria for disclosure within the financial statements.

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, 2025, the Renaissance School's carrying amount of deposits and investments is as follows:

	School-Wide Financial Statements
Cash and cash equivalents	<u>\$ 17,711,238</u>

Operating cash accounts are held in the Renaissance School's name by one banking institution. At June 30, 2025, the Renaissance School's bank balances were \$18,319,828. Of the bank balance, \$250,000 of the Renaissance School's cash deposits on June 30, 2025, was secured by the Federal deposit insurance and \$18,069,828 was covered by a collateral pool maintained by the bank as required by New Jersey statutes in accordance with the New Jersey GUDPA.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

3. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Reconciliation to the financial statements:

Total cash and cash equivalents covered by collateral pool	\$ 18,069,828
Plus - insured amount	250,000
Plus - petty cash	12,000
Less - outstanding checks	<u>(620,590)</u>
Total cash and cash equivalents per School-wide financial statements	<u>\$ 17,711,238</u>

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, 2025**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 June 2026.

Assets of the Renaissance School for which values are determined on a recurring basis as of June 30, 2025, are summarized as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 402	\$ -	\$ -	\$ 402
U.S. Treasury Bills	<u>22,328,168</u>	<u>-</u>	<u>-</u>	<u>22,328,168</u>
	<u>\$ 22,328,570</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,328,570</u>

There were no transfers between levels of the fair value hierarchy during the year ended June 30, 2025.

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, 2025:

<u>Governmental Activities</u>	<u>Beginning Balance July 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending Balance June 30, 2025</u>
Capital assets being depreciated:					
Leasehold improvements	\$ 8,470,984	\$ 2,191,429	\$ (4,793)	\$ 9,838,744	\$ 20,496,364
Furniture, equipment and software	<u>4,433,394</u>	<u>539,710</u>	<u>(464,292)</u>	<u>-</u>	<u>4,508,812</u>
Total capital assets being depreciated	12,904,378	2,731,139	(469,085)	9,838,744	25,005,176
Construction in progress	<u>9,932,980</u>	<u>3,994,503</u>	<u>-</u>	<u>(9,838,744)</u>	<u>4,088,739</u>
Total capital assets	<u>22,837,358</u>	<u>6,725,642</u>	<u>(469,085)</u>	<u>-</u>	<u>29,093,915</u>
Less - accumulated depreciated:					
Leasehold improvements	875,043	656,644	(666)	-	1,531,021
Furniture, equipment and software	<u>2,470,944</u>	<u>570,558</u>	<u>(422,737)</u>	<u>-</u>	<u>2,618,765</u>
Total accumulated depreciation	<u>3,345,987</u>	<u>1,227,202</u>	<u>(423,403)</u>	<u>-</u>	<u>4,149,786</u>
Total capital assets, net	<u>\$ 19,491,371</u>	<u>\$ 5,498,440</u>	<u>\$ (45,682)</u>	<u>\$ -</u>	<u>\$ 24,944,129</u>

Depreciation expense of \$1,227,202 was charged to an unallocated function.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

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

In August 2024, the Renaissance School completed and placed into service improvements to its Molina Elementary School of approximately \$9,800,000.

Construction in progress as of June 30, 2025, includes HVAC upgrades at Cramer Hill Elementary and perimeter fencing replacement at Mastery High School of Camden, both completed and placed into service in September 2025 and October 2025, respectively. Additionally, the Molina Annex building refresh and improvements, McGraw Elementary lighting upgrades, and flooring and perimeter fencing upgrades at East Camden Middle were all completed in July 2025.

Changes in right-to-use assets are as follows for the fiscal year ended June 30, 2025:

<u>Governmental Activities</u>	<u>Beginning Balance July 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance June 30, 2025</u>
Equipment	\$ 590,766	\$ -	\$ -	\$ 590,766
Building	<u>36,071,033</u>	<u>-</u>	<u>(1,647,528)</u>	<u>34,423,505</u>
Total right-to-use lease assets	36,661,799	-	(1,647,528)	35,014,271
Less - amortization	<u>5,949,252</u>	<u>1,493,482</u>	<u>(1,647,528)</u>	<u>5,795,206</u>
Total right-to-use lease assets, net	<u>\$ 30,712,547</u>	<u>\$ (1,493,482)</u>	<u>\$ -</u>	<u>\$ 29,219,065</u>

As part of the restructuring of the Molina campus, which consolidated operations into the renovated Molina Elementary School, the lease for the Molina Lower facility ended effective July 1, 2024 (with the final day under lease being June 30, 2024). The Molina Lower lease is no longer required following this restructuring, as instructional and administrative functions were transitioned to the renovated Molina Elementary School building.

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 \$186,000 during the year ended June 30, 2025. Interest expense on the building leases was \$1,320,828 for the year ended June 30, 2025, 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 \$31,140,136 as of June 30, 2025, 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 \$905,616 during the year ended June 30, 2025, 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 \$12,000 during the year ended June 30, 2025. Interest expense on the equipment leases was \$16,241 for the year ended June 30, 2025, which is included in interest on long-term debt in the accompanying statement of activities.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

5. LEASE OBLIGATIONS (Continued)

The net present value of the equipment lease liabilities was \$322,246 as of June 30, 2025, 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 \$115,118 during the year ended June 30, 2025, which are included in lease principal payments in the accompanying statement of activities.

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>
2026	\$ 1,301,674	\$ 1,064,889	\$ 1,493,481
2027	1,254,067	1,095,299	1,474,956
2028	1,240,593	1,122,625	1,470,692
2029	1,120,188	1,066,626	1,352,432
2030	1,109,615	1,116,829	1,374,500
2031 - 2035	4,788,479	6,343,741	6,872,501
2036 - 2040	3,308,955	7,823,265	6,872,501
2041 - 2045	1,760,660	6,323,560	4,805,513
2046 - 2050	<u>474,265</u>	<u>5,505,548</u>	<u>3,502,489</u>
	<u>\$ 16,358,496</u>	<u>\$ 31,462,382</u>	<u>\$ 29,219,065</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.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

6. PENSION PLAN (Continued)

Description of Plans (Continued)

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.

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 2025, the Renaissance School incurred expenses totaling \$40,468 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 members 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.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

6. PENSION PLAN (Continued)

Description of Plans (Continued)

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.

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, 2025, was \$1,065,796.

In accordance with N.J.S.A 18A:66-66, the State reimbursed the Renaissance School \$1,194,952 for the year ended June 30, 2025, for the employer's share of Social Security contributions for TPAF members, as calculated on their base salaries. Also, the State paid \$8,240,907 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, 2025

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 \$69,987,288 as measured on June 30, 2024.

For the year ended June 30, 2025, the Renaissance School's pension benefit of \$255,303 and revenue of \$255,303 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, 2025, is based upon changes in the collective net pension liability with a measurement period of June 30, 2023 through June 30, 2024. 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, 2023 and June 30, 2024.

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, 2024</u>
Collective deferred outflows of resources	\$ 1,108,112,477
Collective deferred inflows of resources	\$ 10,545,101,790
Collective net pension liability (Non-employer - State of New Jersey)	\$ 49,425,106,602
State's portion of the net pension liability that was associated with the Renaissance School	\$ 69,987,288
State's portion of the net pension liability that was associated with the Renaissance School as a percentage of the collective net pension liability	.141603%

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

7. PENSION PLANS – GASB 68 (Continued)

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

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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% - 5.65% based on years of service
Investment Rate of Return:	7.00%

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, 2023 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 (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. 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, 2025

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, 2024, are summarized in the following table:

	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-US Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2024. 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-tpaf25.pdf>

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

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, 2025, the Renaissance School reported a liability of \$10,642,954 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2024. At June 30, 2024, the Renaissance School’s proportion was 0.078326%.

For the year ended June 30, 2025, the Renaissance School recognized pension expense of \$6,901,747. At June 30, 2025, the Renaissance School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 213,198	\$ 28,334
Changes of assumptions	13,222	121,092
Net difference between projected and actual earnings on pension plan investments	-	493,485
Changes in proportion and differences between the Renaissance School’s contributions and proportionate share of contributions	6,246,984	209,954
Renaissance School’s contributions subsequent to the measurement date	<u>1,065,796</u>	<u>-</u>
Total	<u>\$ 7,539,200</u>	<u>\$ 852,865</u>

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

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 \$1,065,796 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, 2025, the plan measurement date was June 30, 2024) will be recognized as a reduction of the net pension liability measured as of June 30, 2025.

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>	
2025	\$ (451,874)
2026	349,646
2027	(201,159)
2028	(116,127)
2029	<u>3,022</u>
Total	<u>\$ (416,492)</u>
	<u>June 30, 2024</u>
Collective deferred outflows of resources	\$ 1,079,580,780
Collective deferred inflows of resources	\$ 1,611,322,898
Collective net pension liability (Non-State - Local Group)	\$ 13,702,423,985
Renaissance School's proportion of net pension liability	\$ 10,642,954
Renaissance School's proportion percentage	0.078326%

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2025

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, 2023 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, 2024) 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%	8.63%
Non-US Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

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, 2025. 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, 2025, 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:

	2025		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Renaissance School's proportionate share of the net pension liability	<u>\$ 14,260,909</u>	<u>\$ 10,642,954</u>	<u>\$ 7,729,920</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.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

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, 2025

8. POST-RETIREMENT BENEFITS (Continued)

Other Postemployment Benefit Plan (OPEB) (Continued)

Actuarial Assumptions

The total OPEB liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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.

	<u>TPAF</u>	<u>PERS</u>	<u>PFRS</u>
Salary increases:	2.75% - 5.65% 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, 2023 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 7.5% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For HMO, the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. 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, 2025

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, 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	<u>(557,591)</u>	<u>(1,437,516,858)</u>
Net changes	<u>4,474,750</u>	<u>1,715,205,273</u>
Balance at June 30, 2023 measurement date	<u>20,310,306</u>	<u>52,361,668,239</u>
Changes recognized for the fiscal year:		
Service cost	3,184,771	2,152,062,729
Interest on total OPEB liability	824,872	1,963,557,443
Effect of differences between expected and actual experience	(527,610)	158,934,425
Effect of changes of assumptions	1,874,721	4,462,660,491
Contributions from the members	21,571	51,347,810
Contributions from the employer	<u>(629,968)</u>	<u>(1,499,600,607)</u>
Net changes	<u>4,748,357</u>	<u>7,288,962,291</u>
Balance at June 30, 2024 measurement date	<u>\$ 25,058,663</u>	<u>\$ 59,650,630,530</u>

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

The following presents the total nonemployer OPEB liability as of June 30, 2024 and 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:

	2024		
	1% Decrease (2.93%)	At Discount Rate (3.93%)	1% Increase (4.93%)
Renaissance School's proportionate share of the net OPEB liability	\$ 29,349,061	\$ 25,058,663	\$ 21,608,292
Total OPEB liability	<u>\$ 69,863,663,542</u>	<u>\$ 59,650,630,530</u>	<u>\$ 51,437,232,141</u>

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

8. POST-RETIREMENT BENEFITS (Continued)

Other Postemployment Benefit Plan (OPEB) (Continued)

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

	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

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, 2024 and 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:

	2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Renaissance School's proportionate share of the net OPEB liability	\$ 20,874,049	\$ 25,058,663	\$ 30,509,399
Total OPEB liability	\$ 49,689,409,509	\$ 59,650,630,530	\$ 72,625,778,279

	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

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

For the fiscal year ended June 30, 2025, the Renaissance School recognized OPEB expense of \$6,110,881 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 \$59,650,630,530. Of this amount, the total OPEB liability attributable to the Renaissance School was \$25,058,663. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the Renaissance School of 0.0420%.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

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, 2025, 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	\$ 6,378,932,312	\$ (11,139,706,892)
Changes of assumptions	10,004,978,073	(11,662,607,882)
Net difference between projected and actual earnings on pension plan investments	-	-
Contributions subsequent to the measurement date	<u>TBD</u>	<u>N/A</u>
Total	<u>\$ 16,383,910,385</u>	<u>\$ (22,802,314,774)</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>	
2025	\$ (2,115,877,507)
2026	(1,774,175,666)
2027	(842,677,045)
2028	221,470,185
2029	(1,537,725,697)
Thereafter	<u>(369,418,659)</u>
Total	<u>\$ (6,418,404,389)</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 \$225,000 on any individual covered by the Plan in the policy year ending June 30, 2025. The stop-loss insurance also provides up to \$1,000,000 of coverage beyond the aggregate annual claims limit of \$52,963,554 for the fiscal year ended June 30, 2025. The annual claims limit is based on the average enrollment of 1,416 covered employees but is ultimately derived based on the actual covered employees times a monthly claims factor of \$3,117, for each month of the policy period.

During the year ended June 30, 2025, the Renaissance School paid premiums to Mastery Charter High School based on 1) the Plan's historical claims experience, 2) actual claims for the year ended June 30 2025, 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, 2025

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

The expense under the program was approximately \$23,715,591, which includes the Renaissance School's portion of \$5,412,733 for the year ended June 30, 2025.

10. ECONOMIC DEPENDENCY

The Renaissance School received 94% 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. This creates a vulnerability to economic downturns.

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, 2025, 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, 2025, consisted of accounts, intergovernmental, grants, and miscellaneous. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables is as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Accounts receivable	\$ 120,784	\$ 125,529	\$ 246,313

There was no allowance for doubtful accounts recorded as of June 30, 2025.

As of June 30, 2025, approximately 100% of the Renaissance School's accounts receivable were due from the State.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to Basic Financial Statements
June 30, 2025

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 2025 was \$6,933,511 and is included in administrative in the accompanying statement of activities. The term of the agreement began 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 \$1,250,000.

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, 2025	\$ 33,316,177
Cost of capital assets, net accumulated depreciation	24,944,129
Cost of right-to-use lease assets, net of accumulated amortization	29,219,065
Principal balance of lease liabilities	(31,462,382)
Compensated absences	(740,150)
Pension deferred outflows	7,539,200
Pension deferred inflows	(852,865)
Net pension liability as of June 30, 2025	<u>(10,642,954)</u>
Net position (per A-1) as of June 30, 2025	<u>\$ 51,320,220</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, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,278,494	\$ 15,953	\$ 3,294,447	\$ 3,455,662	\$ 161,215
Other Revenue	1,454,000	682,000	2,136,000	2,133,887	(2,113)
Total - Local Sources	4,732,494	697,953	5,430,447	5,589,549	159,102
State Sources:					
Equalization Aid	63,795,876	320,047	64,115,923	63,903,817	(212,106)
Special Education Categorical Aid	1,975,630	-	1,975,630	1,975,630	-
Reimbursed TPAF Social Security Contributions	1,292,000	3,000	1,295,000	1,194,952	(100,048)
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	6,372,253	6,372,253
TPAF Post-Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	1,861,978	1,861,978
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	-	-	-	6,676	6,676
Other State Revenue	98,000	62,500	160,500	106,719	(53,781)
Total - State Sources	67,161,506	385,547	67,547,053	75,422,025	7,874,972
Total Revenues	71,894,000	1,083,500	72,977,500	81,011,574	8,034,074
Expenditures:					
Instruction:					
Regular Education - Instruction:					
Salaries	18,015,000	(843,653)	17,171,347	17,170,639	708
Benefits	6,957,283	(3,094,240)	3,863,043	3,862,880	163
Professional Services	1,336,000	(76,000)	1,260,000	1,259,449	551
Instructional Materials	1,695,701	381,000	2,076,701	2,073,856	2,845
Computers	1,250,000	-	1,250,000	1,250,000	-
Furniture and Equipment	100,000	(82,000)	18,000	15,349	2,651
Field Trips	187,000	88,000	275,000	270,172	4,828
College Initiatives	330,000	(100,000)	230,000	183,789	46,211
Alternative Education Placements	463,000	(60,000)	403,000	386,102	16,898
Total Regular Education - Instruction	30,333,984	(3,786,893)	26,547,091	26,472,236	74,855
Special Education - Instruction:					
Salaries	5,935,000	(780,000)	5,155,000	5,154,789	211
Benefits	2,321,624	(1,087,000)	1,234,624	1,234,116	508
Alternative Education Placements	1,831,000	(196,000)	1,635,000	1,632,572	2,428
Professional Services	1,410,542	1,058,004	2,468,546	2,376,037	92,509
Instructional Materials	80,000	(59,000)	21,000	9,581	11,419
Total Special Education - Instruction	11,578,166	(1,063,996)	10,514,170	10,407,095	107,075
Summer School - Instruction:					
Summer School Programming	481,616	(80,000)	401,616	384,288	17,328
Total Summer School - Instruction	481,616	(80,000)	401,616	384,288	17,328
Student Activities - Instruction:					
Salaries	500,000	(110,000)	390,000	386,145	3,855
Benefits	43,000	(14,000)	29,000	28,909	91
Professional Services	115,404	223,000	338,404	338,330	74
Supplies	92,000	103,000	195,000	194,712	288
Total Student Activities - Instruction	750,404	202,000	952,404	948,096	4,308
Total Instruction	43,144,170	(4,728,889)	38,415,281	38,211,715	203,566
Support Services:					
Administrative:					
Salaries	2,198,301	198,000	2,396,301	2,395,791	510
Benefits	1,237,159	(372,800)	864,359	864,303	56
Professional Services	36,000	-	36,000	19,693	16,307
Aftercare Program	350,000	(140,000)	210,000	202,665	7,335
Legal Services	75,000	25,000	100,000	97,806	2,194
Management Fees	6,905,000	34,000	6,939,000	6,933,511	5,489
Insurance	340,000	(40,000)	300,000	295,198	4,802
Administrative Materials	519,000	(52,000)	467,000	466,360	640
Advertising/Marketing	122,000	(87,000)	35,000	30,266	4,734
Telecommunications	389,000	(227,000)	162,000	160,995	1,005
Grant Administration	-	4,000	4,000	3,965	35
Total Administrative	12,171,460	(657,800)	11,513,660	11,470,553	43,107
Culture and Educational Support:					
Salaries	1,864,000	(359,112)	1,504,888	1,504,857	31
Benefits	1,218,940	(1,027,857)	191,083	190,689	394
Supplies and Materials	240,000	69,000	309,000	305,846	3,154
Total Culture and Educational Support	3,322,940	(1,317,969)	2,004,971	2,001,392	3,579

MASTERY SCHOOLS OF CAMDEN, INC.

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures: (Continued)					
Support Services: (Continued)					
Professional Development:					
Purchased Professional Services	243,350	(105,000)	138,350	133,763	4,587
Total Professional Development	<u>243,350</u>	<u>(105,000)</u>	<u>138,350</u>	<u>133,763</u>	<u>4,587</u>
Nursing:					
Purchased Professional Services	815,000	-	815,000	806,910	8,090
Total Nursing	<u>815,000</u>	<u>-</u>	<u>815,000</u>	<u>806,910</u>	<u>8,090</u>
Community Advocacy and Engagement:					
Community Engagement Services	705,080	(559,000)	146,080	146,058	22
Total Community Advocacy and Engagement	<u>705,080</u>	<u>(559,000)</u>	<u>146,080</u>	<u>146,058</u>	<u>22</u>
Student Transportation Services:					
Transportation Services	2,505,000	(250,000)	2,255,000	2,246,600	8,400
Total Student Transportation Services	<u>2,505,000</u>	<u>(250,000)</u>	<u>2,255,000</u>	<u>2,246,600</u>	<u>8,400</u>
Operations:					
Salaries	244,000	31,000	275,000	274,380	620
Benefits	177,000	(85,000)	92,000	91,911	89
Cleaning	1,850,000	5,000	1,855,000	1,840,176	14,824
Utilities	1,311,000	234,000	1,545,000	1,530,955	14,045
Maintenance and Repairs	588,555	152,158	740,713	740,669	44
Pest Control	60,000	-	60,000	52,840	7,160
Security	402,000	(72,000)	330,000	314,200	15,800
Trash and Snow	241,000	119,000	360,000	355,868	4,132
Supplies	180,000	73,000	253,000	252,271	729
Total Operations	<u>5,053,555</u>	<u>457,158</u>	<u>5,510,713</u>	<u>5,453,270</u>	<u>57,443</u>
Total Support Services	<u>24,816,385</u>	<u>(2,432,611)</u>	<u>22,383,774</u>	<u>22,258,546</u>	<u>125,228</u>
Total General Expense	<u>67,960,555</u>	<u>(7,161,500)</u>	<u>60,799,055</u>	<u>60,470,261</u>	<u>328,794</u>
Reimbursed TPAF Social Security Contributions	<u>1,195,000</u>	<u>-</u>	<u>1,195,000</u>	<u>1,194,952</u>	<u>48</u>
On-Behalf TPAF Contributions					
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	6,372,253	(6,372,253)
TPAF Post-Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	1,861,978	(1,861,978)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	-	-	-	6,676	(6,676)
Total On-Behalf TPAF Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,240,907</u>	<u>(8,240,907)</u>
Debt Service:					
Interest Expense - Equipment	16,241	-	16,241	16,241	-
Interest Expense - Buildings	1,343,828	(23,000)	1,320,828	1,320,828	-
Total Debt Service	<u>1,360,069</u>	<u>(23,000)</u>	<u>1,337,069</u>	<u>1,337,069</u>	<u>-</u>
Capital Outlay:					
Leasehold Improvements	1,223,429	968,000	2,191,429	2,191,429	-
Furniture, Equipment and Software	539,710	-	539,710	539,710	-
Construction Services	2,994,503	1,000,000	3,994,503	3,994,503	-
Total Capital Outlay	<u>4,757,642</u>	<u>1,968,000</u>	<u>6,725,642</u>	<u>6,725,642</u>	<u>-</u>
Total Expenditures - General Fund	<u>75,273,266</u>	<u>(5,216,500)</u>	<u>70,056,766</u>	<u>77,968,831</u>	<u>(7,912,065)</u>
Excess of Revenues Over Expenditures	<u>(3,379,266)</u>	<u>6,300,000</u>	<u>2,920,734</u>	<u>3,042,743</u>	<u>122,009</u>
Other Financing Uses:					
Principal - Lease Liability - Equipment	115,118	-	115,118	115,118	-
Principal - Lease Liability - Buildings	905,616	-	905,616	905,616	-
Total Other Financing Uses	<u>1,020,734</u>	<u>-</u>	<u>1,020,734</u>	<u>1,020,734</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(4,400,000)</u>	<u>6,300,000</u>	<u>1,900,000</u>	<u>2,022,009</u>	<u>122,009</u>
Fund Balance, July 1	<u>-</u>	<u>31,294,168</u>	<u>31,294,168</u>	<u>31,294,168</u>	<u>-</u>
Fund Balance, June 30	<u>\$ (4,400,000)</u>	<u>\$ 37,594,168</u>	<u>\$ 33,194,168</u>	<u>\$ 33,316,177</u>	<u>\$ 122,009</u>

MASTERY SCHOOLS OF CAMDEN, INC.

Budgetary Comparison Schedule
 Special Revenue Fund
 For the Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Federal Sources:					
Entitlement Grants	\$ 3,119,000	\$ 951,000	\$ 4,070,000	\$ 4,070,242	\$ (242)
ESSER Grants	132,000	-	132,000	132,164	(164)
IDEA Grant	627,000	85,000	712,000	712,690	(690)
Bipartisan Safer Communities Act	1,028,000	(205,000)	823,000	822,562	438
Total Federal Sources	<u>4,906,000</u>	<u>831,000</u>	<u>5,737,000</u>	<u>5,737,658</u>	<u>(658)</u>
State Sources:					
Other State Revenue	-	390,500	390,500	389,840	660
Total State Sources	<u>-</u>	<u>390,500</u>	<u>390,500</u>	<u>389,840</u>	<u>660</u>
Total Revenues	<u>4,906,000</u>	<u>1,221,500</u>	<u>6,127,500</u>	<u>6,127,498</u>	<u>2</u>
Expenditures:					
Regular Education - Instruction:					
Salaries	630,000	325,653	955,653	955,653	-
Benefits	277,200	143,288	420,488	420,487	1
Instructional Materials	26,298	-	26,298	26,299	(1)
Total Regular Education - Instruction	<u>933,498</u>	<u>468,941</u>	<u>1,402,439</u>	<u>1,402,439</u>	<u>-</u>
Special Education - Instruction:					
Professional Services	1,568,458	(124,452)	1,444,006	1,444,006	-
Total Special Education - Instruction	<u>1,568,458</u>	<u>(124,452)</u>	<u>1,444,006</u>	<u>1,444,006</u>	<u>-</u>
Summer School - Instruction:					
Salaries	107,622	-	107,622	107,622	-
Benefits	10,762	-	10,762	10,762	-
Total Summer School - Instruction	<u>118,384</u>	<u>-</u>	<u>118,384</u>	<u>118,384</u>	<u>-</u>
Student Activities - Instruction:					
Professional Services	84,596	-	84,596	84,596	-
Total Student Activities - Instruction	<u>84,596</u>	<u>-</u>	<u>84,596</u>	<u>84,596</u>	<u>-</u>
Support Services:					
Administrative:					
Salaries	105,087	-	105,087	105,087	-
Benefits	27,795	-	27,795	27,795	-
Program Administration	199,612	-	199,612	199,612	-
Total Administrative	<u>332,494</u>	<u>-</u>	<u>332,494</u>	<u>332,494</u>	<u>-</u>
Culture and Educational Support:					
Salaries	1,200,000	338,312	1,538,312	1,538,312	-
Benefits	528,000	148,857	676,857	676,857	-
Total Culture and Educational Support	<u>1,728,000</u>	<u>487,169</u>	<u>2,215,169</u>	<u>2,215,169</u>	<u>-</u>
Professional Development:					
Professional Service	6,650	-	6,650	6,650	-
Total Professional Development	<u>6,650</u>	<u>-</u>	<u>6,650</u>	<u>6,650</u>	<u>-</u>
Community Advocay and Engagement:					
Salaries	93,000	-	93,000	93,000	-
Benefits	40,920	-	40,920	40,920	-
Total Community Advocay and Engagement	<u>133,920</u>	<u>-</u>	<u>133,920</u>	<u>133,920</u>	<u>-</u>

MASTERY SCHOOLS OF CAMDEN, INC.

Budgetary Comparison Schedule
 Special Revenue Fund
 For the Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures: (Continued)					
Support Services: (Continued)					
Operations and Maintenance:					
Maintenance and Repairs	-	389,842	389,842	389,840	2
Total Operations and Maintenance	<u>-</u>	<u>389,842</u>	<u>389,842</u>	<u>389,840</u>	<u>2</u>
Total Support Services	<u>2,201,064</u>	<u>877,011</u>	<u>3,078,075</u>	<u>3,078,073</u>	<u>2</u>
Total Expenditures	<u>4,906,000</u>	<u>1,221,500</u>	<u>6,127,500</u>	<u>6,127,498</u>	<u>2</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Jun 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2025

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 CAMIDEN, INC.

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Renaissance School Proportion of the Net Position Liability (Asset)	0.0783%	0.0771%	0.0791%
Renaissance School Proportionate Share of the Net Position Liability (Asset)	\$ 10,642,964	\$ 11,162,137	\$ 11,943,466
Renaissance School Covered Employee Payroll	\$ 7,829,318	\$ 5,891,275	\$ 5,713,151
Renaissance School Proportionate Share of the Net Pension Liability (Asset)	135.94%	189.47%	209.05%
as a percentage of its Covered Employee Payroll	73.56%	52.78%	62.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability			

* 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>2025</u>	<u>2024</u>	<u>2023</u>
Contractually Required Contribution	\$ 1,065,796	\$ 1,029,972	\$ 998,006
Contributions in Relation to the Contractually Required Contributions	<u>(1,065,796)</u>	<u>(1,029,972)</u>	<u>(998,006)</u>
Contribution Deficiency (Excess)	-	-	-
Renaissance School Covered Employee Payroll	7,829,318	5,891,275	5,713,151
Contributions as a Percentage of Covered Employee Payroll	13.61%	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*

	<u>2025</u>	<u>2024</u>
Renaissance School Proportion of the Net Pension Liability (Asset)**	N/A	N/A
State's Proportionate Share of the Net Pension Liability (Asset) associated with the Renaissance School	100%	100%
Renaissance School Proportionate Share of the Net Pension Liability (Asset)**	N/A	N/A
State's Proportionate Share of the Net Pension Liability (Asset) associated with the Renaissance School	69,987,288	60,582,265
Total	<u>69,987,288</u>	<u>60,582,265</u>
Renaissance School Covered Employee Payroll	1,194,952	1,212,753
Renaissance School Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	14%	0%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	5857%	4995%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53%	53%

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

** 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, 2025

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>2025</u>	<u>2024</u>	<u>2023</u>
Changes for the Year:			
Service cost	\$ 3,184,771	\$ 2,666,214	\$ -
Interest cost	824,872	715,304	419,660
Changes of benefit terms	-	-	-
Changes of assumptions	1,874,721	40,937	(4,248,030)
Changes between expected and actual experiences	(527,610)	1,591,555	20,066,276
Member contributions	21,571	18,331	13,335
Gross benefit payments	(629,968)	(557,591)	(415,685)
	<u>4,748,357</u>	<u>4,474,750</u>	<u>15,835,556</u>
Net change in total OPEB liability			
Total OPEB Liability - beginning of year	<u>20,310,306</u>	<u>15,835,556</u>	<u>-</u>
Total OPEB Liability - end of year	<u>\$ 25,058,663</u>	<u>\$ 20,310,306</u>	<u>\$ 15,835,556</u>
Covered Employee Payroll - PERS and TPAF	<u>\$ 24,005,934</u>	<u>\$ 23,997,278</u>	<u>\$ 21,676,204</u>
Total OPEB liability as a percentage of Covered Employee Payroll	104%	85%	73%
State's proportionate share of the net OPEB liability (asset) associated with the Renaissance School	0.04%	0.04%	0.03%
Renaissance School's contributions	<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 3.65% to 3.93%.

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, 2025

	Total	Title I Part A	Title III	Title III Immigration	IDEA Part B	American Rescue Plan Elementary and Secondary Relief Fund	Bipartisan Safer Communities Act	Emergent and Capital Maintenance
Revenues:								
Intergovernmental:								
State	\$ 389,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 389,840
Federal	5,737,658	3,779,748	277,073	13,421	712,690	132,164	822,562	-
Total Revenues	6,127,498	3,779,748	277,073	13,421	712,690	132,164	822,562	389,840
Expenditures:								
Instruction:								
Regular Education - Instruction and Summer School	1,520,823	1,117,384	271,902	13,153	-	118,384	-	-
Special Education - Instruction	1,444,006	-	-	-	712,690	-	731,316	-
Extra Curricular	84,596	-	-	-	-	-	84,596	-
Support Services:								
Administrative	332,494	313,275	5,171	268	-	13,780	-	-
Culture/Educational Support	2,215,169	2,215,169	-	-	-	-	-	-
Professional Development	6,650	-	-	-	-	-	6,650	-
Community Advocacy and Engagement	133,920	133,920	-	-	-	-	-	-
Operations and Maintenance	389,840	-	-	-	-	-	-	389,840
Student Transportation	-	-	-	-	-	-	-	-
Capital Outlay								
Total Expenditures	6,127,498	3,779,748	277,073	13,421	712,690	132,164	822,562	389,840
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, 2025

Purpose	Date of Original Issue/ GASB 87 Adoption Date	Term of Lease	Amount of Original Lease		Interest Rate	Balance June 30, 2024	Issued Current Year	Retired Current Year	Balance June 30, 2025
			Principal	Interest					
Building 1	7/1/2021	28 Years	\$ 6,920,598	\$ 4,589,899	4.20%	\$ 6,540,581	\$ -	\$ 150,373	\$ 6,390,208
Building 2	7/1/2021	20 Years	10,334,946	4,905,054	4.20%	9,279,919	-	382,213	8,897,706
Building 3	7/1/2021	28 Years	1,597,062	1,121,515	4.20%	1,509,365	-	34,701	1,474,664
Building 4	7/1/2021	28 Years	3,492,770	2,452,751	4.20%	3,300,978	-	75,892	3,225,086
Building 5	7/1/2021	28 Years	12,078,131	8,481,710	4.20%	11,414,910	-	262,437	11,152,473
Copter 1	8/1/2023	5 Years	82,296	20,904	8.50%	69,913	-	14,762	55,151
Copter 2	8/1/2023	5 Years	41,148	10,452	8.50%	34,957	-	7,382	27,575
Copter 3	8/1/2023	5 Years	82,296	20,904	8.50%	69,913	-	14,762	55,151
Copter 4	3/1/2024	5 Years	77,572	19,628	8.50%	73,438	-	13,191	60,247
Copter 5	7/1/2021	5 Years	39,320	9,006	6.00%	18,749	-	9,002	9,747
Copter 6	7/1/2021	5 Years	39,320	6,850	6.00%	18,244	-	8,841	9,403
Copter 7	6/14/2022	5 Years	118,135	11,802	6.00%	75,172	-	24,798	50,374
Copter 8	9/30/2022	5 Years	73,787	12,853	6.00%	51,800	-	15,162	36,638
Copter 9	9/30/2022	5 Years	36,893	8,708	6.00%	25,177	-	7,218	17,959
						<u>\$ 32,483,116</u>	<u>\$ -</u>	<u>\$ 1,020,734</u>	<u>\$ 31,462,382</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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities:										
Net investment in capital assets	\$ 22,700,812	\$ 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
Unrestricted	28,619,408	29,424,210	24,551,379	23,388,942	19,109,435	7,927,135	3,280,827	3,036,375	1,379,336	72,636
Total governmental activities net position	\$ 51,320,220	\$ 47,145,012	\$ 36,775,543	\$ 28,272,716	\$ 22,501,034	\$ 10,966,108	\$ 6,092,216	\$ 5,424,542	\$ 3,517,672	\$ 1,694,290
School-wide:										
Net investment in capital assets	\$ 22,700,812	\$ 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
Unrestricted	28,619,408	29,424,210	24,551,379	23,388,942	19,109,435	7,927,135	3,280,827	3,036,375	1,379,336	72,636
Total district net position	\$ 51,320,220	\$ 47,145,012	\$ 36,775,543	\$ 28,272,716	\$ 22,501,034	\$ 10,966,108	\$ 6,092,216	\$ 5,424,542	\$ 3,517,672	\$ 1,694,290

MASTERY SCHOOLS OF CAMDEN, INC.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental activities:										
Instruction:										
Regular Instruction	\$ 27,874,675	\$ 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
Special Education Instruction	11,851,101	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
Summer School	502,672	602,259	946,664	711,570	91,051	113,541	129,219	-	-	-
Student Activities	1,032,692	773,579	718,149	501,787	214,104	217,578	258,949	-	-	-
Support Services:										
Administrative	11,803,047	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
Culture and Education Support	4,216,561	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
Professional Development	140,413	327,072	549,282	363,879	44,798	107,758	23,360	24,280	22,632	4,540
Nursing	806,910	766,222	215,310	648,150	922,848	331,233	361,242	310,810	324,330	309,266
Psychologist	-	-	-	-	-	-	77,189	80,890	132,808	132,905
Community Advocacy and Engagement	279,978	459,152	692,717	562,503	706,932	733,469	663,777	704,134	680,155	422,373
Student Health Services	-	-	450,000	418,617	158,670	-	-	-	-	-
Student Transportation Services	2,246,600	2,202,752	2,392,006	2,309,459	604,714	-	-	-	-	-
Operations	5,843,110	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
Other Support Services	-	-	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security	1,194,952	1,212,753	-	-	-	-	-	-	-	-
On-behalf TPAF Contributions	8,240,907	7,770,138	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	1,337,069	1,385,028	1,449,076	1,504,283	20,652	29,934	19,616	17,376	20,290	17,102
Compensated Absences Expense (Benefit)	(202,980)	-	-	-	-	-	-	-	-	-
Net Loss on Disposal of Capital Assets and Leases	45,682	14,632	-	-	-	-	-	-	-	-
Unallocated Depreciation and Amortization	2,720,684	2,929,251	2,848,635	2,638,812	646,035	693,960	581,329	489,728	415,611	305,711
Total governmental activities expenses	\$ 79,934,073	\$ 74,647,587	\$ 69,713,183	\$ 62,920,223	\$ 50,422,235	\$ 49,334,174	\$ 45,846,689	\$ 39,519,830	\$ 30,422,004	\$ 23,446,216
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 6,127,498	\$ 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
Total governmental activities program revenues	\$ 6,127,498	\$ 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
Net (Expense)/Revenue:										
Governmental Activities:										
Total school-wide net expense	\$ (73,806,575)	\$ (62,961,089)	\$ (53,695,025)	\$ (49,628,211)	\$ (44,670,269)	\$ (45,062,963)	\$ (42,045,841)	\$ (36,355,249)	\$ (27,870,344)	\$ (21,683,750)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Local Share	\$ 3,455,662	\$ 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
State Share	65,879,447	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
Other Revenue	9,542,578	9,072,898	1,059,005	416,916	415,882	521,799	512,771	60,819	19,540	92,220
Miscellaneous Income	2,133,887	2,241,934	-	-	-	-	-	71,787	25,685	14,203
Total governmental activities	81,011,574	75,152,665	60,331,348	55,399,892	50,952,325	49,936,855	42,713,515	38,082,119	29,873,726	22,839,806
Total Revenues and Other Changes in Net Position	\$ 81,011,574	\$ 75,152,665	\$ 60,331,348	\$ 55,399,892	\$ 50,952,325	\$ 49,936,855	\$ 42,713,515	\$ 38,082,119	\$ 29,873,726	\$ 22,839,806
Change in Net Position (before pension adjustments):										
Governmental Activities	\$ 7,204,999	\$ 12,191,576	\$ 6,636,323	\$ 5,771,681	\$ 6,282,056	\$ 4,873,892	\$ 6,676,74	\$ 1,726,870	\$ 2,003,382	\$ 1,156,056
Total school	\$ 7,204,999	\$ 12,191,576	\$ 6,636,323	\$ 5,771,681	\$ 6,282,056	\$ 4,873,892	\$ 6,676,74	\$ 1,726,870	\$ 2,003,382	\$ 1,156,056

MASTERY SCHOOLS OF CAMDEN, INC.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Nonexpendable:										
Prepaid Expenditures	\$ 692,884	\$ 391,827	\$ 199,140	\$ 443,351	\$ 282,166	\$ 499,873	\$ 238,958	\$ 46,673	\$ 262,801	\$ 568,001
Assigned:										
PPP Loan	-	-	-	-	-	5,252,870	-	-	-	-
Capital Reserve	-	-	-	-	-	-	-	-	100,000	-
Maintenance Reserve	-	-	-	-	-	-	-	-	500,000	-
Emergency Reserve	-	-	-	-	-	-	-	-	500,000	-
Committed:										
Capital Reserve	2,500,000	2,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,200,000	900,000	-	-
Maintenance Reserve	500,000	500,000	300,000	300,000	300,000	300,000	300,000	645,000	-	-
Emergency Reserve	11,700,000	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	1,350,000	1,175,000	-	-	-	-	-	-	-
Strategic Projects	16,573,293	17,546,341	12,750,000	12,000,000	11,800,000	-	-	-	-	-
Unassigned Fund Balance	-	-	675,090	1,238,950	8,493	27,262	41,869	39,702	16,535	(495,365)
Total General Fund	\$ 33,316,177	\$ 31,294,168	\$ 24,599,230	\$ 23,389,301	\$ 18,830,659	\$ 13,180,005	\$ 3,280,827	\$ 3,036,375	\$ 1,379,336	\$ 72,636

MASTERY SCHOOLS OF CAMDEN, INC.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Local Sources:										
Local share	\$ 3,455,662	\$ 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
State share	65,879,447	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
Other revenue	2,133,887	2,241,934	1,059,005	416,916	415,882	521,799	512,771	60,819	19,540	92,220
Miscellaneous	-	-	-	-	-	-	-	71,787	25,685	14,203
Total local sources	71,468,996	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
State Sources	9,932,418	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
Federal Sources	5,737,658	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
Total revenues	87,139,072	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
Expenditures and Other Financing Uses:										
Current:										
Instruction:										
Regular instruction	27,874,675	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
Special education instruction	11,851,101	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
Summer school	502,672	602,259	946,664	711,570	91,051	113,541	129,219	-	-	-
Student activities	1,032,692	773,579	718,149	501,787	214,104	217,578	258,949	-	-	-
Supportive services:										
Administrative	11,803,047	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
Culture and educational support	4,216,561	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
Professional development	140,413	327,072	549,282	414,021	44,798	107,758	23,360	24,280	22,632	4,540
Nursing	806,910	766,222	215,310	648,150	922,848	331,233	361,242	310,810	324,330	309,266
Psychological	-	-	-	-	-	-	77,189	80,890	132,808	132,905
Community advocacy and engagement	279,978	459,152	670,500	562,503	706,932	733,469	663,777	704,134	680,155	422,373
Student health services	-	-	450,000	418,617	158,670	-	-	-	-	-
Student transportation services	2,246,600	2,202,752	2,392,006	2,309,459	604,714	-	-	-	-	-
Operations	5,843,110	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
Reimbursed TPAF Social Security Contributions	1,194,952	1,212,753	-	-	-	-	-	-	-	-
On-behalf TPAF Contributions	8,240,907	7,770,138	-	-	-	-	-	-	-	-
Debt service:										
Principal - lease liability	1,020,734	1,566,536	1,516,546	-	-	-	-	-	-	-
Interest expense	1,337,069	1,385,028	1,449,076	-	-	-	-	-	-	-
Capital Outlay:										
Leasehold improvements	2,191,429	1,550,669	-	-	-	-	-	-	-	-
Furniture, equipment and software	539,710	498,644	-	-	-	-	-	-	-	-
Construction services	3,994,503	4,824,672	-	-	-	-	-	-	-	-
Right-to-use lease expenditures (nonbudgeted)	-	-	110,679	196,775	-	275,240	147,575	39,414	98,428	344,284
Total expenditures and other financing uses	85,117,063	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
Net change in fund balances	\$ 2,022,009	\$ 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)

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>
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
2025	265,668	1,709,612	158,607	2,133,887

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			
2025	\$ -	\$ -	\$ 31,462,382	\$ -	\$ -	\$ 31,462,382	0.92%	\$ 569
2024	\$ -	\$ -	\$ 32,483,116	\$ -	\$ -	\$ 32,483,116	0.95%	\$ 587

Note: Details regarding the Renaissance School's outstanding debt can be found in the notes to the basic financial statements (see 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>
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	71,749	*	*	4.8%
2025	*	*	*	5.0%

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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction:										
Regular	186.0	172.0	167.0	174.0	156.0	163.0	153.0	130.0	106.0	87.0
Special education	52.0	58.0	67.0	64.0	59.0	61.0	59.0	50.0	28.0	21.0
Other instruction	38.0	38.0	32.0	31.0	28.0	22.0	17.0	14.0	17.0	17.7
Administration	29.0	29.0	31.0	34.0	37.0	36.0	34.0	39.0	29.0	19.5
Support Services:										
Student and instructional support	43.0	43.0	51.0	48.0	42.0	38.0	40.0	39.0	25.0	29.3
Total	<u>348.0</u>	<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>

Source: School Personnel Records

MASTERY SCHOOLS OF CAMDEN, INC.

Operating Statistics
For the Fiscal Years Ended June 30

Fiscal Year	Enrollment	Operating Expenditures	Cost Per-Pupil	Percentage Change	Teaching Staff ^a	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^b	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2025	2,850	84,096,329	26,903	16.85%	276	10	2,848	2,693	-0.11%	94.56%

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, 2025

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property Damage	\$ 500,000,000	\$ 25,000 *
General Liability (Each Occurrence)	1,000,000	-
General Liability (Aggregate)	3,000,000	-
Hired and Non-Owned Auto Liability	1,000,000	-
Excess Liability	15,000,000	1,000,000
Workers' Compensation/Employers Laibility	1,000,000	-
Educators Legal Liability	5,000,000	25,000
Student Accident Insurance:		
Accidental Death Benefit	25,000	-
Accidental Dismemberment/Paralysis Benefit	50,000	-
Accidental Medical Expense Maximum Benefit	100,000	-
International Package Policy	1,000,000	-
Fidelity/Employee Theft Bond	500,000	5,000
Cyber Liability	1,000,000	50,000
Fidiciuary	2,000,000	5,000

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

MASTERY SCHOOLS OF CAMDEN, INC.

Renaissance School Performance Indicators
For the Fiscal Years Ended June 30

	2023	2024	2025	Source
Cash (unrestricted)	17,817,866	17,521,492	17,711,238	Audit: Exhibit A-1
Current Assets (include cash)	34,440,037	40,018,746	40,979,005	Audit: Exhibit A-1
Current Liabilities	11,420,340	8,724,578	7,662,828	Audit: Exhibit A-1
Total Expenses	69,713,183	80,144,225	85,117,063	Audit: Exhibit A-2
Change in Net Position	8,502,708	10,369,469	5,118,338	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	2,847	2,851	2,848	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	2,800	2,830	2,840	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense				Auditor/Workpapers
Interest Expense				Auditor/Workpapers
Principal Payments				Auditor/Workpapers
Interest Payments				Auditor/Workpapers

	2023	2024	2025	Calculation****	Target****
Performance Indicators					
Near Term Indicators					
1a.	3.02	4.59	5.35	Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b.	93.29	79.80	75.95	Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c.	102%	101%	100%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.**	No	No	No	Auditor	not in default
Sustainability Indicators					
2a***	1,402,155	(296,374)	189,746	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b	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



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, 2025, and the related notes to the financial statements, and have issued our report thereon dated December 12, 2025.

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.

AAFCPA, Inc.

Boston, Massachusetts
December 12, 2025

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, 2025. 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, 2025.

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.

AAFCPA, Inc.

Boston, Massachusetts
December 12, 2025

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, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal AL ¹ Number	Federal FAIN ² Number	Grant Period		Grant Amount	Balance at June 30, 2024		Balance at June 30, 2025	
			From	To		Accounts Receivable	Cash Received	Accounts Receivable	Total Budgetary Expenditures
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	S010A240030	7/1/23	9/30/24	\$ 2,973,363	\$ (243,322)	\$ 243,322	\$ -	\$ -
Title I Grants to Local Educational Agencies	84-010	S010A250030	7/1/24	9/30/25	3,779,748	-	3,682,819	(3,779,748)	(96,929)
Total AL No. 84.010						(243,322)	3,926,141	(3,779,748)	(96,929)
English Language Acquisition State Grants									
English Language Acquisition State Grants	84-365	S365A240030	7/1/23	9/30/24	162,301	(21,750)	21,750	-	-
English Language Acquisition State Grants	84-365	S365A250030	7/1/24	9/30/25	281,073	-	277,073	(277,073)	-
English Language Acquisition State Grants;									
Title III, Part A	84-365A	S365A250030	7/1/24	9/30/25	13,421	-	13,421	(13,421)	-
Total AL No. 84.365						(21,750)	312,244	(290,494)	-
Special Education Cluster:									
Special Education Grants to States	84-027A	H027A240100	7/1/23	9/30/24	715,614	(2,155)	2,155	-	-
Special Education Grants to States	84-027A	H027A250100	7/1/24	9/30/25	695,751	-	695,751	(695,751)	-
Total AL No. 84.027A						(2,155)	697,906	(695,751)	-
Special Education Preschool Grants									
Total Special Education Cluster (IDEA)	84-173	H173A250114	7/1/24	9/30/25	16,939	-	16,939	(16,939)	-
						(2,155)	714,845	(712,690)	-
COVID-19 Education Stabilization Fund									
Total AL No. 84.425U	84-425U	S425U210027	3/13/20	9/30/24	13,663,095	(125,817)	257,981	(132,164)	-
						(125,817)	257,981	(132,164)	-
Bipartisan Safer Communities Act:									
Student Support and Academic Enrichment Program	84-424F	S424F20030	9/1/23	9/30/25	1,312,000	(216,563)	1,010,525	(822,562)	(28,600)
Total AL No. 84.424						(216,563)	1,010,525	(822,562)	(28,600)
Total U.S. Department of Education									
						(609,607)	6,221,736	(5,737,658)	(125,529)
Total Expenditures of Federal Awards						\$ (609,607)	\$ 6,221,736	\$ (5,737,658)	\$ (125,529)

¹ Assistance Listing

² Federal Award Identification Number

See accompanying Notes to Schedules of Federal and State Awards.

MASTERY SCHOOLS OF CAMDEN, INC.

Schedule of Expenditures of State Financial Assistance, Schedule B
For the Year Ended June 30, 2025

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2025 Deferred Revenue (Accounts Receivable)	Cash Received	Budgetary Expenditures	Balance at June 30, 2025		MEMO
			From	To				Inter-governmental (Accounts Receivable)	Deferred Revenue/Interfund Payable	
New Jersey Department of Education:										
State Aid - Public Cluster:										
Equalization Aid	24-495-034-5120-078	\$ 58,194,198	7/1/23	6/30/24	\$ 1,137,198	\$ (1,137,198)	\$ -	\$ -	\$ -	\$ -
Equalization Aid	25-495-034-5120-078	63,903,817	7/1/24	6/30/25	1,137,198	62,832,489	(63,903,817)	-	65,870	63,903,817
Special Education Categorical Aid	24-495-034-5120-089	1,846,114	7/1/23	6/30/24	35,607	(35,607)	-	-	-	-
Special Education Categorical Aid	25-495-034-5120-089	1,975,630	7/1/24	6/30/25	-	1,977,666	(1,975,630)	-	2,036	1,975,630
Total State Aid - Public Cluster					1,172,805	64,774,548	(65,879,447)	-	67,906	65,879,447
Extraordinary Special Education Costs Aid	25-495-034-5120-044	63,251	7/1/24	6/30/25	-	63,251	(63,251)	-	-	63,251
Total Extraordinary Special Education Costs Aid					-	63,251	(63,251)	-	-	63,251
Reimbursed Social Security Tax	24-495-034-5094-003	1,212,753	7/1/23	6/30/24	(112,453)	112,453	-	-	-	-
Reimbursed Social Security Tax	25-495-034-5094-003	1,194,952	7/1/24	6/30/25	-	1,074,168	(1,194,952)	(120,784)	-	1,194,952
Total Reimbursed TPAF Social Security Contributions					(112,453)	1,186,621	(1,194,952)	(120,784)	-	1,194,952
On-Behalf Teachers' Pension and Annuity Fund	25-495-034-5094-002	6,372,253	7/1/24	6/30/25	-	6,372,253	(6,372,253)	-	-	6,372,253
On-Behalf Teachers' Pension and Annuity Fund - Post-Retirement Medical	25-495-034-5094-001	1,861,978	7/1/24	6/30/25	-	1,861,978	(1,861,978)	-	-	1,861,978
On-Behalf Teachers' Pension and Annuity Fund - Long-term Disability Insurance	25-495-034-5094-004	6,676	7/1/24	6/30/25	-	6,676	(6,676)	-	-	6,676
Total On-Behalf TPAF Contributions					-	8,240,907	(8,240,907)	-	-	8,240,907
Charter and Renaissance School Project Emergent and Capital Maintenance Funds	25-495-034-5120-124	389,840	7/1/24	6/30/25	-	389,840	(389,840)	-	-	389,840
Total Charter and Renaissance School Project Emergent and Capital Maintenance Funds					-	389,840	(389,840)	-	-	389,840
Medical Assistance Program	655222	43,468	7/1/24	6/30/25	-	43,468	(43,468)	-	-	43,468
Total Medical Assistance Program					-	43,468	(43,468)	-	-	43,468
Total New Jersey State Department of Education					\$ 1,060,352	74,698,635	(75,811,865)	\$ (120,784)	\$ 67,906	\$ (120,784)
Less: On-Behalf TPAF Pension System Contributions:										
On-Behalf Teachers' Pension and Annuity Fund	25-495-034-5094-002	6,372,253	7/1/24	6/30/25	-	6,372,253	(6,372,253)	-	-	6,372,253
On-Behalf Teachers' Pension and Annuity Fund	25-495-034-5094-001	1,861,978	7/1/24	6/30/25	-	1,861,978	(1,861,978)	-	-	1,861,978
On-Behalf Teachers' Pension and Annuity Fund - Long-term Disability Insurance	25-495-034-5094-004	6,676	7/1/24	6/30/25	-	6,676	(6,676)	-	-	6,676
Total State Financial Assistance Subject to Single Audit Major Program Determination					\$ 1,060,352	\$ 66,457,728	\$ (67,570,958)	\$ (120,784)	\$ 67,906	\$ 75,811,865

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to the Schedules of Awards and Financial Assistance
For the Year Ended June 30, 2025

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	\$ -	\$ 75,422,025	\$ 75,422,025
Special Revenue Fund	<u>5,737,658</u>	<u>389,840</u>	<u>6,127,498</u>
Total Awards and Financial Assistance	<u>\$ 5,737,658</u>	<u>\$ 75,811,865</u>	<u>\$ 81,549,523</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 \$1,194,952 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, 2025.

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 \$8,240,907, represents the amount paid by the state on behalf of the Renaissance School for the fiscal year ended June 30, 2025.

MASTERY SCHOOLS OF CAMDEN, INC.

Notes to the Schedules of Awards and Financial Assistance
For the Year Ended June 30, 2025

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 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, 2025

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 None Reported

Noncompliance material to financial statements disclosed? Yes X No

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) disclosed? Yes X No
- Significant deficiency(ies) disclosed? Yes X None Reported

Type of auditor’s report issued on compliance for major Federal programs: 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 programs:

<u>Assistance Listing Numbers</u>	<u>FAIN Number</u>	<u>Name of Federal Programs or Cluster</u>
84.010	S010A250030	Title I Grants to Local Educational Agencies Student Support and Academic Enrichment Program
84.424F	S424F220030	

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, 2025

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)	\$ 2,027,129	
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>State Grant/Project Number(s)</u> <u>Name of State Program</u>		
25-495-034-5120-078 Equalization Aid - Local		

MASTERY SCHOOLS OF CAMDEN, INC.

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

2. FINANCIAL STATEMENT FINDINGS

None

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

None