

**CAMDEN'S PROMISE  
CHARTER SCHOOL, INC.  
Camden, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2021**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**of the**

**Camden's Promise Charter School, Inc.  
Board of Trustees**

**Camden, New Jersey**

**For the Fiscal Year Ended June 30, 2021**

**Prepared by**

**Camden's Promise Charter School Board of Trustees**

**Finance Department**

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## **INTRODUCTORY SECTION**

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.  
879 BEIDEMAN AVENUE  
CAMDEN, NEW JERSEY 08105**

Dr. Joseph V. Conway  
Chief School Administrator  
856-365-1000

Richelle Baughn  
Business Administrator/  
Board Secretary  
856-365-1000 x 103

January 31, 2022

Honorable President and  
Members of the Board of Trustees  
Camden's Promise Charter School  
County of Camden  
Camden, New Jersey

Dear Board Members,

The comprehensive annual financial report of the Camden's Promise Charter School for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Charter School. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the final position and results of operations of the various funds under the auspices of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

The comprehensive annual financial report is presented in four sections as follows:

- The Introductory Section includes this transmittal letter, the Charter School's organizational chart and a list of principal officials.
- The Financial Section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The Statistical Section includes four unaudited fiscal years of data.
- The Single Audit Section-The Charter School is required to undergo an annual single audit in conformity with the provisions of Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and State Treasury Circular Letter 15-08 OMB. "Single Audit Policy for recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on internal control and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

## **1. REPORTING ENTITY AND ITS SERVICES:**

The Camden's Promise Charter School, Inc. is an independent reporting entity within the criteria adopted by the Government Standards Board (GASB) as established by GASB Statement No.14. All funds and account groups of the Charter School are included in this report. The Camden's Promise Charter School, Inc. Board of Trustees and its school constitute the Charter School's reporting entity.



## 1. REPORTING ENTITY AND ITS SERVICES: (continued)

The Charter School is responsible for providing a thorough and efficient educational system for students in grades Pre-K – 12th. The Charter School completed its twenty first year of operations during the 2020-2021 fiscal year with an enrollment of 2,243.

### Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2021	2,243	-0.09%
2020	2,245	16.30%
2019	2,209	5.64%
2018	2,091	10.34%
2017	1,895	21.94%
2016	1,554	5.00%
2015	1,480	9.14%
2014	1,356	6.10%
2013	1,278	24.20%
2012	1,029	3.94%

## 2. ECONOMIC CONDITION AND OUTLOOK:

While the City of Camden area is a large urban community in Camden County and presently considered to possess a stagnant economy, a significant development of the riverfront area is currently in the planning and approval stage. The city is experiencing unemployment and underemployment which appears to be common in other urban areas around the state.

### Initiatives

The Charter School has developed a comprehensive strategic plan to support its mission and vision and serve as a blueprint for the achievement of its goals. The plan includes objectives such as pupil achievement, staff development and technology in the classroom.

Major initiatives include:

- Needs assessment and programmatic changes in preparation of charter renewal process.
- Implementation and expansion of the on-site Pre-K program.
- Balancing enrollment across grades in response to State led initiatives.
- Approving a master facility plan for the 879 Beideman Campus.
- Conducting and strengthening ongoing programs with key partners for the benefits of the students, families and staff.
- Continue to raise awareness of the success of the school.

### **3. INTERNAL ACCOUNTING CONTROLS:**

Management of the Charter School is responsible for establishing and maintaining internal control designed to ensure that the assets of the Charter School are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control 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 awards and state financial assistance, the Charter School also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the Charter School management.

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

### **4. BUDGETARY CONTROLS:**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

### **5. ACCOUNTING SYSTEM AND REPORTS:**

The Charter School's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Charter School is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

### **6. DEBT:**

The Debt of the Charter School at June 30, 2021 was \$26,177 in Bonds payable. The final maturity on the Bonds is in fiscal year ending 2022.

## 7. INVESTMENT POLICY:

The investment policy of the Charter School is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The Charter School has adopted a cash management plan, which requires it to deposit 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 of funds from deposit with a failed banking institution in New Jersey. The law required governmental units to deposit public funds in public depositories located in New Jersey, where the funds are secured in accordance with the act.

## 8. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

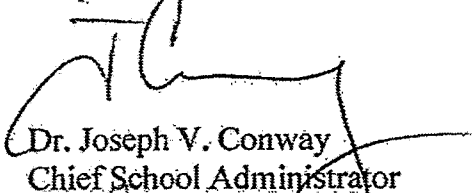
## 9. OTHER INFORMATION:

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, Pa. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

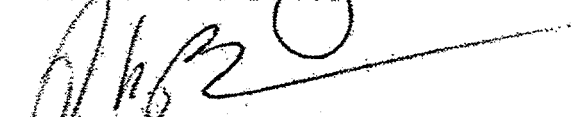
## 10. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Camden's Promise Charter School, Inc. Board of Trustees for their concern in providing fiscal accountability to the community and contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Dr. Joseph V. Conway  
Chief School Administrator



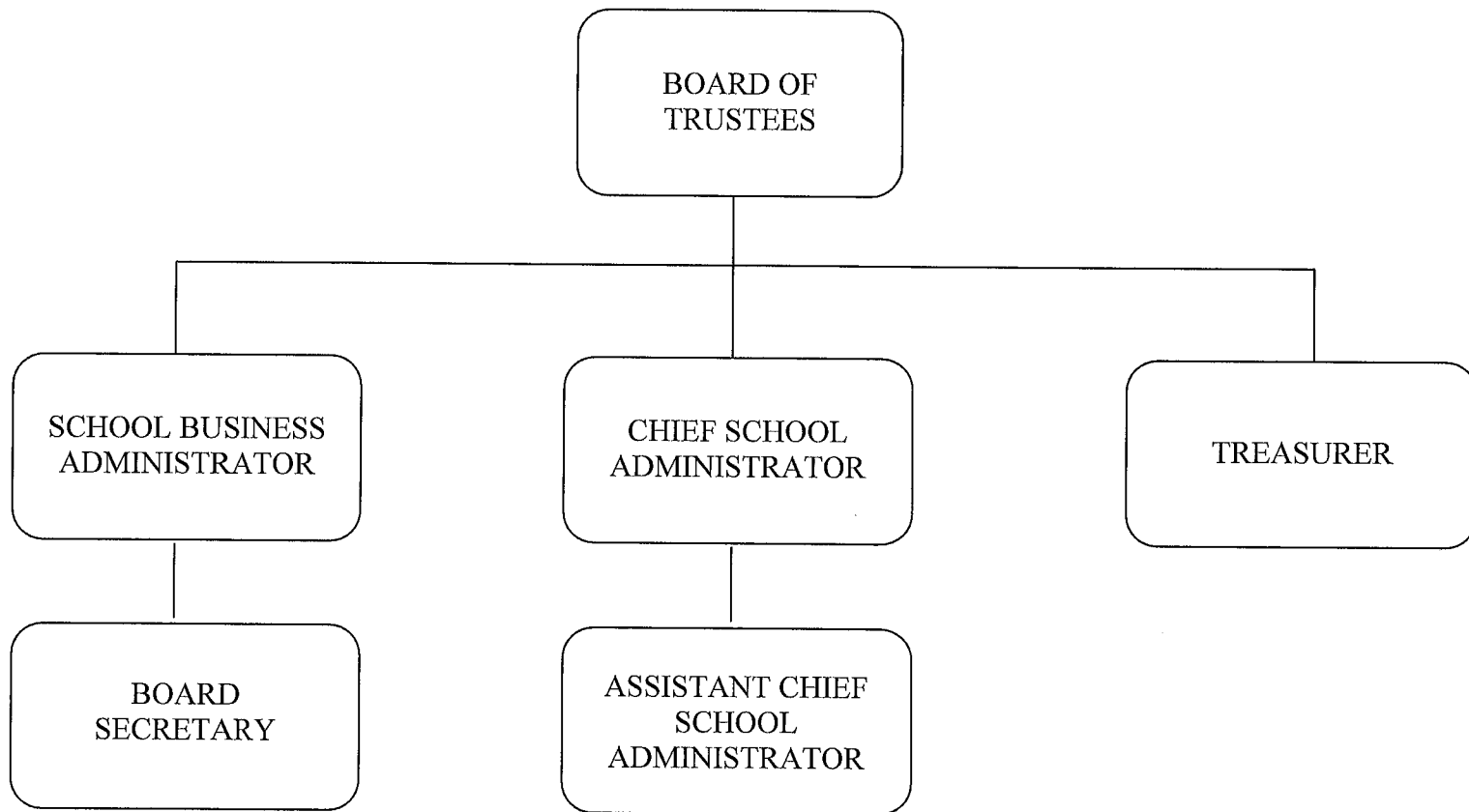
Richelle Baughn  
School Business Administrator/  
Board Secretary

**CAMDEN'S PROMISE CHARTER SCHOOL, INC**

**Camden, New Jersey**

**Camden County**

**(UNIT CONTROL)**



**CAMDEN'S PROMISE CHARTER SCHOOL, INC**  
**CAMDEN, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2021**

<b><u>MEMBERS OF THE BOARD OF TRUSTEES</u></b>	<b><u>TERM EXPIRES</u></b>
Zulma Lombardo, President	2021
Maria Maldonado, Vice President	2021
Glenda Figueroa	2021
Octavio Loyola	2021
Vivian Nieves	2021
Dayna Hinson	2021

<b><u>OTHER OFFICIALS</u></b>	<b><u>AMOUNT OF BOND</u></b>
Dr. Joseph V. Conway, Chief School Administrator	
Bill Helmbrecht, Charter School Coordinator	
Richelle Baughn, Business Administrator/Board Secretary	\$ 475,000
Frank P. Cavallo, Esq., Solicitor	

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Raymond Colavita, C.P.A., R.M.A.**  
**Nightlinger, Colavita and Volpa, P.A.**  
Certified Public Accountants  
991 S. Black Horse Pike  
Post Office Box 799  
Williamstown, NJ 08094

**ATTORNEY**

**Frank P. Cavallo, Jr., Esq.**  
Attorney-at-Law  
Parker McCay  
PO Box 5054  
Mount Laurel, NJ 08054

**OFFICIAL DEPOSITORY**

TD Bank  
151 Mickle Blvd.  
Camden, New Jersey 08103

**INSURANCE AGENT**

Conner Strong & Buckelew Companies, Inc.  
P.O. Box 989  
Marlton, NJ 08053

**FINANCIAL SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association  
Certified Public Accountants*

991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

(856) 629-3111  
Fax (856) 728-2245  
[www.colavita.net](http://www.colavita.net)

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
The Board of Trustees  
Camden's Promise Charter School, Inc.  
County of Camden, New Jersey 08105

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Trustees of the Camden's Promise Charter School, Inc. in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Camden's Promise Charter School, Inc. Board of Trustees, in the County of Camden, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 20 to the basic financial statements, the Charter School implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules related to accounting and reporting for pensions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Camden's Promise Charter School Board of Trustee's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the 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 OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

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

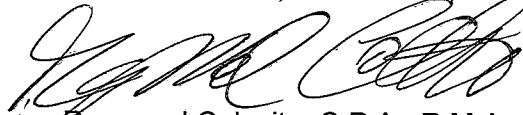
The introductory and statistical sections have not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022 on our consideration of the Camden's Promise Charter School, Inc.'s Board of Trustees internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is 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 Camden's Promise Charter School, Inc.'s Board of Trustees of internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Camden's Promise Charter School, Inc.'s Board of Trustees internal control over financial reporting and compliance.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
January 31, 2022

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

CAMDEN'S PROMISE CHARTER SCHOOL, INC.  
CITY OF CAMDEN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

UNAUDITED

The discussion and analysis of Camden's Promise Charter School, Inc.'s financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School's financial performance.

**Financial Highlights**

Key financial highlights for 2021 are as follows:

- ❖ General revenues net of adjustments accounted for \$40,923,760 in revenue or 85.7% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$6,818,448 or 14.3% percent to total revenues of \$47,742,208.
- ❖ Total net position of governmental activities increased by \$2,423,105.
- ❖ The School had total expenses of \$45,402,098, of which \$6,818,448 was offset by program specific charges for services, grants or contributions. General revenues of \$40,923,760 consisted of Federal and State Aid of \$37,323,467, property taxes of \$3,485,647, and other net revenue of \$114,646.
- ❖ The General Fund had \$37,125,814 in revenues and \$34,483,965 in expenditures. The General Fund's balance increased by \$2,641,849 from operations over 2020.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Camden's Promise Charter School, Inc. as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School, presenting both an aggregate view of the School's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For Governmental Funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Camden's Promise Charter School, Inc., the General Fund is by far the most significant fund.

## **Reporting the School as a Whole**

### **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School to provide programs and activities, the view of the School as a whole looks at all financial transactions and asks the question, "How did we do financially during 2021?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School's net position and changes in those assets. This change in net position is important because it tells the reader that, for the School as a whole, the financial positions of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include property tax base of the School's resident districts, current laws in New Jersey concerning revenue allocations, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School is divided into two distinct kinds of activities:

- ❖ **Governmental Activities** – All of the School's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ **Business – Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

## **Reporting the School's Most Significant Funds**

### **Fund Financial Statements**

The analysis of the School's major (all) funds begins on page 22. Fund financial reports provide detailed information about the School's major funds. The School uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School's most significant funds. The School's major governmental funds are the General Fund and Special Revenue Fund.

### **Governmental Funds**

The School's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

## The Charter School as a Whole

Recall that the Statement of Net Position provides the perspective of the School as a whole.

Table 1 provides a summary of the School's net position for the years ended in 2021 and 2020, which are the first two years that a comparative presentation are available under the GASB reporting format.

Table 1  
Net Position

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current and Other Assets	\$ 6,315,281	\$ 3,630,820
Capital Assets, Net	2,135,173	2,454,717
Total Assets	<u>8,450,454</u>	<u>6,085,537</u>
<b>Deferred Outflows of Resources</b>	<u>2,061,635</u>	<u>3,173,336</u>
<b>Liabilities</b>		
Other Liabilities	2,006,049	1,927,480
Long-term Liabilities	3,534,961	4,474,306
Total Liabilities	<u>5,541,010</u>	<u>6,401,786</u>
<b>Deferred Inflows of Resources</b>	<u>2,664,865</u>	<u>2,933,981</u>
<b>Net Position</b>		
Investment in Capital Assets, Net of Debt	2,108,996	2,077,792
Restricted	1,373,795	860,000
Unrestricted (Deficit)	(1,176,577)	(3,014,686)
Total Net Position	<u>\$ 2,306,214</u>	<u>\$ (76,894)</u>

Table 2 shows the changes in net position from fiscal year's 2021 and 2020.

Table 2  
Changes in Net Position

	<u>2021</u>	<u>2020</u>
<b>Revenues</b>		
Program Revenues		
Charges for Services	\$ 19,935	\$ 30,884
Operating Grants and Contributions	6,798,513	11,073,669
General Revenues		
Property Taxes	3,485,647	3,160,746
Grants and Entitlements	37,323,467	34,315,548
Other	114,646	38,039
Total Revenues	<u>47,742,208</u>	<u>48,618,886</u>
<b>Program Expenses</b>		
Instruction	17,439,554	17,007,755
Support Services		
General Administration, School Administration, Student & Instruction		
Related Services	5,702,004	5,695,657
Plant Operations and Maintenance	5,201,415	5,458,200
Pupil Transportation	80,113	120,648
Employee Benefits	15,852,262	18,686,827
Food Service	843,580	1,468,927
Other	283,170	309,735
Total Expenses	<u>45,402,098</u>	<u>48,747,749</u>
Increase (Decrease) in Net Position	<u>\$ 2,340,110</u>	<u>\$ (128,863)</u>

The School's total revenue for the fiscal year ended June 30, 2021 was \$47,742,208, of which governmental revenues were \$46,981,623. As a Charter School, voter approval for the School operations is not required in New Jersey. Property taxes made up 7.3% percent of total revenues for the Camden Promise Charter School, Inc. for fiscal year 2021. Federal, state and local grants accounted for another 78.2%. The School's total expenses were \$45,402,098, of which total governmental expenses were \$44,558,518 and the cost of all governmental activities, net of program revenues from charges for services or grants was \$38,500,599. Instruction comprises 38.4% of total expenditures and 37.4% of net governmental activity expenses.

## Business-Type Activities

Revenues for the School's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service expenses exceeded revenues by \$83,051. Expenses were \$843,580.
- ❖ Charges for services represent amount paid by patrons for daily food services. There were no sales during the 2020-21 school year as a result of COVID-19.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$760,529.

## Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the School's resident district taxpayers by each of these functions. Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Table 3

	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Instruction	\$ 17,439,554	\$ 14,407,779	\$ 17,007,755	\$ 15,517,776
Support Services				
General Administration, School Administration, Student & Instruction Related Services	5,702,004	4,623,522	5,695,657	4,942,114
Operation and Maintenance	5,201,415	5,201,415	5,458,200	5,458,200
Pupil Transportation	80,113	80,113	120,648	120,648
Employee Benefits	15,852,262	13,904,600	18,686,827	11,160,843
Other	283,170	283,170	309,735	309,735
<b>Total Expenses</b>	<b>\$ 44,558,518</b>	<b>\$ 38,500,599</b>	<b>\$ 47,278,822</b>	<b>\$ 37,509,316</b>

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the School.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.



Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to liabilities of the School.

Other includes unallocated depreciation and amortization.

### The School's Funds

Information about the School's major funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general funds, special revenue funds and capital projects fund presented in the fund-based statements) had total revenues of \$42,281,443 and expenditures of \$39,671,928. The net positive/negative change in fund balance for the year, from revenues and expenditures, resulted in an increase of \$2,609,515.

As demonstrated by the various statements and schedules included in the financial section of this report, the School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds, including capital projects, for the fiscal year ended June 30, 2021 and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 3,620,172	8.6%	\$ 421,591	11.6%
State Sources	34,566,309	81.8%	1,294,580	2.9%
Federal Sources	4,094,962	9.6%	2,122,220	-9.6%
<b>Total</b>	<b>\$ 42,281,443</b>	<b>100%</b>	<b>\$ 3,838,391</b>	<b>2.8%</b>

The increase in Local Sources is attributed to an increase in local tax levy of \$324,901 and in various miscellaneous revenues of \$96,690.

The increase in State Sources is attributed to the increase general fund state aid and on-behalf social security reimbursements and pension contributions.

The decrease in Federal Sources is attributed to various grant award funding.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2021.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 17,439,554	44.0%	\$ 431,799	0.5%
Support	21,766,446	54.9%	1,124,156	4.5%
Capital Outlay	115,180	0.3%	53,058	-6.5%
Debt Service Principal	350,748	0.8%	55,551	4.2%
<b>Total</b>	<b>\$ 39,671,928</b>	<b>100%</b>	<b>\$ 1,664,564</b>	<b>2.7%</b>

The increase in Instruction expenditures is attributed to an increase in the Special Revenue Fund of \$1,541,796, offset by a decrease in the General Fund of \$1,109,997.

The increase in Support Expenditures is attributed to increases in school administrative services of \$555,115, employee benefit costs of \$1,512,928 and student & instruction related services of \$52,269, offset by decreases in plant operations and maintenance costs of \$354,584, pupil transportation of \$40,535 and general administrative services of \$601,037.

### **General Fund Budgeting Highlights**

The School's Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2021, the School amended its General Fund budget as needed. The School uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ❖ Staffing changes based on student needs.
- ❖ Costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the School's final budget for the general fund anticipated that surplus use would be \$6,560,533, the actual results for the year shows an excess of revenue over expenses of \$2,641,849.

- ❖ Actual revenues were \$6,566,159 less than expected, which excludes the on-behalf pension, long-term disability and social security reimbursement of \$5,991,721.
- ❖ The actual expenditures in various line items were less than expected in the total amount of \$2,647,475, excluding the on-behalf pension, long-term disability and social security reimbursement of \$5,991,721.

## Capital Assets

At the end of the fiscal year 2021, the School had \$2,135,113 invested in leasehold improvements, building, machinery and equipment, and vehicle. Table 4 shows fiscal 2021 balances compared to 2020.

Table 4  
Capital Assets (Net of Depreciation) at June 30

	<u>2021</u>	<u>2020</u>
Leasehold Improvement	\$ 1,862,740	\$ 2,090,361
Building	85,080	89,037
Machinery and Equipment	83,019	102,287
Vehicle	104,334	129,899
Totals	<u>\$ 2,135,173</u>	<u>\$ 2,411,584</u>

Overall, capital assets decreased \$276,411 from fiscal year 2020 to fiscal year 2021, which represents depreciation expense.

## Operating Leases

The Charter School currently has four outstanding building lease agreements, as tenant, with the Camden's Charter School Network Inc. Stipulated in each lease agreement, there is an automatic renewal provision after five years.

## Debt Administration

On July 8, 2011, the District issued NJEDA Qualified School Construction Bonds in the amount of \$2,467,080 at 5.24% interest up to July 1, 2018, at such time when the bonds became callable. These bonds are to be treated as Qualified School Construction Bonds in accordance with Section 54F of the Internal Revenue Code of 1986.

In accordance with Section 6431 of the Code, the Charter School, by way of the NJEDA, is to receive Credit/Subsidy payments equal to the lesser of rate specified by the US Treasury or the interest payable on the bonds. These credit/subsidy payments have been partially reduced during the year, due to the sequester policy at the federal level. The balance of the bonds payable, as of June 30, 2021, is \$26,177.

During the 2016-17 fiscal school year, the District acquired two School Buses through a Capital Lease totaling \$204,520, with interest at 4.29%. The balance of the capital lease payable has been paid in full as of June 30, 2021.

## **For the Future**

The Camden's Promise Charter School, Inc. is presently in good financial condition. Continued optimum enrollment in the School will provide financial stability into the future. This includes the two elementary schools, one middle school, and one high school that were merged into Camden's Promise Charter School.

On June 1, 2017, the New Jersey Department of Education approved the merger of Katz Dalsey Charter School, Camden's Academy Charter High School and Camden's Pride Charter School into Camden's Promise Charter School, which will operate as a Pre K-12 Charter School with a maximum enrollment of 2,800 students.

As a charter school, it is a concern of the Board of Trustees of the Camden's Promise Charter School, Inc. as to how future budgets will be financed. To address this issue, the administrator closely monitors instructional and support expenditures, as well as administrative costs of the School.

In addition to monitoring its own activity, Camden's Promise must be cognizant of the local Camden District activities and enrollment trends. The state's expansion of Renaissance schools and active support of existing public schools will force Camden's Promise to re-evaluate its own growth plan and role in the city.

During the 2020-2021 school year, Camden's Promise successfully transitioned its program from in-school to virtual in response to the COVID pandemic. Beginning in July 2021, Camden's Promise began to return programs to on-site activities. Throughout the upcoming school year, focus will be placed on fully transitioning the school community to in-person learning. This will require intensive programming in social-emotional and academic areas to overcome any potential socialization and learning loss issues acquired during the pandemic.

In conclusion, the Camden's Promise Charter School, Inc. continues to be committed to sound financial planning, budgeting, and internal financial controls in order to meet the challenges of the future.

## **Contacting the School's Financial Management**

This financial report is designed to provide our citizens, taxpayers and oversight entities with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional information, contact Dr. Joseph Conway, Chief School Administrator at Camden's Promise Charter School, Inc., Camden, N.J.

## **BASIC FINANCIAL STATEMENTS**

## **CHARTER SCHOOL – WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the School. These statements include the financial activities of the overall School, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the School.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,389,975	\$ 152,386	\$ 3,542,361
Receivables, Net	2,666,720	73,512	2,740,232
Inventory		32,688	32,688
Capital Assets, Net (Note 5):	2,126,446	8,727	2,135,173
Total Assets	8,183,141	267,313	8,450,454
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows	2,061,635		2,061,635
<b>LIABILITIES</b>			
Accounts Payable	1,526,208	138,598	1,664,806
Accrued Interest Payable	90		90
Payable to Local Government	30,253		30,253
Unearned Revenue	308,810	2,090	310,900
Non-current Liabilities:			
Due Within One Year	26,177		26,177
Due Beyond One Year	3,508,784		3,508,784
Total Liabilities	5,400,322	140,688	5,541,010
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Inflows	2,664,865		2,664,865
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	2,100,269	8,727	2,108,996
Restricted for:			
Unemployment Compensation	47,485		47,485
Student Activities	1,310		1,310
Other Purposes	75,000		75,000
Capital Reserve	1,250,000		1,250,000
Unrestricted (Deficit)	(1,294,475)	117,898	(1,176,577)
Total Net Position	\$ 2,179,589	\$ 126,625	\$ 2,306,214

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction:						
Regular	\$ 17,439,554	\$	\$ 3,031,775	\$ (14,407,779)	\$	\$(14,407,779)
Support Services:						
General and Business Administrative Services	4,100,953			(4,100,953)		(4,100,953)
School Administrative Services	1,548,782		1,058,547	(490,235)		(490,235)
Student and Instruction Related Services	52,269	19,935		(32,334)		(32,334)
Plant Operations and Maintenance	5,201,415			(5,201,415)		(5,201,415)
Pupil Transportation	80,113			(80,113)		(80,113)
Employee Benefits	15,852,262		1,947,662	(13,904,600)		(13,904,600)
Unallocated Depreciation and Amortization	283,170			(283,170)		(283,170)
Total Governmental Activities	44,558,518	19,935	6,037,984	(38,500,599)		(38,500,599)
Business-type Activities:						
Food Service	843,580		760,529		(83,051)	(83,051)
Total Business-type Activities	843,580		760,529		(83,051)	(83,051)
Total Primary Government	\$ 45,402,098	\$ 19,935	\$ 6,798,513	(38,500,599)	(83,051)	(38,583,650)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				3,485,647		3,485,647
Federal and State Aid not Restricted				37,323,467		37,323,467
Miscellaneous				112,461		112,461
Investment Earnings - Unrestricted				2,126		2,126
Investment Earnings - Restricted				3	56	59
Total General Revenues, Special Items, Extraordinary Items and Transfers				40,923,704	56	40,923,760
Change in Net Position				2,423,105	(82,995)	2,340,110
Net Position—Beginning (Deficit)				(286,514)	209,620	(76,894)
Prior Period Adjustment				42,998		42,998
Net Position—Beginning (Deficit) (Restated)				(243,516)	209,620	(33,896)
Net Position—Ending (Deficit)				\$ 2,179,589	\$ 126,625	\$ 2,306,214

The accompanying Notes to Financial Statements are an integral part of this statement.



## **FUND FINANCIAL STATEMENTS**

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

**GOVERNMENTAL FUNDS**

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,830,063	\$ 632,487	\$ 3,462,550
Due from Other Funds	1,297,992	1,383	1,299,375
State Aid Receivable	7,786		7,786
Federal Sources		2,135,401	2,135,401
Receivables from Other Governments	523,533		523,533
<b>Total Assets</b>	<b>\$ 4,659,374</b>	<b>\$ 2,769,271</b>	<b>\$ 7,428,645</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 345,841	\$ 1,148,354	\$ 1,494,195
Student Activities Accounts Payable		12,805	12,805
Payroll Deductions and Withholdings Payable	19,208		19,208
Due to Other Funds	73,958	1,297,992	1,371,950
Payable to Local Governments	30,253		30,253
Unearned Revenue		308,810	308,810
<b>Total Liabilities</b>	<b>469,260</b>	<b>2,767,961</b>	<b>3,237,221</b>
<b>Fund Balances:</b>			
<b>Restricted For:</b>			
Escrow Fund	75,000		75,000
Unemployment Compensation	47,485		47,485
Student Activities		1,310	1,310
Capital Reserve	1,250,000		1,250,000
<b>Assigned to:</b>			
Year-End Encumbrances	511,470		511,470
<b>Unassigned, Reported In:</b>			
General Fund	2,306,159		2,306,159
<b>Total Fund Balances</b>	<b>4,190,114</b>	<b>1,310</b>	<b>4,191,424</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,659,374</b>	<b>\$ 2,769,271</b>	

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

Long-Term Liabilities, including bonds payable, capital Lease payments and compensated absence obligations, are not due and payable in the current period and therefore, are not reported as liabilities in the fund statements.	(26,177)
Accrued Interest is not due and payable in the current period and are therefore not reported as liabilities in the fund statements.	(90)
Long Term Net Pension Liability	(3,508,784)
Deferred Pension Outflows	2,061,635
Deferred Pension Inflows	(2,664,865)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,157,418 and the accumulated depreciation is \$5,030,972 (Note 5).	2,126,446
<b>Net position of governmental activities</b>	<b>\$ 2,179,589</b>

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local sources:				
Local Tax Levy	\$ 3,485,647	\$	\$	\$ 3,485,647
Miscellaneous - Restricted	3			3
Miscellaneous - Unrestricted	3,859			3,859
Other Local Sources		130,663		130,663
<b>Total - Local Sources</b>	<b>3,489,509</b>	<b>130,663</b>		<b>3,620,172</b>
State Sources	33,536,020	722,460	307,829	34,566,309
Federal Sources	100,285	3,994,677		4,094,962
<b>Total Revenues</b>	<b>37,125,814</b>	<b>4,847,800</b>	<b>307,829</b>	<b>42,281,443</b>
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	14,407,779	3,031,775		17,439,554
Support:				
General Administrative Services	3,042,406	1,058,547		4,100,953
School Administrative Services	1,548,782			1,548,782
Student and Instruction Related Services		52,269.00		52,269
Plant Operations and Maintenance	5,086,235			5,086,235
Pupil Transportation	80,113			80,113
Employee Benefits	10,275,731	622,363		10,898,094
Debt Service Principle	42,919		307,829	350,748
Capital Outlay		115,180		115,180
<b>Total Expenditures</b>	<b>34,483,965</b>	<b>4,880,134</b>	<b>307,829</b>	<b>39,671,928</b>
Excess (Deficiency) of Revenues over Expenditures	2,641,849			2,609,515
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Total Other Financing Sources and (Uses)</b>				
Net Change in Fund Balances	2,641,849	(32,334)		2,609,515
Fund Balance—July 1	1,538,911			1,538,911
Prior Period Adjustments	9,354	33,644		42,998
Fund Balance—July 1 Restated	1,548,265	33,644		1,581,909
Fund Balance—June 30	\$ 4,190,114	\$ 1,310	\$	\$ 4,191,424

**The accompanying Notes to Financial Statements are an integral part of this statement.**

CAMDEN'S PROMISE CHARTER SCHOOL, 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, 2021

Total net change in fund balances - governmental funds (from B-2) \$ 2,609,515

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	\$ (285,138)	
Capital outlays		(285,138)

In the Statement of Activities, interest on long-term debt is accrued, regardless of when it is due.

In the governmental funds, interest is charged when payment is due. 1,968

Repayment of debt service principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities. 350,748

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 changed during the period. (253,988)

Change in net position of governmental activities (A-2) \$ 2,423,105

The accompanying Notes to Financial Statements are an integral part of this statement.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>	
	<b>Food Service</b>	<b>Totals</b>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 79,811	\$ 79,811
Accounts Receivable	73,512	73,512
Interfund Receivable	72,575	72,575
Inventories	32,688	32,688
Total Current Assets	258,586	258,586
Fixed Assets:		
Equipment	172,030	172,030
Accumulated Depreciation	(163,303)	(163,303)
Total Fixed Assets	8,727	8,727
Total Assets	267,313	267,313
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	138,598	138,598
Unearned Revenue	2,090	2,090
Total Current Liabilities	140,688	140,688
<b>NET POSITION</b>		
Net Position		
Investment in Fixed Assets	8,727	8,727
Unrestricted	117,898	117,898
Total Net Position	\$ 126,625	\$ 126,625

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Business-type Activities - Enterprise Fund</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
Operating revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$	\$
Daily Sales - Non-Reimbursable Programs		
Miscellaneous		
Total Operating Revenue:		
Operating expenses:		
Cost of Sales - Reimbursable Programs	232,165	232,165
Cost of Sales - Non- Reimbursable Programs		
Salaries	385,003	385,003
Employee Benefits	55,776	55,776
Management Fee	53,928	53,928
Supplies & Materials	45,842	45,842
Other Costs	36,460	36,460
Depreciation	34,406	34,406
Total Operating Expenses	843,580	843,580
Operating Income (loss)	(843,580)	(843,580)
Non-operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	381	381
Federal Sources:		
National School Breakfast Program	15,671	15,671
National School Lunch Program	24,962	24,962
Fresh Fruit and Vegetable Program	27,600	27,600
Child and Adult Care Food Program-Food	584,722	584,722
Child and Adult Care Food Program-Admin	59,960	59,960
Food Distribution Program	47,233	47,233
Interest	56	56
Total Non-operating Revenues (Expenses)	760,585	760,585
Change in Net Position	(82,995)	(82,995)
Total Net Position—Beginning	209,620	209,620
Total Net Position—Ending	\$ 126,625	\$ 126,625

**The accompanying Notes to Financial Statements are an integral part of this statement.**

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Business-type Activities - Enterprise Funds</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$	\$
Payments to employees	(385,003)	(385,003)
Payments for employee benefits	(55,776)	(55,776)
Payments to suppliers	(317,712)	(317,712)
Net cash provided by (used for) operating activities	(758,491)	(758,491)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Board Subsidy		
Food Distribution Program	47,233	47,233
Cash Received from State and Federal Reimbursements	713,296	713,296
Net cash provided by (used for) non-capital financing activities	760,529	760,529
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets		
Net cash provided by (used for) capital and related financing activities		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends	56	56
Net cash provided by (used for) investing activities	56	56
Net increase (decrease) in cash and cash equivalents	2,094	2,094
Balances—beginning of year	77,717	77,717
Balances—end of year	\$ 79,811	\$ 79,811
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (843,580)	\$ (843,580)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation and net amortization	34,406	34,406
(Increase)/Decrease in Interfund Receivable	(44,501)	(44,501)
(Increase)/Decrease in Accounts Receivable	20,360	20,360
(Increase)/Decrease in Inventory	94,552	94,552
Increase/(Decrease) in Accounts Payable	(19,728)	(19,728)
Increase/(Decrease) in Unearned Revenue	85,089	85,089
Total adjustments	85,089	85,089
Net cash provided by (used for) operating activities	\$ (758,491)	\$ (758,491)
<b>Noncash Noncapital Financing Activities:</b>		
During the year, \$71,141 of food commodities was received from the U. S. Department of Agriculture		

**The accompanying Notes to Financial Statements are an integral part of this statement.**



**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1. DESCRIPTION OF THE CHARTER SCHOOL AND REPORTING ENTITY**

The Camden's Promise Charter School, Inc is located in the County of Camden, State of New Jersey and was incorporated on February 5, 1998. It was created on through the approval of its New Jersey Charter Schools Application by the State of New Jersey, Department of Education. As a Charter School, the Camden's Promise Charter School, Inc. functions independently as an educational institution through a Board of Trustees (the "Board"). In accordance with the bylaws of the Charter School the Board is to consist of not less than 3 and not more than 14 individuals. At all times, constituency of the voting members of the Board of Trustees shall consist of 2 members nominated and elected by the Board selected from the Parent Council and two members nominated and elected by the Board of Trustees representing community leaders at large (which may include representatives from the Neighborhood Center, Inc.) The school administrator and a teacher elected by the teachers from the school are ex-officio members of the Board of Trustees without vote and limited to the number of terms they may serve consecutively.

**A. Reporting Entity:**

The original purpose of the Camden's Promise Charter School, Inc. was to educate students from grades Sixth through Eighth grade. However, on June 30, 2016, Camden's Promise Charter School, Inc. merged with Camden's Academy Charter High School, Inc., Camden's Pride Charter School Inc. and Katz Dalsey Academy Charter School, Inc. As a result, on July 1, 2016, the Camden's Promise Charter School, Inc. began educating students from Kindergarten through Twelfth grade. A school business administrator and a board secretary were appointed by the Board and are responsible for the administrative control of the Charter School.

The primary criterion for including activities within the Charter School's reporting entity, as set forth in Section 2100 of the GASB ***Codification of Governmental Accounting and Financial Reporting Standards***, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Charter School holds the corporate powers of the organization
- the Charter School appoints a voting majority of the organization's board
- the Charter School is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Charter School
- there is a fiscal dependency by the organization on the Charter School

There were no additional entities required to be included in the reporting entity, under the criteria as described above, in the current fiscal year. Furthermore, the Charter School is not includable in any other reporting entity on the basis of such criteria.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Camden's Promise Charter School, Inc. have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Charter School's accounting policies are described below.

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

In addition, the Charter School has implemented GASB Statement No. 37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No. 38, Certain Financial Statement Note Disclosures and GASB No. 54 Fund Balance Reporting and Governmental Fund Type Descriptions.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**A. New Accounting Standards:**

The Charter School has adopted the following GASB statements:

- GASB No. 84 - Fiduciary Activities: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of Statement will be effective for reporting periods beginning after December 15, 2019. The adoption of GASB 84 will impact the financial statements of the School District.
- GASB Statement - No. 90 - Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The adoption of GASB 90 did not impact the financial statements of the School District.

Other accounting standards that the Charter School is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of Statement will be effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.
- GASB No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.
- GASB Statement - No. 91 – *Conduit Debt Obligations*: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management is evaluating the potential impact of the adoption of GASB 91 on the School District's financial statements.
- GASB Statement - No. 92 – *Omnibus 2020*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 92 on the School District's financial statements.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**A. New Accounting Standards (Cont'd):**

- GASB Statement - No. 93 – *Replacement of Interbank Offered Rates*: The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 93 on the School District's financial statements.
- GASB Statement - No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*: The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 94 on the School District's financial statements.
- GASB Statement - No. 96 – *Subscription-Based Information Technology Arrangements*: This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management is evaluating the potential impact of the adoption of GASB 96 on the School District's financial statements.
- GASB Statement - No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*: The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans); and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans). The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management is evaluating the potential impact of the adoption of GASB 97 on the School District's financial statements.

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

Charter School-wide Statements: The statement of net position and the statements of activities display information about the financial activities of the overall School, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the School. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**A. New Accounting Standards (Cont'd):**

The statement of net position presents the financial condition of the governmental and business-type activities of the School at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the School and for each function of the School's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses of the School related to the administration and support of the School's programs, such as personnel and accounting-are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

**B. Fund Accounting:**

**Fund Financial Statements:** During the fiscal year, the Charter School segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the School's funds, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey Schools to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among School financial reporting.

The accounts of the Charter School are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations for each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The various funds and accounts are grouped, in the financial statements in this report:

**GOVERNMENTAL FUND TYPE**

**General Fund** - The general fund is the general operating fund of the School and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for instructional and non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the Camden's Promise Charter School, Inc. includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmentalities state that General fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Fund Accounting (Cont'd):**

**GOVERNMENTAL FUND TYPE**

**General Fund – Continued**

Resources for budgeted capital outlay purposes are normally derived from the "local levy" local share - charter school aid, "local levy" state share - charter school aid, categorical aid, revenues from other sources and appropriated fund balance. Expenditures are those, which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

**Special Revenue Fund** - The Charter School accounts for the proceeds of specific revenue sources from the state and federal government (other than expendable trusts, major capital projects or enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund.

**Capital Projects Fund** - The Charter School does not currently have any open capital projects.

**Debt Service Fund** - The accounting system of the Charter School includes a Debt Service fund in accordance with state statute.

**PROPRIETARY FUND TYPE**

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is separated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

The following is a description of the Proprietary Funds of the Charter School:

**Enterprise Funds** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the School is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the School has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

**Internal Service Fund**- The Camden's Promise Charter School does not maintain an Internal Service whereby services would be provided on a cost-reimbursement basis.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Fund Accounting (Cont'd):**

**FIDUCIARY FUND TYPE**

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the Charter School:

**Trust and Agency Funds**- The trust and agency funds are used to account for assets held by the Charter School in a Trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

**Nonexpendable Trust Fund**- A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the Charter School is under obligation to maintain the trust principal. The accounting system of the Charter School does not include a nonexpendable trust fund.

**Expendable Trust Fund** - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Funds consists of an Unemployment Compensation Insurance Fund.

**Agency Funds (Payroll and Student Activities Fund)**- Agency funds are used to account for the assets that the Charter School holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. The accounting system of the Charter School includes a payroll fund and a student activities fund.

**C. Basis of Accounting and Measurement Focus:**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

*Charter School-wide, Proprietary and Fiduciary Fund Financial Statements:* The School-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its Charter School the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The Charter School is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**C. Basis of Accounting and Measurement Focus (Cont'd):**

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In its accounting and financial reporting, the School follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The School's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

**D. Budgets/Budgetary Control:**

Charter School budgets are prepared annually and are submitted to the Department of Education for review. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are mandated by the Department of Education and are detailed in the Charter School Budget Summary form that is part of the New Jersey Charter School Application and are defined as the lowest (most specific) level of detail referenced in NJAC 6:20-2A (m) 1. Transfers of appropriations may be made by Board resolution at any time 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 fund 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 recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are to be maintained to allow for the presentation of GAAP basis financial reports.

There is a reconciliation of the special revenue funds from the budgetary basis of accounting, as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds, to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. (See Exhibit C-3).

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**E. Encumbrance Accounting:**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal yearend as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. The budget, as detailed on Exhibit B-2, includes all amendments to the adopted budget, if any.

Open encumbrances in the special revenue fund for which the Charter School has received advances (if any) are reflected in the balance sheet as unearned revenues at fiscal yearend. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

The Charter School had \$511,470 assigned for year end encumbrances at June 30, 2021.

**F. Tuition:**

The Charter School Program Act of 1995 specifically prohibits a charter school from charging tuition to students who reside in the district of the charter school or are non-resident students.

**G. Short-term Interfund Receivables/Payables:**

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Charter School, and that are due within one year.

**H. Inventories and Prepaid Expenses:**

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

On School-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

**I. Assets, Liabilities and Equity:**

Transactions

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School and that are due within one year.

Inventories

On School-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021. The value of federal commodities included in food is \$2,090.



**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**I. Assets, Liabilities and Equity (Cont'd):**

Inventories - Continued

Inventory in the Food Service Fund at June 30, 2021 consisted of the following:

Food	\$	19,780
Supplies		12,908
		_____
Total	\$	32,688
		_____

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

Capital Assets

General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2021 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Capital assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the Statement of Net Position. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

Capital assets are depreciated in the School-wide financial statements using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
School Building	30-50
Building Improvements	20
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

**J. Compensated Absences:**

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

In accordance with Statement No. 16 of the (GASB) entitled "Accounting for Compensated Absences", Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School and its employees, are accounted for in the period in which such services are rendered or in which such events take place and will be calculated in accordance with formulas outlined in the Charter School agreements with any collective bargaining units and included in the budget of the current year of payment.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**J. Compensated Absences: (Cont'd)**

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. There currently is no formal policy concerning payment of accumulated absences and no liability to be reported in the Statement of Net Position.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them. As of June 30, 2021, no liability existed for compensated absences in the Food Service Fund.

**K. Unearned Revenue:**

Unearned revenue in the special revenue fund represents cash, which has been received but not yet earned (see Note 2(B) regarding the special revenue fund).

**L. Fund Equity:**

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**M. Management Estimates:**

In order for the preparation of basic financial statements to be in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**N. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities, and long-term obligations are reported on the School-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

**O. Extraordinary and Special Items:**

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

**P. Charter School Funding:**

The Charter School is largely funded on its enrollment through the local levy and categorical aid, which follows a particular student. Funding flows from the State to the district Board of Education and then to the Charter School. In accordance with N.J.S.A. 18A:36A-12 "the school district of residence shall pay directly to the Charter School for each student enrolled in the charter school who resides in the district a presumptive amount equal to 90% of the local tax levy budget per pupil for the specific grade level in the district.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**P. Charter School Funding: (Cont'd)**

At the discretion of the commissioner and at the time the charter is granted, the commissioner may require the school district of residence to pay directly to the charter school for each student enrolled in the charter school an amount equal to less than 90%, or an amount, which shall not exceed 100% of the local levy budget per pupil for the specific grade in the district of residence. The per pupil amount paid to the charter school shall not exceed the local levy budget per pupil for the specific grade level in the district in which the charter school is located. The district of residence shall also pay directly to the charter school any categorical aid attributable to the student, provided the student is receiving appropriate categorical services, and any federal funds attributable to the student".

During the school year, a charter school shall conduct an enrollment count on October 15, and the last day of the school year. A charter school shall submit each count through a summary school register for the purposes of determining average daily enrollment. Based on these counts, a charter school's revenue is adjusted accordingly.

**Q. Net Position:**

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Charter School's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**R. Fund Balance Reserves:**

The Charter School reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

**S. Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School Charter School, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**T. Revenues – Exchange and Non-exchange Transactions:**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School, available means within sixty days of the fiscal year end. Nonexchange transactions, in which the Charter School receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**T. Revenues – Exchange and Non-exchange Transactions (Cont'd):**

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the Charter School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Charter School on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

**U. Comparative Data/Reclassifications:**

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Charter School's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**V. Allocation of Indirect Expenses:**

The Charter School reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**W. Lease Acquisition Costs:**

As part of the long-term lease agreement, providing for the use of the new school building constructed and owned by the Camden County Improvement Authority, payments constituting professional lease acquisition and other related professional fees were previously amortized over the life of the lease. In accordance with GASB Statement No. 65, the June 30, 2013 Financial Statements were restated, to write off the previous balance in Unamortized Lease Issue Costs. All lease acquisition costs will be expensed in the future.

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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 at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with a maturity of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

Investments are stated at cost, or amortized cost, which approximates market. The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)**

The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey, which 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. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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 public 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%.

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.

Investments:

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. 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 no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the school district.

As of June 30, 2021, cash and cash equivalents in the fund financial statements of the Charter School consisted of the following:

		<b><u>Cash and Cash Equivalents</u></b>
Checking Accounts	\$	3,542,361
Total	\$	<u>3,542,361</u>

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)**

**Custodial Credit Risk**—Custodial credit risk is the risk that, in the event of a bank failure, the Charter School's deposits may not be recovered. Although the Charter School does not have a formal policy regarding custodial credit risk, N.J.S.A 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the Charter School in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2021, the Charter School's bank balance of \$4,204,208 was exposed to custodial credit risk as follows:

Insured	\$	250,000
Uninsured and collateralized with securities held by pledging financial institutions		3,954,208
	\$	<u>4,204,208</u>

**New Jersey Cash Management Fund** – During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. As of June 30, 2021, the Charter School had no funds on deposit with the New Jersey Cash Management Fund.

**NOTE 4. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Camden's Promise Board of Trustees. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The capital reserve balance, as of June 30, 2021 was \$1,250,000.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 5. CAPITAL ASSETS**

	Beginning Balance July 1, 2020	Additions	Adjustments/ Retirements	Ending Balance June 30, 2021
<b>Governmental Activities:</b>				
Capital Assets that are not being Depreciated:				
Land				
Total Capital Assets not being Depreciated				
Leasehold Improvements	\$ 5,284,708			\$ 5,284,708
Building	118,715			118,715
Machinery and Equipment	1,181,838			1,181,838
Vehicle	572,157			572,157
Totals at Historical Cost	<u>7,157,418</u>			<u>7,157,418</u>
Less Accumulated Depreciation for:				
Leasehold Improvements	(3,194,347)	\$ (227,621)		(3,421,968)
Building	(29,678)	(3,957)		(33,635)
Machinery and Equipment	(1,079,551)	(27,995)		(1,107,546)
Vehicle	(442,258)	(25,565)		(467,823)
Total Accumulated Depreciation	<u>(4,745,834)</u>	<u>(285,138)</u>		<u>(5,030,972)</u>
Total Capital Assets being Depreciated, net of Accumulated Depreciation	2,411,584	(285,138)		2,126,446
<b>Government Activities Capital Assets, Net</b>	<u>2,411,584</u>	<u>(285,138)</u>		<u>2,126,446</u>
	To A-1			To A-1
Business-type Activities - Equipment	172,030			172,030
Less Accumulated Depreciation	(128,897)	(34,406)		(163,303)
<b>Business-type Activities Capital Assets, Net</b>	<u>\$ 43,133</u>	<u>\$ (34,406)</u>		<u>\$ 8,727</u>
				To G-1

Depreciation expense was charged to governmental functions as follows:

Unallocated	\$ 285,138
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**NOTE 6. LONG-TERM OBLIGATIONS**

	Beginning Balance July 1, 2020	Additions	Reductions	Ending Balance June 30, 2021	Amounts Due within One Year	Long-term Portion
<b>Governmental Activities:</b>						
Bonds Payable:						
General Obligation Debt	\$ 334,006		\$ 307,829	\$ 26,177	\$ 26,177	
Total Bonds Payable	334,006		307,829	26,177	26,177	
Other Liabilities:						
Capital Lease	42,919		42,919			
Net Pension Liability	4,097,381		588,597	3,508,784		3,508,784
Total	<u>\$ 4,474,306</u>		<u>\$ 939,345</u>	<u>\$ 3,534,961</u>	<u>\$ 26,177</u>	<u>\$ 3,508,784</u>
						<u>To A-1</u>

**A. Bonds Payable-** Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 6. LONG-TERM OBLIGATIONS (CONT'D)**

**Debt Administration - NJEDA Subsidized Bonds:**

On July 8, 2011, Camden Academy Charter High School issued bonds under an NJEDA interest subsidy program in the amount of \$2,467,080. These bonds are to be treated as Qualified School Construction Bonds in accordance with Section 54F of the Internal Revenue Code of 1986. Due to Federal budget shortfalls, a portion of the otherwise entitled subsidy will not be reimbursed.

Interest was payable at 5.24% up to July 1, 2016, at such time when the bonds became callable at a variable rate for the remainder of the 120 month loan period. In accordance with Section 6431 of the Code, the Charter School, by way of the NJEDA, is to receive Credit/Subsidy payments equal to the lesser of rate specified by the US Treasury or the interest payable on the bonds, subject to sequester adjustment.

These bond proceeds are to partially fund the construction of renovations to an existing building in the City of Camden, New Jersey, referred to as "The Charter School Network Building", owned by the Camden Academy Charter School, Inc., with Camden's Promise Charter School, Inc. and Camden's Pride Charter School, Inc. as guarantors. The remaining future payment schedule, subject to actual federal subsidy proceeds is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Federal Subsidy</u>	<u>Net Interest</u>
2022	\$ 26,177	\$ 90	\$ 90	\$
	<u>\$ 26,177</u>	<u>\$ 90</u>	<u>\$ 90</u>	<u>\$</u>

**B. Capital Leases** – During the current 2016-17 fiscal school year, the District acquired two School Buses through a Capital Lease totaling \$204,520, with interest at 4.29%. The Charter School made its final payment of principal and interest on the capital lease during the 2020-21 year.



**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7. PENSION PLANS**

**Description of Plans** - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

**Public Employees' Retirement System**

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who are enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

**Contributions** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2019 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2021 were 142,681. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2021 is 15.11% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2021, and 2020, were \$235,380 and \$223,067 respectively.

The total payroll for the year ended June 30, 2021 was \$18,413,722. Payroll covered by PERS was \$1,845,323 for fiscal year 2021.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7. PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Components of Net Pension Liability** - At June 30, 2021, the District's proportionate share of the PERS net pension liability was \$3,508,784. The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The District's proportion measured as of June 30, 2020 was 0.021517% which was a decrease of 0.00122% from its proportion measured as of June 30, 2019.

**Pension Expense and Deferred Outflows/Inflows of Resources** - The District's 2021 PERS pension expense, with respect to GASB 68, was \$501,681. The District's 2021 deferred outflows of resources and deferred inflows of resources were from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 63,889	\$ 12,409
Changes of assumptions	113,829	1,469,161
Net difference between projected and actual earnings on pension plan investments	119,933	
Changes in proportion	1,528,604	1,183,295
Contributions subsequent to the measurement date	235,380	
<b>Total</b>	<b>\$ 2,061,635</b>	<b>\$ 2,664,865</b>

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

Year		PERS
2021	\$	(319,636)
2022		(244,380)
2023		(60,119)
2024		(180,632)
2025		(33,843)
Thereafter		
<b>Total</b>	<b>\$</b>	<b>(838,610)</b>

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7. PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Additional Information** - Collective Balances at June 30, 2021 and 2020 are as follows:

<u>Year</u>		<u>2021</u>		<u>2020</u>
Collective deferred outflows of resources	\$	2,061,635	\$	3,173,336
Collective deferred inflows of resources	\$	2,664,865	\$	2,933,981
Collective Net Pension Liability	\$	3,508,784	\$	4,097,381
District's Proportion		0.021517%		0.022740%

**Actuarial Assumptions** - The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

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-2019.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7. PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**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, 2020) 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. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

	PERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based on 78% 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.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7. PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ <u>4,451,706</u>	\$ <u>3,508,784</u>	\$ <u>2,759,691</u>

**Teachers' Pension and Annuity Fund**

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's 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.

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. 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.

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who are enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011.

**Special Funding Situation** - The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do 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 local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7. PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)**

**Contributions** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2019. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2021 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$3,736,032 to the TPAF for pension contributions, \$1,170,814 for post-retirement benefits on behalf of the School, and \$4,845 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,080,030 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Components of Net Pension Liability** - At June 30, 2021, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

**Pension Expense** - For the year ended June 30, 2021, the District recognized pension expense of \$5,061,331 and revenue of \$5,061,331 for support provided by the State.

**Actuarial Assumptions** - The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b>TPAF</b>
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.45%
Thereafter	2.75% - 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7. PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)**

**Long-Term Expected Rate of Return** - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% 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 projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7. PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (4.40%)</u>	<u>Current Discount (5.40%)</u>	<u>1% Increase (6.40%)</u>
State's Share of the Net Pension Liability associated with the District	\$ 95,815,092	\$ 81,392,481	\$ 69,744,294
State's Share of the Net Pension Liability	\$ <u>77,517,093,055</u>	\$ <u>65,993,498,688</u>	\$ <u>56,425,087,777</u>

**Defined Contribution Retirement Program (DCRP)**

The Defined Contribution Retirement Program (DCRP) is a multiple-employer defined contribution pension fund that was established in 2007 under the provisions of N.J.S.A 43:15C-1. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and long-term disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The following represents the individuals eligible for membership in the DCRP:

	<u>Eligibility</u>
1.	State or Local Officials who are elected or appointed on or after July 1, 2007
2.	Employees enrolled in the PERS or TPAF on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits
3.	Employees enrolled in the PFRS or SPRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits
4.	Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually
5.	Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually

**Contributions** – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the District's employer match is an additional 3% contribution. For the year ended June 30, 2021, employee contributions totaled \$0 and the District's employer contribution, recognized in pension expense, was \$0. There were no forfeitures during the fiscal year.

**Pension Plan Fiduciary Net Position** - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.



**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**General Information about the OPEB Plan**

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit 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 Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

**Special Funding Situation**

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**

**Total OPEB Liability**

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2020, was \$67,809,962,608. Of this amount, the total OPEB liability attributable to the School District was \$38,567,450. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.05688%. The total OPEB liability for the School District measured as of June 30, 2020 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2020 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Service Years	Service Years	Service Years
Through 2026	1.55% - 4.45%	2.00% - 6.00%	3.25% - 15.25%
Thereafter	1.55% - 4.45%	3.00% - 7.00%	Applied to all future years

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 projections from the central year using Scale MP-2020. 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-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**

**Discount rate**

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the Total OPEB Liability**

State of New Jersey	<u>Total OPEB Liability</u>
<b>Balance as of June 30, 2019 Measurement Date</b>	\$ <u>41,729,081,045</u>
Changes for the year:	
Service Cost	1,790,973,822
Interest	1,503,341,357
Changes of Benefit Terms	
Differences between Expected and Actual	11,544,750,637
Changes of Assumptions	12,386,549,981
Benefit Payments	35,781,384
Contributions from Members	<u>(1,180,515,618)</u>
<b>Net Changes</b>	<u>26,080,881,563</u>
<b>Balance as of June 30, 2020 Measurement Date</b>	\$ <u><u>67,809,962,608</u></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, 2020, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>June 30, 2020</u>		
	At 1.00% Decrease	At Discount Rate	At 1.00% Increase
	2.50%	3.50%	4.50%
\$	81,748,410,002	67,809,962,608	56,911,439,160

**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, 2020, 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 healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	<u>June 30, 2020</u>		
	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$	54,738,488,540	67,809,962,608	83,375,182,975

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$4,545,695. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ 5,855,544	\$ 5,215,909
Changes of Assumptions	6,560,196	4,400,764
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	10,501,490	2,762,674
Contributions Subsequent to the Measurement Date		
Total	\$ 22,917,230	\$ 12,379,347

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

Measurement Period Ending June 30,		OPEB
2021	\$	1,129,455
2022		1,129,455
2023		1,129,455
2024		1,129,455
2025		1,129,455
Thereafter		4,890,608
Total	\$	10,537,883

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 9. DEFERRED COMPENSATION**

The Board currently offers its employees a choice of Equivest as a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b).

**NOTE 10. LITIGATION**

The Charter School is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the Charter School's legal counsel, there are no pending litigations, claims, assessments of contingent liability against the Charter School.

**NOTE 11. RISK MANAGEMENT**

The Charter 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 Charter School maintains commercial insurance coverage for property, liability, student accident and surety bonds.

**New Jersey Unemployment Compensation Insurance-** The Charter School has elected to fund its New Jersey Unemployment Compensation Insurance under the Reserve method. Under this plan, the Charter School is required to contribute a percentage of wages to the New Jersey Unemployment Trust Fund on a quarterly basis. The following is a summary of Charter School contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Charter School's expendable trust fund for the current year:

<u>Balance</u> <u>6/30/20</u>	<u>Charter</u> <u>School</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Claims</u>	<u>Balance</u> <u>6/30/21</u>
\$ 9,354	\$ 37,510	\$ 41,418	\$ 40,797	\$ 47,485

**NOTE 12. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2021:

<u>Fund</u>	<u>Interfund</u> <u>Receivable</u>	<u>Interfund</u> <u>Payable</u>
General	\$ 1,297,992	\$ 73,958
Special Revenue	1,383	1,297,992
Food Service	72,575	-
Total	<u>\$ 1,371,950</u>	<u>\$ 1,371,950</u>

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 13. RECEIVABLES**

Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Receivables:</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental				
State	\$ 7,786	\$	\$	\$ 7,786
Federal		2,135,401	70,524	2,205,925
Local	523,533		2,988	526,521
Totals	<u>\$ 531,319</u>	<u>\$ 2,135,401</u>	<u>\$ 73,512</u>	<u>\$ 2,740,232</u>

**NOTE 14. OPERATING LEASES**

**Lease Agreements**

**Buildings** - Effective July 1, 2016, Camden's Promise Charter School, Camden's Pride Charter School, Camden's Academy Charter High School and Knowledge A to Z Academy Charter School were merged into a single Charter School Organization, henceforth to be known as Camden's Promise Charter School. In anticipation of the merger, a new five year lease agreement was entered into on March 14, 2016 between the Camden's Charter School Network, Inc. and Camden's Promise Charter School. The lease agreement commenced July 1, 2016, with an automatic five year renewal provision at the end of the 2020-21 School Year. The building location of each rental agreement is as follows:

Building Locations

- 3098 Pleasant Avenue      - 250 Federal Street
- 820 Lois Avenue            - 879 Beideman Avenue
- 897 N. 31st Street

**Garden** - In February 2016, Camden's Charter School Network, Inc. entered into a six year lease agreement with Camden's Promise Charter School, Inc., whereby, Camden's Promise Charter, Inc. shall be granted access to a garden area located at 911 N. 31st Street.

**Parking Lot** - On August 24, 2016, Camden's Charter School Network, Inc. entered into a five year lease agreement with Camden's Promise Charter School, Inc., whereby, Camden's Promise Charter, Inc. shall be granted access to a parking lot located at 912 N. 31st Street.

**892 Lois Avenue** - In September 2017, Camden's Charter School Network, Inc. entered into a six year lease agreement with Camden's Promise Charter School, Inc., whereby, Camden's Promise Charter, Inc. shall be granted access to the premises located at 892 Lois Avenue.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 14. OPERATING LEASES (CONT'D)**

**Lease Agreements (Cont'd)**

The following represents the future minimum lease payments associated with this new rental agreement, as of June 30, 2021, along with a description of the building locations:

<u>Year</u>	<u>Buildings</u>	<u>Garden</u>	<u>Parking Lot</u>	<u>892 Lois Ave</u>
2021-2022	\$ 4,519,600	\$ 1	\$ 24,000	\$ 48,000
2022-2023	4,519,000	1	24,000	48,000
2023-2024	4,519,000	1	24,000	
2024-2025	3,419,000	1	24,000	
2025-2026	3,419,000	1	24,000	
Total	<u>\$ 20,395,600</u>	<u>\$ 5</u>	<u>\$ 120,000</u>	<u>\$ 96,000</u>

**NOTE 15. SERVICE AGREEMENT**

**Charter Management Organization Agreement** – During the 2017-18 School Year, the Camden's Charter School Network, Inc. entered into a ten month service agreement with Camden's Promise Charter School, Inc. for the purpose of providing the Charter School with administrative support in the development of student enrollment plans, enrollment marketing, professional development, student records development and direct supervision of the student enrollment process. The Camden's Charter School, Inc. agreed to pay the Network \$300,000 in exchange for these services. This agreement was extended for the 2021-22 School Year.

**NOTE 16. TAX ABATEMENT**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at NJSA 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 17. PRIOR YEAR ADJUSTMENT**

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund, which had previously been reported in the Fiduciary Funds, is now reported in the General Fund. The Student Activities Fund is now reported in the Special Revenue Fund. The ending balances as of June 30, 2020 were restated due to the implementation as follows:

	Balance June 30, 2020 as Previously Reported	Retroactive Adjustments	Balance June 30, 2020 Restated
Statement of Net Activities - Governmental Activities			
Net Position	\$ (286,514)	\$ 42,998	\$ (243,516)
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds:			
General Fund	1,538,911	9,354	1,548,265
Special Revenue		33,644	33,644
Statement of Changes in Fiduciary Net Position - Fiduciary Funds:			
Unemployment Compensation Trust	9,354	(9,354)	
Student Activities	33,644	(33,644)	

**NOTE 18. FUND BALANCE**

**General Fund** - Of the \$4,190,114 in General Fund balance at June 30, 2021, \$75,000 is restricted for escrow, \$47,485 is restricted for unemployment compensation, \$1,250,000 is restricted for capital reserve, \$511,470 is assigned for encumbrances, and \$2,306,159 is unassigned.

**NOTE 19. SUBSEQUENT EVENTS**

There were no other events noted, between the year-end and the date of the audit report, requiring disclosure.

End of Notes to Financial Statements



**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**BUDGETARY COMPARISON SCHEDULE-GENERAL FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Revenue/ Expenditures</u>	<u>Variance Favorable/ (Unfavorable)</u>
<b>REVENUES:</b>					
"Local Tax Levy"- Local Share - Charter School Aid:					
Black Horse Pike Regional	\$	\$ 33,170	\$ 33,170	\$ 33,170	\$
Borough of Brooklawn		2,886	2,886	2,886	
Borough of Clementon		18,893	18,893	18,893	
Borough of Collingswood		26,473	26,473	26,473	
Borough of Lindenwold		15,471	15,471	15,471	
Borough of Oaklyn		10,649	10,649	10,649	
Borough of Merchantville		27,522	27,522	27,522	
Borough of Palmyra		20,942	20,942	20,942	
Borough of Paulsboro		19,760	19,760	19,760	
Borough of Pine Hill		2,069	2,069	2,069	
Borough of Runnemede		18,178	18,178	18,178	
Borough of Woodlyn		18,636	18,636	18,636	
Cherry Hill Township		66,851	66,851	66,851	
Cinnaminson Township		13,155	13,155	13,155	
City of Camden	3,256,364	(2,536,673)	719,691	719,691	
City of Gloucester		9,892	9,892	9,892	
City of Woodbury		33,166	33,166	33,166	
Deptford Township		50,239	50,239	50,239	
Eastern Camden County Regional		24,529	24,529	24,529	
Gloucester Township		44,792	44,792	44,792	
Haddon Township		3,337	3,337	3,337	
Hi Nella Township		17,665	17,665	17,665	
Maple Shade Township		68,084	68,084	68,084	
Monroe Township		17,525	17,525	17,525	
Moorestown Township		11,489	11,489	11,489	
Pennsauken Township		2,030,820	2,030,820	2,030,820	
Voorhees Township		11,835	11,835	11,835	
Washington Township		14,162	14,162	14,162	
Waterford Township		7,654	7,654	7,654	
Willingboro Township		19,935	19,935	19,935	
Winslow Township		106,177	106,177	106,177	
Total - Local Share Tax Levy	3,256,364	229,283	3,485,647	3,485,647	
Local Tax Levy- State Share - Charter School Aid:					
Equalization aid	31,730,518		31,730,518	25,260,212	(6,470,306)
Total - Local Levy Budget	34,986,882	229,283	35,216,165	28,745,859	(6,470,306)
Categorical Aids:					
Special Education	983,666	(306,939)	676,727	676,727	
Security Aid	1,302,602	(175,745)	1,126,857	1,126,857	
Adjustment Aid	392,600	87,903	480,503	480,503	
Total Categorical Aids	2,678,868	(394,781)	2,284,087	2,284,087	
Other State Aid:					
On-Behalf TPAF Pension Contribution				3,736,032	3,736,032
On-Behalf TPAF Pension Post Retirement Medical				1,170,814	1,170,814
On-Behalf TPAF Long-Term Disability Contribution				4,845	4,845
Reimbursed TPAF Social Security Contributions (Non-budgeted)				1,080,030	1,080,030
Total Other State Aid				5,991,721	5,991,721
Total State Aid	37,665,750	(165,498)	37,500,252	37,021,667	(478,585)
Federal Sources:					
Medicaid Program - SEMI				100,285	100,285
				100,285	100,285
Revenue from Other Sources					
Interest on Bank Deposits				2,126	2,126
Other Restricted Miscellaneous Revenues				3	3
Unrestricted Miscellaneous Revenues	200,000		200,000	1,733	(198,267)
Total Revenue from Other Sources	200,000		200,000	3,862	(196,138)
<b>TOTAL REVENUES</b>	<b>\$ 37,865,750</b>	<b>\$ (165,498)</b>	<b>\$ 37,700,252</b>	<b>\$ 37,125,814</b>	<b>\$ (574,438)</b>

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**GENERAL FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**(CONTINUED)**

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Favorable/ (Unfavorable)
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSES:</b>					
Regular Programs - Instruction:					
Salaries of Teachers - Kindergarten	\$ 3,861,300	\$ (3,794,307)	\$ 66,993	\$ 39,269	\$ 27,724
Salaries of Teachers - Grades 1-5	2,659,200	2,202,477	4,861,677	4,784,028	77,649
Salaries of Teachers - Grades 6-8	2,451,400	1,894,962	4,346,362	4,293,051	53,311
Salaries of Teachers - Grades 9-12	4,478,100	(411,078)	4,067,022	3,764,404	302,618
Other Salaries for Instruction	1,420,000	(1,069,704)	350,296	317,124	33,172
Regular Programs - Undistributed Instruction:					
Purchased Professional/ Technical Services	1,000,000	(490,000)	510,000	391,824	118,176
Other Purchased Services	725,000	(645,000)	80,000	74,043	5,957
General Supplies	1,050,000	(433,367)	616,633	571,899	44,734
Textbooks	660,000	(427,856)	232,144	171,929	60,215
Other Objects	50,000	(49,000)	1,000	208	792
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>18,355,000</b>	<b>(3,222,873)</b>	<b>15,132,127</b>	<b>14,407,779</b>	<b>724,348</b>
<b>UNDISTRIBUTED EXPENDITURES:</b>					
Administration					
Salaries Administrative	1,634,400	161,452	1,795,852	1,795,852	
Social Security Contributions		203,843	203,843		203,843
Other Retirement Contributions - PERS		235,380	235,380	235,380	
Unemployment Compensation		40,797	40,797	40,797	
Health Benefits	4,585,500	(94,789)	4,490,711	4,048,630	442,081
Legal Services	75,000	25,000	100,000	62,309	37,691
Audit Fees	95,000		95,000	28,302	66,698
Other Purchased Services	1,500,000	(542,214)	957,786	834,257	123,529
Communications/Telephone	430,000	(367,138)	62,862	36,879	25,983
General Supplies	450,000	(147,677)	302,323	240,949	61,374
Miscellaneous Expenditures	30,000	(25,000)	5,000	3,061	1,939
<b>Total General Administration</b>	<b>8,799,900</b>	<b>(510,346)</b>	<b>8,289,554</b>	<b>7,326,416</b>	<b>963,138</b>
Support Services					
Salaries	823,200	71,465	894,665	894,665	
Purchased Professional and Technical Services	520,000	(310,000)	210,000	146,832	63,168
Rental of Land and Buildings	4,807,952		4,807,952	4,742,233	65,719
Insurance	425,000	(30,000)	395,000	344,002	50,998
Supplies and Materials	450,000	(300,000)	150,000	2,783	147,217
Transportation - Between Home/School-Vendors	200,000	(74,880)	125,120	80,113	45,007
Energy	890,000	(259,699)	630,301	504,502	125,799
Miscellaneous	30,000	(25,000)	5,000		5,000
<b>Total Operation and Maintenance of Plant Services</b>	<b>8,146,152</b>	<b>(928,114)</b>	<b>7,218,038</b>	<b>6,715,130</b>	<b>502,908</b>
	<b>\$ 35,301,052</b>	<b>\$ (4,661,333)</b>	<b>\$ 30,639,719</b>	<b>\$ 28,449,325</b>	<b>\$ 2,190,394</b>

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**GENERAL FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
**(CONTINUED)**

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Favorable/ (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
On-Behalf TPAF Pension Contribution	\$	\$	\$	\$ 3,736,032	\$ (3,736,032)
On-Behalf TPAF Pension Post Retirement Medical				1,170,814	(1,170,814)
On-Behalf TPAF Long-Term Disability Contribution				4,845	(4,845)
Reimbursed TPAF Social Security Contributions (Non-budgeted)				1,080,030	(1,080,030)
<b>TOTAL UNALLOCATED BENEFITS</b>				<b>5,991,721</b>	<b>(5,991,721)</b>
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>35,301,052</b>	<b>(4,661,333)</b>	<b>30,639,719</b>	<b>34,441,046</b>	<b>(3,801,327)</b>
Capital Outlay					
Undistributed Expenditures					
Total Equipment					
Facilities Acquisition & Construction Services					
Lease/Purchase - Principal		42,919	42,919	42,919	
Purchase of Land/Improvements	1,600,000	(1,142,919)	457,081		457,081
Total Facilities Acquisition & Construction Services	1,600,000	(1,100,000)	500,000	42,919	457,081
Total Capital Outlay expenditures	1,600,000	(1,100,000)	500,000	42,919	457,081
<b>TOTAL EXPENDITURES</b>	<b>36,901,052</b>	<b>(5,761,333)</b>	<b>31,139,719</b>	<b>34,483,965</b>	<b>(3,344,246)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	964,698	5,595,835	6,560,533	2,641,849	(3,918,684)
Other Financing Sources:					
Operating Transfer (Out) and In:					
Food Service					
Total other Financing Sources					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and other Financing Uses	964,698	5,595,835	6,560,533	2,641,849	(3,918,684)
Fund Balances, July 1	1,538,911		1,538,911	1,538,911	
Prior Period Adjustment				9,354	9,354
Fund Balances, July 1, Restated	1,538,911		1,538,911	1,548,265	9,354
Fund Balances, June 30	\$ 2,503,609	\$ 5,595,835	\$ 8,099,444	\$ 4,190,114	\$ (3,909,330)
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Escrow Fund				\$ 75,000	
Unemployment Compensation				47,485	
Capital Reserve				1,250,000	
<b>Assigned to:</b>					
Year-End Encumbrances				511,470	
<b>Unassigned Fund Balance:</b>					
Unassigned Fund Balance				2,306,159	
				<b>\$ 4,190,114</b>	

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**SPECIAL REVENUE FUND**  
**AS OF JUNE 30, 2021**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources	\$ 2,428,848	\$ 6,963,689	\$ 9,392,537	\$ 4,118,352	\$ (5,274,185)
State Sources	787,260	(62,531)	724,729	722,460	(2,269)
Local Sources		10,254	10,254	130,663	120,409
<b>Total Revenues</b>	<b>3,216,108</b>	<b>6,911,412</b>	<b>10,127,520</b>	<b>4,971,475</b>	<b>(5,156,045)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	1,325,500	1,343,400	2,668,900	1,556,605	1,112,295
Other Salaries	125,200	(5,200)	120,000	120,000	
Other Purchased Services		50,000	50,000	48,209	1,791
Purchased Prof. & Educational Services	17,382	312,166	329,548	92,241	237,307
Purchased Prof. & Technical Services					
Supplies and Materials	147,144	2,170,793	2,317,937	1,214,720	1,103,217
Other Objects					
<b>Total Instruction</b>	<b>1,615,226</b>	<b>3,871,159</b>	<b>5,486,385</b>	<b>3,031,775</b>	<b>2,454,610</b>
<b>Support Services</b>					
Salaries Personal Services	449,400	393,000	842,400	497,400	345,000
Salaries of Principals/Asst Prin/ Prog Dir					
Salaries of Secretarial/Clerical	68,000	(10,000)	58,000	58,000	
Salaries of Parent Liaison	96,500	(20,000)	76,500	76,500	
Salaries of Facilitator/Coach					
Personal Services - Employee Benefits	678,407	419,472	1,097,879	622,363	475,516
Other Purchased Services	172,240	7,879	180,119	145,119	35,000
Purchased Professional & Technical Services - Other		222,153	222,153		222,153
Cleaning, Repair and Maintenance	25,000	(10,000)	15,000	15,000	
Rental	50,000	(10,000)	40,000	40,000	
Contracted Services - Field Trips					
Supplies and Materials	39,335	775,749	815,084	224,503	590,581
Student Activities				52,269	(52,269)
<b>Total Support Services</b>	<b>1,578,882</b>	<b>1,768,253</b>	<b>3,347,135</b>	<b>1,731,154</b>	<b>1,615,981</b>
<b>Facilities Acquisition and Construction Services:</b>					
Building		650,000	650,000	226,880	423,120
Instructional Equipment	12,000	(4,000)	8,000	8,000	
Non-instructional Equipment	10,000	626,000	636,000	6,000	630,000
<b>Total Facilities Acquisition and Construction Services</b>	<b>22,000</b>	<b>1,272,000</b>	<b>1,294,000</b>	<b>240,880</b>	<b>1,053,120</b>
<b>Total Expenditures</b>	<b>3,216,108</b>	<b>6,911,412</b>	<b>10,127,520</b>	<b>5,003,809</b>	<b>5,123,711</b>
<b>Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>	<b>3,216,108</b>	<b>6,911,412</b>	<b>10,127,520</b>	<b>5,003,809</b>	<b>5,123,711</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				<b>(32,334)</b>	<b>(32,334)</b>
<b>Fund Balance, July 1</b>					
Prior Period Adjustment				33,644	
<b>Fund Balance, July 1 (Restated)</b>				<b>33,644</b>	
<b>Fund Balance, June 30</b>				<b>\$ 1,310</b>	
<b>Recapitulation:</b>					
<b>Restricted:</b>					
Student Activities				\$ 1,310	
<b>Total Fund Balance</b>				<b>\$ 1,310</b>	

**NOTES TO THE REQUIRED**  
**SUPPLEMENTARY INFORMATION PART II**

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGET-TO-GAAP RECONCILIATION**  
**NOTE TO RSI - PART II**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

	General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 37,125,814	[C-2] \$ 4,971,475
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		2,025
Current Year		(125,700)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		
	[B-2] \$ 37,125,814	[B-2] \$ 4,847,800
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 34,483,965	[C-2] \$ 5,003,809
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior Year		2,025
Current Year		(125,700)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
	[B-2] \$ 34,483,965	[B-2] \$ 4,880,134
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds		



**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART III**

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.021517%	0.022740%	0.022329%	0.020765%	0.016334%	0.012185%	0.009154%	0.009689%
District's Proportionate Share of the Net Pension Liability	\$ 3,508,784	\$ 4,097,381	\$ 4,396,560	\$ 4,833,645	\$ 4,837,765	\$ 2,735,228	\$ 1,713,919	\$ 1,851,744
District's Covered-Employee Payroll	\$ 1,845,323	\$ 1,943,508	\$ 1,474,994	\$ 1,596,267	\$ 1,189,954	\$ 1,311,956	\$ 987,147	\$ 805,779
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	190.14%	210.82%	298.07%	302.81%	406.55%	208.48%	173.62%	229.81%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**Schedule of District Contributions**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 235,380	\$ 223,067	\$ 224,490	\$ 213,727	\$ 147,845	\$ 93,539	\$ 75,466	\$ 73,004
Contributions in relation to the Contractually Required Contribution	(235,380)	(223,067)	(224,490)	(213,727)	(147,845)	(93,539)	(75,466)	(73,004)
Contribution Deficiency (Excess)	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>	\$ <u>          </u>
District's Covered-Employee Payroll	\$ 1,845,323	\$ 1,943,508	\$ 1,474,994	\$ 1,596,267	\$ 1,189,954	\$ 1,311,956	\$ 987,147	\$ 805,779
Contributions as a Percentage of Covered-Employee Payroll	12.76%	11.48%	15.22%	13.39%	12.42%	7.13%	7.64%	9.06%

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

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund (TPAF)**  
**Last Ten Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.123605%	0.121432%	0.102069%	0.094832%	0.084456%	0.072632%	0.065850%	0.057886%
District's Proportionate Share of the Net Pension Liability	\$ 81,392,481	\$ 74,524,263	\$ 64,934,347	\$ 63,938,991	\$ 66,438,581	\$ 45,906,505	\$ 35,194,766	\$ 29,255,198
District's Covered-Employee Payroll	\$ 14,894,612	\$ 14,042,352	\$ 13,629,795	\$ 13,471,596	\$ 10,968,689	\$ 10,139,835	\$ 9,003,961	\$ 8,189,439
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	546.46%	530.71%	476.41%	474.62%	605.71%	452.73%	390.88%	357.23%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**Required Supplementary Information - Part III**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**State Health Benefit Local Education Retired Employees Plan**  
**Last Ten Fiscal Years**

	2020	2019	2018	2017
<b>Total OPEB Liability</b>				
Service Cost	\$ 2,615,564	\$ 2,330,545	\$ 2,273,938	\$ 2,755,008
Interest Cost	844,838	848,955	883,807	738,506
Changes of Benefit Terms				
Differences Between Expected and Actual Experiences	6,867,772	(937,637)	(3,096,250)	
Changes of Assumptions	7,044,947	325,717	(2,286,899)	(3,727,940)
Member Contributions	20,351	19,878	18,417	19,335
Gross Benefit Payments	(671,428)	(670,589)	(532,882)	(525,049)
<b>Net Change in Total OPEB Liability</b>	<b>16,722,044</b>	<b>1,916,869</b>	<b>(2,739,869)</b>	<b>(740,140)</b>
<b>Total OPEB Liability - Beginning</b>	<b>21,845,406</b>	<b>19,928,537</b>	<b>22,668,406</b>	<b>23,408,546</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 38,567,450</b>	<b>\$ 21,845,406</b>	<b>\$ 19,928,537</b>	<b>\$ 22,668,406</b>
<b>Covered-Employee Payroll</b>	<b>\$ 16,739,935</b>	<b>\$ 15,985,860</b>	<b>\$ 15,104,789</b>	<b>\$ 15,067,863</b>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	<b>230.39%</b>	<b>136.65%</b>	<b>131.94%</b>	<b>150.44%</b>

Notes to Schedule:

Changes of Benefit Terms: None

Differences Between Expected and Actual Experiences: The decrease in the Total OPEB Liability from June 30, 2018 to June 30, 2019 is due to changes in the census, claims and premium experiences. The increase in liability from June 30, 2019 to June 30, 2020 is due to changes in the census, claims and premiums experience.

Changes in Assumptions: The increase in the liability from June 30, 2018 to June 30, 2019 is due to the decrease in the assumed discount rate from 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019; and changes in the trend, excise tax, updated decrements, future spouse election, PPO/HMO future retiree elections, salary scale and mortality assumptions. The increase in the liability from June 30, 2019 to June 30, 2020 is due to the combined effect of the decrease in the assumed discount rate from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020; and changes in the trend, repeal of the excise tax, and updated mortality improvement assumptions.

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

**OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND**

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





**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF PRESCHOOL EDUCATION AID**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 226,000	\$ 225,720	\$ 280
Other Salaries	120,000	120,000	
Purchased Prof. & Educational Services	27,832	26,686	1,146
Supplies and Materials	21,192	21,192	
<b>Total Instruction</b>	<u>395,024</u>	<u>393,598</u>	<u>1,426</u>
<b>Support Services:</b>			
Salaries of Principals/Asst Prin/ Prog Dir			
Salaries - Secretarial and Clerical	58,000	58,000	
Salaries - Family Parent Liaison	76,500	76,500	
Personal Services - Employee Benefits	118,205	118,205	
Facilitator/Coach			
Cleaning and Repair	15,000	15,000	
Rentals	40,000	40,000	
Contracted Services			
Supplies and Materials	8,000	7,157	843
<b>Total Support Services</b>	<u>315,705</u>	<u>314,862</u>	<u>843</u>
<b>Facilities Acquisition and Const. Services:</b>			
Instructional Equipment	8,000	8,000	
Non-instructional Equipment	6,000	6,000	
<b>Total Facilities Acquisition and Const. Services</b>	<u>14,000</u>	<u>14,000</u>	
<b>Contribution to Charter Schools</b>			
<b>Total Expenditures</b>	<u>\$ 724,729</u>	<u>\$ 722,460</u>	<u>\$ 2,269</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total 2020-2021 Preschool Education Aid Allocation	\$ 724,729	(1)
Add: Actual ECPA Carryover (JUNE 30, 2020)		(2)
Add: Budgeted Transfer from General Fund 2020-2021		(3)
Total Preschool Education Aid Funds Available for 2020-2021 Budget	724,729	(4)
Less: 2020-2021 Budgeted Preschool Education Aid and Prior Year Budgeted (Carryover)	(724,729)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of JUNE 30, 2021		(6)
Add: JUNE 30, 2021 Unexpended Preschool Education Aid	2,269	(7)
Less: 2020-2021 Commissioner-approved Transfer to the General Fund		(8)
2020-2021 Carryover - Preschool Education Aid	\$ 2,269	(9)
2020-2021 Preschool Education Aid Carryover Budgeted for Preschool Programs 2021-2022	\$	(10)

## **PROPRIETARY FUND**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Food Services Fund** – This fund provides for the operation of food services in all Schools.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5 AND B-6.**

CAMDEN'S PROMISE CHARTER SCHOOL, INC.  
FOOD SERVICES ENTERPRISE FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021

	<u>Total</u>
<b>ASSETS:</b>	
Current Assets:	
Cash	\$ 79,811
Accounts Receivable:	
State	
Federal	70,524
Intergovernmental	2,988
Interfund Receivable - General Fund	72,575
Inventory	32,688
Total Current Assets:	<u>258,586</u>
Fixed Assets	
Equipment	172,030
Accumulated Depreciation	163,303
Total Fixed Assets:	<u>8,727</u>
Total Assets	<u>\$ 267,313</u>
<b>LIABILITIES AND NET POSITION:</b>	
Accounts Payable	\$ 138,598
Unearned Revenue	2,090
Total Liabilities	<u>140,688</u>
Net Position:	
Investment in Fixed Assets	8,727
Unreserved Retained Earnings	117,898
Total Net Position	<u>126,625</u>
Total Liabilities and Net Position	<u>\$ 267,313</u>

CAMDEN'S PROMISE CHARTER SCHOOL, INC.  
FOOD SERVICES ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Total</u>
<b>OPERATING REVENUES:</b>	
Local Sources:	
Daily Sales - Reimbursable Programs	\$
Daily Sales - Non-Reimbursable Programs	
Miscellaneous	
	<hr/>
Total Operating Revenue	
	<hr/>
<b>OPERATING EXPENSES:</b>	
Salaries	385,003
Employee Benefits	55,776
Management Fee	53,928
Supplies and Materials	45,842
Other Costs	36,460
Depreciation	34,406
Cost of Sales - Reimbursable Programs	232,165
Cost of Sales - Non- Reimbursable Programs	
	<hr/>
Total Operating Expenses	843,580
	<hr/>
Operating Loss	(843,580)
	<hr/>
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	381
Federal Sources:	
School Breakfast Program	15,671
National School Lunch Program	24,962
National School Lunch Program-Snacks	
Fresh Fruit and Vegetable Program	27,600
Child and Adult Care Food Program-Food	584,722
Child and Adult Care Food Program-Admin	59,960
Food Distribution Program	47,233
Interest Revenue	56
	<hr/>
Total Non-Operating Revenues	760,585
	<hr/>
Net Income before Operating Transfers	(82,995)
	<hr/>
Net Position - July 1	209,620
	<hr/>
Net Position - June 30	\$ 126,625
	<hr/> <hr/>

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**FOOD SERVICES ENTERPRISE FUND**  
**SCHEDULE OF CASH FLOWS**  
**AS OF JUNE 30, 2021**

	<u>Total</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$
Payments to Employees	(385,003)
Payments for Employee Benefits	(55,776)
Payments to Suppliers	(317,712)
Net Cash Provided by (Used for) Operating Activities	<u>(758,491)</u>
Cash Flows from Noncapital Financing Activities	
Food Distribution Program	47,233
Cash Received from State and Federal Reimbursements	713,296
Net Cash Provided by Noncapital Financing Activities	<u>760,529</u>
Net Cash Used by Capital Financing Activities	
Purchase of Fixed Assets	
Net Cash Used by Capital Financing Activities	
Cash Flows from Investing Activities:	
Interest Income	56
Net Increase (Decrease) in Cash	2,094
Cash and Cash Equivalents, July 1)	<u>77,717</u>
Cash and Cash Equivalents, June 30	<u>\$ 79,811</u>
Operating Income (Loss)	\$ (843,580)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:	
Depreciation	34,406
Change in Assets and Liabilities:	
(Increase)/Decrease in Interfund Receivable	
(Increase)/Decrease in Accounts Receivable	(44,501)
(Increase)/Decrease in Inventory	20,360
Increase/(Decrease) in Accounts Payable	94,552
Increase/(Decrease) in Interfund Payable	
Increase/(Decrease) in Unearned Revenue	(19,728)
Total Adjustments	<u>85,089</u>
Net Cash Used by Operating Activities	<u>\$ (758,491)</u>

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school. This includes serial bonds outstanding and obligations under capital leases.

CAMDEN PROMISE CHARTER SCHOOL, INC.  
SCHEDULE OF SERIAL BONDS  
AS OF JUNE 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2020</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance July 1, 2021</u>
Construction of Renovations to an existing building referred to as	7/8/11	\$2,467,080	2021 - 22	\$ 26,177	Subsidized	\$ <u>334,006</u>	\$ <u>          </u>	\$ <u>307,829</u>	\$ <u>26,177</u>

CAMDEN PROMISE CHARTER SCHOOL, INC.  
SCHEDULE OF CAPITAL LEASES  
AS OF JUNE 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2020</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance July 1, 2021</u>
2017 IC Corp CE 50+ Lift Passenger School Bus									
2017 IC Corp CE 54 Passenger School Bus	9/16/17	\$204,520	N/A	N/A	4.29%	\$ 42,919	\$	\$ 42,919	\$



**CAMDEN PROMISE CHARTER SCHOOL, INC.**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDING JUNE 30, 2021**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy- State Share	\$ 307,829	\$ _____	\$ 307,829	\$ 307,829	\$ _____
Total Revenues - Local Sources	<u>307,829</u>	<u>_____</u>	<u>307,829</u>	<u>307,829</u>	<u>_____</u>
<b>EXPENDITURES</b>					
Regular Debt Service:					
Redemption of Principal	307,829	_____	307,829	307,829	_____
Total Regular Debt Service	<u>307,829</u>	<u>_____</u>	<u>307,829</u>	<u>307,829</u>	<u>_____</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	_____	_____	_____	_____	_____
Fund Balances, July 1	_____	_____	_____	_____	_____
Fund Balances, June 30	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

**STATISTICAL SECTION**

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
*(UNAUDITED)*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities</b>										
Invested in Capital Assets, net of related debt	\$ 8,128,206	\$ 9,778,160	\$ 10,336,151	\$ 2,648,745	\$ 2,465,444	\$ 2,474,270	\$ 2,241,120	\$ 2,008,044	\$ 2,034,659	\$ 2,100,269
Restricted:										
Unemployment Compensation										47,485
Student Activities										1,310
Capital Reserve	1,536,608	1,636,608	1,715,645	2,015,645	509,582	278,461	278,461	500,000	785,000	1,250,000
Other Purpose	534,165	1,003,448	1,816,784	443,507	261,485	75,000	75,000	75,000	75,000	75,000
Unrestricted (Deficit)	2,972,753	2,225,373	1,755,879	839,378	(1,315,625)	(2,245,610)	(2,287,486)	(2,787,062)	(3,181,173)	(1,294,475)
<b>Total Governmental Activities Net Position</b>	<b>\$ 13,171,732</b>	<b>\$ 14,643,589</b>	<b>\$ 15,624,459</b>	<b>\$ 5,947,275</b>	<b>\$ 1,920,886</b>	<b>\$ 582,121</b>	<b>\$ 307,095</b>	<b>\$ (204,018)</b>	<b>\$ (286,514)</b>	<b>\$ 2,179,589</b>
<b>Business-Type Activities</b>										
Invested in Capital Assets, net of related debt	\$ 34,756	\$ 28,195	\$ 21,634	\$ 39,979	\$ 100,660	\$ 92,953	\$ 85,246	\$ 77,539	\$ 43,133	\$ 8,727
Unrestricted	34,573	61,848	164,438	157,422	21,092			178,448	166,487	117,898
<b>Total Business-Type Activities Net Position</b>	<b>\$ 69,329</b>	<b>\$ 90,043</b>	<b>\$ 186,072</b>	<b>\$ 197,401</b>	<b>\$ 121,752</b>	<b>\$ 92,953</b>	<b>\$ 85,246</b>	<b>\$ 255,987</b>	<b>\$ 209,620</b>	<b>\$ 126,625</b>
<b>District-Wide</b>										
Invested in Capital Assets, net of related debt	\$ 8,162,962	\$ 9,806,355	\$ 10,357,785	\$ 2,688,724	\$ 2,566,104	\$ 2,567,223	\$ 2,326,366	\$ 2,085,583	\$ 2,077,792	\$ 2,108,996
Restricted:										
Unemployment Compensation										47,485
Student Activities										1,310
Capital Reserve	1,536,608	1,636,608	1,715,645	2,015,645	509,582	278,461	278,461	500,000	785,000	1,250,000
Other Purpose	537,165	1,003,448	1,816,784	443,507	261,485	75,000	75,000	75,000	75,000	75,000
Unrestricted (Deficit)	3,007,326	2,287,221	1,920,317	996,800	(1,294,533)	(2,245,610)	(2,287,486)	(2,608,614)	(3,014,686)	(1,176,577)
<b>Total District-Wide Net Position</b>	<b>\$ 13,244,061</b>	<b>\$ 14,733,632</b>	<b>\$ 15,810,531</b>	<b>\$ 6,144,676</b>	<b>\$ 2,042,638</b>	<b>\$ 675,074</b>	<b>\$ 392,341</b>	<b>\$ 51,969</b>	<b>\$ (76,894)</b>	<b>\$ 2,306,214</b>

Source: CAFR Schedule A-1

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
 (UNAUDITED)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 7,321,260	9,321,420	9,787,724	11,539,906	13,211,231	15,288,338	16,333,133	16,915,000	17,007,755	17,439,554
Support Services										
School Administrative Services	2,547,747	3,075,281	2,586,568	3,230,097	4,730,643	2,215,487	3,098,035	4,181,194	4,701,990	4,100,953
General Administrative Services	3,970,840	5,211,400	6,645,929	6,992,833	6,626,119	3,065,595	1,375,069	1,151,675	993,667	1,548,782
Student and Instruction Related Services										52,269
Rental of Land and Buildings	735,000	455,760	455,760	416,005	322,500					
Plant Operations and Maintenance	1,743,482	1,115,027	1,460,823	1,809,709	1,942,420	4,647,323	5,667,197	5,561,448	5,458,200	5,201,415
Pupil Transportation	21,837	48,735	10,915	3,345	1,400	43,885	93,294	177,207	120,648	80,113
Employee Benefits	1,345,713	1,630,390	2,198,996	3,562,890	4,642,742	10,628,974	12,208,461	11,903,475	18,686,827	15,852,262
Unallocated Depreciation and Amortization	547,816	617,909	785,416	700,653	567,858	577,333	577,313	582,713	309,735	283,170
Total Governmental Activities Expenses	18,233,695	21,475,922	23,932,131	28,255,438	32,044,913	36,466,935	39,352,502	40,472,712	47,278,822	44,558,518
Business-Type Activities										
Food Service	958,237	1,166,325	1,298,205	1,574,846	2,024,325	1,576,103	1,481,656	1,586,531	1,468,927	843,580
Total Business-Type Activities Expense	958,237	1,166,325	1,298,205	1,574,846	2,024,325	1,576,103	1,481,656	1,586,531	1,468,927	843,580
Total District Expenses	\$ 19,191,932	22,642,247	25,230,336	29,830,284	34,069,238	38,043,038	40,834,158	42,059,243	48,747,749	45,402,098
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services										19,935
Operating Grants and Contributions	\$ 2,328,511	2,669,330	2,953,167	4,307,450	3,993,490	5,852,557	4,436,339	4,155,710	9,769,506	6,037,984
Total Governmental Activities Program Revenues	2,328,511	2,669,330	2,953,167	4,307,450	3,993,490	5,852,557	4,436,339	4,155,710	9,769,506	6,057,919
Business-Type Activities										
Charges for Services										-
Food Service	362,471	480,180	598,722	612,386	823,367	59,026	64,781	30,439	30,884	-
Operating Grants and Contributions	578,339	704,114	795,185	916,633	1,051,183	1,251,508	1,321,123	1,571,058	1,304,163	760,529
Total Business-Type Activities Program Revenues	940,810	1,184,294	1,393,907	1,529,019	1,874,550	1,310,534	1,385,904	1,601,497	1,335,047	760,529
Total District Program Revenues	\$ 3,269,321	3,853,624	4,347,074	5,836,469	5,868,040	7,163,091	5,822,243	5,757,207	11,104,553	6,818,448
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (15,905,184)	(18,806,592)	(20,978,964)	(23,947,988)	(28,051,423)	(30,614,378)	(34,916,163)	(36,317,002)	(37,509,316)	(38,500,599)
Business-Type Activities	(17,427)	17,969	95,692	(45,827)	(149,775)	(265,569)	(95,752)	14,966	(133,880)	(83,051)
Total District-Wide Net Expense	\$ (15,922,611)	(18,788,623)	(20,883,272)	(23,993,815)	(28,201,198)	(30,879,947)	(35,011,915)	(36,302,036)	(37,643,196)	(38,583,650)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Property Taxes Levied for General Purposes, net	\$ 6,376,913	7,336,823	7,569,299	8,290,731	8,167,032	1,844,556	2,259,726	2,846,090	3,160,746	3,485,647
Unrestricted Grants and Contributions	9,052,849	11,998,137	12,651,599	14,260,143	15,755,038	27,573,488	32,381,992	33,094,542	34,315,548	37,323,467
Investment Earnings	2,412	2,716	106,634	2,769	1,068	1,022	925	1,327	1,841	2,129
Miscellaneous Income	1,685,697	1,243,763	1,632,302	1,034,434	215,670	124,809	86,408	19,564	35,994	112,461
Fixed Asset and Capital Lease Adjustment				(7,472,646)						
Cancellation of Prior Accounts Receivable					(40,046)	(31,601)				
Transfers		(3,572)		(65,887)	(73,728)	(236,661)	(87,914)	(155,634)	(87,309)	-
Total Governmental Activities	17,117,871	20,577,867	21,959,834	16,049,544	24,025,034	29,275,613	34,641,137	35,805,889	37,426,820	40,923,704
Business-Type Activities										
Miscellaneous Income				(8,999)						
Investment Earnings	113	176	327	268	398	109	131	141	204	56
Transfer		2,569		65,887	73,728	236,661	87,914	155,634	87,309	-
Total Business-Type Activities	113	2,745	327	57,156	74,126	236,770	88,045	155,775	87,513	56
Total District-Wide	\$ 17,117,984	20,580,612	21,960,161	16,106,700	24,099,160	29,512,383	34,729,182	35,961,664	37,514,333	40,923,760
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,212,687	1,771,275	980,870	(7,898,444)	(4,026,389)	(1,338,765)	(275,026)	(511,113)	(82,496)	2,423,105
Business-Type Activities	(17,314)	20,714	96,029	11,329	(75,649)	(28,799)	(7,707)	170,741	(46,367)	(82,995)
Total District-Wide	\$ 1,195,373	1,791,989	1,076,899	(7,887,115)	(4,102,038)	(1,367,564)	(282,733)	(340,372)	(128,863)	2,340,110

Source: CAFR Schedule A-2

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
*(UNAUDITED)*

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Restricted	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital Reserve	1,339,733	1,439,733	1,518,770	1,818,770	509,582	278,461	278,461	500,000	785,000	1,250,000
Unemployment Compensation										47,485
Escrow Account	414,994	300,000	300,000	300,000	261,485	75,000	75,000	75,000	75,000	75,000
Assigned										
Year-end Encumbrances		1,182,829	720,750	564,757	56,013		18,680	68,032	74,853	511,470
Designated for Subsequent Years										
Expenditure			730,205	249,722	538,772					
Unassigned	2,265,542	1,595,455	1,672,811	1,806,917		175,000	613,555	547,500	604,058	2,306,159
Total General Fund	<u>\$ 4,020,269</u>	<u>\$ 4,518,017</u>	<u>\$ 4,942,536</u>	<u>\$ 4,740,166</u>	<u>\$ 1,365,852</u>	<u>\$ 528,461</u>	<u>\$ 985,696</u>	<u>\$ 1,190,532</u>	<u>\$ 1,538,911</u>	<u>\$ 4,190,114</u>
All Other Governmental Funds										
Restricted	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital Reserve	176,430	69,840	67,312	67,312						
Escrow Account	286,875	90,000	90,000	74,195						
Student Activities										1,310
Unassigned										
Year-end Encumbrances	270,735									
Total All Other Governmental Funds	<u>\$ 734,040</u>	<u>\$ 159,840</u>	<u>\$ 157,312</u>	<u>\$ 141,507</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,310</u>

Source: CAFR Schedule B-1

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
 (UNAUDITED)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax Levy	\$ 6,376,913	\$ 7,336,823	\$ 7,569,299	\$ 8,290,731	\$ 8,167,032	\$ 1,844,556	\$ 2,259,726	\$ 2,846,090	\$ 3,160,746	\$ 3,485,647
Rental	1,479,875	1,035,648	1,259,073	828,775	160,000					
Interest Earnings	918	1,047	1,185	1,742	611	1,022	925	1,327	1,841	2,126
Miscellaneous	207,133	209,784	478,678	206,686	56,127	124,809	86,408	19,564	35,994	132,399
State Sources	10,092,324	13,361,202	13,954,469	15,372,611	15,624,653	27,523,497	31,082,259	32,333,960	33,271,729	34,566,309
Federal Sources	1,289,036	1,306,265	1,650,297	1,685,593	1,918,495	1,977,284	2,020,106	2,182,627	1,972,742	4,094,962
<b>Total Revenues</b>	<b>19,446,199</b>	<b>23,250,769</b>	<b>24,913,001</b>	<b>26,386,138</b>	<b>25,926,918</b>	<b>31,471,168</b>	<b>35,449,424</b>	<b>37,383,568</b>	<b>38,443,052</b>	<b>42,281,443</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	7,321,260	9,321,420	9,787,724	11,539,906	13,211,231	15,288,338	16,333,133	16,915,000	17,007,755	17,439,554
Support Services										
General Administrative Services	2,941,941	3,614,790	3,057,542	3,231,517	4,731,754	2,215,487	3,098,035	4,181,194	4,701,990	4,100,953
School Administrative Services	1,144,826	1,976,078	2,026,617	2,220,282	2,106,092	3,065,595	1,375,069	1,151,675	993,667	1,548,782
Student and Instruction Related Services										52,269
Support	2,562,898	2,696,711	4,149,226	4,141,999	3,387,634					
Plant Operations and Maintenance	1,743,482	1,115,027	1,460,823	1,809,709	1,791,501	4,647,323	5,667,197	5,562,470	5,440,819	5,086,235
Pupil Transportation	180,561	48,735	10,915	3,345	1,400	43,885	94,936	177,207	120,648	80,113
Rental of Land and Building	735,000	455,760	455,760	416,005	322,500					
Unallocated Employee Benefits	1,203,670	1,630,390	2,198,996	2,689,770	3,287,333	6,195,937	7,991,742	8,685,915	9,385,166	10,898,094
Capital Outlay	2,132,944	2,062,210	1,126,558	257,239	445,517	323,611	72,563	66,460	62,122	115,180
Debt Service Principal		205,653	216,849	228,654	240,878	260,121	271,600	283,177	295,197	350,748
<b>Total Expenditures</b>	<b>19,966,582</b>	<b>23,126,774</b>	<b>24,491,010</b>	<b>26,538,426</b>	<b>29,525,840</b>	<b>32,040,297</b>	<b>34,904,275</b>	<b>37,023,098</b>	<b>38,007,364</b>	<b>39,671,928</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(520,383)	123,995	421,991	(152,288)	(3,598,922)	(569,129)	545,149	360,470	435,688	2,609,515
<b>Other Financing Sources (Uses)</b>										
Prior Year Adjustment					(8,457)					
Transfers		(3,572)		(65,887)	(73,728)	(236,661)	(87,914)	(155,634)	(87,309)	
Cancellation: Prior Accounts Receivable					(31,589)	(31,601)				
<b>Total Other Financing Sources (Uses)</b>	<b>(520,383)</b>	<b>(3,572)</b>		<b>(65,887)</b>	<b>(113,774)</b>	<b>(268,262)</b>	<b>(87,914)</b>	<b>(155,634)</b>	<b>(87,309)</b>	
<b>Net Change in Fund Balances</b>	<b>\$ 1,071,859</b>	<b>\$ 120,423</b>	<b>\$ 421,991</b>	<b>\$ (218,175)</b>	<b>\$ (3,712,696)</b>	<b>\$ (837,391)</b>	<b>\$ 457,235</b>	<b>\$ 204,836</b>	<b>\$ 348,379</b>	<b>\$ 2,609,515</b>
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	2.7%	2.6%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: CAFR Schedule B-2

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**GENERAL FUND OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<b>Fiscal Year Ended June 30,</b>	<b>Interest on Investments</b>	<b>Donation</b>	<b>Rentals</b>	<b>Services to Other LEAs</b>	<b>Refund of Prior Year Expenditure</b>	<b>Prior Year Purchase Order Adj.</b>	<b>Parades</b>	<b>KATZ Shared Service</b>	<b>Misc.</b>	<b>Total</b>
2021	\$ 2,126	\$	\$	\$	\$	\$	\$	\$	\$ 1,736	\$ 3,862
2020	1,841	3,091							30,856	35,788
2019	1,327	2,141				1,716			6,398	11,582
2018	925	1,066			61,344	3,670			20,328	87,333
2017	1,022				30,674	47,011			47,124	125,831
2016	1,355		160,000		15,198	8,344			31,631	216,528
2015	2,769	23,182	856,123	6,360	6,697	4,803		5,209	131,533	1,036,676
2014	3,018	31,950	1,506,568	44,440	22,999	17,036	2,400	46,250	63,777	1,738,438
2013	2,716	30,782	1,074,586	83,583	2,433	25,292			24,108	1,243,500
2012	2,412		1,617,195		14,460	26			40,116	1,674,209

Source: District Records

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS\*\***  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<u>Year</u>	<u>Population</u> <sup>a</sup>	<u>Personal Income (thousands of dollars)</u> <sup>b</sup>	<u>Per Capita Personal Income</u> <sup>c</sup>	<u>Unemployment Rate</u> <sup>d</sup>
2021 *	73,003	\$ 4,133,783,286	\$ 56,339	i16*0.95
2020	73,740	4,025,998,561	56,059	16.3%
2019	73,575	3,860,428,319	55,780	7.9%
2018	73,780	3,755,506,625	53,740	8.9%
2017	73,780	3,803,037,696	51,889	9.8%
2016	73,847	3,703,006,152	50,230	10.1%
2015	75,228	3,676,798,764	48,869	11.1%
2014	75,696	3,549,442,065	46,926	12.7%
2013	76,305	3,450,737,788	45,255	16.0%
2012	76,729	3,420,696,912	44,608	18.5%

\* Estimate

\*\* The above demographics reflect the entire City of Camden population.

**Source:**

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

<sup>b</sup> Personal income

<sup>c</sup> Per Capita

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

N/A - Not Available at time of Audit



**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
*(UNAUDITED)*

<b>Function/Program</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Instruction										
Regular	108	138	175	182	175	212	237	230	226	253
Special education	20	24	27	31	31	40	41	41	39	39
Other special education			2							
Vocational										
Other instruction										
Support Services:										
Tuition										
Student & instruction related services	2	1	1	1	1	1	1	1		
General administrative services	6	10	9	9	9	9	9	9	9	10
School administrative services	3	4	4	4	4	5	5	5	5	7
Business administrative services	4	4	5	5	5	5	5	5	5	5
Plant operations and maintenance	2	3	2	2	2	3	3	3	3	5
Pupil transportation	1	5	7	7	7	7	7	6	5	6
Food Service	1	1	1	1	1	1	3	3	3	4
<b>Total</b>	<b>147</b>	<b>190</b>	<b>233</b>	<b>242</b>	<b>235</b>	<b>283</b>	<b>311</b>	<b>303</b>	<b>295</b>	<b>329</b>

**Source:** District Personnel Records

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
 (UNAUDITED)

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2021	2,243	\$ 39,206,000	\$ 17,479	5.8%	329	8:1	2,188.3	2,079.0	-0.61%	95.01%
2020	2,245	37,650,045	16,771	1.5%	295	8:1	2,252.9	2,172.9	3.88%	96.45%
2019	2,209	36,673,461	16,602	0.4%	303	7:1	2,219.7	2,091.8	5.45%	94.24%
2018	2,091	34,560,112	16,528	-0.4%	311	7:1	2,080.8	1,983.8	9.02%	95.34%
2017	1,895	31,456,565	16,600	-11.8%	252	8:1	1,895.5	1,819.7	22.13%	96.00%
2016	1,554	29,231,242	18,810	5.9%	208	8:1	1,552.0	1,489.6	4.33%	95.98%
2015	1,480	26,281,187	17,758	3.1%	213	7:1	1,487.5	1,420.9	9.42%	95.52%
2014	1,356	23,364,452	17,230	5.0%	187	7:1	1,359.5	1,297.7	5.84%	95.46%
2013	1,278	20,972,018	16,410	-5.2%	170	8:1	1,284.4	1,211.9	22.18%	94.35%
2012	1,029	17,816,957	17,315	6.8%	134	8:1	1,051.2	1,004.0	7.82%	95.51%

**Sources:** District records, ASSA and Schedules J-12, J-14

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
 (UNAUDITED)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>District Building</b>										
<b>Elementary</b>										
<b>Parkside</b>										
Square Feet		33,066	33,066	33,066	33,066	33,066				
Capacity (students)		334	334	334	334	334				
Enrollment		135	149	160	148	146				
<b>Rosedale</b>										
Square Feet		12,800	12,800	12,800	12,800	12,800	12,800	12,800	12,800	12,800
Capacity (students)		500	500	500	500	500	450	460	460	460
Enrollment		60	90	160	172	259	427	460	418	506
<b>Camden's Pride Charter School, Inc.</b>										
Square Feet	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Capacity (students)	168	240	240	240	240	340	450	450	450	450
Enrollment	210	240	240	239	240	335	393	437	467	449
<b>Middle</b>										
<b>Camden's Promise Charter School, Inc.</b>										
Square Feet	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Capacity (students)	480	480	480	480	480	590	750	750	750	750
Enrollment	299	314	322	341	369	587	644	681	625	689
<b>High</b>										
<b>Camden's Academy Charter High School, Inc.</b>										
Square Feet	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Capacity (students)	500	500	500	500	500	570	750	750	750	750
Enrollment	404	413	465	464	496	568	627	623	538	599
<b>Other</b>										
Administration Building	N/A									
Square Feet										
Transportation										
Square Feet										
Maintenance Offices										
Square Feet										
Number of Schools at JUNE 30, 2021										
Elementary =	2									
Middle School =	1									
High School =	1									
Other =										

Source: District records, ASSA

Note: Increases in square footage and capacity are the result of additions.  
 Enrollment is based on the annual October district count.

**CAMDENS PROMISE CHARTER SCHOOL, INC**  
**INSURANCE SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**  
 (UNAUDITED)

Company	Type of Coverage July 1, 2020 - July 1, 2021:	Coverage	Deductible
NJSIG	Commercial Policy		
	Property - Blanket Building & Personal Property	\$ 3,510,600	\$ 1,000
	Comprehensive General Liability		
	Products and Completed Operations	11,000,000	1,000
	Personal Advertising Injury	11,000,000	1,000
	Bodily Injury & Property Damage	11,000,000	1,000
	Employee Benefits Liability	11,000,000	1,000
	Comprehensive Automobile Liability	11,000,000	1,000
	Boiler and Machinery	100,000,000	1,000
	Employee Dishonesty Coverage	100,000	1,000
	Inland Marine	900,000	1,000
	Legal Liability	6,000,000	5,000
	Workman's Compensation:		
	Bodily Injury from Accident	2,000,000	
	Bodily Injury from Disease/Aggregate Limit	2,000,000	
	Bodily Injury from Disease/ Each Employee	2,000,000	
Markel Ins. Co.	Workman's Compensation Supplemental Policy	Full Salary	
	Surety Bonds		
NJ School Boards	Treasurer's Bond	475,000	
Ohio Casualty Ins. Co.	Business Administrator	50,000	
Berkley Ins. Co.	Compulsory Student Accident	1,000,000	
U.S. Fire Ins. Co.	Catastrophic Student Accident	5,000,000	
	Catastrophic Cash Benefit - Maximum Benefit	500,000	25,000

**Source: District Records**

**CAMDENS PROMISE CHARTER SCHOOL, INC**  
**CHARTER SCHOOL PERFORMANCE FRAMEWORK**  
**FINANCIAL PERFORMANCE - FISCAL RATIOS**  
**JUNE 30, 2021**  
**(UNAUDITED)**

	2019	2020	2021	Source
Cash	\$ 2,712,187	\$ 2,260,229	\$ 3,542,361	Audit: Exhibit A-1
Current Assets	3,892,856	3,630,820	6,315,281	Audit: Exhibit A-1
Total Assets	6,691,714	6,085,537	8,450,454	Audit: Exhibit A-1
Current Liabilities	2,865,873	2,278,228	2,032,226	Audit: Exhibit A-1
Total Liabilities	7,639,357	6,401,786	5,541,010	Audit: Exhibit A-1
Net Position	\$ 51,969	\$ (76,894)	\$ 2,306,214	Audit: Exhibit A-1
Total Revenue	41,718,871	48,618,886	47,742,208	Audit: Exhibit A-2
Total Expenses	42,059,243	48,747,749	45,402,098	Audit: Exhibit A-2
Change in Net Position	\$ (340,372)	\$ (128,863)	\$ 2,340,110	Audit: Exhibit A-2
Depreciation Expense	582,713	309,735	285,138	Financial Statements/ Audit Workpapers
Interest Expense	5,300	3,607	1,841	Financial Statements/ Audit Workpapers
Principal Payments	322,637	336,350	350,748	Financial Statements/ Audit Workpapers
Interest Payments	38,074	24,361	9,962	Financial Statements/ Audit Workpapers
Final Average Daily Enrollment	2,209	2,245	2,243	DOE Enrollment Reports
March 30th Budgeted Enrollment	2,189	2,252	2,189	Charter School Budget

	2019	2020	2021	3 Year Cumulative	Source
<b>Near Term Indicators</b>					
Current Ratio	1.36	1.59	3.11	1.93	Current Assets/ Current Liabilities
Unrestricted Days Cash	23.54	16.92	28.48	22.82	Cash/ (Total Expenses/365)
Enrollment Variance	101%	100%	100%	101%	verage Daily Enrollment / Budgeted Enrollme
Default	N/A	N/A	N/A	N/A	Audit
<b>Sustainability Indicators</b>					
Total Margin	-0.82%	-0.27%	4.90%	1.35%	Change in Net Position/ Total Revenue
Debt to Asset	1.14	1.05	0.66	0.92	Total Liabilities/ Total Assets
Cash Flow	897,199	445,241	1,282,132	2,624,572	Net change in cash flow from prior years (Change in Net Position+Interest Expense+Depreciation+Noncash Pension Expense)
Debt Service Coverage Ratio	2.03	1.79	7.99	3.93	(Principal & Interest Payments)

**SINGLE AUDIT SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

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## 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 Members of  
The Board of Trustees  
Camden's Promise Charter School, Inc.  
County of Camden, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Trustees of the Camden's Promise Charter School, Inc. School District, in the County of Camden, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board of Trustees of the Camden's Promise Charter School, Inc. School District's basic financial statements, and have issued our report thereon dated January 31, 2022.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Camden's Promise Charter School, Inc. Board of Trustees' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Camden's Promise Charter School, Inc. Board of Trustees' internal control. Accordingly, we do not express an opinion on the effectiveness of the Camden's Promise Charter School, Inc. Board of Trustees' 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. We considered the deficiency described in the accompanying schedule of findings and questioned costs to be significant, labeled 2021-1.

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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Camden's Promise Charter School, Inc. Board of Trustees' financial statements are free of 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 instance of noncompliance, or other matters required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Board of Trustees Response to Findings**

Camden's Promise Board of Trustees response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Their response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
January 31, 2022



# **NIGHTLINGER, COLAVITA & VOLPA**

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## **REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

### **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Trustees  
Camden's Promise Charter School, Inc.  
County of Camden, New Jersey

#### **Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Trustees of the Camden's Promise Charter School, Inc., in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described 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 Camden's Promise Charter School, Inc.'s major federal and state programs for the fiscal year ended June 30, 2021. The Camden's Promise Charter School, Inc. Board of Trustees' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Camden's Promise Charter School, Inc. Board of Trustees' major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 as prescribed by the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Those standards, Uniform Guidance and New Jersey OMB 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred.

An audit includes examining, on a test basis, evidence about the Camden's Promise Charter School, Inc. Board of Trustees' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Camden's Promise Charter School, Inc. Board of Trustees' compliance.

## Opinion on Each Major Federal and State Program

In our opinion, the Board of Trustees of the Camden's Promise Charter School, Inc., in the County of Camden, State of New Jersey, 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 fiscal year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of the Camden's Promise Charter School, Inc. School District's Board of Trustees' is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Camden's Promise Charter School, Inc. Board of Trustees' internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB Treasury 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Camden's Promise Charter School, Inc. Board of Trustees' 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 or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Trustees in a separate report entitled *Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance* dated January 31, 2022. However, material weaknesses may exist that have not been identified.

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

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
January 31, 2022

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2020			Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adjustments/ Repayment of Prior Years' Balances	Balance at JUNE 30, 2021		
						(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Education General Fund Medical Assistance Program	93.778	2005NJ5MAP	N/A	\$ 100,285	7/1/20 to 6/30/21	\$	\$	\$	\$ 100,285	\$ (100,285)	\$	\$ (100,285)	\$	\$	\$	\$
									100,285	(100,285)		(100,285)				
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund: Child Nutrition Cluster: Cash Assistance: National School Breakfast Program	10.553	201NJ304N1099	N/A	309,917	7/1/19 to 6/30/20	(8,818)		8,818								
National School Breakfast Program	10.553	211NJ304N1099	N/A	24,962	7/1/20 to 6/30/21			24,962		(24,962)		(24,962)				
National School Lunch Program	10.555	201NJ304N1099	N/A	795,334	7/1/19 to 6/30/20	(14,147)		14,147								
National School Lunch Program	10.555	211NJ304N1099	N/A	15,671	7/1/20 to 6/30/21			15,671		(15,671)		(15,671)				
Fresh Fruits and Vegetables	10.582	211NJ304L1603	N/A	27,600	7/1/20 to 6/30/21			24,975		(27,600)		(27,600)		(2,625)		
Child and Adult Care Food Program-Food	10.558	211NJ304N1099	N/A	584,722	7/1/20 to 6/30/21			523,138		(584,722)		(584,722)		(61,584)		
Child and Adult Care Food Program-Admin	10.558	211NJ304N1099	N/A	59,960	7/1/20 to 6/30/21			53,645		(59,960)		(59,960)		(6,315)		
Non-Cash Assistance: Food Distribution Program	10.565	Unknown	N/A	106,037	7/1/19 to 6/30/20		21,818			(21,818)		21,818				
Food Distribution Program	10.565	Unknown	N/A	71,141	7/1/20 to 6/30/21			71,141		(69,051)		(69,051)			2,090	
Total Enterprise Fund:						(22,965)	21,818		736,497	(803,784)		(760,148)				2,090
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund: E.S.E.A. Title I, Part A	84.010A	S010A190030	ESEA 6107-20	1,274,301	7/1/19 to 9/30/20	(317,912)		317,912								
Title I, Part A	84.010A	S010A200030	ESEA 6107-21	1,654,024	7/1/20 to 9/30/21			997,320		(1,546,610)		(1,546,610)		(549,290)		
Title I, Part A (Reallocated)	84.010A	S010A190030	ESEA 6107-20	41,827	7/1/19 to 9/30/20	(21,695)		21,695								
Title I, Part A (Reallocated)	84.010A	S010A200030	ESEA 6107-21	59,069	7/1/20 to 9/30/21			37,375		(37,375)		(37,375)				
Title II - A	84.367A	S367A190029	ESEA 6107-20	165,857	7/1/19 to 9/30/20	(52,824)		52,824								
Title II - A	84.367A	S367A200029	ESEA 6107-21	166,356	7/1/20 to 9/30/21			109,916		(132,756)		(132,756)		(22,840)		
Title III	84.365A	S365A190030	ESEA 6107-20	21,237	7/1/19 to 9/30/20	(15,574)		15,574								
Title III	84.365A	S365A200030	ESEA 6107-21	23,751	7/1/20 to 9/30/21					(23,571)		(23,571)		(23,571)		
Title IV	84.424	S424A190031	ESEA 6107-20	114,532	7/1/19 to 9/30/20	(24,946)		24,946								
Title IV	84.424	S424A200031	ESEA 6107-21	140,768	7/1/20 to 9/30/21			109,876		(130,525)		(130,525)		(20,649)		
IDEA Cluster: IDEA Part B-Basic	84.027	H027A190100	IDEA 6107-20	482,268	7/1/19 to 9/30/20	(438,644)		438,644								
IDEA Part B-Basic	84.027	H027A200100	IDEA 6107-21	581,221	7/1/20 to 9/30/21			508,088		(591,177)		(591,177)		(83,089)		
IDEA Preschool	84.173	H173A190114	IDEA PS 6107-20	14,694	7/1/19 to 9/30/20	(6,136)		6,136								
IDEA Preschool	84.173	H173A200114	IDEA PS 6107-21	15,819	7/1/20 to 9/30/21			3,621		(15,287)		(15,287)		(11,666)		
Education Stabilization Fund: Learning Acceleration Elementary and Secondary School Emergency Relief (ESSER II)	84.425D	S425D200027	ESSERLAN 6107-20	297,905	3/13/20 to 9/30/23					(5,809)		(5,809)		(5,809)		
Emergency Relief (ESSER II)	84.425D	S425D200027	ESSER 6107-20	4,642,087	3/13/20 to 9/30/23					(637,139)		(637,139)		(637,139)		
CARES ACT 2020 ESSER	84.425D	S425D200027	CARES 6107-20	1,026,860	3/13/20 to 9/30/22	(2,025)		57,909		(837,232)		(837,232)		(781,348)		
COVID Relief Fund	21.019	N/A	21E00041	298,998	7/1/20 to 9/30/21			298,998		(160,871)		(160,871)			138,127	
						(879,756)			3,000,834	(4,118,352)		(4,118,352)		(2,135,401)	138,127	
Total Federal Financial Awards						\$ (902,721)	\$ 21,818	\$	\$ 3,837,616	\$ (5,022,421)	\$	\$ (5,022,421)	\$	\$ (2,205,925)	\$ 140,217	\$

(A) There were no awards passed through to subrecipients.

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

These funds were audited in accordance with the Uniform Guidance since the total of all grant expenditures exceeded \$750,000.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2020			Budgetary Expenditures	Adjustments	Balance at June 30, 2021			
				Unearned Revenue (Accounts Receivable)	Due to Local Government	Cash Received			(Accounts Receivable) From Districts	Unearned Revenue/ Interfund Payable	Due to Local Government	
<b>State Department of Education</b>												
General Fund:												
Equalization Aid	21-495-034-5120-078	25,260,212	7/1/20 to 6/30/21	\$	\$	\$ 25,084,520	\$ (25,260,212)	\$	\$ (181,622)	\$	\$	5,930
Equalization Aid	20-495-034-5120-078	25,365,957	7/1/19 to 6/30/20	(157,121)		120,031			(47,144)			10,054
Equalization Aid	19-495-034-5120-078	24,103,665	7/1/18 to 6/30/19	(23,307)					(23,307)			
Equalization Aid	18-495-034-5120-078	22,928,909	7/1/17 to 6/30/18	(4,777)					(4,777)			
Equalization Aid	17-495-034-5120-078	21,577,363	7/1/16 to 6/30/17	(4,555)					(4,555)			
Special Education Categorical Aid	21-495-034-5120-089	676,727	7/1/20 to 6/30/21			662,675	(676,727)		(14,052)			
Special Education Categorical Aid	20-495-034-5120-089	690,968	7/1/19 to 6/30/20	(6,429)		2,741			(3,688)			
Security Aid	21-495-034-5120-084	1,126,857	7/1/20 to 6/30/21			1,118,332	(1,126,857)		(8,716)			191
Security Aid	20-495-034-5120-084	1,076,875	7/1/19 to 6/30/20	(9,216)		5,944			(3,744)			472
Security Aid	19-495-034-5120-084	891,295	7/1/18 to 6/30/19	(73)					(73)			
Security Aid	17-495-034-5120-084	769,434	7/1/16 to 6/30/17									
Adjustment Aid	21-495-034-5120-085	480,503	7/1/20 to 6/30/21			480,503	(480,503)					
Reimbursed TPAF S.S. Contributions	21-495-034-5094-003	1,080,030	7/1/20 to 6/30/21			1,072,244	(1,080,030)			(7,786)		
Reimbursed TPAF S.S. Contributions	20-495-034-5094-003	1,048,203	7/1/19 to 6/30/20	(7,367)		7,367						
On-Behalf TPAF Post Retirement Medical	21-495-034-5094-001	1,170,814	7/1/20 to 6/30/21			1,170,814	(1,170,814)					
On-Behalf TPAF Pension Contribution	21-495-034-5094-002	3,736,032	7/1/20 to 6/30/21			3,736,032	(3,736,032)					
On-Behalf TPAF Long-Term Disability	21-495-034-5094-004	4,845	7/1/20 to 6/30/21			4,845	(4,845)					
<b>Total General Fund</b>				<b>(212,845)</b>		<b>33,466,048</b>	<b>(33,536,020)</b>		<b>(291,678)</b>	<b>(7,786)</b>		<b>16,647</b>
<b>Special Revenue Fund</b>												
Tech-Prep Grant	NOG05 BV10 G06	19,019	7/1/05 to 6/30/06	6,517							6,517	
Preschool Education Aid	21-495-034-5120-086	724,729	7/1/20 to 6/30/21			724,729	(722,460)				2,269	
<b>Total Special Revenue Fund</b>				<b>6,517</b>		<b>724,729</b>	<b>(722,460)</b>				<b>8,786</b>	
<b>Debt Service Fund</b>												
Equalization Aid	21-495-034-5120-078	307,829	7/1/19 to 6/30/20			307,829	(307,829)					
<b>State Department of Agriculture</b>												
Enterprise Fund - State Share:												
State School Lunch Program	20-100-010-3350-023	18,273	7/1/19 to 6/30/20	(4,515)		4,515						
State School Lunch Program	21-100-010-3350-023	381	7/1/20 to 6/30/21			381	(381)					
				(4,515)		4,896	(381)					
<b>Total State Financial Assistance</b>				<b>\$ (210,843)</b>	<b>\$</b>	<b>\$ 34,503,502</b>	<b>\$ (34,566,690)</b>	<b>\$</b>	<b>\$ (291,678)</b>	<b>\$ (7,786)</b>	<b>\$ 8,786</b>	<b>\$ 16,647</b>
Less: On-Behalf TPAF Pension System Contributions												
On-Behalf TPAF Post Retirement Medical	21-495-034-5094-001	1,170,814	7/1/20 to 6/30/21			\$ 1,170,814	\$ (1,170,814)					
On-Behalf TPAF Pension Contribution	21-495-034-5094-002	3,736,032	7/1/20 to 6/30/21			3,736,032	(3,736,032)					
On-Behalf TPAF Long-Term Disability	21-495-034-5094-004	4,845	7/1/20 to 6/30/21			4,845	(4,845)					
<b>Total For State Financial Assistance - Major Program Determination</b>						<b>\$ 29,591,811</b>	<b>\$ (29,654,999)</b>					

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

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO THE SCHEDULE OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2021**

**NOTE 1: GENERAL**

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state award programs of the Board of Trustees, Camden's Promise Charter School, Inc. The board of trustees is defined in Note 1 to the Board's basic financial statements. 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.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and New Jersey OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The Charter School has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**NOTE 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or expenditures have been made.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.**  
**NOTES TO THE SCHEDULE OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2021**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$123,675 for the special revenue fund. See Note 2 for a reconciliation of the budgetary basis to the Modified Accrual basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 100,285	\$ 33,536,020	\$ 33,636,305
Special Revenue Fund	3,994,677	722,460	4,717,137
Debt Service Fund		307,829	307,829
Food Service Fund	760,148	381	760,529
Total Awards & Financial Assistance	<u>\$ 4,855,110</u>	<u>\$ 34,566,690</u>	<u>\$ 39,421,800</u>

**NOTE 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.

**NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING**

Camden's Promise Charter School had no outstanding loans at June 30, 2021.

**NOTE 6: OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the Charter School for the year ended June 30, 2021. TPAF Social Security Contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

**NOTE 7: SCHOOL-WIDE PROGRAM FUNDS**

The District's Federal Programs are maintained on a school-wide basis.

**NOTE 8: MAJOR PROGRAMS**

Major programs are identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

**NOTE 9: ADJUSTMENTS**

There were no adjustments reported on Schedule A or Schedule B for the 2020-2021 School Year.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness (es) identified? \_\_\_\_\_ yes  X  no  
2) Significant deficiencies identified?  X  yes \_\_\_\_\_ no  
reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes  X  no

Federal Awards

Internal control over major programs:

1) Material weakness (es) identified? \_\_\_\_\_ yes  X  no  
2) Significant deficiencies identified? \_\_\_\_\_ yes  X  no

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)? \_\_\_\_\_ yes  X  no

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.425	S425D200027	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

CAMDEN'S PROMISE CHARTER SCHOOL, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(continued)

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$880,415

Auditee qualified as low-risk auditee?  X  yes   no

Internal control over major programs:

1) Material weakness (es) identified?   yes  X  no

2) Significant deficiencies identified that are not considered to be material weaknesses?   yes  X  no

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08   yes  X  no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
21-495-034-5120-078	Equalization Aid
21-495-034-5120-089	Special Education Categorical Aid
21-495-034-5120-084	Security Aid
21-495-034-5120-085	Adjustment Aid
21-495-034-5120-086	Preschool Education Aid



**CAMDEN'S PROMISE CHARTER SCHOOL, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(continued)**

**Section II - Financial Statement Findings**

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

**Finding 2021-1 (AMR 2021-1):**

**Criteria or specific requirement:**

It is considered necessary, as well as required, to record adjusting journal entries into the General Ledger and other journals within the accounting software, prior to the year-end financial close.

**Condition:**

Numerous adjustments to the Charter School General Ledger were presented as part of the audit.

**Context:**

There were numerous adjusting journal entries required to be identified and recorded subsequent to the year-end financial close out.

**Effect:**

As a result of the above condition, adjusting journal entries were submitted to the Board Office, as of June 30, 2021.

**Cause:**

A necessary step to analyze the General Ledger account balances was omitted.

**Recommendation:**

Prior to the year-end close out of the accounting system, various adjustments should be identified and recorded in the General Ledger.

**Management's response:**

Management is aware of the finding and agrees with the recommendation.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021  
(continued)

Section III - Federal Awards and State Financial Assistance  
Findings and Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

**FEDERAL AWARDS**

**Finding: None**

**Information on the federal program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**STATE AWARDS**

**Finding: None**

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a)(b) and New Jersey OMB's Treasury Circular 15-08.

**STATUS OF PRIOR - YEAR FINDINGS**

**Condition:**

The 2019-20 Preschool Education Aid was appropriated and accounted for within the General Fund, rather than the Special Revenue Fund.

**Status:** Resolved