

**ANNUAL COMPREHENSIVE FINANCIAL REPORT OF
CAMDEN PREP, INC.
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

CAMDEN PREP, INC.

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June 30, 2022

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N/A=Not Applicable

INTRODUCTORY SECTION

March 10, 2023

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

Dear Commissioner:

The Annual Comprehensive Financial Report of Camden Prep, Inc. (the Renaissance School) for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Renaissance School. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Renaissance School. All disclosures necessary to enable the reader to gain an understanding of the Renaissance School's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter and list of principal officials. The financial section includes the financial statements and schedules, as well as the auditor's report. The statistical section includes unaudited data from the Renaissance School's first five fiscal years. The Renaissance School is required to undergo annual single audit in conformity with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance and the State Treasury OMB's Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws and regulations and findings and recommendations is included in the single audit section of this report.

- 1) Reporting Entity and Its Services:** Camden Prep, Inc. constitutes an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and account groups of the entity are included in this report.

- 2) **Enrollment Outlook:** Camden Prep, Inc. opened its doors in August 2014. In its first year, the Renaissance School served a cohort of 66 kindergarten students. Since that time, the Renaissance School has grown each year increasing the number of students served. The Renaissance School has grown in order to ensure that as many Camden students as possible have access to a high-quality education that prepares them to enter, succeed in and ultimately graduate from a four-year college. The Renaissance School’s growth is indicated in the table below:

<u>School Year</u>	<u>Grades Served</u>	<u>Student Enrollment</u>
2014-2015	K	66
2015-2016	K-4 th	315
2016-2017	K-5 th	397.8
2017-2018	K-6 th	750
2018-2019	K-7 th	902
2019-2020	K-8 th	904
2020-2021	K-9 th	1,038
2021-2022	K-10 th	1,213

The Renaissance School operates an extended day and school year. Students attend classes from 8:00 a.m. to 4:00 p.m., which is more than an hour longer than most public schools. In addition, programs are available from 7:30 a.m. to 5:30 p.m. During the 2021-2022 school year, the average class size was 30 students. Students wear uniforms.

- 3) **Major Accomplishments:** The Renaissance School builds toward proficiency by maximizing instructional time, introducing critical learning strategies in kindergarten and then layering in additional complexity each year. The Renaissance School values the use of data to inform instruction through formal and informal assessments. Prior to joining the Renaissance School, only 3.0 percent of students were proficient in English language arts and 2.8 percent in mathematics. The growth in proficiency of these same students from year to year can be attributed to teachers and leaders analyzing student work and making clear action plans to address gaps in the data on a daily, weekly and quarterly basis. To maintain continued growth, the Renaissance School will remain faithful to the use of data cycles while continuing to increase the rigor of instruction that is taught in classrooms. High quality instruction at the Renaissance School is rigorous, engaging, and responsive to student learning. The Renaissance School has created and maintains a culture of high expectations for all of its students by developing a rigorous curriculum, offering a longer school day and extended school year, hiring a committed and talented staff, and effectively implementing data-driven instruction. The Renaissance School’s teachers are at the core of high-quality instruction. For the Renaissance School to maximize the learning our students are able to receive, it is critically important that our school focus on making teachers better faster through a rigorous and structured observation and feedback model. The mission of the Renaissance School is to prepare each student to enter, succeed in, and ultimately graduate from a four-year college. The education model consists of two core pillars: a highly rigorous academic curriculum paired with a focus on strong character development. Finally, in 2020, we launched ninth grade at Camden Prep High School (CPHS) bringing us one step closer to our K-12 promise to our families. Our high school represents a key moment in our journey to fulfill our mission of college readiness. CPHS welcomed ninth graders from Camden Prep Mt. Ephraim Middle School as well as other middle schools in the city.
- 4) **Internal Accounting Controls:** Management of the Renaissance School is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Renaissance School are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

4) Internal Accounting Controls (Continued):

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balances at June 30, 2022.

- 6) Accounting System and Reports:** The Renaissance School's accounting records reflect GAAP, as promulgated by GASB. The accounting system of the Renaissance School is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 2.

- 7) Financial Information at Fiscal Year-End:** As demonstrated by the various statements and schedules included in the financial section of report, the Renaissance School continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund and Special Revenue Fund for the fiscal year ended June 30, 2022:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>
Local Revenue	\$ 536,807	2%
State Share	18,549,034	72
State Sources	1,135,513	4
Private Funding	438,015	2
Federal Aid - General	25,723	-
Other Restricted Miscellaneous Revenue	191,553	1
Federal Aid - Special Revenue	4,642,028	18
Private Grants - Special Revenue	<u>350,785</u>	<u>1</u>
Total	<u>\$ 25,869,463</u>	<u>100%</u>

The following schedule presents a summary of the General Fund and Special Revenue Fund expenditures for the fiscal year ended June 30, 2022:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>
Current - General Fund	\$ 20,123,103	80%
Special Revenue Fund	<u>4,992,813</u>	<u>20</u>
Total	<u>\$ 25,115,916</u>	<u>100%</u>

- 8) **Cash Management:** The investment policy of the Renaissance School is guided in large by the state statute as detailed in “Notes to Financial Statements,” Note 2. The Renaissance School had adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with failed banking institutions in New Jersey. The law requires Governmental Units to deposit funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
- 9) **Risk Management:** The Renaissance School carries various forms of insurance, including, but not limited to, general liability, automobile liability and comprehensive/collision, and hazard and theft insurance on property and contents.

10) **Other Information:**

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

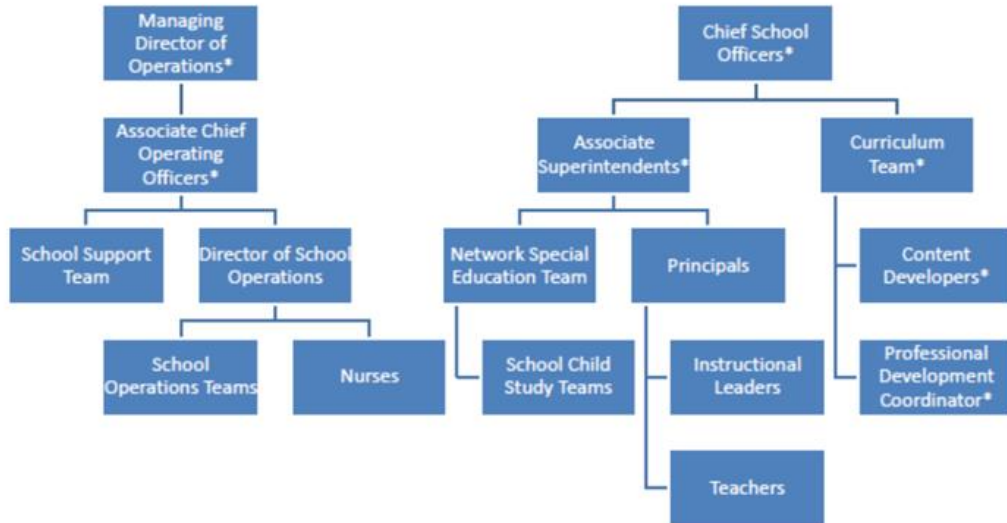
In addition to meeting the requirements set forth in the state statutes, the Renaissance School is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit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

Respectfully submitted,



Cynthia Ledger
Managing Director of Operations
Lead Person

**ORGANIZATIONAL CHART
JUNE 30, 2022**



**ROSTER OF TRUSTEES AND OFFICERS
JUNE 30, 2022**

<u>Board of Trustees</u>	<u>Term Expires</u>
Lindsay Kruse	6/30/22
Julie Jackson	6/30/22
Robert Howitt	6/30/22
Joseph Mangini	6/30/22
Cassetta Perry	6/30/22
Janelle Duffy	6/30/22
Reverend Floyd White	6/30/22
Natalie Cooper	6/30/22
Mary Kate Miller	6/30/22
Giana Campbell	6/30/22

CONSULTANTS, INDEPENDENT AUDITORS AND ADVISORS

AUDIT FIRM

AAFCPAs, Inc.
50 Washington Street
Westborough, MA 01581

OFFICIAL DEPOSITORY

Santander
200 Park Avenue, Suite 100
Florham Park, NJ 07932

M&T Bank
60 Park Plaza
Newark, NJ 07102

FINANCIAL SECTION

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

Independent Auditor's Report

To the Board of Trustees of
Camden Prep, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Camden Prep, Inc. (the Renaissance School), County of Camden, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Renaissance School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Camden Prep, Inc. as of June 30, 2022, and the respective changes in net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the *Office of School Finance, Department of Education, State of New Jersey*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Renaissance School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

During fiscal year 2022, the Renaissance School adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, which modifies the accounting treatment of leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information in Schedules C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Required Supplementary Information (Continued)

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Renaissance School's basic financial statements. The accompanying combining and individual fund financial statements and Schedules of Expenditures of Federal Awards and State Financial Assistance for the year ended June 30, 2022, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the provisions of New Jersey OMB's Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2023, on our consideration of the Renaissance School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Renaissance School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Renaissance School's internal control over financial reporting and compliance.

AAFCPA, Inc.

Westborough, Massachusetts
March 10, 2023

John R. Buckley, C.P.A.
Public School Accountant
PSA #20CS00271800

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

CAMDEN PREP, INC.

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2022

This section of Camden Prep, Inc.'s (the Renaissance School) annual financial report presents its discussion and analysis of the Renaissance School's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the Renaissance School's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2021-22 include the following:

- Total Net Position was \$5,916,581.
- The General Fund balance at June 30, 2022, is \$5,823,627.

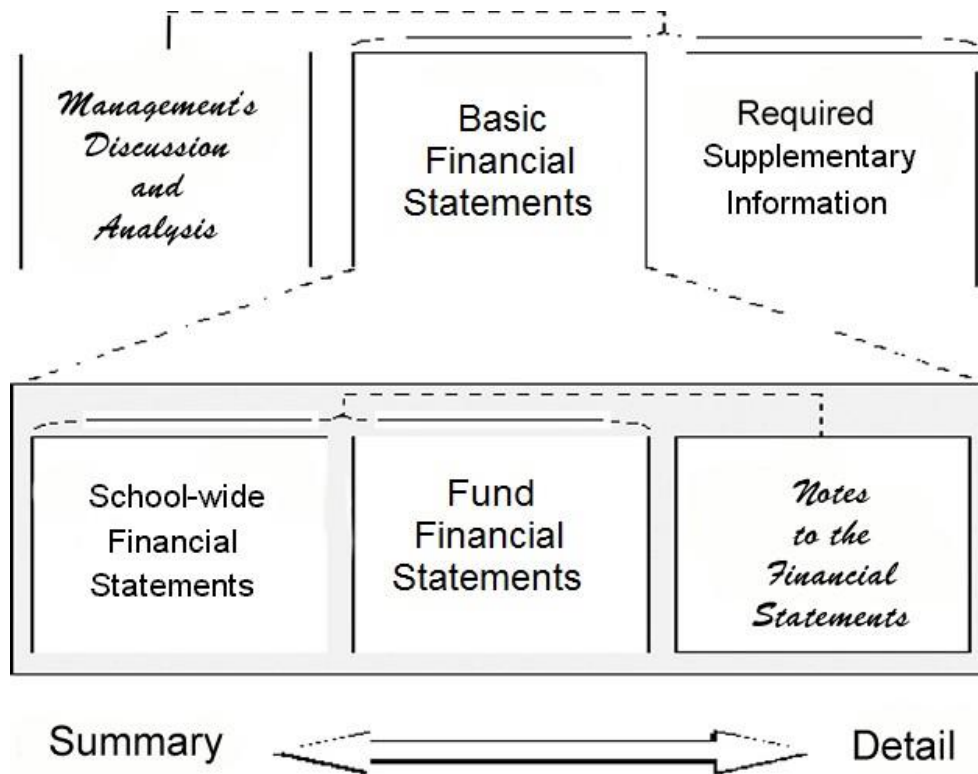
OVERVIEW OF THE FINANCIAL STATEMENTS

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

CAMDEN PREP, INC.

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Figure A-1. Required Components of the Board's Annual Financial Report



- The first two statements are Renaissance school-wide financial statements that provide both short-term and long-term information about Camden Prep, Inc.'s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Camden Prep, Inc., reporting Camden Prep, Inc.'s operation in more detail than the Renaissance school-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short-term as well as what remains for future spending.

CAMDEN PREP, INC.

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

The financial statements also include notes that explain some of the information in the statements and provide data that are more detailed. Figure A-2 summarizes the major features of Camden Prep, Inc.'s financial statements, including the portion of Camden Prep, Inc.'s activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2 - Major Features of the Renaissance School-Wide and Fund Financial Statements

	<u>Renaissance School- Wide Statements</u>	<u>Governmental Fund Financial Statements</u>
Scope	Entire school (except fiduciary funds)	The activities of Camden Prep, Inc. that are for the Renaissance School's operations and not proprietary or fiduciary, such as teachers' salaries, special education and building maintenance, food service, and community education
Required financial statements	Statement of net position	Balance sheet
	Statement of activities	Statement of revenues, expenditures and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

CAMDEN PREP, INC.

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Renaissance School-wide Statements

The Renaissance school-wide statements report information about Camden Prep, Inc. as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of Camden Prep, Inc.'s assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The Renaissance school-wide statements report Camden Prep, Inc.'s net position and how they have changed. Net position – the difference between Camden Prep, Inc.'s assets and liabilities – is one way to measure Camden Prep, Inc.'s financial health or position.

- Over time, increases or decreases in Camden Prep, Inc.'s net position are an indicator of whether its financial position is improving or deteriorating, respectively.

In the Renaissance school-wide financial statements, Camden Prep, Inc.'s activities are shown as:

- *Governmental activities* - Most of Camden Prep, Inc.'s basic services are included here, such as regular and special education, transportation, administration, food services, and community education.

Fund Financial Statements

The fund financial statements provide more detailed information about Camden Prep, Inc.'s funds – focusing on its most significant or “major” funds – not Camden Prep, Inc. as a whole.

Funds are accounting devices Camden Prep, Inc. uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law.

CAMDEN PREP, INC.

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Camden Prep, Inc. uses other funds, established in accordance with the State of New Jersey Uniform Chart, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., Federal funds).

Camden Prep, Inc. could have three kinds of funds:

- **Governmental funds** - Most of Camden Prep, Inc.'s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds' statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance Camden Prep, Inc.'s programs. Because this information does not encompass the additional long-term focus of the Renaissance school-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds** - Services for which Camden Prep, Inc. charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the school-wide statements.
- **Fiduciary funds** - Camden Prep, Inc. is the trustee, or *fiduciary*, for assets that belong to others. Camden Prep, Inc. is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Any fiduciary activities would be reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from Camden Prep, Inc.'s government-wide financial statements because Camden Prep, Inc. cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF CAMDEN PREP, INC. AS A WHOLE

Net position. Camden Prep, Inc.'s net position is \$5,916,581 on June 30, 2022 (See Table A- 1), which is all Governmental and Business-type activities.

The Governmental Statement of Net Position of \$5,916,581 reflects total capital assets of \$726,238, net of accumulated depreciation from inception, cost of right-to-use lease assets of \$44,743,861, net of accumulated depreciation from inception, and principal balance of lease liabilities of \$(45,377,145).

CAMDEN PREP, INC.

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Camden Prep, Inc.'s financial position is the product of these factors:

- Total revenues during the 2021-22 school year were \$25,869,463.
- Total expenditures during the 2021-22 school year were \$25,115,916.

Table A-1
CAMDEN PREP, INC.
Statement of Net Position
As of June 30, 2022

	<u>Total</u>
Current and other assets	\$ 12,321,781
Capital and right-to-use lease assets	<u>45,470,099</u>
Total assets	<u>\$ 57,791,880</u>
Short-term liabilities	\$ 6,498,154
Lease liabilities	<u>45,377,145</u>
Total liabilities	<u>51,875,299</u>
Net position:	
Invested in capital assets	92,954
Unrestricted	<u>5,823,627</u>
Total net position	<u>5,916,581</u>
Total liabilities and net position	<u>\$ 57,791,880</u>

Total Governmental and Business-type revenues and beginning assets minus net adjusted expenditures resulting in a calculation of net position of \$5,916,581 on June 30, 2022.

CAMDEN PREP, INC.Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Table A-2
CAMDEN PREP, INC.
Changes in Net Position
For the Fiscal Year Ended June 30, 2022

	<u>Total</u>	<u>Percentage</u>
Revenues:		
General revenues:		
Local share	\$ 536,807	2%
State share	18,549,034	72
State sources	1,135,513	4
Federal aid	4,667,751	18
Other	<u>988,136</u>	<u>4</u>
Total revenues	<u>25,869,463</u>	<u>100%</u>
Expenses:		
Regular instruction	8,637,571	34%
General administrative	10,235,975	41
School administrative services and plant operations and maintenance	5826,282	23
Reimbursed TPAF Social Security	152,810	1
Capital outlay	<u>263,278</u>	<u>1</u>
Total expenses	<u>25,115,916</u>	<u>100%</u>
Increase in Fund Balance	753,547	
Decrease in net capital outlay	206,910	
Excess amortization expense over principal payments on leases	<u>(633,284)</u>	
Net increase in net position	327,173	
Net position - Beginning July 1, 2021	<u>5,589,408</u>	
Net position, end of year, June 30, 2022	<u>\$ 5,916,581</u>	

Total revenues exceeded expenditures, increasing fund balance by \$753,547 in the General Fund.

CAMDEN PREP, INC.

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

**Table A-3 (See Exhibit A-2)
CAMDEN PREP, INC.
Changes in Net Position
For the Fiscal Year Ended June 30, 2022**

<u>Functions/Programs</u>	<u>Source</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Governmental activities:			
Instruction:			
Regular instruction	B-2	\$ 8,637,571	\$ 8,637,571
Support services:			
General administrative services and plant operations and maintenance	B-2	10,235,975	10,235,975
School administrative services	B-2	5,826,282	5,826,282
Reimbursed TPAF Social Security	B-2	152,810	152,810
Capital outlay	B-2	<u>263,278</u>	<u>263,278</u>
Total governmental activities		<u>\$ 25,115,916</u>	<u>\$ 25,115,916</u>

FINANCIAL ANALYSIS OF CAMDEN PREP, INC. FUNDS

The financial performance of Camden Prep, Inc. as a whole is reflected in its governmental activities Exhibit A-2. As Camden Prep, Inc. completed the year, its general funds reported a combined fund balance of \$5,823,627.

Governmental Fund

The Governmental Fund includes the primary operations of Camden Prep, Inc. in providing educational services to students in grade K to 10th.

CAMDEN PREP, INC.

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

The following schedule presents a summary of Governmental Fund revenues. The summary reflects the activity for the fiscal years ended June 30, 2022 and 2021.

**Table A-4 (See Exhibit B-2)
CAMDEN PREP, INC.
Changes in Net Position
For the Fiscal Years Ended June 30**

<u>Governmental Fund Revenues</u>	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>	<u>Amount of Increase (Decrease)</u>
Local Sources:			
Local share	\$ 536,807	\$ 493,794	\$ 43,013
State share	18,549,034	17,062,761	1,486,273
Miscellaneous revenue	<u>980,358</u>	<u>498,597</u>	<u>481,761</u>
Total local sources	<u>20,066,199</u>	<u>18,055,152</u>	<u>2,011,047</u>
Intergovernmental Sources:			
State sources	1,135,513	1,149,558	(14,045)
Federal sources	<u>4,667,751</u>	<u>4,300,247</u>	<u>367,504</u>
Total intergovernmental sources	<u>5,803,664</u>	<u>5,449,805</u>	<u>353,459</u>
Total revenues	<u>\$ 25,869,463</u>	<u>\$ 23,504,957</u>	<u>\$ 2,364,506</u>

The following schedule presents a summary of Governmental Fund expenditures. The summary reflects the activity for the fiscal years ended June 30, 2022 and 2021.

**Table A-5 (See Exhibit B-2)
CAMDEN PREP, INC.
Changes in Net Position
For the Fiscal Years Ended June 30**

<u>Governmental Fund Expenditures</u>	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>	<u>Amount of Increase (Decrease)</u>
Current:			
Regular instruction	\$ 8,637,571	\$ 7,972,649	\$ 664,922
General administrative services	10,235,975	7,277,741	2,958,234
School administrative services and plant operations and maintenance	5,826,282	5,425,768	400,514
Reimbursed TPAF Social Security	152,810	168,130	(15,320)
Capital outlay	<u>263,278</u>	<u>57,967</u>	<u>205,311</u>
Total expenditures	<u>\$ 25,115,916</u>	<u>\$ 20,902,255</u>	<u>\$ 4,213,661</u>

CAMDEN PREP, INC.

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

UNRESERVED-UNDESIGNATED FUND BALANCE AS A PERCENTAGE OF EXPENDITURES

The following table shows the Governmental Fund unreserved-undesignated fund balance:

Table A-6
CAMDEN PREP, INC.
Changes in Net Position
For the Fiscal Years Ended June 30

<u>General Fund</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Unreserved-Undesignated Fund Balance	5,823,627	5,070,080	2,467,378	1,692,925
Expenditures	25,115,916	20,902,255	17,970,028	14,757,885
Percentage	23%	24%	14%	11%
<u>General Fund</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Unreserved-Undesignated Fund Balance	1,483,589	1,121,842	732,819	205,876
Expenditures	11,930,238	7,871,789	6,622,126	2,493,862
Percentage	12%	14%	11%	8%

Camden Prep, Inc. values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year.

FACTORS BEARING ON THE RENAISSANCE SCHOOL'S FUTURE

At the time these financial statements were prepared and audited, Camden Prep, Inc. was aware of these existing circumstances that could significantly affect its financial health in the future:

- Future State Aid may be reduced due to the State's criteria utilized in calculating allocations of State Aid.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of the fiscal year ended June 30, 2022, in the General Fund, Camden Prep, Inc. had capital assets in the amount of \$984,255, net accumulated depreciation of \$258,017, amounting to net capital assets of \$726,238.

Total General Fund depreciation expense for the year was \$56,368.

CONTACTING THE RENAISSANCE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and contributors with a general overview of Camden Prep, Inc.'s finances and to demonstrate Camden Prep, Inc.'s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Camden Prep, Inc., 10 Washington Place, Newark, New Jersey 07102.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of Camden Prep, Inc.'s operations. These financial statements present the financial position and operating results of all funds as of June 30, 2022.

RENAISSANCE SCHOOL-WIDE FINANCIAL STATEMENTS

CAMDEN PREP, INC.

Statement of Net Position
June 30, 2022

	Governmental Activities
ASSETS:	
Cash and cash equivalents	\$ 8,795,195
Receivables	2,728,694
Prepaid expenses	797,892
Capital assets, net	726,238
Right-to-use lease assets, net	<u>44,743,861</u>
Total assets	<u>\$ 57,791,880</u>
LIABILITIES:	
Accounts payable and accrued expenses	\$ 3,023,714
Due to State of New Jersey	3,420,916
Payroll deductions and withholdings	2,687
Unemployment compensation claims payable	42,412
Deferred revenue	8,425
Lease liabilities	<u>45,377,145</u>
Total liabilities	<u>51,875,299</u>
NET POSITION:	
Invested in capital assets	92,954
Unrestricted	<u>5,823,627</u>
Total net position	<u>5,916,581</u>
Total liabilities and net position	<u>\$ 57,791,880</u>
Fund Balance, June 30, 2022 - B-1	\$ 5,823,627
Cost of capital assets, net of accumulated depreciation	726,238
Cost of right-to-use lease assets, net of accumulated amortization	44,743,861
Principal balance of lease liabilities	<u>(45,377,145)</u>
Total Net Position, June 30, 2022	<u>\$ 5,916,581</u>

CAMDEN PREP, INC.

Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		Net Expense (Revenue) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$ 8,637,571	\$ -	\$ 2,922,399	\$ 5,715,172
Support services:				
General administrative services	10,235,975	-	2,070,414	8,165,561
School administrative services and plant operations and maintenance	5,826,282	-	-	5,826,282
TPAF Social Security (Reimbursed)	152,810	-	-	152,810
Capital Outlay	263,278	-	-	263,278
Total governmental activities	<u>25,115,916</u>	<u>-</u>	<u>4,992,813</u>	<u>20,123,103</u>
Total primary government	<u>\$ 25,115,916</u>	<u>\$ -</u>	<u>\$ 4,992,813</u>	<u>20,123,103</u>
General Revenues:				
Local share				536,807
State share				18,549,034
State aid				1,135,513
Federal sources				25,723
Other miscellaneous income				191,558
Philanthropic support				438,015
Total general revenues				<u>20,876,650</u>
Change in fund balance				753,547
Decrease in net Capital Outlay				206,910
Excess amortization and lease interest expense over cash payments on leases				<u>(633,284)</u>
Change in net position				327,173
Net Position - beginning July 1, 2021				<u>5,589,408</u>
Net Position - ending June 30, 2022				<u>\$ 5,916,581</u>

The accompanying notes are an integral part of these statements.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CAMDEN PREP, INC.

Balance Sheet
Governmental Funds
June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 8,795,195	\$ -	\$ 8,795,195
Receivables	1,198,396	1,530,298	2,728,694
Prepaid expenses	797,717	175	797,892
Interfund receivable (payable)	1,416,943	(1,416,943)	-
	<u>1,416,943</u>	<u>(1,416,943)</u>	<u>-</u>
Total assets	<u>\$ 12,208,251</u>	<u>\$ 113,530</u>	<u>\$ 12,321,781</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable and accrued expenses	\$ 2,918,609	\$ 105,105	\$ 3,023,714
Due to State of New Jersey	3,420,916	-	3,420,916
Payroll deductions and withholdings	2,687	-	2,687
Unemployment compensation claims payable	42,412	-	42,412
Deferred revenue	-	8,425	8,425
	<u>-</u>	<u>8,425</u>	<u>8,425</u>
Total liabilities	<u>6,384,624</u>	<u>113,530</u>	<u>6,498,154</u>
Fund Balances:			
Unassigned	5,025,910	-	5,025,910
Nonspendable	797,717	-	797,717
	<u>797,717</u>	<u>-</u>	<u>797,717</u>
Total fund balances	<u>5,823,627</u>	<u>-</u>	<u>5,823,627</u>
Total liabilities and fund balances	<u>\$ 12,208,251</u>	<u>\$ 113,530</u>	<u>\$ 12,321,781</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$984,255 and the accumulated depreciation is \$258,017 (see Note 4).

\$ 726,238

Right-to-use assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$46,051,417 and the accumulated amortization is \$1,307,556 (see Note 4).

\$ 44,743,861

Lease liabilities used in governmental activities are not financial resources and therefore are not reported in the funds (see Note 5).

\$ (45,377,145)

Net position of governmental activities

\$ 5,916,581

CAMDEN PREP, INC.

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES:			
Local sources:			
Local share	\$ 536,807	\$ -	\$ 536,807
State share	18,549,034	-	18,549,034
Other restricted miscellaneous revenues	191,558	-	191,558
Philanthropic support	438,015	350,785	788,800
	<u>19,715,414</u>	<u>350,785</u>	<u>20,066,199</u>
Total - local sources			
State sources	1,135,513	-	1,135,513
Federal sources	25,723	4,642,028	4,667,751
	<u>20,876,650</u>	<u>4,992,813</u>	<u>25,869,463</u>
Total revenues			
EXPENDITURES:			
Current:			
Regular instruction	5,715,172	2,922,399	8,637,571
Supportive services:			
General administrative services	8,165,561	2,070,414	10,235,975
School administrative services and plant operations and maintenance	5,826,282	-	5,826,282
Reimbursed TPAF Social Security and Pension	152,810	-	152,810
Capital outlay	263,278	-	263,278
	<u>20,123,103</u>	<u>4,992,813</u>	<u>25,115,916</u>
Total expenditures			
Excess of revenues over expenditures	<u>753,547</u>	<u>-</u>	<u>753,547</u>
Net change in fund balances	753,547	-	753,547
Fund Balance - July 1, 2021	<u>5,070,080</u>	<u>-</u>	<u>5,070,080</u>
Fund Balance - June 30, 2022	<u>\$ 5,823,627</u>	<u>\$ -</u>	<u>\$ 5,823,627</u>

CAMDEN PREP, 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, 2022

Total net change in fund balances - Governmental Funds (from B-2) \$ 753,547

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	(56,368)	
	Capital outlays	<u>263,278</u>	206,910

Adoption of GASB 87 resulted in an increase in right-to-use lease assets offset by the current year amortization
of the right-to-use assets, allocated over the term of the leases (Note 4).

	Amortization expense	(1,307,556)
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Adoption of GASB 87 resulted in an increase in lease liabilities offset by the current year principal payments on
lease liabilities. Principal payments on lease liabilities decrease liabilities in the statement of net position,
but are included in the government funds as expenses (Note 5).

	Principal payments	<u>674,272</u>
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Change in net position of governmental activities \$ 327,173

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. DESCRIPTION OF THE RENAISSANCE SCHOOL AND REPORTING ENTITY

Camden Prep, Inc. (the Renaissance School) was incorporated in the State of New Jersey as a not-for-profit corporation for the purpose of operating a public school under the Urban Hope Act which provides a process for authorized entities to operate and manage Renaissance School Projects as public schools. The Renaissance School opened in August 2014. The Renaissance School's Board of Trustees (the Board) is responsible for the fiscal control of the Renaissance School. Under the existing statutes, the Renaissance School's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Renaissance School served 1,213 students from grades kindergarten to eleventh grade during the Renaissance School year 2021-2022.

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

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

The Renaissance School's Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

Its mission is to establish a Renaissance school to serve as a neighborhood resource and as a model for other similar schools. The Renaissance School is committed to achieving the New Jersey Core Curriculum Content Standards and producing high academic achievement by all students.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Standard

During fiscal year 2022, the Renaissance School adopted GASB Statement No. 87, *Leases* (GASB 87), which requires the Renaissance School to recognize intangible right-to-use lease assets and lease liabilities for its lessee agreements (see Notes 4 and 5). The adoption of this GASB did not impact the Renaissance School's beginning net position for the fiscal year ended June 30, 2022.

Basis of Presentation

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

Renaissance School Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Renaissance School as a whole. These statements include the financial activities of the Renaissance School, except for fiduciary funds.

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

Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and 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 are presented as general revenues of the Renaissance School, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Renaissance School.

The governmental activities generally are financed through Federal and state awards, taxes and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. There were no business-type activities for the fiscal year ended June 30, 2022.

Fund Financial Statements

Fund financial statements of the Renaissance School are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Renaissance School. The New Jersey Department of Education (NJDOE) requires that all funds be reported as major, as it is considered important for public interest and to promote consistency among Renaissance School's financial reporting in the State of New Jersey.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

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

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Renaissance School's major governmental funds:

General Fund - The General Fund is the primary operating fund of the Renaissance School. It is used to account for all financial resources except those that are legally or administratively required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey Department of Education, the Renaissance School included budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities 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.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of ground, 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 Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government (other than major Capital Projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. As of June 30, 2022, there were no Capital Projects Funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Proprietary Funds

The focus of Proprietary Funds' measurement is upon determination of net income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those 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 non-current, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenue) and decreases (expenses) in net total assets. As of June 30, 2022, there were no Proprietary Funds.

Fiduciary Funds

Fiduciary or Trust and Agency Funds are used to account for assets held by the Renaissance School in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. As of June 30, 2022, there was no Fiduciary Funds.

Measurement Focus

In the government-wide statements of net position and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statement of these funds present increases (i.e., revenues and other financing sources), and decreases (i.e., expenditures and other finances uses) during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All Proprietary Funds are accounted for on a flow economic resources measurement focus. With this measurement focus, the accounting adjectives are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flow. All assets and all liabilities, whether current or non-current, associated with their activities are included on the balance sheet. Fund equity (i.e., net total position) is classified as net position.

Basis of Accounting

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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

Budgets/Budgetary Control

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

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

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

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

Cash and Cash Equivalents

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

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

Additionally, the Renaissance School has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss funds on deposit with a failed banking institution in New Jersey.

CAMDEN PREP, INC.

Notes to Basic Financial Statements
June 30, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (Continued)

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Renaissance School has no deferred outflows of resources as of June 30, 2022.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Renaissance School has no deferred inflows of resources as of June 30, 2022.

Deferred Revenue

Deferred revenue consists of advance payments on grants.

Capital Assets

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

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

The following estimated useful lives are used to compute depreciation:

<u>Description of Capital Cost</u>	<u>Estimated Useful Lives</u>
Leasehold improvements	20 years or life of lease
Furniture and fixtures	7 years
Equipment	10 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Balance

Renaissance School-Wide Statements

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

- Net Investment in Capital Assets - consists of net capital assets and right-to-use lease assets (cost less accumulated depreciation and accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets, if any. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- Restricted Net Position - reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. There was no restricted net position as of June 30, 2022.
- Unrestricted Net Position - any portion of net position not already classified as either net investment in capital assets or net position - restricted is classified as net position - unrestricted.

Fund Balance and Equity

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

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

At June 30, 2022, the Renaissance School only had unassigned and nonspendable fund balances.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance and Equity (Continued)

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

Compensated Absences

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

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The non-current portion of the liability is not reported. The Renaissance School had no compensated absences as of June 30, 2022.

Accrued Liabilities and Long-Term Obligations

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

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

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates that affect the recorded amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

On-Behalf Payments

Revenues and expenditures of the General Fund include payments made by the State of New Jersey for Pension and Social Security contributions for certified teacher members of the New Jersey Teachers' Pension and Annuity Fund. The amounts are not required to be included in the Renaissance School's annual budget. There were no such payments for the year ended June 30, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

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

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

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

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

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

Leases

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

School Premises

35 years

CAMDEN PREP, INC.

Notes to Basic Financial Statements
June 30, 2022

3. DEPOSITS AND INVESTMENTS

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

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

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

Deposits

The Renaissance School's cash and cash equivalents are classified below to inform financial statement users about the extent to which the Renaissance School's deposits and investments are exposed to custodial credit risk. As of June 30, 2022, the Renaissance School's carrying amount of deposits and investments is as follows:

	Renaissance School-Wide Financial Statements
Cash Balance	<u>\$ 8,795,195</u>

Operating cash accounts are held in the Renaissance School's name by two banking institutions. At June 30, 2022, the Renaissance School's bank balances were \$8,818,096. Of the bank balance, \$500,000 of the Renaissance School's cash deposits on June 30, 2022, was secured by the Federal deposit insurance and \$8,318,096 was covered by a collateral pool maintained by the banks as required by New Jersey statutes in accordance with the New Jersey GUDPA.

Reconciliation to the financial statements:

Total cash balance covered by collateral pool	\$ 8,318,096
Plus - insured amount	500,000
Plus - petty cash held by the Renaissance School	142
Less - outstanding checks	(4,320)
Less - other reconciling items	<u>(18,723)</u>
Total cash and cash equivalents per Renaissance school-wide financial statements	<u>\$ 8,795,195</u>

3. DEPOSITS AND INVESTMENTS (Continued)

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

Category 1

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

Category 2

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

Category 3

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

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

Investments

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

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

As of June 30, 2022, the Renaissance School did not hold any investments.

CAMDEN PREP, INC.Notes to Basic Financial Statements
June 30, 2022**4. CAPITAL ASSETS AND RIGHT-TO-USE LEASE ASSETS**

The following schedule is a summarization of the governmental activities changes in capital assets for the fiscal year ended June 30, 2022:

<u>Governmental Activities</u>	<u>Beginning Balance July 1, 2021</u>	<u>Net Additions</u>	<u>Ending Balance June 30, 2022</u>
Capital assets being depreciated:			
Leasehold improvements	\$ 593,994	\$ 46,140	\$ 640,134
Furniture and fixtures	57,967	54,360	112,327
Equipment	<u>69,016</u>	<u>157,463</u>	<u>226,479</u>
Total capital assets being depreciated	720,977	257,963	978,940
Construction in progress	<u>-</u>	<u>5,315</u>	<u>5,315</u>
Total capital assets	<u>720,977</u>	<u>263,278</u>	<u>984,255</u>
Less - accumulated depreciated:			
Leasehold improvements	163,349	29,730	193,079
Furniture and fixtures	7,831	18,764	26,595
Equipment	<u>30,469</u>	<u>7,874</u>	<u>38,343</u>
Total accumulated depreciation	<u>201,649</u>	<u>56,368</u>	<u>258,017</u>
Total capital assets, net	<u>\$ 519,328</u>	<u>\$ 206,910</u>	<u>\$ 726,238</u>

Depreciation expense of \$56,368 was charged to an unallocated function.

Changes in right-to-use assets are as follows for the fiscal year ended June 30, 2022:

<u>Governmental Activities</u>	<u>Beginning Balance July 1, 2021</u>	<u>Net Additions</u>	<u>Ending Balance June 30, 2022</u>
Leased premises	\$ 46,051,417	\$ -	\$ 46,051,417
Less - amortization	<u>-</u>	<u>1,307,556</u>	<u>1,307,556</u>
Total right-to-use lease assets, net	<u>\$ 46,051,418</u>	<u>\$ 1,307,556</u>	<u>\$ 44,743,861</u>

5. LEASE AGREEMENTS

The Renaissance School leases its premises under two lease agreements from subsidiaries of Uncommon Schools, Inc. (see Note 6) through the Renaissance School's current charter of June 30, 2024. The leases are automatically extended upon the charter renewal and can be extended through various dates through November 2056. The leases required aggregate quarterly cash payments of approximately \$701,000 during the year ended June 30, 2022. Interest expense on the leases was \$2,131,272 for the year ended June 30, 2022, which is reflected as interest payments on leases in the accompanying budgetary comparison schedule - general fund (Exhibit C-1).

CAMDEN PREP, INC.

Notes to Basic Financial Statements
June 30, 2022

5. LEASE AGREEMENTS (Continued)

The value of the right-to-use lease assets and lease liabilities was \$44,743,861 and \$45,377,145 as of June 30, 2022, respectively, which was calculated using a discount rate of 5.02% (the Renaissance School's estimated incremental borrowing rate as of July 1, 2021). The value of the lease liabilities and right-to-use lease assets at July 1, 2021, was 46,051,417. Amortization of the related right-to-use lease assets was \$1,307,556 for the year ended June 30, 2022.

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

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Amortization</u>
2023	\$ 2,300,997	\$ 504,531	\$ 1,307,556
2024	2,274,674	530,854	1,307,556
2025	2,246,978	558,550	1,307,556
2026	2,217,837	587,691	1,307,556
2027	2,187,175	618,353	1,307,556
2028 - 2032	10,416,945	3,610,695	6,537,780
2033 - 2037	9,371,489	4,656,151	6,537,780
2038 - 2042	8,023,328	6,004,312	6,537,780
2043 - 2047	6,284,815	7,742,825	6,537,780
2048 - 2052	4,042,926	9,984,714	6,537,780
2053 - 2057	<u>1,196,239</u>	<u>10,578,469</u>	<u>5,517,181</u>
	<u>\$ 50,563,403</u>	<u>\$ 45,377,145</u>	<u>\$ 44,743,861</u>

6. RELATED PARTY AND MANAGEMENT AGREEMENT

Uncommon Schools Inc. (USI), a nonprofit charter management organization, provided management services in the amount of \$2,885,010 to the Renaissance School during fiscal year 2022. USI provided services such as academic, financial, technology, and curriculum and operations support. USI raises philanthropy and governmental grants, which are passed-through to the Renaissance School.

One Board member is employed by USI. This Board member does not participate in decisions related to USI.

As described in Note 5, the Renaissance School also leases space from subsidiaries of USI. Cash payments made to subsidiaries of USI totaled \$2,805,544 during the fiscal year ended June 30, 2022.

7. PENSION PLAN

Description of Plans

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

7. PENSION PLAN (Continued)

Description of Plans (Continued)

Teachers' Pension and Annuity Fund (TPAF)

TPAF was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage, including post-retirement health care to substantially all full-time certified teachers or professional staff of the public school systems in the State.

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

Public Employees' Retirement System (PERS)

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

Application to State of New Jersey Pension Plans

The Renaissance School submitted its application to the New Jersey Division of Pensions and Benefits to join the State of New Jersey pension system and was officially accepted into the pension system during fiscal year 2021. Upon receiving approval to join the pension system, the Renaissance School began enrolling employees in TPAF and PERS and processing payroll deductions. The payroll deductions that are being processed during fiscal year 2022 include employees' back pay of their portion of pension contribution from previous fiscal years.

The New Jersey Division of Pensions and Benefits allows the employees to pay back the pension contribution over time. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums. Under current statute, the Renaissance School is a non-contributing employer of TPAF (i.e., the State of New Jersey makes the employer contribution on behalf of public school districts and charter schools). The Renaissance School is working with the State of New Jersey to determine how and when the employer contribution from previous fiscal years will be paid to TPAF. As of June 30, 2022, the Renaissance School has recorded a receivable of \$755,190, which represents the amount they expect to be reimbursed. At June 30, 2022, the Renaissance School has accrued \$1,878,933 for the employer contribution to PERS for fiscal year 2022 and prior years.

The employer's share and net position liability at June 30, 2022, is calculated by the State of New Jersey with a measurement date of June 30, 2021 (and a corresponding measurement period of July 1, 2020 to June 30, 2021), accordingly, the Renaissance School's liability has not yet been included in the State of New Jersey's calculations.

CAMDEN PREP, INC.

Notes to Basic Financial Statements
June 30, 2022

8. ECONOMIC DEPENDENCY

The Renaissance School received 96% of its total general revenues through contracts from New Jersey. A significant reduction in the level of support, if it were to occur, could have an effect on the Renaissance School's programs and activities.

9. CONTINGENT LIABILITIES

Certain amounts from Federal and state agencies are subject to possible audit by the appropriate government agencies. In the opinion of management, the results of such audits, if any, will not have a material effect on the net position of the Renaissance School as of June 30, 2022, or on its changes in fund balances for the year then ended.

As of June 30, 2022, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Renaissance School believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on any of the individual governmental funds or the overall financial position of the Renaissance School.

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

10. RISK MANAGEMENT

The Renaissance School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

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

11. RECEIVABLES

Receivables as of June 30, 2022, consisted of accounts, intergovernmental, grants and miscellaneous. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Accounts receivable	\$ 1,198,396	\$ 1,530,298	\$ 2,728,694

There was no allowance for doubtful accounts recorded as of June 30, 2022.

As of June 30, 2022, approximately 100% of the Renaissance School's accounts receivable were due from three funders.

CAMDEN PREP, INC.

Notes to Basic Financial Statements
June 30, 2022

12. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

The reconciliation is as follows:

Fund balance per B-1 as of June 30, 2022	\$ 5,823,627
Cost of capital assets, net accumulated depreciation	726,238
Cost of right-to-use lease assets, net of accumulated amortization	44,743,861
Principal balance of lease liabilities	<u>(45,377,145)</u>
Net position (per A-1) as of June 30, 2022	<u>\$ 5,916,581</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

CAMDEN PREP, INC.

Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Share	\$ -	\$ 536,807	\$ 536,807	\$ 536,807	\$ -
State Share	12,967,451	5,581,583	18,549,034	18,549,034	-
Other Restricted Miscellaneous Revenues	23,674	167,884	191,558	191,558	-
Philanthropic Support	286,000	152,015	438,015	438,015	-
Total - Local Sources	13,277,125	6,438,289	19,715,414	19,715,414	-
Federal Sources:					
COVID-19 Testing Reimbursements	-	7,778	7,778	7,778	-
SEMI Grant	-	17,945	17,945	17,945	-
Total - Federal Sources	-	25,723	25,723	25,723	-
State Sources:					
Special Education Aid	791,692	(230,640)	561,052	561,052	-
Security Aid	522,269	(100,618)	421,651	421,651	-
Reimbursed TPAF Social Security and Pension	155,165	(2,355)	152,810	152,810	-
Total - State Sources	1,469,126	(333,613)	1,135,513	1,135,513	-
Total Revenues	14,746,251	6,130,399	20,876,650	20,876,650	-
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Teachers Salary	5,709,306	(1,105,153)	4,604,153	4,604,153	-
Other Salaries	377,875	(14,563)	363,312	363,312	-
Prof/Tech Services	1,354	284,496	285,850	285,850	-
Other Purchased Services (400-500 series)	363,558	(244,377)	119,181	119,181	-
General Supplies	542,394	(201,820)	340,574	340,574	-
Textbooks	9,005	(6,903)	2,102	2,102	-
Total Regular Programs - Instruction	7,003,492	(1,288,320)	5,715,172	5,715,172	-
Support Services:					
General Administrative Services:					
Salaries of Administrative Salaries	679,500	356,397	1,035,897	1,035,897	-
Salaries of Secretarial and Clerical Assistants	754,359	(183,104)	571,255	571,255	-
Cost of Benefits	2,883,163	(781,724)	2,101,439	2,101,439	-
Consultants	127,342	22,216	149,558	149,558	-
Contracted Management Services	3,087,856	(202,846)	2,885,010	2,885,010	-
Purchased Professional and Technical Services	106,840	646,924	753,764	753,764	-
Communications/Telephone	46,729	126,332	173,061	173,061	-
Supplies and Materials	357,164	(163,376)	193,788	193,788	-
Other Objects	19,703	282,086	301,789	301,789	-
Total General Administrative Services	8,062,656	102,905	8,165,561	8,165,561	-

CAMDEN PREP, INC.

Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES: (Continued)					
Current Expense: (Continued)					
Support Services: (Continued)					
School Administrative Services and Plant Operations and Maintenance:					
Salaries	927,983	59,569	987,552	987,552	-
Purchased Professional and Technical Services	1,122,889	(772,725)	350,164	350,164	-
Other Purchased Services (400-500 series)	693,894	126,554	820,448	820,448	-
Insurance	215,108	6,322	221,430	221,430	-
General Supplies	197,134	57,044	254,178	254,178	-
Transportation - Trips	69,760	(42,473)	27,287	27,287	-
Energy (Energy and Electricity)	94,602	50,667	145,269	145,269	-
Maintenance	30,590	183,820	214,410	214,410	-
Interest payments on leases	-	2,131,272	2,131,272	2,131,272	-
Principal payments on leases	-	674,272	674,272	674,272	-
Total School Administrative Services and Plant Operations and Maintenance	<u>6,023,088</u>	<u>(196,806)</u>	<u>5,826,282</u>	<u>5,826,282</u>	<u>-</u>
Reimbursed TPAF Social Security Contributions	-	152,810	152,810	152,810	-
Total TPAF Contributions	<u>-</u>	<u>152,810</u>	<u>152,810</u>	<u>152,810</u>	<u>-</u>
Total Support Services	<u>14,085,744</u>	<u>58,909</u>	<u>14,144,653</u>	<u>14,144,653</u>	<u>-</u>
Total General Current Expense	<u>21,089,236</u>	<u>(1,229,411)</u>	<u>19,859,825</u>	<u>19,859,825</u>	<u>-</u>
CAPITAL OUTLAY:					
Regular Programs - Instruction:					
Instructional Equipment	-	162,778	162,778	162,778	-
Non-Instructional Equipment	-	54,360	54,360	54,360	-
Leasehold Improvements	60,529	(14,389)	46,140	46,140	-
Total Equipment	<u>60,529</u>	<u>202,749</u>	<u>263,278</u>	<u>263,278</u>	<u>-</u>
Total Expenditures - General Fund	<u>21,149,765</u>	<u>(1,026,662)</u>	<u>20,123,103</u>	<u>20,123,103</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>(6,403,514)</u>	<u>7,157,061</u>	<u>753,547</u>	<u>753,547</u>	<u>-</u>
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,070,080</u>	<u>-</u>
Fund Balance, June 30	<u>\$ (6,403,514)</u>	<u>\$ 7,157,061</u>	<u>\$ 753,547</u>	<u>\$ 5,823,627</u>	<u>\$ -</u>

CAMDEN PREP, INC.

Budgetary Comparison Schedule
 Special Revenue Fund
 For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Miscellaneous	\$ 241,963	\$ 108,822	\$ 350,785	\$ 350,785	\$ -
Federal Sources	4,810,181	(168,153)	4,642,028	4,642,028	-
Total Revenues	<u>5,052,144</u>	<u>(59,331)</u>	<u>4,992,813</u>	<u>4,992,813</u>	<u>-</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	960,408	759,630	1,720,038	1,720,038	-
Other Salaries for Instruction	-	13,561	13,561	13,561	-
General Supplies	605,167	(225,645)	379,522	379,522	-
Personal Services - Employee Benefits	24,879	784,399	809,278	809,278	-
Total Instruction	<u>1,590,454</u>	<u>1,331,945</u>	<u>2,922,399</u>	<u>2,922,399</u>	<u>-</u>
Support Services:					
Salaries of Supervisor of Instruction	1,302,000	(79,301)	1,222,699	1,222,699	-
Salaries of Other Professional Staff	134,000	34,240	168,240	168,240	-
Salaries of Secretaries and Clerical Assistants	-	15,313	15,313	15,313	-
Personal Services - Employee Benefits	-	139,783	139,783	139,783	-
Transportation	3,150	5,326	8,476	8,476	-
Other Purchased Professional Services	249,944	(238,384)	11,560	11,560	-
Other Purchased Services	842,502	(618,878)	223,624	223,624	-
Supplies and Materials	349,348	(204,738)	144,610	144,610	-
Other Objects	-	136,109	136,109	136,109	-
Total Support Services	<u>2,880,944</u>	<u>(810,530)</u>	<u>2,070,414</u>	<u>2,070,414</u>	<u>-</u>
Total Expenditures	<u>4,471,398</u>	<u>521,415</u>	<u>4,992,813</u>	<u>4,992,813</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ 580,746</u>	<u>\$ (580,746)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

CAMDEN PREP, INC.

Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

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

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

REQUIRED SUPPLEMENTARY INFORMATION - PART III

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

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

CAMDEN PREP, INC.

Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2022

	<u>Total</u>	<u>Title I Part A</u>	<u>IDEA Part B</u>	<u>ARP IDEA</u>	<u>Mental Health Grant</u>	<u>CRRSA Learning Acceleration</u>	<u>ESSER II</u>	<u>Investing in Innovation Grant</u>	<u>Private Grants</u>
REVENUES:									
Intergovernmental:									
Federal	\$ 4,642,028	\$ 1,137,685	\$ 215,776	\$ 63,109	\$ 41,354	\$ 125,406	\$ 2,311,437	\$ 747,261	\$ -
Other Sources:									
Miscellaneous	350,785	-	-	-	-	-	-	-	350,785
Total Revenues	4,992,813	1,137,685	215,776	63,109	41,354	125,406	2,311,437	747,261	350,785
EXPENDITURES:									
Instruction:									
Salaries of Teachers	1,720,038	740,192	142,545	41,691	-	79,900	561,605	-	154,105
Other Salaries for Instruction	13,561	-	-	-	-	8,166	-	-	5,395
General Supplies	379,522	-	-	-	-	-	106,763	272,759	-
Personal Services - Employee Benefits	809,278	332,737	64,145	18,761	-	31,960	353,050	-	8,625
Total Instruction	2,922,399	1,072,929	206,690	60,452	-	120,026	1,021,418	272,759	168,125
Support Services:									
Salaries of Supervisors of Instruction	1,222,699	-	-	-	-	-	872,489	317,052	33,158
Salaries of Other Professional Staff	168,240	-	-	-	35,829	-	132,411	-	-
Salaries of Secretaries and Clerical Assistants	15,313	15,313	-	-	-	-	-	-	-
Personal Services - Employee Benefits	139,783	1,531	-	-	2,741	-	100,490	31,705	3,316
Transportation	8,476	-	-	-	-	-	-	-	8,476
Other Purchased Professional Services	11,560	-	-	-	-	-	-	-	11,560
Other Purchased Services	223,624	-	-	-	1,010	-	74,705	116,178	31,731
Supplies and Materials	144,610	-	-	-	-	-	40,624	9,567	94,419
Other Objects	136,109	47,912	9,086	2,657	1,774	5,380	69,300	-	-
Total Support Services	2,070,414	64,756	9,086	2,657	41,354	5,380	1,290,019	474,502	182,660
Total Expenditures	4,992,813	1,137,685	215,776	63,109	41,354	125,406	2,311,437	747,261	350,785
Excess (Deficit) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION (UNAUDITED)

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

Contents

Exhibits

Financial Trends

J-1 to J-5

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

Revenue Capacity

J-6 to J-9

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

Debt Capacity

J-10 to J-13

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

Demographic and Economic Information

J-14 and J-15

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

Operating Information

J-16 to J-20

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

Renaissance School Performance Framework Financial Indicators

J-21

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

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

FINANCIAL TRENDS

CAMDEN PREP, INC.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities:								
Invested in capital assets	\$ 92,954	\$ 519,328	\$ 505,794	\$ 542,395	\$ 578,996	\$ 609,417	\$ 579,144	\$ -
Unrestricted	<u>5,823,627</u>	<u>5,070,080</u>	<u>2,467,378</u>	<u>1,692,925</u>	<u>1,483,589</u>	<u>1,121,842</u>	<u>732,819</u>	<u>205,876</u>
Total governmental activities net position	<u>\$ 5,916,581</u>	<u>\$ 5,589,408</u>	<u>\$ 2,973,172</u>	<u>\$ 2,235,320</u>	<u>\$ 2,062,585</u>	<u>\$ 1,731,259</u>	<u>\$ 1,311,963</u>	<u>\$ 205,876</u>
School-wide:								
Invested in capital assets	\$ 92,954	\$ 519,328	\$ 505,794	\$ 542,395	\$ 578,996	\$ 609,417	\$ 579,144	\$ -
Unrestricted	<u>5,823,627</u>	<u>5,070,080</u>	<u>2,467,378</u>	<u>1,692,925</u>	<u>1,483,589</u>	<u>1,121,842</u>	<u>732,819</u>	<u>205,876</u>
Total district net position	<u>\$ 5,916,581</u>	<u>\$ 5,589,408</u>	<u>\$ 2,973,172</u>	<u>\$ 2,235,320</u>	<u>\$ 2,062,585</u>	<u>\$ 1,731,259</u>	<u>\$ 1,311,963</u>	<u>\$ 205,876</u>

CAMDEN PREP, INC.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses:								
Governmental activities:								
Instruction:								
Regular	\$ 8,637,571	\$ 7,972,649	\$ 6,685,833	\$ 5,892,003	\$ 4,984,216	\$ 3,635,453	\$ 2,700,916	\$ 925,832
Support Services:								
General administration	10,235,975	7,277,741	6,614,075	5,728,713	4,758,112	3,068,301	2,371,666	929,683
School administrative services and plant operations and maintenance	5,826,282	5,425,768	4,509,261	2,945,255	1,877,372	897,816	803,168	455,528
Reimbursed TPAF Social Security	152,810	168,130	160,859	191,914	304,652	207,089	152,382	43,172
Capital outlay	263,278	57,967	-	-	5,886	63,130	593,994	27,000
Unallocated depreciation	56,368	44,433	36,601	36,601	36,307	32,856	14,250	-
Excess amortization and lease interest expense	633,284	-	-	-	-	-	-	-
Total governmental activities expenses	<u>25,805,568</u>	<u>20,946,688</u>	<u>18,006,629</u>	<u>14,794,486</u>	<u>11,966,545</u>	<u>7,904,645</u>	<u>6,636,376</u>	<u>2,381,215</u>
Program Revenues:								
Governmental activities:								
Operating grants and contributions	4,992,813	4,382,998	1,869,965	2,523,675	2,056,600	1,004,239	294,866	112,647
Total governmental activities program revenues	<u>4,992,813</u>	<u>4,382,998</u>	<u>1,869,965</u>	<u>2,523,675</u>	<u>2,056,600</u>	<u>1,004,239</u>	<u>294,866</u>	<u>112,647</u>
Net (Expense)/Revenue:								
Governmental activities	<u>(20,812,755)</u>	<u>(16,563,690)</u>	<u>(16,136,664)</u>	<u>(12,270,811)</u>	<u>(9,909,945)</u>	<u>(6,900,406)</u>	<u>(6,341,510)</u>	<u>(2,268,568)</u>
Total net (expense)/revenue	<u>(20,812,755)</u>	<u>(16,563,690)</u>	<u>(16,136,664)</u>	<u>(12,270,811)</u>	<u>(9,909,945)</u>	<u>(6,900,406)</u>	<u>(6,341,510)</u>	<u>(2,268,568)</u>
General Revenues and Other Changes in Net Position:								
Governmental activities:								
Local share	536,807	493,794	414,827	321,860	257,439	181,916	74,753	30,388
State share	18,549,034	17,062,761	14,334,094	11,125,298	8,895,521	6,286,008	4,524,617	921,622
State and Federal Aid	1,161,236	1,149,558	904,288	835,766	847,824	573,527	440,332	1,635,081
Miscellaneous income	629,573	415,846	1,221,307	160,622	234,601	215,121	1,814,502	1,580,706
Increase in net capital outlay	263,278	57,967	-	-	5,886	30,274	593,994	-
Total governmental activities	<u>21,139,928</u>	<u>19,179,926</u>	<u>16,874,516</u>	<u>12,443,546</u>	<u>10,241,271</u>	<u>7,286,846</u>	<u>7,448,198</u>	<u>4,167,797</u>
Change in Net Position:								
Governmental activities	<u>327,173</u>	<u>2,616,236</u>	<u>737,852</u>	<u>172,735</u>	<u>331,326</u>	<u>386,440</u>	<u>1,106,688</u>	<u>1,899,229</u>
Total school	<u>\$ 327,173</u>	<u>\$ 2,616,236</u>	<u>\$ 737,852</u>	<u>\$ 172,735</u>	<u>\$ 331,326</u>	<u>\$ 386,440</u>	<u>\$ 1,106,688</u>	<u>\$ 1,899,229</u>

CAMDEN PREP, INC.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:								
Unreserved	<u>\$ 5,823,627</u>	<u>\$ 5,070,080</u>	<u>\$ 2,467,378</u>	<u>\$ 1,692,925</u>	<u>\$ 1,483,589</u>	<u>\$ 1,121,841</u>	<u>\$ 732,819</u>	<u>\$ 205,876</u>

CAMDEN PREP, INC.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues:								
Local tax levy	\$ 536,807	\$ 493,794	\$ 414,827	\$ 321,860	\$ 257,439	\$ 181,916	\$ 74,753	\$ 30,388
Other local revenue	980,358	498,597	1,362,081	245,811	294,048	287,299	1,898,245	1,580,706
State sources	19,684,547	18,212,319	15,238,382	11,961,064	9,743,345	6,859,535	4,964,949	1,006,279
Federal sources	<u>4,667,751</u>	<u>4,300,247</u>	<u>1,729,191</u>	<u>2,438,486</u>	<u>1,997,153</u>	<u>932,061</u>	<u>211,523</u>	<u>82,365</u>
Total revenues	<u>25,869,463</u>	<u>23,504,957</u>	<u>18,744,481</u>	<u>14,967,221</u>	<u>12,291,985</u>	<u>8,260,811</u>	<u>7,149,470</u>	<u>2,699,738</u>
Expenditures:								
Instruction:								
Regular	5,715,172	5,246,778	5,732,973	4,665,486	3,668,288	2,937,214	2,533,358	925,832
Support Services:								
General administration	8,165,561	5,663,582	5,696,970	4,431,555	4,017,440	2,762,301	2,244,358	929,683
School administrative services and plant operations and maintenance	5,826,282	5,425,768	4,509,261	2,945,255	1,877,372	897,816	803,168	455,528
TPAF Social Security	152,810	168,130	160,859	191,914	304,652	207,089	152,382	43,172
Capital outlay	263,278	57,967	-	-	5,886	63,130	593,994	27,000
Special revenue	<u>4,992,813</u>	<u>4,340,030</u>	<u>1,869,965</u>	<u>2,523,675</u>	<u>2,056,600</u>	<u>1,004,239</u>	<u>294,866</u>	<u>112,647</u>
Total expenditures	<u>25,115,916</u>	<u>20,902,255</u>	<u>17,970,028</u>	<u>14,757,885</u>	<u>11,930,238</u>	<u>7,871,789</u>	<u>6,622,126</u>	<u>2,493,862</u>
Net change in fund balances	<u>\$ 753,547</u>	<u>\$ 2,602,702</u>	<u>\$ 774,453</u>	<u>\$ 209,336</u>	<u>\$ 361,747</u>	<u>\$ 389,022</u>	<u>\$ 527,344</u>	<u>\$ 205,876</u>

Source: School Financial Statements

CAMDEN PREP, INC.

General Fund - Other Local Revenue by Source

For the Fiscal Years Ended June 30

(Modified Accrual Basis of Accounting)

	<u>E-Rate</u>	<u>Donations</u>	<u>Other Local</u>	<u>Totals</u>
2015	\$ 10,706	\$ 1,539,718	\$ 30,282	\$ 1,580,706
2016	66,745	1,747,757	-	1,814,502
2017	2,880	212,242	-	215,122
2018	108,193	126,408	-	234,601
2019	53,095	107,527	-	160,622
2020	104,832	1,116,475	-	1,221,307
2021	70,831	345,015	-	415,846
2022	191,260	438,015	298	629,573

Source: School Financial Statements

DEMOGRAPHIC AND ECONOMIC INFORMATION

CAMDEN PREP, INC.

Demographic and Economic Statistics
For the Fiscal Year Ended June 30, 2022

<u>Year</u>	<u>Population^a</u>	<u>Personal Income^b</u>	<u>County Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
2015	507,784	24,826,318	48,891	6.5%
2016	507,002	25,466,955	52,230	5.5%
2017	506,224	26,267,230	51,889	5.1%
2018	506,353	27,211,175	53,740	4.6%
2019	506,471	28,251,117	55,780	4.0%
2020	*	*	*	10.9%
2021	*	*	*	10.1%
2022	*	*	*	*

Source:

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

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

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

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

* Data was not available at time of issuance.

OPERATING INFORMATION

CAMDEN PREP, INC.

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

<u>Function/Program</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Instruction:								
Regular	87	104	85	77	56	37	30	8
Special education	13	-	-	-	-	5	6	-
Support Services:								
General administration	15	16	3	3	2	2	2	2
School administrative services and plant operations and maintenance	16	10	14	12	11	10	6	5
Other support services	25	17	13	15	18	10	6	-
Total	<u>156</u>	<u>147</u>	<u>115</u>	<u>107</u>	<u>87</u>	<u>64</u>	<u>50</u>	<u>15</u>

Source: School Personnel Records

CAMDEN PREP, INC.

Operating Statistics
For the Fiscal Years Ended June 30

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary and Middle School	Senior High School				
2015	66	2,450,691	37,132	N/A	8	12	N/A	66	62	N/A	93.14%
2016	315	6,822,126	21,658	-41.67%	36	36	N/A	298	270	348.61%	90.91%
2017	398	7,664,700	19,258	-11.08%	42	42	N/A	354	316	18.91%	89.36%
2018	750	9,873,638	13,165	-31.64%	56	56	N/A	461	430	30.30%	93.28%
2019	902	12,234,210	22,309	69.46%	77	77	N/A	821	748	78.09%	91.11%
2020	904	16,100,063	17,929	0.45%	85	85	N/A	823	750	0.24%	91.13%
2021	1,038	16,519,257	15,915	-13.10%	104	97	7	891	722	8.26%	81.03%
2022	1,213	20,123,103	16,590	-25.64%	100	82	18	1,106	912	24.13%	82.46%

Sources: School records

CAMDEN PREP, INC.

School Building Information
For the Fiscal Years Ended June 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Mt. Ephraim Campus (ES #1, MS #1)</u>								
Mt. Ephraim Elementary								
Square Feet	77,701	77,701	77,701	77,701	77,701	77,701	77,701	77,701
Capacity (students)	450	450	450	450	690	450	390	100
Enrollment	442	369	439	441	574	398	315	66
Mt. Ephraim Middle								
Square Feet	77,701	77,701	77,701	77,701	77,701	-	-	-
Capacity (students)	350	330	270	270	120	-	-	-
Enrollment	345	235	247	247	93	-	-	-
Copewood Elementary								
Square Feet	60,000	60,000	60,000	60,000	60,000	-	-	-
Capacity (students)	255	225	225	225	90	-	-	-
Enrollment	253	204	212	214	83	-	-	-
Camden Prep High School								
Square Feet	60,000	60,000	-	-	-	-	-	-
Capacity (students)	150	73	-	-	-	-	-	-
Enrollment	142	51	-	-	-	-	-	-
Copewood Middle School								
Square Feet	60,000	-	-	-	-	-	-	-
Capacity (students)	30	-	-	-	-	-	-	-
Enrollment	30	-	-	-	-	-	-	-
Number of Schools at June 30								
Elementary	2	2	2	2	2	1	1	1
Middle	2	1	1	1	1	-	-	-
High School	1	1	-	-	-	-	-	-

Source: School Office

CAMDEN PREP, INC.

Insurance Schedule
For the Fiscal Year Ended June 30, 2022

Coverage	Policy Period	Carrier	Limits of Liability		Retention	Premium
Workers' Comp and Employers Liability	6/26/21 - 6/26/22	Twin City Fire Insurance Company	WC: Statutory Employer's Liability: BI Per Accident BI Each Employee Disease BI Policy Limit Disease	 \$1,000,000 \$1,000,000 \$1,000,000	NIL	\$95,710
General Liability	6/26/21 - 6/26/22	Markel/WRM	Liability: Each Occurrence Personal and Advertising Injury General Aggregate Fire Legal Liability Medical Payments, per person Products-Completed Operations Employee Benefits Liability Abuse and Molestation Limit	 \$1,000,000 \$1,000,000 \$3,000,000 \$1,000,000 \$10,000 \$3,000,000 \$1,000,000 \$1,000,000	NIL	\$221,430
Educators Liability	6/26/21 - 6/26/22	Markel/WRM	Educators Legal Liability	\$1,000,000	\$5,000	Incl. w/GL
Hired and Non-Owned Automobile	6/26/21 - 6/26/22	Markel/WRM	Automobile Liability Hired Physical Damage	\$1,000,000		Incl. w/GL
Automobile	6/26/21 - 6/26/22	Hartford	Automobile Liability Physical Damage	\$1,000,000 ACV	\$1,000	Incl. w/GL
Property	6/26/21 - 6/26/22	Hartford	Property: Building/Personal Property Equipment Breakdown \$25,000 Business Income / Extra Expense Flood Earthquake Cause of Loss Form Special Coinsurance	 \$143,858,600 \$100,000,000 \$10,990,000 \$10,000,000 \$10,000,000 Special Agreed amount	\$2,500 except \$25,000 Earthquake \$50,000 Flood	Incl. w/GL

CAMDEN PREP, INC.

Insurance Schedule
For the Fiscal Year Ended June 30, 2022

Coverage	Policy Period	Carrier	Limits of Liability		Retention	Premium
Excess Liability	6/26/21 - 6/26/22	American Sourhern/WRM	Each Occurrence	\$10,000,000	Excess over primary	Incl. w/GL
			Aggregate	\$10,000,000		
Excess Liability	6/26/21 - 6/26/22	Lloyd's of London	Each Occurrence	\$5,000,000	Excess over \$10M	Incl. w/GL
			Aggregate	\$5,000,000		
Excess Liability	6/26/21 - 6/26/22	Crum & Forster	Each Occurrence	\$15,000,000	Excess over \$15M	Incl. w/GL
			Aggregate	\$15,000,000		
Excess Liability	6/26/21 - 6/26/22	Aspen American Insurance	Each Occurrence	\$15,000,000	Excess over \$30M	Incl. w/GL
			Aggregate	\$15,000,000		
Crime	6/26/21 - 6/26/22	American Sourhern/WRM	Employee Theft	\$500,000	\$10,000	Incl. w/GL
			Forgery or Alteration	\$250,000		
			Inside the Premises - Theft of Money and Securities	\$250,000		
			Inside the Premises - Robbery/Safe Burglary	\$100,000		
			Computer and Funds Transfer	\$500,000		
			Fraud	\$500,000		
Excess Crime	6/26/21 - 6/26/22	Zurich	Employee Theft	\$500,000	Access over American Sourhern/WRM	Incl. w/GL
			Depositors Forgery or Alteration	\$500,000		
			Computer and Funds Transfer			
			Fraud	\$500,000		
Accident Insurance I	6/26/21 - 6/26/22	National Union Fire Ins. Co.	Accident Medical Expense:	\$25,000	Nil	Incl. w/GL
Accident Insurance II	6/26/21 - 6/26/22	National Union Fire Ins. Co.	Accident Medical Expense:	\$6,000,000	\$25,000	Incl. w/GL
Kidnap and ransom	6/26/21 - 6/26/22	US Specialty Ins. Co.	Ransom	\$5,000,000		Incl. w/GL
Workplace Violence	6/26/21 - 6/26/22	Indian Harbor Ins. Co.	Limit	\$5,000,000		Incl. w/GL
D&O	6/26/21 - 6/26/22	Philadelphia Indemnity Ins. Co.	Directors and Officers	\$3,000,000	D&O - Ded. \$1,000 Empl. Pract. Liab. - Ded. \$5,000 Fid. Liab. - Ded. \$1,000	\$10,467
			Employment Practices Liability	\$3,000,000		
			Fiduciary Liability	\$1,000,000		
			Aggregate	\$3,000,000		

CAMDEN PREP, INC.

Insurance Schedule
For the Fiscal Year Ended June 30, 2022

Coverage	Policy Period	Carrier	Limits of Liability	Retention	Retention	Premium
Excess D&O	6/26/21 - 6/26/22	Great American Ins. Co.	Limit	\$2,000,000 x/o \$3,000,00		\$4,350
SID A D&O	6/26/21 - 6/26/22	RLI Insurance	Limit	\$1,000,000 x/o \$5,000,00		\$1,460
Environmental	6/26/21 - 6/26/22	Ironshore	Each Claim Policy Aggregate	\$3,000,000 \$3,000,000	\$25,000	Incl. w/GL
Cyber Liability	6/26/21 - 6/26/22	Crum & Forster	Aggregate Limit of Liability Branch Response Limit of Liability	\$3,000,000 \$3,000,000	\$50,000	Incl. w/GL

* All of the above policies with the exception of the Management Liability coverages are written in the Uncommon Schools Shared Insurance program. The premiums allocated are based on the exposures submitted at time of placement.

**RENAISSANCE SCHOOL PERFORMANCE
FRAMEWORK FINANCIAL INDICATORS**

CAMDEN PREP, INC.

Renaissance School Performance Framework Financial Indicators
Near Team and Sustainability Indicators
For the Fiscal Years Ended June 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Cash	\$ 8,795,195	\$ 3,902,007	\$ 3,707,073	\$ 1,573,489	\$ 863,638	\$ 1,323,558	\$ 409,740	\$ 754,040
Current Assets	12,321,781	8,198,502	4,959,718	3,529,637	2,076,210	2,183,573	795,934	871,751
Capital Assets - net	726,238	519,328	505,794	542,395	578,996	609,417	579,144	-
Right-to-use Lease Assets - net	44,743,861	-	-	-	-	-	-	-
Total Assets	<u>57,791,880</u>	<u>8,717,830</u>	<u>5,465,512</u>	<u>4,072,032</u>	<u>2,655,206</u>	<u>2,792,990</u>	<u>1,375,078</u>	<u>871,751</u>
Current Liabilities	6,498,154	3,128,422	2,492,340	1,836,712	592,621	1,061,731	63,115	665,875
Lease Liabilities	45,377,145	-	-	-	-	-	-	-
Total Liabilities	<u>51,875,299</u>	<u>3,128,422</u>	<u>2,492,340</u>	<u>1,836,712</u>	<u>592,621</u>	<u>1,061,731</u>	<u>63,115</u>	<u>665,875</u>
Net Position	<u>\$ 5,916,581</u>	<u>\$ 5,589,408</u>	<u>\$ 2,973,172</u>	<u>\$ 2,235,320</u>	<u>\$ 2,062,585</u>	<u>\$ 1,731,259</u>	<u>\$ 1,311,963</u>	<u>\$ 205,876</u>
Total Revenue	\$ 25,869,463	\$ 23,504,957	\$ 18,744,481	\$ 14,967,221	\$ 12,291,985	\$ 8,260,812	\$ 7,149,069	\$ 2,699,738
Total Expenses	<u>(25,115,916)</u>	<u>(20,902,255)</u>	<u>(17,970,028)</u>	<u>(14,757,885)</u>	<u>(11,930,238)</u>	<u>(7,871,789)</u>	<u>(6,622,126)</u>	<u>(2,493,862)</u>
Change in Fund Balance	<u>\$ 753,547</u>	<u>\$ 2,602,702</u>	<u>\$ 774,453</u>	<u>\$ 209,336</u>	<u>\$ 361,747</u>	<u>\$ 389,023</u>	<u>\$ 526,943</u>	<u>\$ 205,876</u>
Final average daily enrollment	1,106	891	902	902	750	398	315	66
March 30th budgeted enrollment	1,098	1,119	872	733	690	420	300	66
Near Term Indicators	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Current Ratios	1.90	2.62	1.99	1.92	3.50	2.06	12.61	1.31
Unrestricted Days in Cash	127.82	68.14	75.30	38.92	26.42	61.37	22.58	110.36
Enrollment Variance	101%	80%	103%	123%	109%	95%	105%	100%
Default	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Sustainability Indicators	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Margin	2.9%	11.1%	1.4%	1.4%	2.9%	4.7%	7.4%	7.6%
Debt to Asset	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cash Flow	\$ 4,893,188	\$ 194,934	\$ 2,133,584	\$ 709,851	\$ (459,920)	\$ 913,818	\$ (344,300)	\$ 754,040
Debt Service Coverage Ratio	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

SINGLE AUDIT SECTION K

Exhibit K-1

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

Independent Auditor's Report

To the Board of Trustees of
Camden Prep, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the *Office of School Finance, Department of Education, State of New Jersey*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Camden Prep, Inc. (the Renaissance School), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Renaissance School's basic financial statements, and have issued our report thereon dated March 10, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Renaissance School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Renaissance School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Renaissance School's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Renaissance School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the *Office of School Finance, Department of Education, State of New Jersey*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the *Office of School Finance, Department of Education, State of New Jersey* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

AAFCPAs, Inc.

Westborough, Massachusetts
March 10, 2023

John R. Buckley, C.P.A.
Public School Accountant
PSA #20CS00271800

Exhibit K-2

Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with the Uniform Guidance and New Jersey OMB's Circular Letter 15-08

Independent Auditor's Report

To the Board of Trustees of
Camden Prep, Inc.:

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Camden Prep, Inc.'s (the Renaissance School) 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 Renaissance School's major Federal and state programs for the year ended June 30, 2022. The Renaissance School's major Federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Renaissance School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements as prescribed by 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 Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and the Uniform Guidance and State of New Jersey Department of Treasury OMB Circular 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Report on Compliance for Each Major Federal and State Program (Continued)

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

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

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

Report on Internal Control Over Compliance

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

Report on Internal Control Over Compliance (Continued)

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

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

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

AAFCPA, Inc.

Westborough, Massachusetts
March 10, 2023

John R. Buckley, C.P.A.
Public School Accountant
PSA #20CS00271800

CAMDEN PREP, INC.

Schedule of Expenditures of Federal Awards, Schedule A
For the Year Ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing (AL) Number	Pass-Through Entity Identification Number	Program or Award Amount	Grant Period		Balance at June 30, 2021	Cash Received	Total Budgetary Expenditures	Balance at June 30, 2022
				From	To				Accounts Receivable
U.S. Department of Health and Human Services									
Passed-through New Jersey Department of Health and Human Services:									
General Fund:									
Medicaid Cluster:									
COVID-19 Medical Assistance Program	93.778	2005NJ5MAP	\$ 17,945	7/1/21	6/30/22	\$ -	\$ 17,945	\$ 17,945	\$ -
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	NU50CK000546	\$ 7,778	7/1/21	6/30/22	-	-	7,778	7,778
Total U.S. Department of Health and Human Services and General Fund						-	17,945	25,723	7,778
U.S. Department of Education									
Passed-through New Jersey Department of Education:									
Special Revenue Fund:									
Title I Grants to Local Educational Agencies									
	84.010	S010A160030	\$ 1,137,685	7/1/21	6/30/22	73,754	1,038,382	1,137,685	173,057
	84.425D	S425D200027	\$ 41,354	7/1/21	6/30/22	-	-	41,354	41,354
	84.425D	S425D200027	125,406	7/1/21	6/30/22	-	-	125,406	125,406
COVID-19 - Education Stabilization Fund	84.425D	S425D200027	2,311,437	7/1/21	6/30/22	87,647	1,443,739	2,311,437	955,345
Total AL No. 84.425			\$ 2,478,197			87,647	1,443,739	2,478,197	1,122,105
Special Education Cluster (IDEA):									
Special Education Grants to States									
	84.027	H027A160100	\$ 215,776	7/1/21	6/30/22	139,670	280,523	215,776	74,923
COVID-19 Special Education Grants to States									
	84.027	H027X210100	63,109	7/1/21	6/30/22	-	-	63,109	63,109
Total AL No. 84.027 and Special Education Cluster (IDEA)			\$ 278,885			139,670	280,523	278,885	138,032
Passed-through Uncommon Schools, Inc.:									
Special Revenue Fund:									
Education Innovation and Research (Formerly Investing in Innovation (i3) Fund)									
	84.411	U282A120015	\$ 747,261	7/1/21	6/30/22	2,753,805	3,501,066	747,261	-
Total U.S. Department of Education and Special Revenue Fund						3,054,876	6,263,710	4,642,028	1,433,194
U.S. Department of Treasury									
Passed-through New Jersey Department of Education:									
COVID-19 - Coronavirus Relief Fund									
	21.019	SLT0228	\$ 291,677	6/30/17	6/29/18	-	-	-	-
Total Expenditures of Federal Awards						\$ 3,054,876	\$ 6,281,655	\$ 4,667,751	\$ 1,440,972

CAMDEN PREP, INC.

Schedule of Expenditures of State Financial Assistance, Schedule B
For the Year Ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Accounts Receivable June 30, 2021	Cash Received	Uncollectible	Budgetary Expenditures	Accounts Receivable June 30, 2022
			From	To					
State Department of Education									
General Fund:									
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	\$ 304,652	7/1/17	6/30/18	\$ 304,652	\$ -	\$ 199,161	\$ -	\$ 105,491
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	\$ 191,914	7/1/18	6/30/19	191,914	-	52,639	-	139,275
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	\$ 160,859	7/1/19	6/30/20	160,859	-	86	-	160,773
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	\$ 168,130	7/1/21	6/30/22	168,130	90,453	187	-	77,490
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	\$ 152,810	7/1/21	6/30/22	-	139,634	-	152,810	13,176
Equalization Aid - Local	22-495-034-5120-078	\$ 18,549,034	7/1/21	6/30/22	310,534	18,859,568	-	18,549,034	-
Special Education Categorical Aid	22-495-034-5120-089	\$ 561,052	7/1/21	6/30/22	-	561,052	-	561,052	-
Security Aid	22-495-034-5120-084	\$ 421,651	7/1/21	6/30/22	-	421,651	-	421,651	-
Total General Fund					<u>1,136,089</u>	<u>20,072,358</u>	<u>252,073</u>	<u>19,684,547</u>	<u>496,205</u>
Total State Financial Assistance					<u>\$ 1,136,089</u>	<u>\$ 20,072,358</u>	<u>\$ 252,073</u>	<u>\$ 19,684,547</u>	<u>\$ 496,205</u>

CAMDEN PREP, INC.

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2022

1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (collectively, the Schedules) include Federal and state award activity of Camden Prep, Inc. 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.

2. BASIS OF ACCOUNTING

The accompanying Schedules are presented on the accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance); and the provisions of New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

3. RELATIONSHIP TO THE BASIC FINANCIAL STATEMENTS

The Schedules present only a selected portion of the activities of the Renaissance School. They are not intended to, nor do they, present either the balance sheet, revenue, expenditures, or changes in fund balance of the governmental funds. The financial activity for the aforementioned awards is reported in the Renaissance School's statement of activities and statement of revenue, expenditures and changes in fund balance - governmental funds.

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 25,723	\$ 19,684,547	\$ 19,710,270
Special Revenue Fund	<u>4,642,028</u>	<u>-</u>	<u>4,642,028</u>
Total Awards and Financial Assistance	<u>\$ 4,667,751</u>	<u>\$ 19,684,547</u>	<u>\$ 24,352,298</u>

CAMDEN PREP, INC.

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2022

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. OTHER

The TPAF Social Security Contributions of \$152,810 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, 2022.

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

Not applicable for the year ended June 30, 2022.

7. DE MINIMIS INDIRECT COST RATE

The Renaissance School has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CAMDEN PREP, INC.

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

1. SUMMARY OF AUDITOR’S RESULTS

Financial Statements

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

Is a “going concern” emphasis-of-matter paragraph included in the auditor’s report? Yes X No

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major Federal programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
COVID-19 - Education Stabilization Fund	84.425
Title I Grants to Local Educational Agencies	84.010
Special Education Cluster (IDEA)	84.027

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

Auditee qualified as low-risk auditee? X Yes No

CAMDEN PREP, INC.

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

1. SUMMARY OF AUDITOR’S RESULTS (Continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs (.520)	\$750,000		
	<u>Yes</u>	<u>No</u>	
Auditee qualified as low risk auditee:	X		
Type of auditor’s report issued:		Unmodified	
Internal control over major programs:			
Material weakness(es) identified:			X
Significant deficiencies identified not considered to be material weakness(es)?		X	None Reported
Type of auditor's report on compliance for major programs:		Unmodified	
Any audit findings disclosed that are required to reported in Accordance with New Jersey Department of Treasury OMB Circular Letter 15-08?			X
Identification of major programs:			
<u>GMIS Number(s)</u>			<u>Name of State Program or Cluster</u>
22-495-034-5120-078			Equalization Aid - Local

CAMDEN PREP, INC.

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

2. FINANCIAL STATEMENT FINDINGS

None

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

None

CAMDEN PREP, INC.

New Jersey Schedule of Prior Year Findings and Questioned Costs
As Prepared by Management
For the Fiscal Year Ended June 30, 2022

Status of Prior Year Findings

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*, U.S. Uniform Guidance (Section .511(a)(b)) and New Jersey OMB's Circular 04-04 and/or 15-08, as applicable.

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations. There were no prior year findings.