

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

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

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

Camden, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

Camden's Promise Charter School Board of Trustees

Finance Department

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INTRODUCTORY SECTION

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

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

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

November 21, 2023

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

Dear Board Members,

The comprehensive annual financial report of the Camden's Promise Charter School for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Charter School. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the final position and results of operations of the various funds under the auspices of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

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

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

1. REPORTING ENTITY AND ITS SERVICES:

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

1. REPORTING ENTITY AND ITS SERVICES: (continued)

The Charter School is responsible for providing a thorough and efficient educational system for students in grades Pre-K – 12th. The Charter School completed its twenty first year of operations during the 2022-2023 fiscal year with an enrollment of 2,336.

<u>Enrollment</u>		
<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2023	2,336	4.15%
2022	2,234	-0.49%
2021	2,243	-0.09%
2020	2,245	16.30%
2019	2,209	5.64%
2018	2,091	10.34%
2017	1,895	21.94%
2016	1,554	5.00%
2015	1,480	9.14%
2014	1,356	6.10%

2. ECONOMIC CONDITION AND OUTLOOK:

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

Initiatives

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

Major initiatives include:

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

3. INTERNAL ACCOUNTING CONTROLS:

Management of the Charter School is responsible for establishing and maintaining internal control designed to ensure that the assets of the Charter School are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the Charter School also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the Charter School management.

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

4. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2023.

5. ACCOUNTING SYSTEM AND REPORTS:

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

6. DEBT:

The Charter School had no outstanding debt obligations at June 30, 2023, other than Right of Use Lease Liability of \$6,888,304 and Net Pension Liability of \$3,853,421.

7. INVESTMENT POLICY:

The investment policy of the Charter School is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The Charter School has adopted a cash management plan, which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from loss of funds from deposit with a failed banking institution in New Jersey. The law required governmental units to deposit public funds in public depositories located in New Jersey, where the funds are secured in accordance with the act.

8. RISK MANAGEMENT:

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

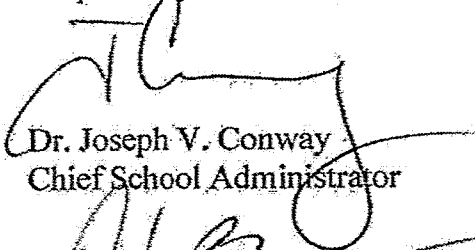
9. OTHER INFORMATION:

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

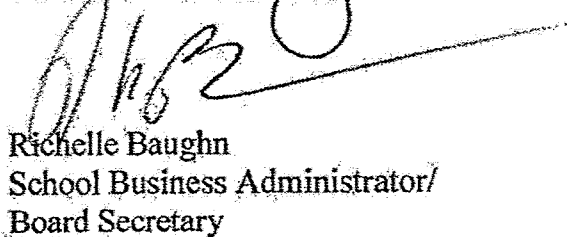
10. ACKNOWLEDGMENTS:

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

Respectfully submitted,



Dr. Joseph V. Conway
Chief School Administrator



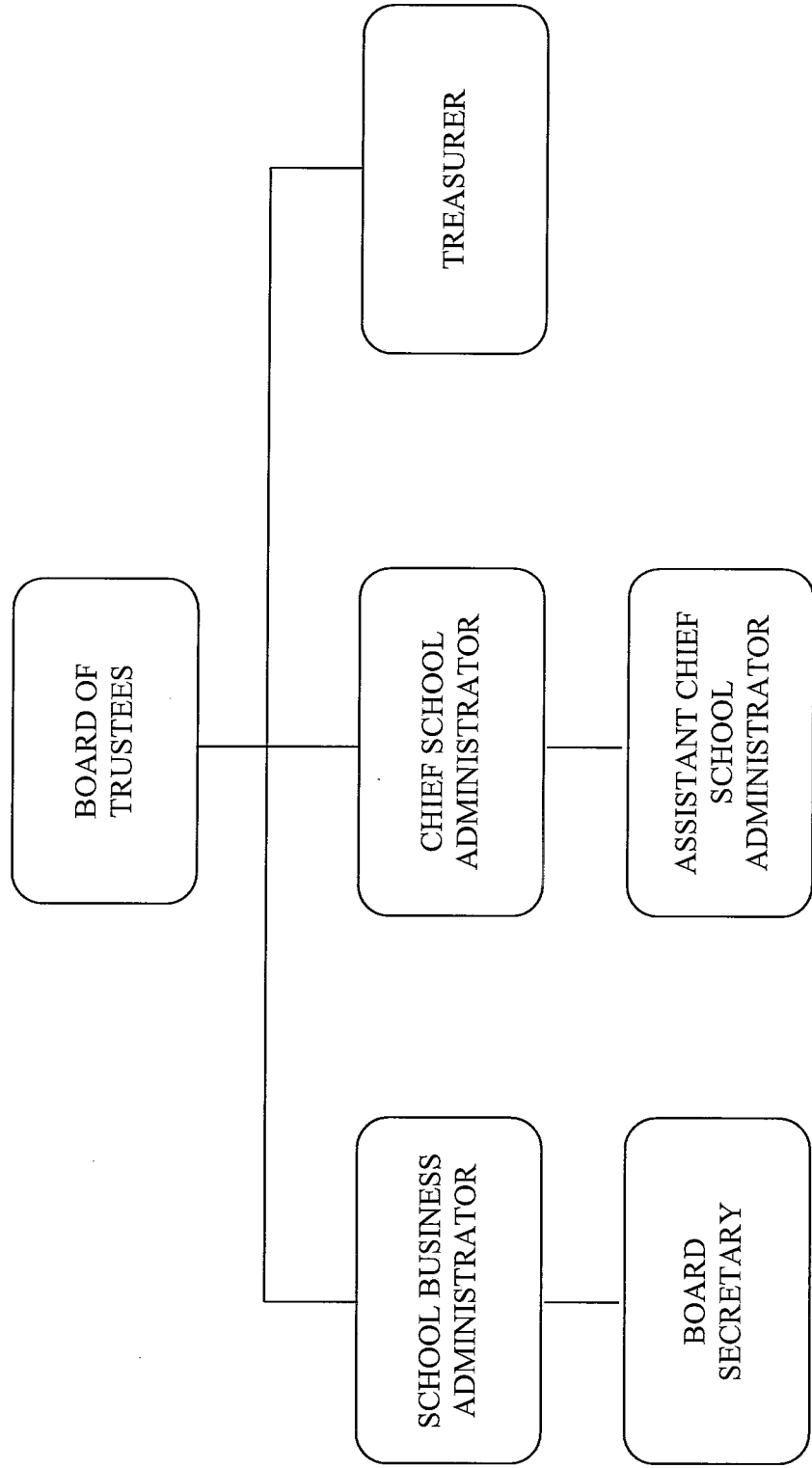
Richelle Baughn
School Business Administrator/
Board Secretary

CAMDEN'S PROMISE CHARTER SCHOOL, INC

Camden, New Jersey

Camden County

(UNIT CONTROL)



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

ROSTER OF OFFICIALS

JUNE 30, 2023

<u>MEMBERS OF THE BOARD OF TRUSTEES</u>	<u>TERM EXPIRES</u>
Zulma Lombardo, President	2023
Maria Maldonado, Vice President	2023
Glenda Figueroa	2023
Octavio Loyola	2023
Dayna Hinson	2023
Crystal Caban	2025
Nancy Cruz	2025
<u>OTHER OFFICIALS</u>	<u>AMOUNT OF BOND</u>
Dr. Joseph V. Conway, Chief School Administrator	
Bill Helmbrecht, Charter School Coordinator	
Richelle Baughn, Business Administrator/Board Secretary	\$ 475,000
Frank P. Cavallo, Esq., Solicitor	

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

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

TD Bank
151 Mickle Blvd.
Camden, New Jersey 08103

INSURANCE AGENT

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P.O. Box 989
Marlton, NJ 08053

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Trustees of the Camden's Promise Charter School, Inc. in the County of Camden, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Trustees of the Camden's Promise Charter School, Inc. in the County of Camden, State of New Jersey's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Trustees of the Camden's Promise Charter School, Inc. in the County of Camden, State of New Jersey, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Board of Trustees of the Camden's Promise Charter School, Inc. in the County of Camden, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board of Trustees of the Camden's Promise Charter School, Inc. in the County of Camden, State of New Jersey'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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted 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 Board of Trustees of the Camden's Promise Charter School, Inc. in the County of Camden, State of New Jersey'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 Board of Trustees of the Camden's Promise Charter School, Inc. in the County of Camden, State of New Jersey'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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Trustees of the Camden's Promise Charter School, Inc. in the County of Camden, State of New Jersey's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report, as required by the Office of School Finance, Department of Education, State of New Jersey. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

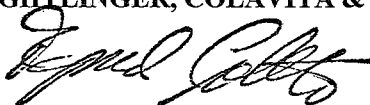
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2023 on our consideration of the Camden's Promise Charter School Board of Trustees' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Camden's Promise Charter School Board of Trustees' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Camden's Promise Charter School's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
November 21, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
CITY OF CAMDEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

UNAUDITED

The discussion and analysis of Camden's Promise Charter School, Inc.'s financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- ❖ General revenues net of adjustments accounted for \$51,003,280 in revenue or 88.3% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$6,768,922 or 11.7% percent to total revenues of \$57,772,202.
- ❖ Total net position of governmental activities increased by \$3,772,876.
- ❖ The School had total expenses of \$53,787,741, of which \$6,768,922 was offset by program specific charges for services, grants or contributions. General revenues of \$51,003,280 consisted of Federal and State Aid of \$46,100,502, property taxes of \$4,711,992, and other net revenue of \$190,786.
- ❖ The General Fund had \$45,895,512 in revenues and \$46,126,270 in expenditures. The General Fund's balance decreased by \$230,758 from operations over 2022.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

Reporting the School as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School to provide programs and activities, the view of the School as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School's Most Significant Funds

Fund Financial Statements

The analysis of the School's major (all) funds begins on page 21. Fund financial reports provide detailed information about the School's major funds. The School uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School's most significant funds. The School's major governmental funds are the General Fund and Special Revenue Fund.

Governmental Funds

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

Enterprise Fund

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

The Charter School as a Whole

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

Table 1 provides a summary of the School's net position for the years ended in 2023 and 2022, which are the first two years that a comparative presentation are available under the GASB reporting format.

Table 1
Net Position

	2023	2022
Assets		
Current and Other Assets	\$ 9,147,121	\$ 8,178,331
Capital Assets, Net	13,707,092	12,976,732
Total Assets	22,854,213	21,155,063
Deferred Outflows of Resources	1,703,136	2,410,941
Liabilities		
Other Liabilities	3,533,149	2,565,251
Long-term Liabilities	10,741,725	13,256,499
Total Liabilities	14,274,874	15,821,750
Deferred Inflows of Resources	1,365,087	2,811,327
Net Position		
Investment in Capital Assets, Net of Debt	6,818,788	3,160,252
Restricted	2,372,045	2,419,091
Unrestricted (Deficit)	(273,445)	(646,416)
Total Net Position	\$ 8,917,388	\$ 4,932,927

Table 2 shows the changes in net position from fiscal year's 2023 and 2022.

Table 2
Changes in Net Position

	<u>2023</u>	<u>2022</u>
Revenues		
Program Revenues		
Charges for Services	\$ 180,557	\$ 84,778
Operating Grants and Contributions	6,588,365	5,933,579
General Revenues		
Property Taxes	4,711,992	4,471,691
Grants and Entitlements	46,100,502	41,873,524
Other	190,786	106,627
	<u>57,772,202</u>	<u>52,470,199</u>
Program Expenses		
Instruction	23,585,146	20,145,457
Support Services		
General Administration, School Administration, Student & Instruction Related Services	7,293,683	7,215,537
Plant Operations and Maintenance	3,746,338	4,124,069
Pupil Transportation	348,849	133,271
Employee Benefits	13,825,570	14,097,846
Food Service	2,051,429	1,662,943
Other	2,936,726	2,906,791
	<u>\$ 53,787,741</u>	<u>\$ 50,285,914</u>
Increase (Decrease) in Net Position	<u>\$ 3,984,461</u>	<u>\$ 2,184,285</u>

The School's total revenue for the fiscal year ended June 30, 2023 was \$57,772,202, of which governmental revenues were \$55,509,188. As a Charter School, voter approval for the School operations is not required in New Jersey. Property taxes made up 8.2% percent of total revenues for the Camden Promise Charter School, Inc. for fiscal year 2023. Federal, state and local grants accounted for another 79.8%. The School's total expenses were \$53,787,741 which total governmental expenses were \$51,736,312 and the cost of all governmental activities, net of program revenues from charges for services or grants was \$47,230,326. Instruction comprises 43.8% of total expenditures and 49.9% of net governmental activity expenses.

Business-Type Activities

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

- ❖ Food service revenue exceeded expenses by \$211,507. Expenses were \$2,051,429.
- ❖ Charges for services represent amount paid by patrons for daily food services
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$2,211,998.

Governmental Activities

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

Table 3

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Instruction	\$ 23,585,146	\$ 18,061,892	\$ 20,145,457	\$ 15,858,854
Support Services				
General Administration, School Administration, Student & Instruction Related Services	7,293,683	5,670,426	7,215,537	5,136,175
Operation and Maintenance	3,746,338	3,746,338	4,124,069	4,124,069
Pupil Transportation	348,849	348,849	133,271	133,271
Employee Benefits	13,825,570	16,466,095	14,097,846	16,947,385
Other	2,936,726	2,936,726	2,906,791	2,906,791
Total Expenses	\$ 51,736,312	\$ 47,230,326	\$ 48,622,971	\$ 45,106,545

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

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

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

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

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

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

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

Other includes unallocated depreciation and amortization.

The School's Funds

Information about the School's major funds starts on page 21. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general funds, special revenue funds and capital projects fund presented in the fund-based statements) had total revenues of \$56,122,681 and expenditures of \$56,373,757. The net positive/negative change in fund balance for the year, from revenues and expenditures, resulted in an decrease of \$251,076.

As demonstrated by the various statements and schedules included in the financial section of this report, the School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds, including capital projects, for the fiscal year ended June 30, 2023 and the amount and percentage of increases and decreases in relation to prior year revenues.

Table 4

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$ 5,032,319	9.0%	\$ 385,473	8.3%
State Sources	41,848,339	74.6%	4,484,952	12.0%
Federal Sources	9,242,023	16.4%	2,144,948	30.2%
Total	\$ 56,122,681	100%	\$ 7,015,373	14.3%

The increase in Local Sources is attributed to an increase in local tax levy of \$240,301 and in various miscellaneous revenues of \$145,172.

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

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

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2023.

Table 5

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$ 23,585,146	41.8%	\$ 3,439,689	17.1%
Support	29,112,476	51.6%	2,187,391	8.1%
Capital Outlay	3,676,135	6.5%	2,239,794	155.9%
Debt Service Principal	0	-0.1%	(26,177)	-100.0%
Total	\$ 56,373,757	100%	\$ 7,840,697	16.2%

The increase in Instruction expenditures is attributed to an increase in the Special Revenue Fund of \$1,236,651, as well as an increase in the General Fund of \$2,203,038.

The increase in Support Expenditures is attributed to increases in school administrative services of \$390,437, student & instruction related services of \$100,355, plant operations and maintenance costs of \$638,218, pupil transportation of \$215,578, and employee benefit costs of \$1,255,449, offset by decreases in general administrative services of \$412,646.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2023, the School amended its General Fund budget as needed. The School uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

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

While the School's final budget for the general fund anticipated that deficit use would be \$1,999,399, the actual results for the year shows an deficit of expenses over revenues of \$230,758.

- ❖ Actual revenues were \$431,590 more than expected, which excludes the on-behalf pension, long-term disability and social security reimbursement of \$8,169,953.
- ❖ The actual expenditures in various line items were less than expected in the total amount of \$1,337,051, excluding the on-behalf pension, long-term disability and social security reimbursement of \$8,169,953.

Capital Assets

At the end of the fiscal year 2023, the School had \$13,707,092 invested in leasehold improvements, building, machinery and equipment, vehicle, and right-to-use leased assets. Table 4 shows fiscal 2023 balances compared to 2022.

Table 6
Capital Assets (Net of Depreciation) at June 30

	<u>2023</u>	<u>2022</u>
Construction in Progress	\$ 3,426,775	\$
Leasehold Improvement	1,858,772	2,074,766
Building	77,165	81,122
Machinery and Equipment	314,762	108,276
Vehicle	201,060	274,450
Right-to-Use Leased Assets	7,828,558	10,438,118
Totals	<u>\$ 13,707,092</u>	<u>\$ 12,976,732</u>

Overall, capital assets increased \$730,360 from fiscal year 2022 to fiscal year 2023, which represents depreciation expense.

Operating Leases

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

Debt Administration

The Charter School had no outstanding debt obligations, as of June 30, 2023.

For the Future

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

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

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

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

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

Contacting the School's Financial Management

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

BASIC FINANCIAL STATEMENTS

CHARTER SCHOOL – WIDE FINANCIAL STATEMENTS

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

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,505,371	\$ 1,115,725	\$ 2,621,096
Receivables, Net	6,360,221	114,425	6,474,646
Inventory		51,379	51,379
Capital Assets, Net (Note 5):	13,702,918	4,174	13,707,092
Total Assets	21,568,510	1,285,703	22,854,213
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows	1,703,136		1,703,136
LIABILITIES			
Accounts Payable	3,267,941	100,124	3,368,065
Accrued Interest Payable	73,710		73,710
Payable to Local Government			
Unearned Revenue	83,055	8,319	91,374
Non-current Liabilities:			
Due Within One Year	3,074,585		3,074,585
Due Beyond One Year	7,667,140		7,667,140
Total Liabilities	14,166,431	108,443	14,274,874
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows	1,365,087		1,365,087
NET POSITION			
Invested in Capital Assets, Net of Related Debt	6,814,614	4,174	6,818,788
Restricted for:			
Unemployment Compensation	47,045		47,045
Student Activities			
Other Purposes	75,000		75,000
Capital Reserve	2,250,000		2,250,000
Unrestricted (Deficit)	(1,446,531)	1,173,086	(273,445)
Total Net Position	\$ 7,740,128	\$ 1,177,260	\$ 8,917,388

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 23,585,146		\$ 5,523,254	\$ (18,061,892)	\$	\$(18,061,892)
Support Services:						
General and Business Administrative Services	5,299,897			(5,299,897)		(5,299,897)
School Administrative Services	1,843,849		1,493,638	(350,211)		(350,211)
Student and Instruction Related Services	149,937	129,619		(20,318)		(20,318)
Plant Operations and Maintenance	3,746,338			(3,746,338)		(3,746,338)
Pupil Transportation	348,849			(348,849)		(348,849)
Employee Benefits	13,825,570		(2,640,525)	(16,466,095)		(16,466,095)
Unallocated Depreciation and Amortization	2,936,726			(2,936,726)		(2,936,726)
Total Governmental Activities	51,736,312	129,619	4,376,367	(47,230,326)		(47,230,326)
Business-type Activities:						
Food Service	2,051,429	50,938	2,211,998		211,507	211,507
Total Business-type Activities	2,051,429	50,938	2,211,998		211,507	211,507
Total Primary Government	\$ 53,787,741	\$ 180,557	\$ 6,588,365	(47,230,326)	211,507	(47,018,819)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				4,711,992		4,711,992
Federal and State Aid not Restricted				46,100,502		46,100,502
Miscellaneous				190,472		190,472
Investment Earnings - Unrestricted				236		236
Investment Earnings - Restricted					78	78
Total General Revenues, Special Items, Extraordinary Items and Transfers				51,003,202	78	51,003,280
Change in Net Position				3,772,876	211,585	3,984,461
Net Position—Beginning (Deficit)				3,967,252	965,675	4,932,927
Net Position—Ending (Deficit)				\$ 7,740,128	\$ 1,177,260	\$ 8,917,388

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,576,397	\$	\$ 1,576,397
Due from Other Funds	3,775,905	1,022	3,776,927
Federal Sources		5,780,231	5,780,231
Local Sources	541,754	38,236	579,990
	<u>\$ 5,894,056</u>	<u>\$ 5,819,489</u>	<u>\$ 11,713,545</u>
Total Assets			
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 1,253,947	\$ 1,964,157	\$ 3,218,104
Student Activities Accounts Payable		1,022	1,022
Payroll Deductions and Withholdings Payable	48,815		48,815
Due to Other Funds	72,048	3,775,905	3,847,953
Unearned Revenue	4,650	78,405	83,055
	<u>1,379,460</u>	<u>5,819,489</u>	<u>7,198,949</u>
Total Liabilities			
Fund Balances:			
Restricted For:			
Escrow Fund	75,000		75,000
Unemployment Compensation	47,045		47,045
Capital Reserve	2,250,000		2,250,000
Assigned to:			
Year-End Encumbrances	63,158		63,158
Unassigned, Reported In:			
General Fund	2,079,393		2,079,393
	<u>4,514,596</u>	<u></u>	<u>4,514,596</u>
Total Fund Balances			
Total Liabilities and Fund Balances	<u>\$ 5,894,056</u>	<u>\$ 5,819,489</u>	

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

Long-Term Liabilities, including bonds payable, capital Lease payments and compensated absence obligations, are not due and payable in the current period and therefore, are not reported as liabilities in the fund statements. (6,888,304)

Accrued Interest is not due and payable in the current period and are therefore not reported as liabilities in the fund statements. (73,710)

Long Term Net Pension Liability (3,853,421)

Deferred Pension Outflows 1,703,136

Deferred Pension Inflows (1,365,087)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$37,635,954 and the accumulated depreciation and amortization is \$23,933,036 (Note 5). 13,702,918

Net position of governmental activities \$ 7,740,128

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Total Funds
REVENUES			
Local sources:			
Local Tax Levy	\$ 4,711,992	\$	\$ 4,711,992
Miscellaneous - Restricted			
Miscellaneous - Unrestricted	15,999		15,999
Other Local Sources		304,328	304,328
Total - Local Sources	4,727,991	304,328	5,032,319
State Sources	41,053,284	795,055	41,848,339
Federal Sources	114,237	9,127,786	9,242,023
Total Revenues	45,895,512	10,227,169	56,122,681
EXPENDITURES			
Current:			
Regular Instruction	18,061,892	5,523,254	23,585,146
Support:			
General Administrative Services	3,806,259	1,493,638	5,299,897
School Administrative Services	1,843,849		1,843,849
Student and Instruction Related Services		149,937	149,937
Plant Operations and Maintenance	6,705,848		6,705,848
Pupil Transportation	348,849		348,849
Employee Benefits	13,769,354	994,742	14,764,096
Capital Outlay	1,590,219	2,085,916	3,676,135
Total Expenditures	46,126,270	10,247,487	56,373,757
Excess (Deficiency) of Revenues over Expenditures	(230,758)	(20,318)	(251,076)
OTHER FINANCING SOURCES (USES)			
Total Other Financing Sources and (Uses)			
Net Change in Fund Balances	(230,758)	(20,318)	(251,076)
Fund Balance—July 1	4,745,354	20,318	4,765,672
Fund Balance—June 30	\$ 4,514,596	\$	\$ 4,514,596

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Total net change in fund balances - governmental funds (from B-2) \$ (251,076)

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 and Amortization expense	\$ (327,166)	
Capital outlays	3,676,135	
Right-to-use asset amortization	(2,609,560)	
		739,409

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

In the governmental funds, interest is charged when payment is due. 2,959,510

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

Pension Contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. 325,033

Change in net position of governmental activities (A-2) **\$ 3,772,876**

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

PROPRIETARY FUNDS

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current Assets:		
Cash	\$ 1,044,699	\$ 1,044,699
Accounts Receivable	114,425	114,425
Interfund Receivable	71,026	71,026
Inventories	51,379	51,379
	1,281,529	1,281,529
Fixed Assets:		
Equipment	185,575	185,575
Accumulated Depreciation	(181,401)	(181,401)
	4,174	4,174
Total Assets	1,285,703	1,285,703
LIABILITIES		
Current Liabilities:		
Accounts Payable	100,124	100,124
Unearned Revenue	8,319	8,319
	108,443	108,443
NET POSITION		
Net Position		
Investment in Fixed Assets	4,174	4,174
Unrestricted	1,173,086	1,173,086
Total Net Position	\$ 1,177,260	\$ 1,177,260

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Fund	
	Food Service	Total Enterprise
Operating revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$	\$
Daily Sales - Non-Reimbursable Programs	50,938	50,938
Total Operating Revenue:	50,938	50,938
Operating expenses:		
Cost of Sales - Reimbursable Programs	947,328	947,328
Cost of Sales - Non- Reimbursable Programs	31,474	31,474
Salaries	576,957	576,957
Employee Benefits	80,453	80,453
Management Fee	158,578	158,578
Supplies & Materials	214,222	214,222
Other Costs	33,368	33,368
Depreciation	9,049	9,049
Total Operating Expenses	2,051,429	2,051,429
Operating Income (loss)	(2,000,491)	(2,000,491)
Non-operating Revenues (Expenses):		
State Sources:		
State School Lunch Program	39,544	39,544
State School Breakfast Program	26,816	26,816
Federal Sources:		
National School Breakfast Program	463,156	463,156
National School Lunch Program	1,262,363	1,262,363
National School Lunch Program-Snacks	77,164	77,164
Fresh Fruit and Vegetable Program	36,768	36,768
Child and Adult Care Food Program-Food	68,232	68,232
Child and Adult Care Food Program-Admin	7,031	7,031
Child and Adult Care Food Program-Supply	2,022	2,022
Food Distribution Program	162,535	162,535
Supply Chain Assistance Funding	66,367	66,367
Interest	78	78
Total Non-operating Revenues (Expenses)	2,212,076	2,212,076
Change in Net Position	211,585	211,585
Total Net Position—Beginning	965,675	965,675
Total Net Position—Ending	\$ 1,177,260	\$ 1,177,260

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Funds	
	Food Service	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 50,938	\$ 50,938
Payments to employees	(576,957)	(576,957)
Payments for employee benefits	(80,453)	(80,453)
Payments to suppliers	(1,051,398)	(1,051,398)
Net cash provided by (used for) operating activities	<u>(1,657,870)</u>	<u>(1,657,870)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Board Subsidy		
Food Distribution Program	162,535	162,535
Cash Received from State and Federal Reimbursements	2,049,463	2,049,463
Net cash provided by (used for) non-capital financing activities	<u>2,211,998</u>	<u>2,211,998</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets		
Net cash provided by (used for) capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	78	78
Net cash provided by (used for) investing activities	<u>78</u>	<u>78</u>
Net increase (decrease) in cash and cash equivalents	554,206	554,206
Balances—beginning of year	490,493	490,493
Balances—end of year	<u>\$ 1,044,699</u>	<u>\$ 1,044,699</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (2,000,491)	\$ (2,000,491)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation and net amortization	9,049	9,049
(Increase)/Decrease in Interfund Receivable	1,549	1,549
(Increase)/Decrease in Accounts Receivable	338,521	338,521
(Increase)/Decrease in Inventory	(14,538)	(14,538)
Increase/(Decrease) in Accounts Payable	2,011	2,011
Increase/(Decrease) in Unearned Revenue	6,029	6,029
Total adjustments	<u>342,621</u>	<u>342,621</u>
Net cash provided by (used for) operating activities	<u>\$ (1,657,870)</u>	<u>\$ (1,657,870)</u>
Noncash Investing, Capital, and Financing Activities:		
During the year, \$99,629 of food commodities was received from the U.S. Department of Agriculture		

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. DESCRIPTION OF THE CHARTER SCHOOL AND REPORTING ENTITY

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

A. Reporting Entity:

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In June 1999, the Governmental Accounting Standards Board (GASB), unanimously approved Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. In addition, the Charter School has implemented GASB Statement No. 37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No. 38, Certain Financial Statement Note Disclosures and GASB No. 54 Fund Balance Reporting and Governmental Fund Type Descriptions.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

A. New Accounting Standards:

Accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*: The objective of this Statement is to provide guidance on SBITAs for government end users and their recognition as a right-to-use subscription asset. GASB 96 was effective after June 15, 2022 and was considered by Management.
- GASB Statement No. 99 - *Omnibus 2022*: The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Management is evaluating the potential impact of the adoption of GASB 99 on the School District's financial statements.
- GASB Statement No. 100 - *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*: The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Management is evaluating the potential impact of the adoption of GASB 100 on the School District's financial statements.
- GASB Statement No. 101 - *Compensated Absences*: The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is evaluating the potential impact of the adoption of GASB 101 on the School District's financial statements.

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

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

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

B. Fund Accounting:

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

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

GOVERNMENTAL FUND TYPE

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

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

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

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

GOVERNMENTAL FUND TYPE

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

As a result of implementing GASB Statement No. 84, Fiduciary Activities, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities

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

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

PROPRIETARY FUND TYPE

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

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

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

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

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

C. Basis of Accounting and Measurement Focus:

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

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

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

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

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

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

D. Budgets/Budgetary Control:

Charter School budgets are prepared annually and are submitted to the Department of Education for review. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are mandated by the Department of Education and are detailed in the Charter School Budget Summary form that is part of the New Jersey Charter School Application and are defined as the lowest (most specific) level of detail referenced in NJAC 6:20-2A (m) 1. Transfers of appropriations may be made by Board resolution at any time during the fiscal year.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

D. Budgets/Budgetary Control: (Cont'd)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

E. Encumbrance Accounting:

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

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

The Charter School had \$63,158 assigned for year-end encumbrances at June 30, 2023.

F. Tuition:

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

G. Short-term Interfund Receivables/Payables:

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

H. Inventories and Prepaid Expenses:

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

On School-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

I. Assets, Liabilities and Equity:

Transactions

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

Inventories

On School-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expensed when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023. The value of federal commodities included in food is \$8,319.

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food	\$	38,062
Supplies		13,317
 Total	 \$	 51,379

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

Capital Assets

General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2023 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Capital assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the Statement of Net Position. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

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

Assets	Years
Buildings	50
Building improvements & portable classroom	20 -50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 – 10
Computer equipment	5 – 10

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

J. Compensated Absences:

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

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

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

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them. As of June 30, 2023, no liability existed for compensated absences in the Food Service Fund.

K. Unearned Revenue:

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

L. Fund Equity:

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

M. Management Estimates:

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

N. Accrued Liabilities and Long-term Obligations:

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

O. Extraordinary and Special Items:

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

P. Charter School Funding:

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

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

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

Q. Net Position:

Net position represents the difference between the sum of assets and deferred outflows of resources, and the sum of liabilities and deferred inflows of resources. Net position is classified into the following three components:

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Charter School or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The Charter School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

R. Fund balances - Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

R. Fund balances - Governmental Funds (Cont'd)

- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Trustees, the Charter School's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Trustees.
- Assigned - includes amounts that the Charter School intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the Charter School's policy, amounts may be assigned by the Business Administrator.

Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The Charter School reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the Charter School considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the Charter School considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

S. Fund Balance Reserves:

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

T. Operating Revenues and Expenses:

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

U. Revenues – Exchange and Non-exchange Transactions:

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

U. Revenues – Exchange and Non-exchange Transactions: (Cont'd)

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

V. Comparative Data/Reclassifications:

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

W. Allocation of Indirect Expenses:

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

X. Lease Acquisition Costs:

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with a maturity of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the school district.

As of June 30, 2023, cash and cash equivalents in the fund financial statements of the Charter School consisted of the following:

		Cash and Cash Equivalents
Checking Accounts	\$	2,621,096
Total	\$	2,621,096

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

As of June 30, 2023, the Charter School's bank balance of \$3,386,584 was exposed to custodial credit risk as follows:

Insured	\$	250,000
Uninsured and collateralized with securities held by pledging financial institutions		3,136,584
	\$	3,386,584

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

As of June 30, 2023, the Charter School's cash and cash equivalents of \$2,621,096 was allocated across the fund financial statements as follows:

Unrestricted Cash:			
Governmental Funds, Balance Sheet	B-1	\$	1,576,397
Enterprise Funds, Statement of Net Position	B-4		<u>1,044,699</u>
Total Cash		\$	<u><u>2,621,096</u></u>

New Jersey Cash Management Fund – During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. As of June 30, 2023, the Charter School had no funds on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Camden's Promise Board of Trustees. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The capital reserve balance, as of June 30, 2023 was \$2,250,000.

NOTE 5. CAPITAL ASSETS

	Beginning Balance July 1, 2022	Additions	Adjustments/ Retirements	Ending Balance June 30, 2023
Governmental Activities:				
Capital Assets that are not being Depreciated:				
Construction in Progress		\$ 3,426,775	\$ -	\$ 3,426,775
Total Capital Assets not being Depreciated		<u>3,426,775</u>		<u>3,426,775</u>
Leasehold Improvements	\$ 5,728,140			\$ 5,728,140
Building	118,715			118,715
Machinery and Equipment	1,234,093	249,360		1,483,453
Vehicle	783,577			783,577
Right-to-Use Leased Assets	<u>26,095,294</u>			<u>26,095,294</u>
Totals at Historical Cost	<u>33,959,819</u>	<u>249,360</u>		<u>34,209,179</u>
Less Accumulated Depreciation and Amortization for:				
Leasehold Improvements	(3,653,374)	(215,994)		(3,869,368)
Building	(37,593)	(3,957)		(41,550)
Machinery and Equipment	(1,139,040)	(33,825)		(1,172,865)
Vehicle	(509,127)	(73,390)		(582,517)
Right-to-Use Leased Assets	<u>(15,657,176)</u>	<u>(2,609,560)</u>		<u>(18,266,736)</u>
Total Accumulated Depreciation and Amortization	<u>(20,996,310)</u>	<u>(2,936,726)</u>		<u>(23,933,036)</u>
Total Capital Assets being Depreciated, net of Accumulated Depreciation and Amortization	12,963,509	(2,687,366)		10,276,143
Government Activities Capital Assets, Net	<u>\$ 12,963,509</u>	<u>\$ 739,409</u>	<u>\$ -</u>	<u>\$ 13,702,918</u>
	To A-1			To A-1
Business-type Activities - Equipment	185,575			185,575
Less Accumulated Depreciation	(172,352)	(9,049)		(181,401)
Business-type Activities Capital Assets, Net	<u>\$ 13,223</u>	<u>\$ (9,049)</u>		<u>\$ 4,174</u>
				To G-1

Depreciation and amortization expense was charged to
to governmental functions as follows:

Unallocated	<u>\$ 2,936,726</u>
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CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 6. LONG-TERM OBLIGATIONS

	Beginning Balance July 1, 2022	Additions	Reductions	Ending Balance June 30, 2023	Amounts Due within One Year	Long-term Portion
Governmental Activities:						
Bonds Payable:						
General Obligation Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Bonds Payable						
Other Liabilities:						
Right-to-Use Lease Liability	9,816,480		2,928,176	6,888,304	3,074,585	3,813,719
Net Pension Liability	3,440,019	413,402		3,853,421		3,853,421
Total	\$ 13,256,499	\$ 413,402	\$ 2,928,176	\$ 10,741,725	\$ 3,074,585	\$ 7,667,140
					To A-1	

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

Debt Administration - NJEDA Subsidized Bonds:

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

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

These bond proceeds are to partially fund the construction of renovations to an existing building in the City of Camden, New Jersey, referred to as "The Charter School Network Building", owned by the Camden Academy Charter School, Inc., with Camden's Promise Charter School, Inc. and Camden's Pride Charter School, Inc. as guarantors.

During the 2023-24 fiscal year, the Charter School made its final principal and interest payment on these bonds.

B. Capital Leases – None

NOTE 7. PENSION PLANS

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7. PENSION PLANS (CONT'D)

Public Employees' Retirement System

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

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

The following represents the membership tiers for PERS:

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

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2021 was 7.5% of base salary. The Charter School employees' contributions for the year ended June 30, 2023 were \$216,544. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2023 is 15.98% of covered payroll. The Charter School is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the Charter School and equal to the required contributions for each year. The Charter School's contributions to PERS for the years ended June 30, 2023, and 2022, were \$321,995 and \$336,485 respectively.

The total payroll for the year ended June 30, 2023 was \$24,418,136. Payroll covered by PERS was \$2,887,246 for fiscal year 2023.

Components of Net Pension Liability - At June 30, 2023, the Charter School 's proportionate share of the PERS net pension liability was \$3,853,420. The net pension liability was measured as of June 30, 2022. The Charter School's proportion of the net pension liability was based on the Charter School's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Charter School's proportion measured as of June 30, 2022 was 0.025534% which was a decrease of 0.00320% from its proportion measured as of June 30, 2021.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Cont'd)

Pension Expense and Deferred Outflows/Inflows of Resources - The Charter School's 2023 PERS pension expense, with respect to GASB 68, was \$18,756. The Charter School's 2023 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,812	\$ 24,526
Changes of assumptions	11,939	577,010
Net difference between projected and actual earnings on pension plan investments	159,490	
Changes in proportion	1,181,900	763,551
Contributions subsequent to the measurement date	321,995	
Total	\$ 1,703,136	\$ 1,365,087

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

Year	PERS
2023	\$ 123,581
2024	3,068
2025	110,433
2026	(218,263)
2027	(2,765)
Thereafter	-
Total	\$ 16,054

Additional Information - Collective Balances at June 30, 2023 and 2022 are as follows:

Year	2023	2022
Collective deferred outflows of resources	\$ 1,703,136	\$ 2,410,941
Collective deferred inflows of resources	\$ 1,365,087	\$ 2,811,327
Collective Net Pension Liability	\$ 3,853,420	\$ 3,403,735
District's Proportion	0.025534%	0.028732%

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

	PERS
Investment Rate of Return	7.00%
Salary Increases: (Based on Years of Service):	2.75 – 6.55%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Cont'd)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Long-Term Expected Rate of Return – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7. PENSION PLANS (CONT'D)

Public Employees' Retirement System (Cont'd)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 4,992,442	\$ 3,853,420	\$ 2,944,475

Teachers' Pension and Annuity Fund

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the Charter School and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

The following represents the membership tiers for TPAF:

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (Cont'd)

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2021. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the Charter School and all other related non-contributing employers. No normal or accrued liability contribution by the Charter School has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions. The Charter School was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2023 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$5,390,142 to the TPAF for pension contributions, \$1,415,977 for post-retirement benefits on behalf of the Charter School, and \$4,131 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Charter School \$1,359,703 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2023, the Charter School was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the Charter School.

Pension Expense - For the year ended June 30, 2023, the Charter School recognized pension expense of \$1,754,875 and revenue of \$1,754,875 for support provided by the State.

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

	TPAF
Investment Rate of Return	7.00%
Salary Increases	
(Based on Years of Service):	2.75 – 5.65%
Inflation Rate – Price	2.75%
Inflation Rate – Wage	3.25%

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7. PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund (Cont'd)

Long-Term Expected Rate of Return - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
State's Share of the Net Pension Liability associated with the District	\$ 76,577,155	\$ 65,205,973	\$ 55,818,511
State's Share of the Net Pension Liability	\$ 60,591,896,759	\$ 51,676,587,303	\$ 44,166,559,329

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7. PENSION PLANS (CONT'D)

Defined Contribution Retirement Program (DCRP)

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

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

Eligibility

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

Contributions – The contribution policy is set by N.J.S.A 43:15C-3 and requires contributions by active members and contributing employers. Plan members are required to contribute 5.5% of their base salary and the Charter School's employer match is an additional 3% contribution. For the year ended June 30, 2023, employee contributions totaled \$29,879 and the Charter School's employer contribution, recognized in pension expense, was \$56,607. There were no forfeitures during the fiscal year.

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

NOTE 8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP).

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

General Information about the OPEB Plan (Cont'd)

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

State Health Benefit State Retired Employees Plan:

State Health Benefit State Retired Employees Plan Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not prefund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage:

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Special Funding Situation

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

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2022, was \$50,646,462,966. Of this amount, the total OPEB liability attributable to the Charter School was \$28,688,458. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the Charter School of 0.05664%. The total OPEB liability for the Charter School measured as of June 30, 2022 is zero as a result of the Special Funding Situation with the State of New Jersey. The Charter School's proportionate share of the total OPEB liability measured as of June 30, 2022 is 0.00%. Accordingly, the Charter School did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

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

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75% to 4.25% based on years of service	2.75% to 6.55% based on years of service	3.25% to 16.25% based on years of service

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

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Health Care Trend Assumptions

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

Discount rate

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
State of New Jersey	
Balance as of June 30, 2021 Measurement Date	\$ <u>60,007,650,971</u>
Changes for the year:	
Service Cost	2,770,618,025
Interest	1,342,187,139
Changes of Benefit Terms	0
Differences between Expected and Actual	1,399,200,736
Changes of Assumptions	(13,586,368,097)
Benefit Payments	(1,329,476,059)
Contributions from Members	42,650,252
Net Changes	<u>(9,361,188,004)</u>
Balance as of June 30, 2022 Measurement Date	\$ <u>50,646,462,967</u>

Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate:

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

<u>June 30, 2022</u>		
At 1.00% Decrease	At Discount Rate	At 1.00% Increase
2.54%	3.54%	4.54%
\$ 59,529,589,697	50,646,462,966	43,527,080,995

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

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

		June 30, 2022		
		Healthcare Cost		
1.00% Decrease		Trend Rate	1.00% Increase	
\$	41,862,397,291	50,646,462,966	62,184,866,635	

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

For the year ended June 30, 2023, the Charter School recognized OPEB expense of \$4,437,751. The Charter School reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 5,122,028	\$ (8,758,918)
Changes of Assumptions	4,965,246	(9,763,984)
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion	8,196,468	(2,756,095)
Contributions Subsequent to the Measurement Date		
Total	\$ 18,283,742	\$ (21,278,997)

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

Measurement Period Ending June 30,	OPEB
2023	\$ 4,852,781
2024	4,852,781
2025	4,852,781
2026	4,997,185
2027	5,369,395
Thereafter	14,637,818
Total	\$ 39,562,741

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9. DEFERRED COMPENSATION

Deferred compensation

The Board offers its employees a choice of Equivest deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

NOTE 10. LITIGATION

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

NOTE 11. RISK MANAGEMENT

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

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

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

<u>Balance</u> <u>6/30/22</u>	<u>Charter</u> <u>School</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Claims</u>	<u>Balance</u> <u>6/30/23</u>
\$ 73,773	\$ 4	\$ 29,875	\$ 56,607	\$ 47,045

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2023:

<u>Fund</u>	<u>Interfund</u> <u>Receivable</u>	<u>Interfund</u> <u>Payable</u>
General	\$ 3,775,905	\$ 72,048
Special Revenue	1,022	3,775,905
Food Service	71,026	
Total	<u>\$ 3,847,953</u>	<u>\$ 3,847,953</u>

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 13. RECEIVABLES

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

<u>Receivables:</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental				
State	\$	\$	\$ 3,349	\$ 3,349
Federal		5,780,231	87,414	5,867,645
Local	541,754	38,236	23,662	603,652
Totals	\$ 541,754	\$ 5,818,467	\$ 114,425	\$ 6,474,646

NOTE 14. LEASES

Lease Agreements

The Charter School is a lessee for multiple building lease agreements. The Charter School recognizes a lease liability – finance purchase and a capital asset or recognizes a lease liability – right to use and an intangible right-to use lease asset in the Charter School-wide financial statements based on the criteria dictated in GASB Statement No. 87 – Leases.

At the commencement of a lease, the Charter School determines based on the criteria dictated in GASB Statement No. 87 – Leases, if the lease is a finance purchase or a right to use lease liability. Then the Charter School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the Charter School capital assets as land, land improvements, buildings and improvements or furniture and equipment.

An intangible right-to use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date. The intangible right-to use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to use lease asset is reported with the Charter School's capital assets in its own category called Right-to-Use Lease Assets.

Key estimates and judgements related to leases include how the Charter School determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Charter School uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Charter School is utilizing the treasury bill rate (corresponding to length of lease) in place at the date of implementation along with other risk factors to determine the discount interest rate for leases.

The Charter School has elected to recognize payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 14. LEASES (CONT'D)

Lease Agreements (Cont'd)

The Charter School has determined its building lease agreements qualify as a right-to-use assets. The following represents the future collective minimum lease payments associated with these rental agreements, as of June 30, 2023:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-2024	\$ 3,074,585	\$ 344,415	\$ 3,419,000
2024-2025	3,228,314	190,686	3,419,000
2025-2026	585,405	29,270	614,675
Total	\$ 6,888,304	\$ 564,371	\$ 7,452,675

NOTE 15. SERVICE AGREEMENT

Charter Management Organization Agreement – During the 2017-18 School Year, the Camden's Charter School Network, Inc. entered into a ten month service agreement with Camden's Promise Charter School, Inc. for the purpose of providing the Charter School with administrative support in the development of student enrollment plans, enrollment marketing, professional development, student records development and direct supervision of the student enrollment process. The Camden's Charter School, Inc. agreed to pay the Network \$300,000 in exchange for these services. This agreement was extended for the 2022-23 School Year.

NOTE 16. TAX ABATEMENT

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

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

NOTE 17. FUND BALANCE

General Fund - Of the \$4,514,596 in General Fund balance at June 30, 2024, \$75,000 is restricted for escrow, \$47,045 is restricted for unemployment compensation, \$2,250,000 is restricted for capital reserve, \$63,158 is assigned for encumbrances, and \$2,079,393 is unassigned.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 18. SUBSEQUENT EVENTS

There were no other events noted, between the year-end and November 21, 2023, the date of the audit report, requiring disclosure.

End of Notes to Financial Statements

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Revenue/ Expenditures	Variance Favorable/ (Unfavorable)
REVENUES:					
"Local Tax Levy"- Local Share - Charter School Aid:					
Black Horse Pike Regional	\$	\$	10,630	\$ 10,630	\$
Borough of Clementon			22,874	22,874	22,874
Borough of Collingswood			38,777	38,777	38,777
Borough of Lawnside			55,370	55,370	55,370
Borough of Lindenwold			11,243	11,243	11,243
Borough of Magnolia			11,118	11,118	11,118
Borough of Merchantville			64,201	64,201	64,201
Borough of Palmyra			22,345	22,345	22,345
Borough of Paulsboro			41,947	41,947	41,947
Borough of Pine Hill			2,694	2,694	2,694
Borough of Runnemede			10,217	10,217	10,217
Borough of Woodlyn			31,734	31,734	31,734
Cherry Hill Township			131,936	131,936	131,936
Cinnaminson Township			13,047	13,047	13,047
City of Camden			1,303,912	1,303,912	1,303,912
City of Gloucester			12,370	12,370	12,370
City of Woodbury			14,298	14,298	14,298
Clearview Regional			10,302	10,302	10,302
Deptford Township			97,918	97,918	97,918
Eastern Camden County Regional			10,364	10,364	10,364
Gloucester Township			63,543	63,543	63,543
Haddon Township			13,077	13,077	13,077
Hi Nella Township			9,054	9,054	9,054
Lenape Regional Township			8,247	8,247	8,247
Maple Shade Township			68,260	68,260	68,260
Medford Twp			37,347	37,347	37,347
Monroe Township			27,277	27,277	27,277
Moorestown Township			18,508	18,508	18,508
Pennsauken Township			2,423,708	2,423,708	2,423,708
Pennsville			8,419	8,419	8,419
Sterling High School District			9,700	9,700	9,700
Washington Township			8,547	8,547	8,547
Waterford Township			8,020	8,020	8,020
West Deptford Township			14,554	14,554	14,554
Willingboro Township			19,683	19,683	19,683
Winslow Township			56,751	56,751	56,751
Total - Local Share Tax Levy		4,711,992	4,711,992	4,711,992	
Local Tax Levy- State Share - Charter School Aid:					
Equalization aid	34,674,190	(4,178,435)	30,495,755	30,495,755	
Total - Local Levy Budget	34,674,190	533,557	35,207,747	35,207,747	
Categorical Aids:					
Special Education	784,979	35,958	820,937	820,937	
Security Aid	1,215,303	(18)	1,215,285	1,215,285	
Total Categorical Aids	2,000,282	35,940	2,036,222	2,036,222	
Other State Aid:					
Charter School Aid				351,354	351,354
On-Behalf TPAF Pension Contribution				5,390,142	5,390,142
On-Behalf TPAF Pension Post Retirement Medical				1,415,977	1,415,977
On-Behalf TPAF Long-Term Disability Contribution				4,131	4,131
Reimbursed TPAF Social Security Contributions (Non-budgeted)				1,359,703	1,359,703
Total Other State Aid				8,521,307	8,521,307
Total State Aid	36,674,472	569,497	37,243,969	45,765,276	8,521,307
Federal Sources:					
Medicaid Program - SEMI				114,237	114,237
				114,237	114,237
Revenue from Other Sources					
Interest on Bank Deposits				236	236
Other Restricted Miscellaneous Revenues					
Unrestricted Miscellaneous Revenues	50,000		50,000	15,763	(34,237)
Total Revenue from Other Sources	50,000		50,000	15,999	(34,001)
TOTAL REVENUES	\$ 36,724,472	\$ 569,497	\$ 37,293,969	\$ 45,895,512	\$ 8,601,543

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Favorable/ (Unfavorable)</u>
EXPENDITURES:					
CURRENT EXPENSES:					
Regular Programs - Instruction:					
Salaries of Teachers - Kindergarten	\$	\$	\$	\$	
Salaries of Teachers - Grades 1-5		5,848,497	5,848,497	5,848,497	
Salaries of Teachers - Grades 6-8		5,492,749	5,492,749	5,492,749	
Salaries of Teachers - Grades 9-12	15,589,400	(10,990,785)	4,598,615	4,598,615	
Other Salaries for Instruction	1,861,100	(1,465,807)	395,293	395,293	
Regular Programs - Undistributed					
Instruction:					
Purchased Professional/ Technical Services	550,000	(311,494)	238,506	227,465	11,041.00
Purchased Professional/ Educational Services					
Other Purchased Services	160,000	(3,505)	156,495	106,746	49,749
General Supplies	250,000	854,657	1,104,657	1,060,069	44,588
Textbooks	170,000	(5,216)	164,784	153,848	10,936
Trips		300,000	300,000	178,610	121,390
Miscellaneous Expense	5,000		5,000		5,000
TOTAL REGULAR PROGRAMS - INSTRUCTION	18,585,500	(280,904)	18,304,596	18,061,892	242,704
UNDISTRIBUTED EXPENDITURES:					
Administration					
Salaries Administrative	1,453,000	836,431	2,289,431	2,287,907	1,524
Salaries of Secretarial/ Clerical Assistants	471,500	(471,500)			
Other Retirement Contributions - PERS		321,995	321,995	321,995	
Health Benefits	5,400,000	(113,994)	5,286,006	5,277,406	8,600
Legal Services	200,000	(100,000)	100,000	15,293	84,707
Other Purch. Professional/ Tech Services	150,000	(80,000)	70,000	64,165	5,835
Other Purchased Services	800,000	494,610	1,294,610	1,186,818	107,792
Communications/Telephone	350,000	(325,936)	24,064		24,064
General Supplies	250,000	27,211	277,211	251,176	26,035
Miscellaneous Expenditures	5,000		5,000	900	4,100
Total General Administration	9,079,500	588,817	9,668,317	9,405,660	262,657
Support Services					
Salaries	2,027,800	(240,160)	1,787,640	1,777,940	9,700
Purchased Professional and Technical Services	310,000		310,000	65,231	244,769
Rental of Land and Buildings	5,114,001	516,978	5,630,979	5,625,256	5,723
Insurance	450,000	(24,200)	425,800	425,781	19
Supplies and Materials	150,000	(30,474)	119,526	678	118,848
Transportation - Between Home/School-Vendors	100,000	271,533	371,533	348,849	22,684
Energy	700,000	(30,023)	669,977	654,811	15,166
Miscellaneous	5,000		5,000		5,000
Total Operation and Maintenance of Plant Services	8,856,801	463,654	9,320,455	8,898,546	421,909
	\$ 36,521,801	\$ 771,567	\$ 37,293,368	\$ 36,366,098	\$ 927,270

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Favorable/ (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
On-Behalf TPAF Pension Contribution	\$	\$	\$	\$ 5,390,142	\$ (5,390,142)
On-Behalf TPAF Pension Post Retirement Medical				1,415,977	(1,415,977)
On-Behalf TPAF Long-Term Disability Contribution				4,131	(4,131)
Reimbursed TPAF Social Security Contributions (Non-budgeted)				1,359,703	(1,359,703)
TOTAL UNALLOCATED BENEFITS				8,169,953	(8,169,953)
TOTAL EXPENDITURES - CURRENT EXPENSE	36,521,801	771,567	37,293,368	44,536,051	(7,242,683)
Capital Outlay					
Undistributed Expenditures		249,360	249,360	249,360	
Total Equipment		249,360	249,360	249,360	
Facilities Acquisition & Construction Services					
Lease/Purchase - Principal					
Purchase of Land/Improvements	2,000,000	(249,360)	1,750,640	1,340,859	409,781
Total Facilities Acquisition & Construction Services	2,000,000	(249,360)	1,750,640	1,340,859	409,781
Total Capital Outlay expenditures	2,000,000		2,000,000	1,590,219	409,781
TOTAL EXPENDITURES	38,521,801	771,567	39,293,368	46,126,270	(6,832,902)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,797,329)	(202,070)	(1,999,399)	(230,758)	1,768,641
Other Financing Sources:					
Operating Transfer (Out) and In:					
Food Service					
Total other Financing Sources					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and other Financing Uses	(1,797,329)	(202,070)	(1,999,399)	(230,758)	1,768,641
Fund Balances, July 1	4,745,354		4,745,354	4,745,354	
Fund Balances, June 30	\$ 2,948,025	\$ (202,070)	\$ 2,745,955	\$ 4,514,596	\$ 1,768,641
Recapitulation:					
Restricted Fund Balance:					
Escrow Fund				\$ 75,000	
Unemployment Compensation				47,045	
Capital Reserve				2,250,000	
Assigned to:					
Year-End Encumbrances				63,158	
Unassigned Fund Balance:					
Unassigned Fund Balance				2,079,393	
				\$ 4,514,596	

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SPECIAL REVENUE FUND
AS OF JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 4,140,828	\$ 11,630,756	\$ 15,771,584	\$ 8,802,846	\$ (6,968,738)
State Sources	815,880	(1,360)	814,520	795,055	(19,465)
Local Sources		149,937	149,937	304,328	154,391
Total Revenues	4,956,708	11,779,333	16,736,041	9,902,229	(6,833,812)
EXPENDITURES:					
Instruction					
Salaries of Teachers	4,956,708	(1,130,986)	3,825,722	2,729,142	1,096,580
Other Salaries		204,000	204,000	203,943	57
Purchased Prof. & Technical Services		861,708	861,708	674,763	186,945
Supplies and Materials		2,416,158	2,416,158	1,915,927	500,231
Total Instruction	4,956,708	2,350,880	7,307,588	5,523,775	1,783,813
Support Services					
Salaries Other Professional Staff		1,358,559	1,358,559	359,619	998,940
Salaries of Principals/Asst Prin/ Prog Dir		31,200	31,200	31,200	
Salaries of Secretarial/Clerical		30,000	30,000	29,216	784
Salaries of Parent Liaison		32,500	32,500	32,500	
Salaries of Facilitator/Coach		40,500	40,500	40,500	
Personal Services - Employee Benefits		1,448,699	1,448,699	994,742	453,957
Purchased Professional & Technical Services		1,001,281	1,001,281	239,797	761,484
Other Purchased Services		126,865	126,865	89,999	36,866
Rental		50,000	50,000	50,000	
Supplies and Materials		1,551,144	1,551,144	570,008	981,136
Other Objects		50,838	50,838	50,838	
Student Activities		149,937	149,937	149,937	
Total Support Services		5,871,523	5,871,523	2,638,356	3,233,167
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Non-instructional Equipment		646,379	646,379	626,711	19,668
Building		2,910,551	2,910,551	1,133,705	1,776,846
Total Facilities Acquisition and Construction Services		3,556,930	3,556,930	1,760,416	1,796,514
Total Expenditures	4,956,708	11,779,333	16,736,041	9,922,547	6,813,494
Other Financing Sources (Uses)					
Total Outflows	4,956,708	11,779,333	16,736,041	9,922,547	6,813,494
Excess (Deficiency) of Revenues Over (Under)				(20,318)	(20,318)
Fund Balance, July 1				20,318	
Fund Balance, June 30				\$ 0	
Recapitulation:					
Restricted:					
Student Activities				\$ 0	
Total Fund Balance				\$ 0	

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO RSI - PART II
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 45,895,512	[C-2] \$ 9,902,229
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		325,500
Current Year		(560)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		
	_____	_____
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 45,895,512	[B-2] \$ 10,227,169
	_____	_____
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 46,126,270	[C-2] \$ 9,922,547
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year		325,500
Current Year		(560)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
	_____	_____
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 46,126,270	[B-2] \$ 10,247,487
	_____	_____

REQUIRED SUPPLEMENTARY INFORMATION
PART III

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability	0.025534%	0.028732%	0.021517%	0.022740%	0.022329%	0.020765%	0.016334%	0.012185%	0.009154%	0.009689%
District's Proportionate Share of the Net Pension Liability	\$ 3,853,420	\$ 3,403,735	\$ 3,508,784	\$ 4,097,381	\$ 4,396,560	\$ 4,833,645	\$ 4,837,765	\$ 2,735,228	\$ 1,713,919	\$ 1,851,744
District's Covered-Employee Payroll	\$ 2,887,246	\$ 2,354,951	\$ 1,845,323	\$ 1,943,508	\$ 1,474,994	\$ 1,596,267	\$ 1,189,954	\$ 1,311,956	\$ 987,147	\$ 805,779
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	133.46%	144.54%	190.14%	210.82%	298.07%	302.81%	406.55%	208.48%	173.62%	229.81%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.83%	52.08%	48.72%

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

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	\$ 321,995	\$ 336,485	\$ 235,380	\$ 223,067	\$ 224,490	\$ 213,727	\$ 147,845	\$ 93,539	\$ 75,466	\$ 73,004
Contributions in relation to the Contractually Required Contribution	(321,995)	(336,485)	(235,380)	(223,067)	(224,490)	(213,727)	(147,845)	(93,539)	(75,466)	(73,004)
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
District's Covered-Employee Payroll	\$ 2,887,246	\$ 2,354,951	\$ 1,845,323	\$ 1,943,508	\$ 1,474,994	\$ 1,596,267	\$ 1,189,954	\$ 1,311,956	\$ 987,147	\$ 805,779
Contributions as a Percentage of Covered-Employee Payroll	11.15%	14.29%	12.76%	11.48%	15.22%	13.39%	12.42%	7.13%	7.64%	9.06%

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's Proportion of the Net Pension Liability	0.126382%	0.126124%	0.123605%	0.121432%	0.102069%	0.094832%	0.084456%	0.072632%	0.065850%	0.057886%
District's Proportionate Share of the Net Pension Liability	\$ 65,205,973	\$ 60,634,426	\$ 81,392,481	\$ 74,524,263	\$ 64,934,347	\$ 63,938,991	\$ 66,438,581	\$ 45,906,505	\$ 35,194,766	\$ 29,255,198
District's Covered-Employee Payroll	\$ 18,151,486	\$ 16,402,208	\$ 14,894,612	\$ 14,042,352	\$ 13,629,795	\$ 13,471,596	\$ 10,968,689	\$ 10,139,835	\$ 9,003,961	\$ 8,189,439
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	359.23%	369.67%	546.46%	530.71%	476.41%	474.62%	605.71%	452.73%	390.88%	357.23%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service Cost	\$ 4,071,872	\$ 4,856,994	\$ 2,615,564	\$ 2,330,545	\$ 2,273,938	\$ 2,755,008
Interest Cost	760,276	896,558	844,838	848,955	883,807	738,506
Changes of Benefit Terms		(36,786)				
Differences Between Expected and Actual Experiences	(2,280,211)	(9,073,623)	6,867,772	(937,637)	(3,096,250)	
Changes of Assumptions	(7,695,936)	34,097	7,044,947	325,717	(2,286,899)	(3,727,940)
Member Contributions	24,159	22,921	20,351	19,878	18,417	19,335
Gross Benefit Payments	(753,076)	(706,237)	(671,428)	(670,589)	(532,882)	(525,049)
Net Change in Total OPEB Liability	(5,872,916)	(4,006,076)	16,722,044	1,916,869	(2,739,869)	(740,140)
Total OPEB Liability - Beginning	34,561,374	38,567,450	21,845,406	19,928,537	22,668,406	23,408,546
Total OPEB Liability - Ending	\$ 28,688,458	\$ 34,561,374	\$ 38,567,450	\$ 21,845,406	\$ 19,928,537	\$ 22,668,406
Covered-Employee Payroll	\$ 21,038,732	\$ 18,757,159	\$ 16,739,935	\$ 15,985,860	\$ 15,104,789	\$ 15,067,863
Total OPEB Liability as a Percentage of Covered-Employee Payroll	136.36%	184.26%	230.39%	136.65%	131.94%	150.44%

Notes to Schedule:

Changes of Benefit Terms: The decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The decrease in liability from June 30, 2020 to June 30, 2021 is due to changes in the census.

Changes in Assumptions: The increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of Trend Updates, Mortality Projection Scale Updates, Discount Rate Changes, and Salary Scale changes.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 292,000	\$ 290,637	\$ 1,363
Other Salaries	204,000	203,943	57
Purchased Prof. Tech. Services	15,000	10,389	4,611
Supplies and Materials	49,170	36,520	12,650
Total Instruction	<u>560,170</u>	<u>541,489</u>	<u>18,681</u>
Support Services:			
Salaries of Principals/Asst Prin/ Prog Dir	31,200	31,200	
Salaries of Other Professional Staff	20,400	20,400	
Salaries - Secretarial and Clerical	30,000	29,216	784
Salaries - Family Parent Liaison	32,500	32,500	
Facilitator/Coach	40,500	40,500	
Personal Services - Employee Benefits	49,750	49,750	
Rentals	50,000	50,000	
Total Support Services	<u>254,350</u>	<u>253,566</u>	<u>784</u>
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non-instructional Equipment			
Total Facilities Acquisition and Const. Services			
Contribution to Charter Schools			
Total Expenditures	<u>\$ 814,520</u>	<u>\$ 795,055</u>	<u>\$ 19,465</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2022-2023 Preschool Education Aid Allocation	\$ 814,520	(1)
Add: Actual ECPA Carryover (JUNE 30, 2022)	11,869	(2)
Add: Budgeted Transfer from General Fund 2022-2023		(3)
Total Preschool Education Aid Funds Available for 2022-2023 Budget	<u>826,389</u>	(4)
Less: 2022-2023 Budgeted Preschool Education Aid and Prior Year Budgeted (Carryover)	(814,520)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of JUNE 30, 2023	<u>11,869</u>	(6)
Add: JUNE 30, 2023 Unexpended Preschool Education Aid	19,465	(7)
Less: 2022-2023 Commissioner-approved Transfer to the General Fund		(8)
2022-2023 Carryover - Preschool Education Aid	<u>\$ 31,334</u>	(9)
2022-2023 Preschool Education Aid Carryover Budgeted for Preschool Programs 2023-2024	<u>\$</u>	(10)

PROPRIETARY FUND

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

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

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
FOOD SERVICES ENTERPRISE FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

	<u>Total</u>
ASSETS:	
Current Assets:	
Cash	\$ 1,044,699
Accounts Receivable:	
State	3,349
Federal	87,414
Intergovernmental	23,662
Interfund Receivable - General Fund	71,026
Inventory	51,379
	<hr/>
Total Current Assets:	1,281,529
	<hr/>
Fixed Assets	
Equipment	185,575
Accumulated Depreciation	181,401
	<hr/>
Total Fixed Assets:	4,174
	<hr/>
Total Assets	\$ 1,285,703
	<hr/> <hr/>
LIABILITIES AND NET POSITION:	
Accounts Payable	\$ 100,124
Unearned Revenue	8,319
	<hr/>
Total Liabilities	108,443
	<hr/>
Net Position:	
Investment in Fixed Assets	4,174
Unreserved Retained Earnings	1,173,086
	<hr/>
Total Net Position	1,177,260
	<hr/>
Total Liabilities and Net Position	\$ 1,285,703
	<hr/> <hr/>

EXHIBIT G-2

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
FOOD SERVICES ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Total</u>
OPERATING REVENUES:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$
Daily Sales - Non-Reimbursable Programs	50,938
	<hr/>
Total Operating Revenue	50,938
	<hr/>
OPERATING EXPENSES:	
Salaries	576,957
Employee Benefits	80,453
Management Fee	158,578
Supplies and Materials	214,222
Other Costs	33,368
Depreciation	9,049
Cost of Sales - Reimbursable Programs	947,328
Cost of Sales - Non- Reimbursable Programs	31,474
	<hr/>
Total Operating Expenses	2,051,429
	<hr/>
Operating Loss	(2,000,491)
	<hr/>
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	39,544
State School Breakfast Program	26,816
Federal Sources:	
School Breakfast Program	463,156
National School Lunch Program	1,262,363
National School Lunch Program-Snacks	77,164
Fresh Fruit and Vegetable Program	36,768
Child and Adult Care Food Program-Food	68,232
Child and Adult Care Food Program-Admin	7,031
Child and Adult Care Food Program-Supply	2,022
Food Distribution Program	162,535
Emergency Operational Cost Program - Schools	
Supply Chain Assistance Funding	66,367
P-EBT Administrative Cost Reimbursement	0
Interest Revenue	78
	<hr/>
Total Non-Operating Revenues	2,212,076
	<hr/>
Net Income before Operating Transfers	211,585
	<hr/>
Net Position - July 1	965,675
	<hr/>
Net Position - June 30	\$ 1,177,260
	<hr/> <hr/>

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
FOOD SERVICES ENTERPRISE FUND
SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2023

	Total
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 50,938
Payments to Employees	(576,957)
Payments for Employee Benefits	(80,453)
Payments to Suppliers	(1,051,398)
Net Cash Provided by (Used for) Operating Activities	(1,657,870)
Cash Flows from Noncapital Financing Activities	
Food Distribution Program	162,535
Cash Received from State and Federal Reimbursements	2,049,463
Net Cash Provided by Noncapital Financing Activities	2,211,998
Net Cash Used by Capital Financing Activities	
Purchase of Fixed Assets	
Net Cash Used by Capital Financing Activities	0
Cash Flows from Investing Activities:	
Interest Income	78
Net Increase (Decrease) in Cash	554,206
Cash and Cash Equivalents, July 1	490,493
Cash and Cash Equivalents, June 30	\$ 1,044,699
Operating Income (Loss)	\$ (2,000,491)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:	
Depreciation	9,049
Change in Assets and Liabilities:	
(Increase)/Decrease in Interfund Receivable	1,549
(Increase)/Decrease in Accounts Receivable	338,521
(Increase)/Decrease in Inventory	(14,538)
Increase/(Decrease) in Accounts Payable	2,011
Increase/(Decrease) in Interfund Payable	
Increase/(Decrease) in Unearned Revenue	6,029
Total Adjustments	342,621
Net Cash Used by Operating Activities	\$ (1,657,870)

STATISTICAL SECTION

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Invested in Capital Assets, net of related debt	\$ 10,336,151	\$ 2,648,745	\$ 2,465,444	\$ 2,474,270	\$ 2,241,120	\$ 2,008,044	\$ 2,034,659	\$ 2,100,269	\$ 3,147,029	\$ 6,814,614
Restricted:										
Unemployment Compensation								47,485	73,773	47,045
Student Activities								1,310	20,318	-
Capital Reserve	1,715,645	2,015,645	509,582	278,461	278,461	500,000	785,000	1,250,000	2,250,000	2,250,000
Other Purpose	1,816,784	443,507	261,485	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Unrestricted (Deficit)	1,755,879	839,378	(1,315,625)	(2,245,610)	(2,287,486)	(2,787,062)	(3,181,173)	(1,294,475)	(1,598,868)	(1,446,531)
Total Governmental Activities Net Position	\$ 15,624,459	\$ 5,947,275	\$ 1,920,886	\$ 582,121	\$ 307,095	\$ (204,018)	\$ (286,514)	\$ 2,179,589	\$ 3,967,252	\$ 7,740,128
Business-Type Activities										
Invested in Capital Assets, net of related debt	\$ 21,634	\$ 39,979	\$ 100,660	\$ 92,953	\$ 85,246	\$ 77,539	\$ 43,133	\$ 8,727	\$ 13,223	\$ 4,174
Unrestricted	164,438	157,422	21,092		178,448		166,487	117,898	952,452	1,173,086
Total Business-Type Activities Net Position	\$ 186,072	\$ 197,401	\$ 121,752	\$ 92,953	\$ 85,246	\$ 255,987	\$ 209,620	\$ 126,625	\$ 965,675	\$ 1,177,260
District-Wide										
Invested in Capital Assets, net of related debt	\$ 10,357,785	\$ 2,688,724	\$ 2,566,104	\$ 2,567,223	\$ 2,326,366	\$ 2,085,583	\$ 2,077,792	\$ 2,108,996	\$ 3,160,252	\$ 6,818,788
Restricted:										
Unemployment Compensation								47,485	73,773	47,045
Student Activities								1,310	20,318	-
Capital Reserve	1,715,645	2,015,645	509,582	278,461	278,461	500,000	785,000	1,250,000	2,250,000	2,250,000
Other Purpose	1,816,784	443,507	261,485	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Unrestricted (Deficit)	1,920,317	996,800	(1,294,533)	(2,245,610)	(2,287,486)	(2,608,614)	(3,014,686)	(1,176,577)	(646,416)	(273,445)
Total District-Wide Net Position	\$ 15,810,531	\$ 6,144,676	\$ 2,042,638	\$ 675,074	\$ 392,341	\$ 51,969	\$ (76,894)	\$ 2,306,214	\$ 4,932,927	\$ 8,917,388

Source: ACFR Schedule A-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 9,787,724	11,539,906	13,211,231	15,288,338	16,333,133	16,915,000	17,007,755	17,439,554	20,145,457	23,585,146
Support Services										
School Administrative Services	2,586,568	3,230,097	4,730,643	2,215,487	3,098,035	4,181,194	4,701,990	4,100,953	5,712,543	5,299,897
General Administrative Services	6,645,929	6,992,833	6,626,119	3,065,595	1,375,069	1,151,675	993,667	1,548,782	1,453,412	1,843,849
Student and Instruction Related Services								52,269	49,582	149,937
Rental of Land and Buildings	455,760	416,005	322,500							
Plant Operations and Maintenance	1,460,823	1,809,709	1,942,420	4,647,323	5,667,197	5,561,448	5,458,200	5,201,415	4,124,069	3,746,338
Pupil Transportation	10,915	3,345	1,400	43,885	93,294	177,207	120,648	80,113	133,271	348,849
Employee Benefits	2,198,996	3,562,890	4,642,742	10,628,974	12,208,461	11,903,475	18,686,827	15,852,262	14,097,846	13,825,570
Unallocated Depreciation and Amortization	785,416	700,653	567,858	577,333	577,313	582,713	309,735	283,170	2,906,791	2,936,726
Total Governmental Activities Expenses	23,932,131	28,255,438	32,044,913	36,466,935	39,352,502	40,472,712	47,278,822	44,558,518	48,622,971	51,736,312
Business-Type Activities										
Food Service	1,298,205	1,574,846	2,024,325	1,576,103	1,481,656	1,586,531	1,468,927	843,580	1,662,943	2,051,429
Total Business-Type Activities Expense	1,298,205	1,574,846	2,024,325	1,576,103	1,481,656	1,586,531	1,468,927	843,580	1,662,943	2,051,429
Total District Expenses	\$ 25,230,336	29,830,284	34,069,238	38,043,038	40,834,158	42,059,243	48,747,749	45,402,098	50,285,914	53,787,741
Program Revenues										
Governmental Activities										
Charges for Services								19,935	68,590	129,619
Operating Grants and Contributions	\$ 2,953,167	4,307,450	3,993,490	5,852,557	4,436,339	4,155,710	9,769,506	6,037,984	3,447,836	4,376,367
Total Governmental Activities Program Revenues	2,953,167	4,307,450	3,993,490	5,852,557	4,436,339	4,155,710	9,769,506	6,057,919	3,516,426	4,505,986
Business-Type Activities										
Charges for Services										
Food Service	598,722	612,386	823,367	59,026	64,781	30,439	30,884		16,188	50,938
Operating Grants and Contributions	795,185	916,633	1,051,183	1,251,508	1,321,123	1,571,058	1,304,163	760,529	2,485,743	2,211,998
Total Business-Type Activities Program Revenues	1,393,907	1,529,019	1,874,550	1,310,534	1,385,904	1,601,497	1,335,047	760,529	2,501,931	2,262,936
Total District Program Revenues	\$ 4,347,074	5,836,469	5,868,040	7,163,091	5,822,243	5,757,207	11,104,553	6,818,448	6,018,357	6,768,922
Net (Expense)/Revenue										
Governmental Activities										
	\$ (20,978,964)	(23,947,988)	(28,051,423)	(30,614,378)	(34,916,163)	(36,317,002)	(37,509,316)	(38,500,599)	(45,106,545)	(47,230,326)
Business-Type Activities										
	95,692	(45,827)	(149,775)	(265,569)	(95,752)	14,966	(133,880)	(83,051)	838,988	211,507
Total District-Wide Net Expense	\$ (20,883,272)	(23,993,815)	(28,201,198)	(30,879,947)	(35,011,915)	(36,302,036)	(37,643,196)	(38,583,650)	(44,267,557)	(47,018,819)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, net	\$ 7,569,299	8,290,731	8,167,032	1,844,556	2,259,726	2,846,090	3,160,746	3,485,647	4,471,691	4,711,992
Unrestricted Grants and Contributions	12,651,599	14,260,143	15,755,038	27,573,488	32,381,992	33,094,542	34,315,548	37,323,467	41,873,524	46,100,502
Investment Earnings	106,634	2,769	1,068	1,022	925	1,327	1,841	2,129	1,369	236
Miscellaneous income	1,632,302	1,034,434	215,670	124,809	86,408	19,564	35,994	112,461	105,196	190,472
Fixed Asset and Lease Liability Adjustment		(7,472,646)							442,428	
Cancellation of Prior Accounts Receivable			(40,046)	(31,601)						
Transfers		(65,887)	(73,728)	(236,661)	(87,914)	(155,634)	(87,309)			
Total Governmental Activities	21,959,834	16,049,544	24,025,034	29,275,613	34,641,137	35,805,889	37,426,820	40,923,704	46,894,208	51,003,202
Business-Type Activities										
Miscellaneous Income		(8,999)								
Investment Earnings	327	268	398	109	131	141	204	56	62	78
Transfer		65,887	73,728	236,661	87,914	155,634	87,309			
Total Business-Type Activities	327	57,156	74,126	236,770	88,045	155,775	87,513	56	62	78
Total District-Wide	\$ 21,960,161	16,106,700	24,099,160	29,512,383	34,729,182	35,961,664	37,514,333	40,923,760	46,894,270	51,003,280
Change in Net Position										
Governmental Activities										
	\$ 980,870	(7,898,444)	(4,026,389)	(1,338,765)	(275,026)	(511,113)	(82,496)	2,423,105	1,787,663	3,772,876
Business-Type Activities										
	96,029	11,329	(75,649)	(28,799)	(7,707)	170,741	(46,367)	(82,995)	839,050	211,585
Total District-Wide	\$ 1,076,899	(7,887,115)	(4,102,038)	(1,367,564)	(282,733)	(340,372)	(128,863)	2,340,110	2,626,713	3,984,461

Source: ACFR Schedule A-2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted										
Capital Reserve	\$ 1,518,770	\$ 1,818,770	\$ 509,582	\$ 278,461	\$ 278,461	\$ 500,000	\$ 785,000	\$ 1,250,000	\$ 2,250,000	\$ 2,250,000
Unemployment Compensation Escrow Account	300,000	300,000	261,485	75,000	75,000	75,000	75,000	47,485	73,773	47,045
Assigned								75,000	75,000	75,000
Year-end Encumbrances	720,750	564,757	56,013		18,680	68,032	74,853	511,470	10,900	63,158
Designated for Subsequent Years										
Expenditure	730,205	249,722	538,772							
Unassigned	1,672,811	1,806,917		175,000	613,555	547,500	604,058	2,306,159	2,335,681	2,079,393
Total General Fund	\$ 4,942,536	\$ 4,740,166	\$ 1,365,852	\$ 528,461	\$ 985,696	\$ 1,190,532	\$ 1,538,911	\$ 4,190,114	\$ 4,745,354	\$ 4,514,596
All Other Governmental Funds										
Restricted										
Capital Reserve	\$ 67,312	\$ 67,312								
Escrow Account	90,000	74,195								
Student Activities								1,310	20,318	
Unassigned										
Year-end Encumbrances										
Total All Other Governmental Funds	\$ 157,312	\$ 141,507	\$	\$	\$	\$	\$	\$ 1,310	\$ 20,318	\$

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 7,569,299	\$ 8,290,731	\$ 8,167,032	\$ 1,844,556	\$ 2,259,726	\$ 2,846,090	\$ 3,160,746	\$ 3,485,647	\$ 4,471,691	\$ 4,711,992
Rental	1,259,073	828,775	160,000							
Interest Earnings	1,185	1,742	611	1,022	925	1,327	1,841	2,126	1,357	236
Miscellaneous	478,678	206,686	56,127	124,809	86,408	19,564	35,994	132,399	173,798	320,091
State Sources	13,954,469	15,372,611	15,624,653	27,523,497	31,082,259	32,333,960	33,271,729	34,566,309	37,363,387	41,848,339
Federal Sources	1,650,297	1,685,593	1,918,495	1,977,284	2,020,106	2,182,627	1,972,742	4,094,962	7,097,075	9,242,023
Total Revenues	24,913,001	26,386,138	25,926,918	31,471,168	35,449,424	37,383,568	38,443,052	42,281,443	49,107,308	56,122,681
Expenditures										
Instruction										
Regular Instruction	9,787,724	11,539,906	13,211,231	15,288,338	16,333,133	16,915,000	17,007,755	17,439,554	20,145,457	23,585,146
Support Services										
General Administrative Services	3,057,542	3,231,517	4,731,754	2,215,487	3,098,035	4,181,194	4,701,990	4,100,953	5,712,543	5,299,897
School Administrative Services	2,026,617	2,220,282	2,106,092	3,065,595	1,375,069	1,151,675	993,667	1,548,782	1,453,412	1,843,849
Student and Instruction Related Services										
Support	4,149,226	4,141,999	3,387,634						49,582	149,937
Plant Operations and Maintenance	1,460,823	1,809,709	1,791,501	4,647,323	5,667,197	5,562,470	5,440,819	5,088,235	6,067,630	6,705,848
Pupil Transportation	10,915	3,345	1,400	43,885	94,936	177,207	120,648	80,113	133,271	348,849
Rental of Land and Building	455,760	416,005	322,500							
Unallocated Employee Benefits	2,198,996	2,689,770	3,287,333	6,195,937	7,991,742	8,685,915	9,385,166	10,898,094	13,508,647	14,764,096
Capital Outlay	1,126,558	287,239	445,517	323,611	72,563	66,460	62,122	115,180	1,436,341	3,676,135
Debt Service Principal	216,849	228,654	240,878	260,121	271,600	283,177	295,197	350,748	26,177	
Total Expenditures	24,491,010	26,538,426	29,525,840	32,040,297	34,904,275	37,023,098	38,007,364	39,671,928	48,533,060	56,373,757
Excess (Deficiency) of Revenues Over (Under) Expenditures	421,991	(152,288)	(3,598,922)	(569,129)	545,149	360,470	435,688	2,609,515	574,248	(251,076)
Other Financing Sources (Uses)										
Prior Year Adjustment			(8,457)							
Transfers		(65,887)	(73,728)	(236,661)	(87,914)	(155,634)	(87,309)			
Cancellation: Prior Accounts Receivable			(31,589)	(31,601)						
Total Other Financing Sources (Uses)		(65,887)	(113,774)	(268,262)	(87,914)	(155,634)	(87,309)			
Net Change in Fund Balances	\$ 421,991	\$ (218,175)	\$ (3,712,696)	\$ (837,391)	\$ 457,235	\$ 204,836	\$ 348,379	\$ 2,609,515	\$ 574,248	\$ (251,076)
Debt Service as a Percentage of Noncapital Expenditures	2.7%	2.6%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: ACFR Schedule B-2

EXHIBIT J-5

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

Fiscal Year Ended June 30,	Interest on Investments	Donation	Rentals	Services to Other LEAs	Refund of Prior Year Expenditure	Prior Year Purchase Order Adj.	Parades	KATZ Shared Service	Misc.	Total
2023	\$ 236	\$	\$ 4,200	\$	\$ 10,491	\$	\$	\$	\$ 1,072	\$ 15,999
2022	1,357		4,650		10,967				76,064	93,038
2021	2,126								1,736	3,862
2020	1,841	3,091				1,716			30,856	35,788
2019	1,327	2,141				3,670			6,398	11,582
2018	925	1,066			61,344	47,011			20,328	87,333
2017	1,022				30,674	8,344			47,124	125,831
2016	1,355				15,198	4,803			31,631	216,528
2015	2,769	23,182	160,000	6,360	6,697	4,803		5,209	131,533	1,036,676
2014	3,018	31,950	1,506,568	44,440	22,999	17,036	2,400	46,250	63,777	1,738,438

Source: District Records

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

<u>Year</u>	<u>Population</u> ^a	<u>Personal Income (thousands of dollars)</u> ^b	<u>Per Capita Personal Income</u> ^c	<u>Unemployment Rate</u> ^d
2023 *	68,866	\$ 4,424,231,266	\$ 62,260	7.1%
2022	70,996	4,338,124,200	61,950	7.3%
2021	71,773	4,133,783,286	61,642	12.5%
2020	73,740	4,025,998,561	58,830	16.3%
2019	73,575	3,860,428,319	54,958	7.9%
2018	73,780	3,755,506,625	53,026	8.9%
2017	73,780	3,803,037,696	51,096	9.8%
2016	73,847	3,703,006,152	49,392	10.1%
2015	75,228	3,676,798,764	48,002	11.1%
2014	75,696	3,549,442,065	46,193	12.7%

* Estimate

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

Source:

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

^b Personal income

^c Per Capita

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

N/A - Not Available at time of Audit

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	175	182	175	212	237	230	226	253	290	291
Special education	27	31	31	40	41	41	39	39	40	41
Other special education	2									
Vocational										
Other instruction										
Support Services:										
Tuition	1	1	1	1	1	1				
Student & instruction related services	9	9	9	9	9	9	9	10	10	10
General administrative services	4	4	4	5	5	5	5	7	7	7
School administrative services	5	5	5	5	5	5	5	5	5	6
Business administrative services	2	2	2	3	3	3	3	5	6	6
Plant operations and maintenance	7	7	7	7	7	6	5	6	4	4
Pupil transportation	1	1	1	1	3	3	3	4	6	5
Food Service										
Total	233	242	235	283	311	303	295	329	368	370

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2023	2,336	\$ 52,697,622	\$ 22,559	7.1%	370	7:1	2,334.1	2,216.2	1.99%	94.95%
2022	2,234	47,070,542	21,070	20.5%	368	7:1	2,232.6	2,062.2	-1.41%	92.37%
2021	2,243	39,206,000	17,479	5.8%	329	8:1	2,188.3	2,079.0	-0.61%	95.01%
2020	2,245	37,650,045	16,771	1.5%	295	8:1	2,252.9	2,172.9	3.88%	96.45%
2019	2,209	36,673,461	16,602	0.4%	303	7:1	2,219.7	2,091.8	5.45%	94.24%
2018	2,091	34,560,112	16,528	-0.4%	311	7:1	2,080.8	1,983.8	9.02%	95.34%
2017	1,895	31,456,565	16,600	-11.8%	252	8:1	1,895.5	1,819.7	22.13%	96.00%
2016	1,554	29,231,242	18,810	5.9%	208	8:1	1,552.0	1,489.6	4.33%	95.98%
2015	1,480	26,281,187	17,758	3.1%	213	7:1	1,487.5	1,420.9	9.42%	95.52%
2014	1,356	23,364,452	17,230	5.0%	187	7:1	1,359.5	1,297.7	5.84%	95.46%

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

Note: Enrollment based on annual October district count.

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

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

<u>District Building</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elementary										
<u>Parkside</u>										
Square Feet	33,066	33,066	33,066	33,066						33,066
Capacity (students)	334	334	334	334						334
Enrollment	149	160	148	146						146
Rosedale										
Square Feet	12,800	12,800	12,800	12,800	12,800	12,800	12,800	12,800	12,800	12,800
Capacity (students)	500	500	500	500	450	460	460	460	460	460
Enrollment	90	160	172	259	427	460	418	506	514	514
Camden's Pride Charter School, Inc.										
Square Feet	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Capacity (students)	240	240	240	340	450	450	450	450	450	450
Enrollment	240	239	240	335	393	437	467	449	449	449
Middle										
<u>Camden's Promise Charter School, Inc.</u>										
Square Feet	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Capacity (students)	480	480	480	590	750	750	750	750	750	750
Enrollment	322	341	369	587	644	681	625	639	679	679
High										
<u>Camden's Academy Charter High School, Inc.</u>										
Square Feet	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
Capacity (students)	500	500	500	570	750	750	750	750	750	750
Enrollment	465	464	496	568	627	623	538	599	591	591
Other										
Administration Building										
Square Feet										
Transportation										
Square Feet										
Maintenance Offices										
Square Feet										
Number of Schools at JUNE 30, 2023										
Elementary =	2									
Middle School =	1									
High School =	1									
Other =										

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

CAMDENS PROMISE CHARTER SCHOOL, INC
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
 (UNAUDITED)

Company	Type of Coverage July 1, 2021 - July 1, 2022:	Coverage	Deductible
NJSIG	Commercial Policy		
	Property - Blanket Building & Personal Property	\$ 3,510,600	\$ 1,000
	Comprehensive General Liability		
	Products and Completed Operations	11,000,000	1,000
	Personal Advertising Injury	11,000,000	1,000
	Bodily Injury & Property Damage	11,000,000	1,000
	Employee Benefits Liability	11,000,000	1,000
	Comprehensive Automobile Liability	11,000,000	1,000
	Boiler and Machinery	100,000,000	1,000
	Employee Dishonesty Coverage	100,000	1,000
	Inland Marine	900,000	1,000
	Legal Liability	6,000,000	5,000
	Workman's Compensation:		
	Bodily Injury from Accident	2,000,000	
	Bodily Injury from Disease/Aggregate Limit	2,000,000	
	Bodily Injury from Disease/ Each Employee	2,000,000	
Markel Ins. Co.	Workman's Compensation Supplemental Policy	Full Salary	
	Surety Bonds		
NJ School Boards	Treasurer's Bond	475,000	
Ohio Casualty Ins. Co.	Business Administrator	50,000	
Berkley Ins. Co.	Compulsory Student Accident	1,000,000	
U.S. Fire Ins. Co.	Catastrophic Student Accident	5,000,000	
	Catastrophic Cash Benefit - Maximum Benefit	500,000	25,000

Source: District Records

CAMDENS PROMISE CHARTER SCHOOL, INC
CHARTER SCHOOL PERFORMANCE FRAMEWORK
FINANCIAL PERFORMANCE - FISCAL RATIOS
JUNE 30, 2023
(UNAUDITED)

	<u>2021</u>	<u>2022</u>	<u>2023</u>		<u>Source</u>
Cash	\$ 3,542,361	\$ 2,953,132	\$ 2,621,096		Audit: Exhibit A-1
Current Assets	6,315,281	8,178,331	9,147,121		Audit: Exhibit A-1
Total Assets	8,450,454	21,155,063	22,854,213		Audit: Exhibit A-1
Current Liabilities	2,032,226	5,493,427	6,607,734		Audit: Exhibit A-1
Total Liabilities	5,541,010	15,821,750	14,274,874		Audit: Exhibit A-1
Net Position	\$ 2,306,214	\$ 4,932,927	\$ 8,917,388		Audit: Exhibit A-1
Total Revenue	47,742,208	52,912,627	57,772,202		Audit: Exhibit A-2
Total Expenses	45,402,098	50,285,914	53,787,741		Audit: Exhibit A-2
Change in Net Position	\$ 2,340,110	\$ 2,626,713	\$ 3,984,461		Audit: Exhibit A-2
Depreciation Expense	285,138	2,917,691	327,166		Financial Statements/ Audit Workpapers
Interest Expense	1,841	177			Financial Statements/ Audit Workpapers
Principal Payments	350,748	26,177			Financial Statements/ Audit Workpapers
Interest Payments	9,962	177			Financial Statements/ Audit Workpapers
Final Average Daily Enrollment	2,243	2,234	2,334		DOE Enrollment Reports
March 30th Budgeted Enrollment	2,189	2,600	2,600		Charter School Budget
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>3 Year Cumulative</u>	<u>Source</u>
Near Term Indicators					
Current Ratio	3.11	1.49	1.38	1.67	Current Assets/ Current Liabilities
Unrestricted Days Cash	28.48	21.44	17.79	22.26	Cash/ (Total Expenses/365)
Enrollment Variance	100%	86%	90%	92%	Average Daily Enrollment / Budgeted Enrollment
Default	N/A	N/A	N/A	N/A	Audit
Sustainability Indicators					
Total Margin	4.90%	4.96%	6.90%	5.65%	Change in Net Position/ Total Revenue
Debt to Asset	0.66	0.75	0.62	0.68	Total Liabilities/ Total Assets
Cash Flow	1,282,132	(589,229)	(332,036)	360,867	Net change in cash flow from prior years (Change in Net Position+Interest Expense+Depreciation+Noncash Pension Expense)
Debt Service Coverage Ratio	7.99	200.08	N/A	32.66	(Principal & Interest Payments)

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association
Certified Public Accountants

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INDEPENDENT AUDITOR'S 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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Trustees of the Camden's Promise Charter School, Inc. School District, in the County of Camden, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board of Trustees of the Camden's Promise Charter School, Inc. School District's basic financial statements, and have issued our report thereon dated November 21, 2023.

Report on Internal Control Over Financial Reporting

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
November 21, 2023

NIGHTLINGER, COLAVITA & VOLPA

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited The Board of Trustees of the Camden's Promise Charter School, Inc., in the County of Camden, State of New Jersey's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of The Board of Trustees of the Camden's Promise Charter School, Inc., in the County of Camden, State of New Jersey's major federal and state programs for the year ended June 30, 2023. The Board of Trustees of the Camden's Promise Charter School, Inc., in the County of Camden, State of New Jersey'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 Board of Trustees of the Camden's Promise Charter School, Inc., in the County of Camden, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and as prescribed by the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. 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 Board of Trustees of the Camden's Promise Charter School, Inc., in the County of Camden, State of New Jersey 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 Board of Trustees of the Camden's Promise Charter School, Inc., in the County of Camden, State of New Jersey'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 Board of Trustees of the Camden's Promise Charter School, Inc., in the County of Camden, State of New Jersey's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Board of Trustees of the Camden's Promise Charter School, Inc., in the County of Camden, State of New Jersey'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 generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Board of Trustees of the Camden's Promise Charter School, Inc., in the County of Camden, State of New Jersey's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Board of Trustees of the Camden's Promise Charter School, Inc., in the County of Camden, State of New Jersey'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 Board of Trustees of the Camden's Promise Charter School, Inc., in the County of Camden, State of New Jersey'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 New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of The Board of Trustees of the Camden's Promise Charter School, Inc., in the County of Camden, State of New Jersey'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 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 program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

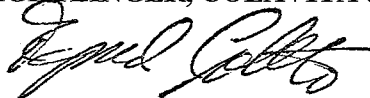
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
November 21, 2023

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FA/N Number	Grant or State Project Number	Program or Award Amount	Balance at June 30, 2022			Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2023	
					Accounts Receivable	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue
U.S. Department of Health and Human Services Medical Assistance Program	93.778	2206N5JMAP	N/A	\$ 114,237	\$ 114,237	\$ 114,237	\$ 114,237	\$ (114,237)	\$ (114,237)	\$ (114,237)	\$ (114,237)	\$ (114,237)	\$	\$
U.S. Department of Agriculture Passed-through State Department of Education: Enterprise Fund:														
Child Nutrition Cluster:														
National School Breakfast Program	10.563	221NJ304N1099	N/A	562,264	(107,389)		107,389	(463,168)		(463,168)			(24,703)	
National School Lunch Program	10.565	221NJ304N1099	N/A	463,166	(266,437)		438,453	(1,262,363)		(1,262,363)			(62,711)	
National School Snack Program	10.565	221NJ304N1099	N/A	1,416,091	(6,471)		1,199,862	(77,164)		(77,164)				
National School Breakfast Program	10.563	221NJ304N1099	N/A	31,661	(3,614)		77,164	(36,768)		(36,768)				
National School Lunch Program	10.565	221NJ304N1099	N/A	77,164	(47,867)		36,768	(66,367)		(66,367)				
National School Snack Program	10.565	221NJ304N1099	N/A	47,867	(68,232)		66,367	(7,031)		(7,031)				
Fresh Fruits and Vegetables	10.562	221NJ304L1603	N/A	36,768	(47,867)		47,867	(2,022)		(2,022)				
Supply Chain Assistance Funding	10.565	221NJ304N8603	N/A	66,367	(68,232)		68,232	(2,022)		(2,022)				
Child and Adult Care Food Program-Food	10.568	231NJ304N1150	N/A	88,232	(7,031)		7,031	(2,022)		(2,022)				
Child and Adult Care Food Program-Admin	10.568	231NJ304N1150	N/A	7,031			2,022							
Non-Cash Assistance:	10.568		N/A	2,022										
Food Distribution Cluster:														
Food Distribution Program	10.565	Unknown	N/A	96,629	(430,779)	2,290	168,564	(2,290)		(2,290)				8,319
Food Distribution Program	10.565	Unknown	N/A	168,564		2,290	2,495,031	(160,245)		(160,245)			(87,414)	8,319
Total Enterprise Fund:														
U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund:														
E.S.E.A.:														
Title I, Part A	84.010A	S010A210030	ESEA 6107-22	1,359,287	(516,101)		516,101	(1,709,199)		(1,709,199)			(905,949)	
Title I, Part A (Reallocated)	84.010A	S010A220030	ESEA 6107-23	1,712,162		15,605	1,203,250				(15,605)			
Title I, Part A (Reallocated)	84.010A	S010A230030	ESEA 6107-21	59,066										
Title II - A	84.367A	S367A210029	ESEA 6107-22	125,653	(45,066)		45,066	(146,358)		(146,358)			(40,800)	
Title II - A	84.367A	S367A220029	ESEA 6107-21	166,356	(4,934)	33,600	105,559	(19,855)		(19,855)			(2,258)	
Title II - A	84.367A	S367A230029	ESEA 6107-23	145,298	(4,934)		17,577	(3,700)		(3,700)			(2,683)	
Title III	84.365A	S365A210030	ESEA 6107-22	2,729	(2,729)		1,007							
Title III Immigrant	84.365A	S365A220030	ESEA 6107-23	4,707	(74,373)	32,363	74,806	(109,779)		(109,779)			(86,857)	433
Title IV	84.424	S424A200031	ESEA 6107-21	122,059			20,922	(670,942)		(670,942)			(162,924)	
Title IV	84.424	S424A200031	ESEA 6107-23	140,768				(19,030)		(19,030)			(11,114)	
Title V	84.424	S424A220031	ESEA 6107-23	121,865				(12,322)		(12,322)			(2,023)	
IDEA Cluster:														
IDEA Part B-Basic	84.027	H027A20100	IDEA 6107-23	569,332	(217,454)		418,018	(670,942)		(670,942)			(62,523)	
IDEA Part B-Basic	84.027	H027A210100	IDEA 6107-22	531,109			217,454							
IDEA Part B-Basic	84.027	H027A220100	IDEA 6107-21	581,221		27,641								
ARP IDEA Part B-Basic	84.027X	H027X20100	IDEA 6107-23	131,338	(112,308)		7,916	(19,030)		(19,030)			(27,941)	
IDEA Preschool	84.173	H173A210114	IDEA PS 6107-22	9,430	(7,878)		112,308	(12,322)		(12,322)			(12,322)	
IDEA Preschool	84.173	H173A220114	IDEA PS 6107-23	12,322	(1,915)		4,547	(4,655)		(4,655)			(2,023)	
IDEA Preschool	84.173X	H173X220114	IDEA PS 6107-23	11,114										
Education Stabilization Fund:														
CARES ACT 2020 ESSER	84.425D	S425D200027	CARES 6107-20	1,026,860	(28,334)		26,334	(1,755,937)		(1,755,937)			(1,441,993)	
Learning Acceleration	84.425D	S425D210027	CRRA 6107-23	297,905	(30,310)		122,643	(154,856)		(154,856)			(62,523)	
Mental Health	84.425D	S425D220027	CRRA 6107-23	45,000	(15,603)		15,600							
Elementary and Secondary School														
Emergency Relief (ESSER II)	84.425D	S425D210027	CRRA 6107-23	4,642,087	(1,692,580)		2,006,524	(1,755,937)		(1,755,937)			(1,441,993)	
ARP:														
Accelerated Learning	84.425U	S425U210027	ARP 6107-24	317,467	(5,825)		5,825							
Mental Health (Emergency)	84.425U	S425U220027	ARP 6107-24	88,501			6,939	(14,164)		(14,164)			(7,225)	
Summer Learning and Enrichment	84.425U	S425U230027	ARP 6107-24	40,000				(2,260)		(2,260)			(9,425)	
Beyond the School Day	84.425U	S425U240027	ARP 6107-24	40,000				(3,649,110)		(3,649,110)			(22,746)	
Homeless	84.425V	S425V210027	ARP 6107-24	25,551			653,123	(581,929)		(581,929)			(192,205)	
Elementary and Secondary School														
Emergency Relief (ESSER III)	84.425U	S425U220027	ARP 6107-24	10,432,792	(1,158,801)		1,584,787	(3,649,110)		(3,649,110)			(6,780,231)	433
Preschool and Charter School Security Grant	N/A	N/A	Unknown	125,723	(81,710)		98,319	(39,355)		(39,355)			(22,746)	
N.J. Public Charter Schools Asan. CSP	84.282A	Unknown	Unknown	1,500,000	(263,395)		653,123	(8,802,846)		(8,802,846)			(6,867,645)	
Total Federal Financial Awards				\$ 114,237	\$ 114,237	\$ 2,290	\$ 114,237	\$ (114,237)	\$ (114,237)	\$ (114,237)	\$ (114,237)	\$ (114,237)	\$ (6,867,645)	\$ 8,319.00

(A) There were no awards passed through to subrecipients.
 The accompanying Notes to the Financial statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.
 These funds were audited in accordance with the Uniform Guidance since the total of all grant expenditures exceeded \$750,000.

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2023		
			From	To	Unearned Revenue (Accounts Receivable)	Due to Local Government	Unearned Revenue/ Interfund Payable				(Accounts Receivable) From Districts	From State	Due to Local Government
State Department of Education													
General Fund:													
Equalization Aid	21-495-034-5120-078	\$ 25,260,212	7/1/20	6/30/21	\$	\$	31,532	\$	\$	\$	\$	\$	\$
Equalization Aid	22-495-034-5120-078	26,757,844	7/1/21	6/30/22	(31,532)	(202,019)	128,029				(73,990)		
Equalization Aid	23-495-034-5120-078	30,495,755	7/1/22	6/30/23			30,309,857	(30,495,755)			(185,898)		
Special Education Categorical Aid	21-495-034-5120-089	676,727	7/1/20	6/30/21	(2,514)		413				(2,101)		
Special Education Categorical Aid	22-495-034-5120-089	716,824	7/1/21	6/30/22	(696)						(696)		
Special Education Categorical Aid	23-495-034-5120-089	820,937	7/1/22	6/30/23				(820,937)			(7,909)		
Security Aid	21-495-034-5120-084	1,126,857	7/1/20	6/30/21	(2,645)		813,028				(3,850)		
Security Aid	22-495-034-5120-084	1,148,681	7/1/21	6/30/22	(8,537)		2,645				(24,597)		
Security Aid	23-495-034-5120-084	1,215,285	7/1/22	6/30/23			4,687	(1,215,285)					
Charter School Facility Aid	23-495-034-5120-071	351,354	7/1/22	6/30/23			1,190,688	(351,354)					
Reimbursed TPAF S.S. Contrib.	23-495-034-5094-003	1,359,703	7/1/22	6/30/23			1,340,419	(1,359,703)			(19,284)		
Reimbursed TPAF S.S. Contributions	22-495-034-5094-003	1,210,682	7/1/21	6/30/22	(9,231)		9,231						
On-Behalf TPAF Post Retirmt Med.	23-495-034-5094-001	1,415,977	7/1/22	6/30/23			1,415,977	(1,415,977)					
On-Behalf TPAF Pension Contrib.	23-495-034-5094-002	5,390,142	7/1/22	6/30/23			5,390,142	(5,390,142)					
On-Behalf TPAF Long-Term Disability	23-495-034-5094-004	4,131	7/1/22	6/30/23			4,131	(4,131)					
Total General Fund					(257,174)		40,992,133	(41,053,284)			(318,325)		
Special Revenue Fund													
Tech-Prep Grant	NOG05 BV10 G06	19,019	7/1/05	6/30/06	6,517				(6,517)				
Preschool Education Aid	23-495-034-5120-086	814,520	7/1/22	6/30/23		11,869	814,520	(795,055)				31,334	
Preschool Education Aid	21-495-034-5120-086	724,729	7/1/20	6/30/21	11,869	(11,869)							
Total Special Revenue Fund					18,386		814,520	(795,055)				31,334	
State Department of Agriculture													
Enterprise Fund - State Share:													
State School Lunch Program	23-100-010-3350-023	39,544	7/1/22	6/30/23			37,610	(39,544)				(1,934)	
State School Lunch Program	22-100-010-3350-023	33,325	7/1/21	6/30/22	(6,109)		6,109						
State School Breakfast Program	23-100-010-3350-023	26,816	7/1/22	6/30/23			25,401	(26,816)				(1,415)	
Total State Financial Assistance					\$ (244,897)	\$	\$ 41,875,773	\$ (41,914,699)	\$ (6,517)	\$	\$ (318,325)	\$ (3,349)	\$ 31,334
Less: On-Behalf TPAF Pension System Contributions													
On-Behalf TPAF Post Retirement Med	23-495-034-5094-001	1,415,977	7/1/22	6/30/23			\$ 1,415,977	(1,415,977)					
On-Behalf TPAF Pension Contribution	23-495-034-5094-002	5,390,142	7/1/22	6/30/23			5,390,142	(5,390,142)					
On-Behalf TPAF Long-Term Disability	23-495-034-5094-004	4,131	7/1/22	6/30/23			4,131	(4,131)					
Total For State Financial Assistance - Major Program Determination					\$	\$	\$ 35,065,523	\$ (35,104,449)					

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO THE SCHEDULE OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2023

NOTE 1: GENERAL

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state award programs of the Board of Trustees, Camden's Promise Charter School, Inc. The board of trustees is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

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

NOTE 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
NOTES TO THE SCHEDULE OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2023

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$324,940 for the special revenue fund. See Note 2 for a reconciliation of the budgetary basis to the Modified Accrual basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 114,237	\$ 41,053,284	\$ 41,167,521
Special Revenue Fund	9,127,786	795,055	9,922,841
Debt Service Fund			-
Food Service Fund	2,145,638	66,360	2,211,998
Total Awards & Financial Assistance	<u>\$ 11,387,661</u>	<u>\$ 41,914,699</u>	<u>\$ 53,302,360</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

Camden's Promise Charter School had no outstanding loans at June 30, 2023.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the Charter School for the year ended June 30, 2023. TPAF Social Security Contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members.

NOTE 7: SCHOOL-WIDE PROGRAM FUNDS

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

NOTE 8: MAJOR PROGRAMS

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

NOTE 9: ADJUSTMENTS

There were adjustments reported on Schedule A, totaling \$(109,509), and one adjustment on Schedule B, in the amount of \$(6,517).

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Significant deficiencies identified? _____ yes X no reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

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

2) Significant deficiencies identified? _____ yes X no

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D, 84.425U 84.425W	S425D210027 S425U210027 S425W210027	Education Stabilization Fund
84.027, 84.027X, 84.173, 84.173X	H027A210100 H173A210114 H027X210100 H173X200114	Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee? X yes _____ no

CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$1,053,133

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

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

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
23-495-034-5120-078	Equalization Aid
23-495-034-5120-089	Special Education Categorical Aid
23-495-034-5120-084	Security Aid
23-495-034-5120-086	Preschool Education Aid
23-495-034-5094-003	Reimbursed TPAS SS Contribution

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

Section II - Financial Statement Findings

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

Finding: None

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

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

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

FEDERAL AWARDS

Finding: None

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

STATE AWARDS

Finding: None

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**CAMDEN'S PROMISE CHARTER SCHOOL, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

STATUS OF PRIOR - YEAR FINDINGS

None