

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

# CAMDEN PREP, INC.

Contents  
June 30, 2024

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<b>INTRODUCTORY SECTION</b>	<b><u>Pages</u></b>
Letter of Transmittal .....	1 - 4
Organizational Chart .....	5
Roster of Trustees and Officers .....	6
Consultants, Independent Auditors and Advisors .....	7
<b>FINANCIAL SECTION</b>	
Unmodified Opinion on Financial Statements Accompanied by Required Supplementary Information and Supplementary and Other Information - Governmental Entity .....	8 - 10
<b>Required Supplementary Information - Part I</b>	
Management's Discussion and Analysis .....	11 - 20
<b>Basic Financial Statements:</b>	
<b>A. Renaissance School-wide Financial Statements</b>	
A-1 Statement of Net Position .....	21
A-2 Statement of Activities .....	22
<b>B. Fund Financial Statements</b>	
<b>Governmental Funds:</b>	
B-1 Balance Sheet .....	23
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances .....	24
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	25
<b>Proprietary Funds:</b>	
B-4 Statement of Net Position .....	26
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position .....	27
B-6 Statement of Cash Flows .....	28
<b>Fiduciary Funds:</b>	
B-7 Statement of Fiduciary Net Position .....	N/A
B-8 Statement of Changes in Fiduciary Net Position .....	N/A
<b>Notes to Basic Financial Statements</b> .....	29 - 57
<b>Required Supplemental Information - Part II</b>	
<b>C. Budgetary Comparison Schedules:</b>	
C-1 Budgetary Comparison Schedule General Fund .....	58 - 59
C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual .....	N/A
C-2 Budgetary Comparison Schedule Special Revenue Fund .....	60
<b>Note to Required Supplementary Information:</b>	
C-3 Budgetary Comparison Schedule .....	61

## CAMDEN PREP, INC.

Contents  
June 30, 2024

---

### Required Supplementary Information - Part III

### Pages

#### **L. Schedules Related to Accounting and Reporting for Pensions (GASB 68):**

L-1	Schedule of the Renaissance School's Proportionate Share of the Net Pension Liability - PERS .....	62
L-2	Schedule of Renaissance School Contributions - PERS .....	63
L-3	Schedule of the Renaissance School's Proportionate Share of the Net Pension Liability - TPAF .....	64
L-4	Notes to Required Supplementary Information Pension Schedules .....	65

#### **Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions**

M-1	Schedule of Changes in the Renaissance School's Total OPEB Liability and Related Ratios - PERS and TPAF .....	66
-----	---	----

#### **Other Supplementary Information:**

##### **D. School Based Budget Schedules:**

D-1	Combining Balance Sheet .....	N/A
D-2	Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual .....	N/A
D-3	Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual .....	N/A

##### **E. Special Revenue Fund:**

E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund - Budgetary Basis .....	67
E-2	Schedule of Preschool Education Aid Expenditures - Preschool - All Programs - Budgetary Basis .....	N/A

##### **F. Capital Project Fund:**

F-1	Summary Schedule of Project Expenditures .....	N/A
F-2	Summary Schedule of Revenues, Expenses and Changes in Fund Net Position .....	N/A
F-2a	Schedule of Project Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis .....	N/A

##### **G. Proprietary Funds:**

###### **Enterprise Fund:**

G-1	Combining Statement of Net Position .....	68
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Position .....	69
G-3	Combining Statement of Cash Flows .....	70

###### **Internal Service Funds:**

G-4	Combining Statement of Net Position .....	N/A
G-5	Combining Statement of Revenues, Expenses and Changes in Fund Net Position .....	N/A
G-6	Combining Statement of Cash Flows .....	N/A

## CAMDEN PREP, INC.

Contents  
June 30, 2024

---

<b>Required Supplementary Information - Part III (Continued)</b>	<b><u>Pages</u></b>
<b>H. Fiduciary Funds:</b>	
H-1 Combining Statement of Fiduciary Fund Net Position .....	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position .....	N/A
<b>I. Long-Term Debt:</b>	
I-1 Schedules of Serial Bonds Payable .....	N/A
I-2 Schedule of Obligations under Leases .....	71
I-3 Debt Service Fund Budgetary Comparison Schedule .....	N/A
<b>Statistical Section (Unaudited):</b>	
<b>J. Financial Trends:</b>	
J-1 Net Position by Component .....	72
J-2 Changes in Net Position .....	73
J-3 Fund Balances - Governmental Funds .....	74
J-4 Changes in Fund Balances - Governmental Funds .....	75
J-5 General Fund - Other Local Revenue by Source .....	76
<b>J. Revenue Capacity:</b>	
J-6 Assessed Value and Actual Value of Taxable Property .....	N/A
J-7 Direct and Overlapping Property Tax Rates .....	N/A
J-8 Principal Property Taxpayers.....	N/A
J-9 Property Tax Levies and Collections .....	N/A
<b>J. Debt Capacity:</b>	
J-10 Ratios of Outstanding Debt by Type .....	N/A
J-11 Ratios of General Bonded Debt Outstanding .....	N/A
J-12 Direct and Overlapping Governmental Activities Debt .....	N/A
J-13 Legal Debt Margin Information .....	N/A
<b>J. Demographic and Economic Information:</b>	
J-14 Demographic and Economic Statistics .....	77
J-15 Principal Employers .....	N/A
<b>J. Operating Information:</b>	
J-16 Full-Time Equivalent Renaissance School Employees by Function/Program .....	78
J-17 Operating Statistics .....	79
J-18 School Building Information .....	80
J-19 Schedule of Allowable Maintenance Expenditures by School Facility .....	N/A
J-20 Insurance Schedule .....	81 - 83
<b>J. Renaissance School Performance Framework Financial Indicators:</b>	
J-21 Near Term and Sustainability Indicators .....	84

## CAMDEN PREP, INC.

Contents  
June 30, 2024

---

### SINGLE AUDIT SECTION K

### Pages

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	85 - 86
K-2	Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular Letter 15-08 .....	87 - 89
K-3	Schedule of Expenditures of Federal Awards, Schedule A .....	90
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B .....	91
K-5	Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance .....	92 - 93
K-6	Schedule of Findings and Questioned Costs .....	94 - 96
K-7	Summary Schedule of Prior Year Findings and Questioned Costs .....	97

N/A=Not Applicable

## **INTRODUCTORY SECTION**

December 11, 2024

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

Dear Commissioner:

The Annual Comprehensive Financial Report of Camden Prep, Inc. (the Renaissance School) for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Renaissance School. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Renaissance School. All disclosures necessary to enable the reader to gain an understanding of the Renaissance School's financial activities have been included.

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

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

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

<u>School Year</u>	<u>Grades Served</u>	<u>Student Enrollment</u>
2014-2015	K	66
2015-2016	K-4 <sup>th</sup>	315
2016-2017	K-5 <sup>th</sup>	397
2017-2018	K-6 <sup>th</sup>	750
2018-2019	K-7 <sup>th</sup>	902
2019-2020	K-8 <sup>th</sup>	904
2020-2021	K-9 <sup>th</sup>	1,038
2021-2022	K-10 <sup>th</sup>	1,213
2022-2023	K-11 <sup>th</sup>	1,165
2023-2024	K-12 <sup>th</sup>	1,433

The Renaissance School operates an extended day and school year. Students attend classes from 8:00 a.m. to 4:00 p.m., which is more than an hour longer than most public schools. In addition, programs are available from 7:30 a.m. to 5:30 p.m. During the 2023-2024 school year, the average class size was 30 students. Students wear uniforms.

- 3) **Major Accomplishments:** The Renaissance School builds toward proficiency by maximizing instructional time, introducing critical learning strategies in kindergarten and then layering in additional complexity each year. The Renaissance School values the use of data to inform instruction through formal and informal assessments. Prior to joining the Renaissance School, only 3.0 percent of students were proficient in English language arts and 2.8 percent in mathematics. The growth in proficiency of these same students from year to year can be attributed to teachers and leaders analyzing student work and making clear action plans to address gaps in the data on a daily, weekly and quarterly basis. To maintain continued growth, the Renaissance School will remain faithful to the use of data cycles while continuing to increase the rigor of instruction that is taught in classrooms. High quality instruction at the Renaissance School is rigorous, engaging, and responsive to student learning. The Renaissance School has created and maintains a culture of high expectations for all of its students by developing a rigorous curriculum, offering a longer school day and extended school year, hiring a committed and talented staff, and effectively implementing data-driven instruction. The Renaissance School's teachers are at the core of high-quality instruction. For the Renaissance School to maximize the learning our students are able to receive, it is critically important that our school focus on making teachers better faster through a rigorous and structured observation and feedback model. The mission of the Renaissance School is to prepare each student to enter, succeed in, and ultimately graduate from a four-year college. The education model consists of two core pillars: a highly rigorous academic curriculum paired with a focus on strong character development. In school year 2023-2024, Camden Prep expanded its reach by opening a twelfth grade at Camden Prep High School. Additionally, at the beginning of school year 2023-2024, construction of Camden Prep High School building at its permanent location (1800 Copewood Street) was completed. The completion of this building represents a critical moment for realizing the K-12<sup>th</sup> grade journey on which Camden Prep was founded.
- 4) **Internal Accounting Controls:** Management of the Renaissance School is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Renaissance School are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

**4) Internal Accounting Controls (Continued):**

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

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

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

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

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

- 7) Financial Information at Fiscal Year-End:** As demonstrated by the various statements and schedules included in the financial section of report, the Renaissance School continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Proprietary Fund for the fiscal year ended June 30, 2024:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>
Local Revenue	\$ 825,967	2%
State Share	28,540,781	74
State Sources	2,624,422	7
Private Funding	669,768	2
Other Restricted Miscellaneous Revenue	425,496	1
Federal Aid - Special Revenue	4,819,140	12
State Aid - Special Revenue	360,436	1
Private Grants - Special Revenue	389,503	1
Miscellaneous Revenue - Proprietary fund	<u>8,179</u>	<u>-</u>
Total	<u>\$ 38,663,692</u>	<u>100%</u>

The following schedule presents a summary of the General Fund, Special Revenue Fund and Proprietary Fund expenditures for the fiscal year ended June 30, 2024:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>
Current - General Fund	\$ 31,070,872	84%
Special Revenue Fund	5,569,079	15
Proprietary Fund	<u>302,899</u>	<u>1</u>
Total	<u>\$ 36,942,850</u>	<u>100%</u>

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

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

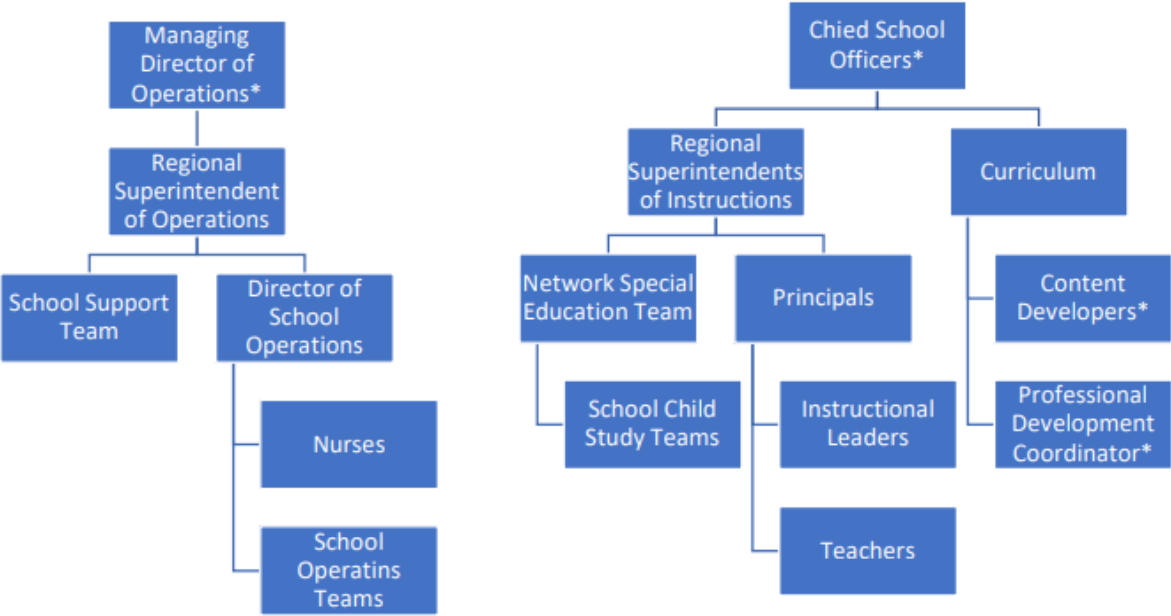
In addition to meeting the requirements set forth in the state statutes, the Renaissance School is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit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

Respectfully submitted,



Jen Venegas-Gibbons  
Head of Operations

**ORGANIZATIONAL CHART**  
**JUNE 30, 2024**



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

<b><u>Board of Trustees</u></b>	<b><u>Term Expires</u></b>
Kevin Patterson	1/30/24
Julie Jackson	6/30/24
Joseph Mangini	6/30/24
Cassetta Perry	6/30/24
Victoria Glover	6/30/24
Reverend Floyd White	6/30/24
Natalie Cooper	6/30/24
Mary Kate Miller	6/30/24
Kelly Dowling	6/30/24
Colin Devlin	6/30/24
Lavonia Abavana	6/30/24
Ratna Shah	1/31/25

**CONSULTANTS, INDEPENDENT AUDITORS AND ADVISORS**

**AUDIT FIRM**

AAFCPAs, Inc.  
50 Washington Street  
Westborough, MA 01581

**OFFICIAL DEPOSITORY**

M&T Bank  
60 Park Plaza  
Newark, NJ 07102

## **FINANCIAL SECTION**

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

**Independent Auditor's Report**

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

**Report on the Audit of the Financial Statements**

***Opinion***

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

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

***Basis for Opinion***

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

***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Long-term Debt Schedule in Schedule I-2, the Pension Benefit Schedules in Schedules L-1, L-2, L-4, and M-1, and Budgetary Comparison Information in Schedules C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Renaissance School's basic financial statements. The accompanying combining and individual fund financial statements and Schedules of Expenditures of Federal Awards and State Financial Assistance for the year ended June 30, 2024, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the provisions of New Jersey OMB's Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of the Renaissance School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Renaissance School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Renaissance School's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "AAFCPAs, Inc." in a cursive, stylized font.

Westborough, Massachusetts  
December 11, 2024

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

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

## **CAMDEN PREP, INC.**

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

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This section of Camden Prep, Inc.'s (the Renaissance School) annual financial report presents its discussion and analysis of the Renaissance School's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the Renaissance School's financial statements, which immediately follows this section.

#### **FINANCIAL HIGHLIGHTS**

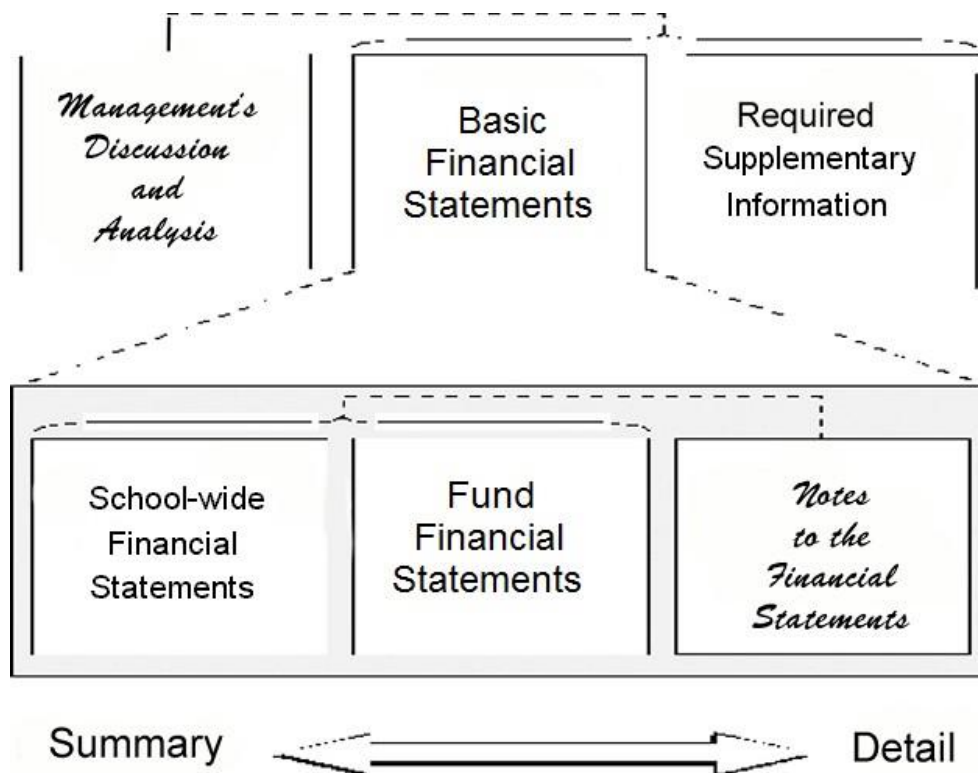
Key financial highlights for the 2023-24 include the following:

- Total Net Position was \$4,386,065.
- The General Fund balance at June 30, 2024, is \$7,813,726.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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



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

**CAMDEN PREP, INC.**

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

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

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

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

## **CAMDEN PREP, INC.**

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

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### **Renaissance School-wide Statements**

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

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

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

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

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

### **Fund Financial Statements**

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

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

- Some funds are required by State law.

## CAMDEN PREP, INC.

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

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

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

- **Governmental funds** - Most of Camden Prep, Inc.'s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds' statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance Camden Prep, Inc.'s programs. Because this information does not encompass the additional long-term focus of the Renaissance school-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds** - Services for which Camden Prep, Inc. charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the school-wide statements.
- **Fiduciary funds** - Camden Prep, Inc. is the trustee, or *fiduciary*, for assets that belong to others. Camden Prep, Inc. is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Any fiduciary activities would be reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from Camden Prep, Inc.'s government-wide financial statements because Camden Prep, Inc. cannot use these assets to finance its operations. There were no such funds as of June 30, 2024.

## FINANCIAL ANALYSIS OF CAMDEN PREP, INC. AS A WHOLE

**Net position.** Camden Prep, Inc.'s net position is \$4,386,065 on June 30, 2024 (see Table A- 1), which is all Governmental activities.

The Statement of Net Position of \$4,386,065 reflects total capital assets of \$986,657, net of accumulated depreciation from inception, cost of right-to-use lease assets of \$80,756,211, net of accumulated depreciation from inception, and principal balance of lease liabilities of \$(83,489,818).

**CAMDEN PREP, INC.**

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

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

- Total revenues during the 2023-24 school year were \$38,663,692.
- Total expenditures during the 2023-24 school year were \$36,942,850.

**Table A-1**  
**CAMDEN PREP, INC.**  
**Statement of Net Position**  
**As of June 30, 2024**

	<u>Total</u>
Current and other assets	\$ 11,770,423
Pension deferred outflows	11,117,334
Capital and right-to-use lease assets	<u>81,742,868</u>
Total assets and deferred outflow of resources	<u>\$ 104,630,625</u>
Short-term liabilities	\$ 3,956,697
Net pension liability	12,020,420
Lease liabilities	83,489,818
Pension deferred inflows	<u>777,625</u>
Total liabilities and deferred inflow of resources	<u>100,244,560</u>
Net position:	
Invested in capital assets	(1,746,950)
Unrestricted	<u>6,133,015</u>
Total net position	<u>4,386,065</u>
Total liabilities and net position	<u>\$ 104,630,625</u>

Total Governmental and business-type activities revenues and beginning assets minus net adjusted expenditures resulting in a calculation of net position of \$4,386,065 as of June 30, 2024.

**CAMDEN PREP, INC.**

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

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**Table A-2**  
**CAMDEN PREP, INC.**  
**Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2024**

	<u>Total</u>	<u>Percentage</u>
<b>Revenues:</b>		
General revenues:		
Local share	\$ 825,967	2%
State share	28,540,781	74
State sources	2,624,422	7
Federal aid	4,819,140	12
Other	<u>1,853,382</u>	<u>5</u>
Total revenues	<u>38,663,692</u>	<u>100%</u>
<b>Expenses:</b>		
Regular instruction	11,145,592	30%
General administrative	14,255,715	39
School administrative services and plant operations and maintenance	9,790,971	26
Enrichment	302,899	1
On-behalf TPAF Social Security and Pension	1,198,437	3
Capital outlay	<u>249,236</u>	<u>1</u>
Total expenses	<u>36,942,850</u>	<u>100%</u>
Increase in Fund Balance	1,720,842	
Decrease in net capital outlay	100,721	
Excess amortization expense over principal payments on leases	(1,297,298)	
Pension adjustment	<u>(1,572,906)</u>	
Net decrease in net position	(1,048,641)	
Net position - Beginning July 1, 2023	<u>5,434,706</u>	
Net position, End of year, June 30, 2024	<u>\$ 4,386,065</u>	

Total revenues exceeded expenditures, increasing fund balance by \$1,720,842 in the General Fund.

**CAMDEN PREP, INC.**

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

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**Table A-3 (See Exhibit A-2)**  
**CAMDEN PREP, INC.**  
**Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2024**

<u>Functions/Programs</u>	<u>Source</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Governmental activities:			
Instruction:			
Regular instruction	A-2	\$ 11,145,592	\$ 8,575,179
Support services:			
General administrative services and plant operations and maintenance	A-2	14,255,715	11,280,171
School administrative services	A-2	9,790,971	9,790,971
On-behalf TPAF Social Security and Pension	A-2	1,198,437	1,198,437
Capital outlay	A-2	<u>249,236</u>	<u>226,114</u>
Total governmental activities		36,639,951	31,070,872
Business-type activities:			
After school programs	A-2	<u>302,899</u>	<u>294,720</u>
Total governmental and business-type activities		<u>\$ 36,942,850</u>	<u>\$ 31,365,592</u>

**FINANCIAL ANALYSIS OF CAMDEN PREP, INC. FUNDS**

The financial performance of Camden Prep, Inc. as a whole is reflected in its governmental and business-type activities (Exhibit A-2). As Camden Prep, Inc. completed the year, its general funds reported a combined fund balance of \$7,813,726.

There was no ending fund balance in the Proprietary Fund as of June 30, 2024. Revenues for the Camden Prep, Inc. business activities were \$8,179, while total expenses were \$302,899 (Exhibit G-2). The deficit was funded by a transfer from the General Fund of \$294,720.

**GOVERNMENTAL FUND**

The Governmental Fund includes the primary operations of Camden Prep, Inc. in providing educational services to students in grades K to 12th.

**CAMDEN PREP, INC.**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024

The following schedule presents a summary of Governmental Fund revenues. The summary reflects the activity for the fiscal years ended June 30, 2024 and 2023.

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

<u>Governmental Fund Revenues</u>	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>	<u>Amount of Increase (Decrease)</u>
<b>Local Sources:</b>			
Local share	\$ 825,967	\$ 613,637	\$ 212,330
State share	28,540,781	21,203,863	7,336,918
Miscellaneous revenue	<u>1,484,767</u>	<u>1,936,110</u>	<u>(451,343)</u>
Total local sources	<u>30,851,515</u>	<u>23,753,610</u>	<u>7,097,905</u>
<b>Intergovernmental Sources:</b>			
State sources	2,984,858	1,426,547	1,558,311
Federal sources	<u>4,819,140</u>	<u>4,159,483</u>	<u>659,657</u>
Total intergovernmental sources	<u>7,803,998</u>	<u>5,586,030</u>	<u>2,217,968</u>
Total revenues	<u>\$ 38,655,513</u>	<u>\$ 29,339,640</u>	<u>\$ 9,315,873</u>

The following schedule presents a summary of Governmental Fund expenditures. The summary reflects the activity for the fiscal years ended June 30, 2024 and 2023.

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

<u>Governmental Fund Expenditures</u>	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>	<u>Amount of Increase (Decrease)</u>
<b>Current:</b>			
Regular instruction	\$ 11,145,592	\$ 8,854,099	\$ 2,291,493
General administrative services	14,255,715	13,015,770	1,239,945
School administrative services and plant operations and maintenance	9,790,971	6,786,160	3,004,811
Reimbursed and On-behalf TPAF Social Security and Pension	1,198,437	154,191	1,044,246
Capital outlay	<u>249,236</u>	<u>260,163</u>	<u>(10,927)</u>
Total expenditures	<u>\$ 36,639,951</u>	<u>\$ 29,070,383</u>	<u>\$ 7,864,288</u>

## CAMDEN PREP, INC.

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

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### UNRESERVED-UNDESIGNATED FUND BALANCE AS A PERCENTAGE OF EXPENDITURES

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

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

<u>General Fund</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Unreserved-Undesignated Fund Balance	7,813,726	6,092,884	5,823,627	5,070,080	2,467,378
Expenditures	36,934,671	29,070,383	25,115,916	20,902,255	17,970,028
Percentage	21%	21%	23%	24%	14%
<u>General Fund</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Unreserved-Undesignated Fund Balance	1,692,925	1,483,589	1,121,842	732,819	205,876
Expenditures	14,757,885	11,930,238	7,871,789	6,622,126	2,493,862
Percentage	11%	12%	14%	11%	8%

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

### FACTORS BEARING ON THE RENAISSANCE SCHOOL'S FUTURE

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

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

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

By the end of the fiscal year ended June 30, 2024, in the General Fund, Camden Prep, Inc. had capital assets in the amount of \$1,493,654, net accumulated depreciation of \$506,997, amounting to net capital assets of \$986,657. Total General Fund depreciation expense for the year was \$148,515.

### CONTACTING THE RENAISSANCE SCHOOL'S FINANCIAL MANAGEMENT

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

## **BASIC FINANCIAL STATEMENTS**

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

## **RENAISSANCE SCHOOL-WIDE FINANCIAL STATEMENTS**

**CAMDEN PREP, INC.**Statement of Net Position  
June 30, 2024

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 10,372,740	\$ 25,806	\$ 10,398,546
Receivables	903,246	-	903,246
Prepaid expenses	211,684	-	211,684
Due from related party	256,947	-	256,947
Capital assets, net	986,657	-	986,657
Right-to-use lease assets, net	80,756,211	-	80,756,211
<b>Total assets</b>	<b>93,487,485</b>	<b>25,806</b>	<b>93,513,291</b>
<b>Deferred Outflow of Resources:</b>			
Pension deferred outflows	11,117,334	-	11,117,334
<b>Total assets and deferred outflow of resources</b>	<b>\$ 104,604,819</b>	<b>\$ 25,806</b>	<b>\$ 104,630,625</b>
<b>Liabilities:</b>			
Accounts payable and accrued expenses	\$ 2,600,952	\$ 25,806	\$ 2,626,758
Due to State of New Jersey	491,309	-	491,309
Payroll deductions and withholdings	14,066	-	14,066
Due to related party	330,870	-	330,870
Due to the City of Camden	392,339	-	392,339
Unemployment compensation claims payable	82,562	-	82,562
Deferred revenue	18,793	-	18,793
Net pension liability	12,020,420	-	12,020,420
Lease liabilities	83,489,818	-	83,489,818
<b>Total liabilities</b>	<b>99,441,129</b>	<b>25,806</b>	<b>99,466,935</b>
<b>Deferred Inflow of Resources:</b>			
Pension deferred inflows	777,625	-	777,625
<b>Total liabilities and deferred inflow of resources</b>	<b>100,218,754</b>	<b>25,806</b>	<b>100,244,560</b>
<b>Net Position:</b>			
Invested in capital assets	(1,746,950)	-	(1,746,950)
Unrestricted	6,133,015	-	6,133,015
<b>Total net position</b>	<b>4,386,065</b>	<b>-</b>	<b>4,386,065</b>
<b>Total liabilities, deferred inflow of resources and net position</b>	<b>\$ 104,604,819</b>	<b>\$ 25,806</b>	<b>\$ 104,630,625</b>
<b>Fund Balance, June 30, 2024 - B-1</b>	<b>\$ 7,813,726</b>		
Cost of capital assets, net of accumulated depreciation	986,657		
Cost of right-to-use lease assets, net of accumulated amortization	80,756,211		
Principal balance of lease liabilities	(83,489,818)		
Net position before pension adjustments	6,066,776		
Less - pension, net (deficit)	(1,680,711)		
<b>Total Net Position, June 30, 2024</b>	<b>\$ 4,386,065</b>		

## CAMDEN PREP, INC.

Statement of Activities  
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net Expense (Revenue) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 11,145,592	\$ -	\$ 2,570,413	\$ 8,575,179	\$ -	\$ 8,575,179
Support services:						
General administrative services	14,255,715	-	2,975,544	11,280,171	-	11,280,171
School administrative services and plant operations and maintenance	9,790,971	-	-	9,790,971	-	9,790,971
TPAF Social Security (Reimbursed)	141,772	-	-	141,772	-	141,772
TPAF Medical (On-Behalf - Non-Budgeted)	226,781	-	-	226,781	-	226,781
TPAF Pension (On-Behalf - Non-Budgeted)	829,884	-	-	829,884	-	829,884
Capital Outlay	249,236	-	23,122	226,114	-	226,114
Total governmental activities	<u>36,639,951</u>	<u>-</u>	<u>5,569,079</u>	<u>31,070,872</u>	<u>-</u>	<u>31,070,872</u>
<b>Business-type Activities:</b>						
Enrichment programs	302,899	8,179	-	-	294,720	294,720
Total business-type activities	<u>302,899</u>	<u>8,179</u>	<u>-</u>	<u>-</u>	<u>294,720</u>	<u>294,720</u>
Total primary government	<u>\$ 36,942,850</u>	<u>\$ 8,179</u>	<u>\$ 5,569,079</u>	<u>31,070,872</u>	<u>294,720</u>	<u>31,365,592</u>
<b>General Revenues:</b>						
Local share				825,967	-	825,967
State share				28,540,781	-	28,540,781
State aid				2,624,422	-	2,624,422
Transfers				(294,720)	294,720	-
Other miscellaneous income				425,496	-	425,496
Philanthropic support				669,768	-	669,768
Total general revenues				<u>32,791,714</u>	<u>294,720</u>	<u>33,086,434</u>
Change in fund balance				1,720,842	-	1,720,842
Decrease in net Capital Outlay				100,721	-	100,721
Excess amortization and lease interest expense over cash payments on leases				(1,297,298)	-	(1,297,298)
Decrease in Pension Deficit (A-1 Net Position)				<u>(1,572,906)</u>	<u>-</u>	<u>(1,572,906)</u>
Change in net position				(1,048,641)	-	(1,048,641)
<b>Net Position - beginning July 1, 2023</b>				<u>5,434,706</u>	<u>-</u>	<u>5,434,706</u>
<b>Net Position - ending June 30, 2024</b>				<u>\$ 4,386,065</u>	<u>\$ -</u>	<u>\$ 4,386,065</u>

The accompanying notes are an integral part of these statements.

## **FUND FINANCIAL STATEMENTS**

## **GOVERNMENTAL FUNDS**

**CAMDEN PREP, INC.**

Balance Sheet  
Governmental Funds  
June 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 10,372,740	\$ -	\$ 10,372,740
Receivables	319,572	583,674	903,246
Prepaid expenses	195,934	15,750	211,684
Due from related party	223,801	33,146	256,947
Interfund receivable (payable)	585,152	(585,152)	-
Total assets	<u>\$ 11,697,199</u>	<u>\$ 47,418</u>	<u>\$ 11,744,617</u>
<b>Liabilities and Fund Balances:</b>			
Liabilities:			
Accounts payable and accrued expenses	\$ 2,572,909	\$ 28,043	\$ 2,600,952
Due to State of New Jersey	491,309	-	491,309
Payroll deductions and withholdings	13,493	573	14,066
Due to related party	330,870	-	330,870
Due to the City of Camden	392,339	-	392,339
Unemployment compensation claims payable	82,553	9	82,562
Deferred revenue	-	18,793	18,793
Total liabilities	<u>3,883,473</u>	<u>47,418</u>	<u>3,930,891</u>
Fund Balances:			
Unassigned	7,617,792	(15,750)	7,602,042
Nonspendable	195,934	15,750	211,684
Total fund balances	<u>7,813,726</u>	<u>-</u>	<u>7,813,726</u>
Total liabilities and fund balances	<u>\$ 11,697,199</u>	<u>\$ 47,418</u>	<u>\$ 11,744,617</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$1,493,654 and the accumulated depreciation is \$506,997 (see Note 4).

\$ 986,657

Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements (see Note 8).

11,117,334

Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements (see Note 8).

(777,625)

Long-term liabilities, including net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the fund statements (see Note 8).

(12,020,420)

Right-to-use assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$85,695,391 and the accumulated amortization is \$4,939,180 (see Note 4).

80,756,211

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

(83,489,818)

Net position of governmental activities

\$ 4,386,065

**CAMDEN PREP, INC.**

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>			
Local sources:			
Local share	\$ 825,967	\$ -	\$ 825,967
State share	28,540,781	-	28,540,781
Other restricted miscellaneous revenues	425,496	-	425,496
Philanthropic support	669,768	389,503	1,059,271
Total - local sources	30,462,012	389,503	30,851,515
State sources	2,624,422	360,436	2,984,858
Federal sources	-	4,819,140	4,819,140
Total revenues	33,086,434	5,569,079	38,655,513
<b>Expenditures:</b>			
Current:			
Regular instruction	8,575,179	2,570,413	11,145,592
Supportive services:			
General administrative services	11,280,171	2,975,544	14,255,715
School administrative services and plant operations and maintenance	9,790,971	-	9,790,971
TPAF Medical (On-Behalf - Non-Budgeted)	226,781	-	226,781
TPAF Pension (On-Behalf - Non-Budgeted)	829,884	-	829,884
TPAF Social Security (Reimbursed)	141,772	-	141,772
Capital outlay	226,114	23,122	249,236
Total expenditures	31,070,872	5,569,079	36,639,951
Excess of revenues over expenditures	2,015,562	-	2,015,562
<b>General Expense:</b>			
Transfers to Proprietary Fund to Subsidize Program	(294,720)	-	(294,720)
Net change in fund balances	1,720,842	-	1,720,842
<b>Fund Balance - July 1, 2023</b>	6,092,884	-	6,092,884
<b>Fund Balance - June 30, 2024</b>	\$ 7,813,726	\$ -	\$ 7,813,726

**CAMDEN PREP, INC.**

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

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**Total net change in fund balances - Governmental Funds (from B-2)** \$ 1,720,842

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

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

Depreciation expense	(148,515)	
Capital outlays	<u>249,236</u>	100,721

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

Right-to-use assets	39,643,974	
Amortization expense	<u>(2,324,068)</u>	37,319,906

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

Lease liabilities	(39,643,974)	
Principal payments	<u>1,026,770</u>	(38,617,204)

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

(1,572,906)

**Change in net position of governmental activities**

\$ (1,048,641)

## **PROPRIETARY FUNDS**

**CAMDEN PREP, INC.**

Statement of Net Position  
 Proprietary Funds  
 As of June 30, 2024

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	<b><u>Business-type Activities - Enterprise Fund</u></b>
<b>Assets:</b>	
Current assets:	
Cash	\$ 25,806
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	\$ 25,806
<b>Net Position:</b>	
Unrestricted	\$ -

**CAMDEN PREP, INC.**

Statement of Revenues, Expenses and Changes in Fund Net Position  
 Proprietary Funds  
 For the Year Ended June 30, 2024

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	<b><u>Business-type Activities - Enterprise Fund</u></b>
<b>Operating Revenues:</b>	
Charges for services:	
Miscellaneous revenue	\$ 8,179
	<u>8,179</u>
Total operating revenues	
	<u>8,179</u>
<b>Operating Expenses:</b>	
Purchased services	275,516
Salaries and benefits	12,756
Supplies, materials and other expenses	14,627
	<u>302,899</u>
Total operating expenses	
	<u>302,899</u>
Loss before contributions or transfers	(294,720)
	<u>294,720</u>
<b>Transfers from General Fund to Subsidize Program</b>	
	<u>294,720</u>
Change in net position	-
<b>Total Net Position - beginning</b>	<u>-</u>
<b>Total Net Position - ending</b>	<u><u>\$ -</u></u>

**CAMDEN PREP, INC.**

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended June 30, 2024

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	<b><u>Business-Type Activities - Enterprise Fund</u></b>
<b>Cash Flows from Operating Activities:</b>	
Miscellaneous revenue	\$ 8,179
Payments to suppliers	<u>(278,955)</u>
Net cash used in operating activities	(270,776)
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Transfers from general fund to subsidize program	<u>294,720</u>
Net increase in cash and cash equivalents	23,944
<b>Cash Balance - beginning of year</b>	<u>1,862</u>
<b>Cash Balance - end of year</b>	<u><u>\$ 25,806</u></u>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities:</b>	
Operating loss	\$ (294,720)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Increase in accounts payable	<u>23,944</u>
Net cash used in operating activities	<u><u>\$ (270,776)</u></u>

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**1. DESCRIPTION OF THE RENAISSANCE SCHOOL AND REPORTING ENTITY**

Camden Prep, Inc. (the Renaissance School) was incorporated in the State of New Jersey as a not-for-profit corporation for the purpose of operating a public school under the Urban Hope Act which provides a process for authorized entities to operate and manage Renaissance School Projects as public schools. The Renaissance School opened in August 2014. The Renaissance School's Board of Trustees (the Board) is responsible for the fiscal control of the Renaissance School. Under the existing statutes, the Renaissance School's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Renaissance School served 1,433 students from grades kindergarten to twelfth grade during the Renaissance School year 2023-2024.

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

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation**

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

**Renaissance School Government-wide Financial Statements**

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

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

Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Renaissance School, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Renaissance School.

The governmental activities generally are financed through Federal and state awards, taxes and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**Fund Financial Statements**

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

**Fund Accounting**

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Fund Accounting** (Continued)

#### ***Governmental Funds***

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

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

As required by the New Jersey Department of Education, the Renaissance School included budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of ground, construction of buildings, additions to or remodeling of buildings, and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board resolution.

*Special Revenue Fund* - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government (other than major Capital Projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

#### ***Proprietary Funds***

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

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

#### ***Fiduciary Funds***

Fiduciary or Trust and Agency Funds are used to account for assets held by the Renaissance School in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. As of June 30, 2024, there were no Fiduciary Funds.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus**

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

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

**Basis of Accounting**

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

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

**Budgets/Budgetary Control**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Budgets/Budgetary Control (Continued)**

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

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

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

**Cash and Cash Equivalents**

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

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

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

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

**Deferred Outflows/Inflows of Resources**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Deferred Outflows/Inflows of Resources (Continued)**

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

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

**Deferred Revenue**

Deferred revenue consists of advance payments on grants.

**Capital Assets**

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

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

The following estimated useful lives are used to compute depreciation:

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Net Position/Fund Balance

#### *Renaissance School-Wide Statements*

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

- Net Investment in Capital Assets - consists of net capital assets and right-to-use lease assets (cost less accumulated depreciation and accumulated amortization) reduced by outstanding balances of related debt obligations from the acquisition, construction or lease liabilities. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included. There were no such deferred outflows or inflows for this purpose as of June 30, 2024.
- Restricted Net Position - reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. There was no restricted net position as of June 30, 2024.
- Unrestricted Net Position - any portion of net position not already classified as either net investment in capital assets or net position - restricted is classified as net position - unrestricted.

### Fund Balance and Equity

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

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

At June 30, 2024, the Renaissance School only had unassigned and nonspendable fund balances.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Compensated Absences**

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

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

**Accrued Liabilities and Long-Term Obligations**

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

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

**Use of Estimates**

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

**On-Behalf Payments**

Revenues and expenditures of the General Fund include payments made by the State of New Jersey for Pension and Social Security contributions for certified teacher members of the New Jersey Teachers' Pension and Annuity Fund. The amounts are not required to be included in the Renaissance School's annual budget (see Note 8).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fair Value of Financial Instruments**

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

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

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

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

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

**Leases**

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

School Premises	35 years
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**3. DEPOSITS AND INVESTMENTS**

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

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

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

**Deposits**

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

**Renaissance  
School-Wide  
Financial Statements**

Cash Balance	<u>\$ 10,398,546</u>
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Operating cash accounts are held in the Renaissance School's name by one banking institution. At June 30, 2024, the Renaissance School's bank balances were \$10,619,153. Of the bank balance, \$250,000 of the Renaissance School's cash deposits on June 30, 2024, was secured by the Federal Deposit Insurance Corporation (FDIC). An additional \$4,822,823, held in an insured sweep account, is secured by distributing funds across multiple banks, with each deposit capped at \$250,000 and insured by the FDIC. Furthermore, \$5,546,330 was covered by a collateral pool maintained by the bank, as required by New Jersey statutes in accordance with the New Jersey GUDPA.

Reconciliation to the financial statements:

Total cash balance covered by collateral pool	\$ 5,546,330
Plus - insured amount	5,072,823
Less - outstanding checks	<u>(220,607)</u>
 Total cash and cash equivalents per Renaissance school-wide financial statements	 <u>\$ 10,398,546</u>

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

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

***Category 1***

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

***Category 2***

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

***Category 3***

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

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

**Investments**

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

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

As of June 30, 2024, the Renaissance School did not hold any investments.

**CAMDEN PREP, INC.**

Notes to Basic Financial Statements  
June 30, 2024

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

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

<u>Governmental Activities</u>	<u>Beginning Balance July 1, 2023</u>	<u>Net Additions</u>	<u>Ending Balance June 30, 2024</u>
Capital assets being depreciated:			
Leasehold improvements	\$ 702,883	\$ 107,738	\$ 810,621
Furniture and fixtures	127,717	10,286	138,003
Equipment	<u>413,818</u>	<u>90,255</u>	<u>504,073</u>
Total capital assets being depreciated	1,244,418	208,279	1,452,697
Construction in progress	<u>-</u>	<u>40,957</u>	<u>40,957</u>
Total capital assets	<u>1,244,418</u>	<u>249,236</u>	<u>1,493,654</u>
Less - accumulated depreciated:			
Leasehold improvements	224,269	36,932	261,201
Furniture and fixtures	49,176	24,415	73,591
Equipment	<u>85,037</u>	<u>87,168</u>	<u>172,205</u>
Total accumulated depreciation	<u>358,482</u>	<u>148,515</u>	<u>506,997</u>
Total capital assets, net	<u>\$ 885,936</u>	<u>\$ 100,721</u>	<u>\$ 986,657</u>

Depreciation expense of \$148,515 was charged to an unallocated function.

Construction in progress represents capital outlays for security system upgrades at June 30, 2024; this project was not completed, and accordingly, not depreciated. This project is expected to be completed in fiscal year 2025, at which point it will begin to be depreciated.

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

<u>Governmental Activities</u>	<u>Beginning Balance July 1, 2023</u>	<u>Net Additions</u>	<u>Ending Balance June 30, 2024</u>
Leased premises	\$ 46,051,417	\$ 39,643,974	\$ 85,695,391
Less - amortization	<u>2,615,112</u>	<u>2,324,068</u>	<u>4,939,180</u>
Total right-to-use lease assets, net	<u>\$ 43,436,305</u>	<u>\$ 37,319,906</u>	<u>\$ 80,756,211</u>

**5. LEASE AGREEMENTS**

The Renaissance School leases its premises under two agreements with subsidiaries of Uncommon Schools, Inc. (see Note 6) through its current charter, which ends on June 30, 2024. These leases are automatically extended upon charter renewal through various dates up to November 2056. During fiscal year 2024, the Renaissance School entered into a new lease agreement with subsidiaries of Uncommon Schools, Inc. (see Note 6), also through its current charter ending June 30, 2024. This lease is automatically extended upon charter renewal and can be extended through July 2062. The leases required aggregate quarterly cash payments of approximately \$1,283,502 during the year ended June 30, 2024. Interest expense on the leases was \$4,107,238 for the year ended June 30, 2024, which is reflected as interest payments on leases in the accompanying budgetary comparison schedule - general fund (Exhibit C-1).

**CAMDEN PREP, INC.**

Notes to Basic Financial Statements  
June 30, 2024

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**5. LEASE AGREEMENTS (Continued)**

The value of the right-to-use lease assets and lease liabilities was \$80,756,211 and \$83,489,818, respectively, as of June 30, 2024, which was calculated using discount rates ranging from 5.085% to 5.097% (the Renaissance School's estimated incremental borrowing rate at the inception of the leases).

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

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Amortization</u>
2025	\$ 4,229,722	\$ 904,286	\$ 2,324,068
2026	4,182,584	951,424	2,324,068
2027	4,132,989	1,001,019	2,324,068
2028	4,080,808	1,053,200	2,324,068
2029	4,025,908	1,108,100	2,324,068
2030 - 2034	19,200,478	6,469,562	11,620,340
2035 - 2039	17,329,070	8,340,970	11,620,340
2040 - 2044	14,916,331	10,753,709	11,620,340
2045 - 2049	11,805,674	13,864,366	11,620,340
2050 - 2054	7,795,216	17,874,824	11,620,340
2055 - 2059	3,197,757	14,608,296	7,984,629
2060 - 2063	535,334	6,560,062	3,049,542
	<u>\$ 95,431,871</u>	<u>\$ 83,489,818</u>	<u>\$ 80,756,211</u>

**6. RELATED PARTY AND MANAGEMENT AGREEMENT**

Uncommon Schools Inc. (USI), a nonprofit charter management organization, provided management services in the amount of \$3,960,291 to the Renaissance School during fiscal year 2024. USI provided services such as academic, financial, technology, and curriculum and operations support. USI raises philanthropy and governmental grants, which are passed-through to the Renaissance School.

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

As described in Note 5, the Renaissance School also leases space from subsidiaries of USI. Cash payments made to subsidiaries of USI totaled \$5,134,008 during the fiscal year ended June 30, 2024.

**7. PENSION PLAN****Description of Plans**

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

**7. PENSION PLAN (Continued)**

**Description of Plans (Continued)**

*Teachers' Pension and Annuity Fund (TPAF)*

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

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

*Public Employees' Retirement System (PERS)*

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

*Defined Contribution Retirement Program (DCRP)*

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

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

***Vesting and Benefit Provisions*** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15a and N.J.S.A. 18A:66 for TPAF. All benefits vest after ten years of service, except for medical benefits that vest after twenty-five years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit as defined.

Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving twenty-five years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

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

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

**7. PENSION PLAN (Continued)**

**Description of Plans (Continued)**

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

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

**Cost-of-living Adjustment (COLA) Suspension**

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

**Contribution Requirements**

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

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

**Annual Pension Costs (APC)**

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

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

The Renaissance School's contribution to PERS for the year ended June 30, 2024, was \$1,109,169.

In accordance with N.J.S.A 18A:66-66, the State reimbursed the Renaissance School \$141,772 for the year ended June 30, 2024, for the employer's share of Social Security contributions for TPAF members, as calculated on their base salaries. Also, the state paid \$1,056,665 into the TPAF pension representing on-behalf employer's portion of the TPAF Pension System Contributions, TPAF Post-Retirement Medical Benefits Contributions, and TPAF Long-Term Disability Insurance Premium Contributions for the Renaissance School. These amounts have been included in the school-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 68, *Accounting and Financial Reporting for Pensions*.

**8. PENSION PLANS – GASB 68****Teachers' Pension and Annuity Fund (TPAF)*****Summary of Significant Accounting Policies***

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

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

The employer contributions for the Renaissance School are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the Renaissance School (the Employer) is considered to be in a special funding situation as defined by GASB Statement No. 68, and the State is treated as a non-employer contributing entity. Since the Employer does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the Renaissance School. However, the State's portion of the net pension liability that was associated with the Renaissance School was \$11,282,738 as measured on June 30, 2023.

For the year ended June 30, 2024, the Renaissance School's pension expense of \$141,772 and revenue of \$141,772 for support was provided by the State. The measurement period for the pension expense and revenue reported in the Renaissance School's financial statements (A-2) at June 30, 2024, is based upon changes in the collective net pension liability with a measurement period of June 30, 2022 through June 30, 2023. Accordingly, the pension expense and the related revenue associated with the support provided by the State are based upon the changes in the collective net pension liability between July 1, 2022 and June 30, 2023.

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

	<u><b>June 30, 2023</b></u>
Collective deferred outflows of resources	\$ 2,423,548,676
Collective deferred inflows of resources	\$ 14,741,373,312
Collective net pension liability (Non-employer - State of New Jersey)	\$ 51,032,669,551
State's portion of the net pension liability that was associated with the Renaissance School	\$ 11,282,738
State's portion of the net pension liability that was associated with the Renaissance School as a percentage of the collective net pension liability	.022109%

**8. PENSION PLANS – GASB 68 (Continued)****Teachers' Pension and Annuity Fund (TPAF) (Continued)*****Actuarial Assumptions***

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

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

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

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

***Long-Term Expected Rate of Return***

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

**8. PENSION PLANS – GASB 68 (Continued)****Teachers' Pension and Annuity Fund (TPAF) (Continued)*****Long-Term Expected Rate of Return (Continued)***

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

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

***Discount Rate***

The discount rate used to measure the State's total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

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

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

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

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at:

<http://www.nj.gov/treasury/pensions/gasb-notices.shtml>

**8. PENSION PLANS – GASB 68 (Continued)****Public Employees' Retirement System (PERS)*****Summary of Significant Accounting Policies***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

At June 30, 2024, the Renaissance School reported a liability of \$12,020,420 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The Renaissance School's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2023 and 2022. At June 30, 2023, the Renaissance School's proportion was 0.082989%.

For the year ended June 30, 2024, the Renaissance School recognized pension expense of \$901,186. At June 30, 2024, the Renaissance School reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 114,931	\$ 49,136
Changes of assumptions	26,406	728,489
Net difference between projected and actual earnings on pension plan investments	55,356	-
Changes in proportion and differences between Renaissance School's contributions and proportionate share of contributions	9,811,472	-
Renaissance School's contributions subsequent to the measurement date	<u>1,109,169</u>	<u>-</u>
Total	<b><u>\$ 11,117,334</u></b>	<b><u>\$ 777,625</u></b>

The \$1,109,169 reported as deferred outflows of resources related to pensions resulting from the Renaissance School's contributions subsequent to the measurement date (i.e., for the Renaissance School year ended June 30, 2024, the plan measurement date was June 30, 2023) will be recognized as a reduction of the net pension liability measured as of June 30, 2024.

**CAMDEN PREP, INC.**

Notes to Basic Financial Statements  
June 30, 2024

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

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

<u>Year Ending June 30,</u>	
2024	\$ (634,633)
2025	(354,228)
2026	495,010
2027	(88,587)
2028	<u>1,507</u>
Total	<u>\$ (580,931)</u>
	<u><b>June 30, 2023</b></u>
Collective deferred outflows of resources	\$ 1,080,204,730
Collective deferred inflows of resources	\$ 1,780,216,457
Collective net pension liability (Non-State-Local Group)	\$ 14,606,489,066
Renaissance School's proportion of net pension liability	\$ 12,020,420
Renaissance School's proportion percentage	.082989%

***Actuarial Assumptions***

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

Inflation (Price)	2.75%
Inflation (Wage)	3.25%
Salary increases:	
Through 2026	2.75% - 6.55% based on years of service
Thereafter	Not Applicable
Investment rate of return	7.00%

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

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

**8. PENSION PLANS – GASB 68 (Continued)****Public Employees' Retirement System (PERS) (Continued)****Actuarial Assumptions (Continued)**

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

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

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

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate is assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**8. PENSION PLANS – GASB 68 (Continued)****Public Employees' Retirement System (PERS) (Continued)*****Sensitivity of the Renaissance School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (Continued)****Discount Rate (Continued)*

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

	<b>2024</b>		
	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Renaissance School's proportionate share of the net pension liability	<u>\$ 15,648,029</u>	<u>\$ 12,020,420</u>	<u>\$ 8,932,845</u>

*Pension Plan Fiduciary Net Position*

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

**9. POST-RETIREMENT BENEFITS**

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

The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126 which provides employer-paid health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with twenty-five years of service.

**9. POST-RETIREMENT BENEFITS (Continued)**

**Other Postemployment Benefit Plan (OPEB)**

***Plan Description and Benefits Provided***

The Renaissance School is in a "special funding situation", as described in GASB Statement No. 75, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the Renaissance School.

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

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

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

***Total Nonemployer OPEB Liability***

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The Renaissance School's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the Charter School did not recognize any portion of the collective net OPEB liability in the statement of net position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the Charter School. Note that actual numbers will be published in the NJ State's ACFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>).

9. POST-RETIREMENT BENEFITS (Continued)

Other Postemployment Benefit Plan (OPEB) (Continued)

*Actuarial Assumptions*

The total OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The total OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	TPAF	PERS	PFRS
Salary increases:	2.75% - 4.25% based on years of service	2.75% - 6.55% based on years of service	3.25% - 16.25% based on years of service

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

Disability mortality was based on Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

*Health Care Trend Assumptions*

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

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

*Discount Rate*

The discount rate for June 30, 2023, was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**CAMDEN PREP, INC.**

Notes to Basic Financial Statements  
June 30, 2024

**9. POST-RETIREMENT BENEFITS (Continued)****Other Postemployment Benefit Plan (OPEB) (Continued)*****Changes in the Total OPEB Liability Reported by the State of New Jersey***

	<b>Renaissance School's Proportionate Share of the OPEB Liability</b>	<b>Total OPEB Liability</b>
Balance at June 30, 2021 measurement date	\$ -	\$ 60,007,650,970
Changes recognized for the fiscal year:		
Service cost	-	2,770,618,025
Interest on total OPEB liability	115,271	1,342,187,139
Effect of differences between expected and actual experience	5,511,745	1,399,200,736
Effect of changes of assumptions	(1,166,836)	(13,586,368,097)
Contributions from the members	3,663	42,650,252
Contributions from the employer	(114,179)	(1,329,476,059)
Net changes	4,349,664	(9,361,188,004)
Balance at June 30, 2022 measurement date	4,349,664	50,646,462,966
Changes recognized for the fiscal year:		
Service cost	1,140,678	2,136,235,476
Interest on total OPEB liability	169,484	1,844,113,951
Effect of differences between expected and actual experience	(729,446)	(980,424,863)
Effect of changes of assumptions	9,700	105,539,463
Contributions from the members	4,343	47,258,104
Contributions from the employer	(132,115)	(1,437,516,858)
Net changes	462,644	1,715,205,273
Balance at June 30, 2023 measurement date	\$ 4,812,308	\$ 52,361,668,239

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

The following presents the total nonemployer OPEB liability as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

	<b>2023</b>		
	<b>1% Decrease (2.65%)</b>	<b>At Discount Rate (3.65%)</b>	<b>1% Increase (4.65%)</b>
Renaissance School's proportionate share of the net OPEB liability	\$ 5,641,605	\$ 4,812,308	\$ 4,146,479
Total OPEB liability	\$ 61,385,066,712	\$ 52,361,668,239	\$ 45,116,926,835

**CAMDEN PREP, INC.**

Notes to Basic Financial Statements  
June 30, 2024

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

	<b>2022</b>		
	<b>1% Decrease (2.54%)</b>	<b>At Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
Renaissance School's proportionate share of the net OPEB liability	\$ 4,854,924	\$ 4,349,664	\$ 3,738,231
Total OPEB liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

***Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate***

The following presents the total nonemployer OPEB liability as of June 30, 2023, calculated using the healthcare trend rate as disclosed above, as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

	<b>2023</b>		
	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
Renaissance School's proportionate share of the net OPEB liability	\$ 3,994,958	\$ 4,812,308	\$ 5,881,813
Total OPEB liability	\$ 43,468,257,358	\$ 52,361,668,239	\$ 63,998,719,320

	<b>2022</b>		
	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
Renaissance School's proportionate share of the net OPEB liability	\$ 3,595,263	\$ 4,349,664	\$ 5,340,617
Total OPEB liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

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

For the fiscal year ended June 30, 2024, the Renaissance School had no OPEB expense as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

The State of New Jersey's total OPEB liability is \$52,361,668,239. Of this amount, the total OPEB liability attributable to the Renaissance School was \$4,812,308. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the Renaissance School of 0.0092%.

**CAMDEN PREP, INC.**

Notes to Basic Financial Statements  
June 30, 2024

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**9. POST-RETIREMENT BENEFITS (Continued)****Other Postemployment Benefit Plan (OPEB) (Continued)*****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*** (Continued)

In accordance with GASB Statement 75, as the Renaissance School's does not recognize a liability for the proportionate share of the OPEB liability; there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2024, the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,639,717,639	\$ (13,791,541,217)
Changes of assumptions	7,445,895,322	(14,449,948,556)
Contributions subsequent to the measurement date	<u>TBD</u>	<u>N/A</u>
Total	<u>\$ 15,085,612,961</u>	<u>\$ (28,241,489,773)</u>

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

<u>Year Ending June 30,</u>	
2024	\$ (2,611,225,301)
2025	(2,611,225,301)
2026	(2,269,523,460)
2027	(1,338,024,839)
2028	(273,877,609)
Thereafter	<u>(4,052,000,302)</u>
Total	<u>\$ (13,155,876,812)</u>

**10. ECONOMIC DEPENDENCY**

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

**11. CONTINGENT LIABILITIES**

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

**11. CONTINGENT LIABILITIES (Continued)**

As of June 30, 2024, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Renaissance School believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on any of the individual governmental funds or the overall financial position of the Renaissance School.

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

**12. RISK MANAGEMENT**

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

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

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

**13. RECEIVABLES**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Accounts receivable	<u>\$ 319,572</u>	<u>\$ 583,674</u>	<u>\$ 903,246</u>

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

As of June 30, 2024, approximately 100% of the Renaissance School's accounts receivable were due from three funders.

**14. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS****Explanation of Certain Differences Between the Governmental Fund Balance Sheet (B-1) and the Government-wide Statement of Net Position (A-1)**

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

Fund balance per B-1 as of June 30, 2024	\$ 7,813,726
Cost of capital assets, net accumulated depreciation	986,657
Cost of right-to-use lease assets, net of accumulated amortization	80,756,211
Principal balance of lease liabilities	(83,489,818)
Pension deferred outflows	11,117,334
Pension deferred inflows	(777,625)
Deferred pension liability as of June 30, 2024	<u>(12,020,420)</u>
Net position per A-1 as of June 30, 2024	<u>\$ 4,386,065</u>

## **REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

**CAMDEN PREP, INC.**

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Revenues:</b>					
Local Sources:					
Local Share	\$ 825,967	\$ -	\$ 825,967	\$ 825,967	\$ -
State Share	28,540,781	-	28,540,781	28,540,781	-
Other Restricted Miscellaneous Revenues	425,496	-	425,496	425,496	-
Philanthropic Support	669,768	-	669,768	669,768	-
Total Local Sources	30,462,012	-	30,462,012	30,462,012	-
State Sources:					
Categorical Aid:					
Special Education Aid	631,909	-	631,909	631,909	-
Security Aid	506,717	-	506,717	506,717	-
Other State Revenue	287,359	-	287,359	287,359	-
TPAF Medical (On-Behalf - Non-Budgeted)	-	-	-	226,781	226,781
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	829,884	829,884
TPAF Social Security (Reimbursed)	141,772	-	141,772	141,772	-
Total State Sources	1,567,757	-	1,567,757	2,624,422	1,056,665
<b>Total Revenues</b>	32,029,769	-	32,029,769	33,086,434	1,056,665
<b>Expenditures:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Teachers Salary	5,758,202	-	5,758,202	5,758,202	-
Other Salaries	502,980	-	502,980	502,980	-
Prof/Tech Services	1,005,251	-	1,005,251	1,005,251	-
Other Purchased Services (400-500 Series)	192,677	-	192,677	192,677	-
General Supplies	1,095,489	-	1,095,489	1,095,489	-
Textbooks	20,580	-	20,580	20,580	-
<b>Total Regular Programs - Instruction</b>	8,575,179	-	8,575,179	8,575,179	-
<b>Support Services:</b>					
<b>General Administrative Services:</b>					
Salaries of Administrative Salaries	703,499	-	703,499	703,499	-
Salaries of Secretarial and Clerical Assistants	999,891	-	999,891	999,891	-
Cost of Benefits	3,158,550	(150,211)	3,008,339	3,008,339	-
Consultants	335,494	-	335,494	335,494	-
Contracted Management Services	3,564,483	395,808	3,960,291	3,960,291	-
Purchased Professional and Technical Services	2,115,242	(602,287)	1,512,955	1,512,955	-
Communications/Telephone	111,912	-	111,912	111,912	-
Supplies and Materials	251,636	157,956	409,592	409,592	-
Other Objects	2,116,648	(1,878,450)	238,198	238,198	-
<b>Total General Administrative Services</b>	13,357,355	(2,077,184)	11,280,171	11,280,171	-

## CAMDEN PREP, INC.

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Expenditures: (Continued)</b>					
<b>Current Expense: (Continued)</b>					
<b>Support Services: (Continued)</b>					
<b>School Administrative Services and Plant Operations and Maintenance:</b>					
Salaries	1,162,751	-	1,162,751	1,162,751	-
Purchased Professional and Technical Services	444,551	-	444,551	444,551	-
Other Purchased Services (400-500 Series)	1,174,698	332,412	1,507,110	1,507,110	-
Insurance	275,645	-	275,645	275,645	-
General Supplies	126,109	-	126,109	126,109	-
Transportation - Trips	271,119	(27,178)	243,941	243,941	-
Energy (Energy and Electricity)	216,409	-	216,409	216,409	-
Maintenance	680,447	-	680,447	680,447	-
Interest Payments on Leases	4,177,782	(70,544)	4,107,238	4,107,238	-
Principal Payments on Leases	1,026,770	-	1,026,770	1,026,770	-
<b>Total School Administrative Services and Plant Operations and Maintenance</b>	<u>9,556,281</u>	<u>234,690</u>	<u>9,790,971</u>	<u>9,790,971</u>	<u>-</u>
On-behalf TPAF Medical Contributions (non-budgeted)	-	-	-	226,781	(226,781)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	829,884	(829,884)
Reimbursed TPAF Social Security Contributions	-	141,772	141,772	141,772	-
<b>Total On-Behalf Contributions</b>	<u>-</u>	<u>141,772</u>	<u>141,772</u>	<u>1,198,437</u>	<u>(1,056,665)</u>
<b>Total Support Services</b>	<u>22,913,636</u>	<u>(1,700,722)</u>	<u>21,212,914</u>	<u>22,269,579</u>	<u>(1,056,665)</u>
<b>Total Current Expense</b>	<u>31,488,815</u>	<u>(1,700,722)</u>	<u>29,788,093</u>	<u>30,844,758</u>	<u>(1,056,665)</u>
<b>Capital Outlay:</b>					
<b>Equipment:</b>					
Regular Programs - Instruction:					
Instructional Equipment	76,695	-	76,695	76,695	-
Non-Instructional Equipment	5,590	-	5,590	5,590	-
Leasehold Improvements	163,949	(20,120)	143,829	143,829	-
<b>Total Equipment</b>	<u>246,234</u>	<u>(20,120)</u>	<u>226,114</u>	<u>226,114</u>	<u>-</u>
<b>Total Expenditures - General Fund</b>	<u>31,735,049</u>	<u>(1,720,842)</u>	<u>30,014,207</u>	<u>31,070,872</u>	<u>(1,056,665)</u>
<b>Excess of Revenues Over Expenditures</b>	294,720	1,720,842	2,015,562	2,015,562	-
<b>General Expense:</b>					
Transfers to Proprietary Fund to Subsidize Program	(294,720)	-	(294,720)	(294,720)	-
<b>Net change in fund balances</b>	-	1,720,842	1,720,842	1,720,842	-
<b>Fund Balance, July 1</b>	-	-	-	6,092,884	-
<b>Fund Balance, June 30</b>	<u>\$ -</u>	<u>\$ 1,720,842</u>	<u>\$ 1,720,842</u>	<u>\$ 7,813,726</u>	<u>\$ -</u>

**CAMDEN PREP, INC.**

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

	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Revenues:</b>					
Miscellaneous	\$ 389,503	\$ -	\$ 389,503	\$ 389,503	\$ -
State Sources	360,436	-	360,436	360,436	-
Federal Sources	4,819,140	-	4,819,140	4,819,140	-
<b>Total Revenues</b>	<u>5,569,079</u>	<u>-</u>	<u>5,569,079</u>	<u>5,569,079</u>	<u>-</u>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Salaries of Teachers	1,284,123	-	1,284,123	1,284,123	-
Other Salaries for Instruction	37,933	-	37,933	37,933	-
General Supplies	285,616	(18,183)	267,433	267,433	-
Personal Services - Employee Benefits	980,924	-	980,924	980,924	-
<b>Total Instruction</b>	<u>2,588,596</u>	<u>(18,183)</u>	<u>2,570,413</u>	<u>2,570,413</u>	<u>-</u>
<b>Support Services:</b>					
Salaries of Supervisor of Instruction	1,727,799	-	1,727,799	1,727,799	-
Salaries of Other Professional Staff	186,174	-	186,174	186,174	-
Salaries of Secretaries and Clerical Assistants	12,004	-	12,004	12,004	-
Transportation	20,947	12,833	33,780	33,780	-
Other Purchased Services	665,094	(9,227)	655,867	655,867	-
Supplies and Materials	192,144	(3,907)	188,237	188,237	-
Other Objects	171,455	228	171,683	171,683	-
<b>Total Support Services</b>	<u>2,975,617</u>	<u>(73)</u>	<u>2,975,544</u>	<u>2,975,544</u>	<u>-</u>
<b>Total Expenditures</b>	<u>5,564,213</u>	<u>(18,256)</u>	<u>5,545,957</u>	<u>5,545,957</u>	<u>-</u>
<b>Capital Outlay:</b>					
Leasehold Improvements	4,866	-	4,866	4,866	-
Instructional Equipment	-	18,256	18,256	18,256	-
<b>Total Capital Outlay</b>	<u>4,866</u>	<u>18,256</u>	<u>23,122</u>	<u>23,122</u>	<u>-</u>
<b>Total Outflows</b>	<u>5,569,079</u>	<u>-</u>	<u>5,569,079</u>	<u>5,569,079</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**CAMDEN PREP, INC.**

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

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

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

## **REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**CAMDEN PREP, INC.**

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

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	<u>2024</u>	<u>2023</u>
Renaissance School Proportion of the Net Position Liability (Asset)	0.082989%	0.067818%
Renaissance School Proportionate Share of the Net Position Liability (Asset)	<u>12,020,420</u>	<u>10,234,711</u>
Renaissance School Covered Employee Payroll	7,216,050	5,639,853
Renaissance School Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	166.58%	181.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.03%	55.11%

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

**CAMDEN PREP, INC.**

Schedule of Renaissance School Contributions - PERS  
 For the Fiscal Years Ended June 30\*

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	<u>2024</u>	<u>2023</u>
Contractually Required Contribution	\$ 1,109,169	\$ 855,221
Contributions in Relation to the Contractually Required Contributions	<u>(1,109,169)</u>	<u>(855,221)</u>
Contribution Deficiency (Excess)	-	-
Renaissance School Covered Employee Payroll	7,216,050	5,639,853
Contributions as a Percentage of Covered Employee Payroll	15.37%	15.16%

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

**CAMDEN PREP, INC.**

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

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	<b>2024</b>
Renaissance School Proportion of the Net Pension Liability (Asset)**	N/A
State's Proportionate Share of the Net Pension Liability (Asset) associated with the Renaissance School	100%
Renaissance School Proportionate Share of the Net Pension Liability (Asset)**	N/A
State's Proportionate Share of the Net Pension Liability (Asset) associated with the Renaissance School	11,282,738
Total	<u>11,282,738</u>
Renaissance School Covered Employee Payroll	1,862,645
Renaissance School Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	0%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	606%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A

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

**CAMDEN PREP, INC.**

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

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**Public Employees' Retirement System (PERS)**

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

*Changes of assumptions.* Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with a 82.2% adjustment for males and 101.4% adjustment for females. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with a 91.4% adjustment for males and 99.7% adjustment for females. 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. In addition, the tables provide for future improvements in mortality from the base year of 2010 using a generational approach based on the plan actuary's modified MP-2021 projection scale.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR  
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**CAMDEN PREP, INC.**

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

	<u>2024</u>	<u>2023</u>
<b>Changes for the Year:</b>		
Service cost	\$ 1,140,678	\$ -
Interest cost	169,484	115,271
Changes of benefit terms	-	-
Changes of assumptions	9,700	(1,166,836)
Changes between expected and actual experiences	(729,446)	5,511,745
Member contributions	4,343	3,663
Gross benefit payments	<u>(132,115)</u>	<u>(114,179)</u>
Net change in total OPEB liability	462,644	4,349,664
<b>Total OPEB Liability</b> - beginning of year	<u>4,349,664</u>	<u>-</u>
<b>Total OPEB Liability</b> - end of year	<u><u>\$ 4,812,308</u></u>	<u><u>\$ 4,349,664</u></u>
Covered employee payroll - PERS and TPAF	<u><u>\$ 1,407,505</u></u>	<u><u>\$ 1,267,061</u></u>
Total OPEB liability as a percentage of covered employee payroll	342%	343%
State's proportionate share of the net OPEB liability (asset) associated with the Renaissance School	0.01%	0.01%
Renaissance School's contributions	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

**Notes to Schedule:**

*Changes of Benefits Terms* - None

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

## **OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND**

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

CAMDEN PREP, INC.

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

	<u>Total</u>	<u>Title I Part A</u>	<u>IDEA Part B</u>	<u>Title 1 SIA</u>	<u>ARP OST Activities</u>	<u>Preschool and Charter Security</u>	<u>CRRSA Learning Acceleration</u>	<u>ARP Summer Learning</u>	<u>ARP Mental Health</u>	<u>NJ High Impact Tutoring</u>	<u>ESSER III</u>	<u>Emergent and Capital Maintenance</u>	<u>Private Grants</u>
<b>Revenues:</b>													
Intergovernmental:													
Federal	\$ 4,819,140	\$ 1,360,241	\$ 378,376	\$ 302,300	\$ 40,000	\$ -	\$ 12,887	\$ 5,815	\$ 3,646	\$ -	\$ 2,715,875	\$ -	\$ -
State	360,436	-	-	-	-	4,866	-	-	-	3,738	-	351,832	-
Other Sources:													
Miscellaneous	389,503	-	-	-	-	-	-	-	-	-	-	-	389,503
<b>Total Revenues</b>	<u>5,569,079</u>	<u>1,360,241</u>	<u>378,376</u>	<u>302,300</u>	<u>40,000</u>	<u>4,866</u>	<u>12,887</u>	<u>5,815</u>	<u>3,646</u>	<u>3,738</u>	<u>2,715,875</u>	<u>351,832</u>	<u>389,503</u>
<b>Exenditures:</b>													
<b>Instruction:</b>													
Salaries of Teachers	1,284,123	779,926	3,208	187,075	-	-	-	-	-	-	313,914	-	-
Other Salaries for Instruction	37,933	-	-	-	-	-	12,333	-	-	2,600	14,000	-	9,000
General Supplies	267,433	-	-	-	-	-	-	-	-	-	267,433	-	-
Personal Services - Employee Benefits	980,924	494,577	76,937	115,225	-	-	-	-	-	-	281,945	-	12,240
<b>Total Instruction</b>	<u>2,570,413</u>	<u>1,274,503</u>	<u>80,145</u>	<u>302,300</u>	<u>-</u>	<u>-</u>	<u>12,333</u>	<u>-</u>	<u>-</u>	<u>2,600</u>	<u>877,292</u>	<u>-</u>	<u>21,240</u>
<b>Support Services:</b>													
Salaries of Supervisor of Instruction	1,727,799	5,000	-	-	-	-	-	-	-	1,138	1,661,796	-	59,865
Salaries of Other Professional Staff	186,174	-	119,610	-	-	-	-	-	-	-	41,174	-	25,390
Salaries of Secretaries and Clerical Assistants	12,004	12,004	-	-	-	-	-	-	-	-	-	-	-
Transportation	33,780	-	-	-	-	-	-	-	-	-	-	-	33,780
Other Purchased Services	655,867	5,209	170,520	-	38,316	-	-	5,815	3,490	-	20,860	351,832	59,825
Supplies and Materials	188,237	-	-	-	-	-	-	-	-	-	-	-	188,237
Other Objects	171,683	63,525	8,101	-	1,684	-	554	-	156	-	96,497	-	1,166
Capital Outlay	23,122	-	-	-	-	4,866	-	-	-	-	18,256	-	-
<b>Total Support Services</b>	<u>2,998,666</u>	<u>85,738</u>	<u>298,231</u>	<u>-</u>	<u>40,000</u>	<u>4,866</u>	<u>554</u>	<u>5,815</u>	<u>3,646</u>	<u>1,138</u>	<u>1,838,583</u>	<u>351,832</u>	<u>368,263</u>
<b>Total Expenditures</b>	<u>5,569,079</u>	<u>1,360,241</u>	<u>378,376</u>	<u>302,300</u>	<u>40,000</u>	<u>4,866</u>	<u>12,887</u>	<u>5,815</u>	<u>3,646</u>	<u>3,738</u>	<u>2,715,875</u>	<u>351,832</u>	<u>389,503</u>
<b>Excess (Deficit) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **PROPRIETARY FUNDS**

## **ENTERPRISE FUND**

**CAMDEN PREP, INC.**

Combining Statement of Net Position  
 Proprietary Fund  
 For the Fiscal Year Ended June 30, 2024

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	<b>Business-type Activities - Enterprise Fund Enrichment Program</b>
<b>Assets:</b>	
Current assets:	
Cash	\$ 25,806
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	\$ 25,806
<b>Net Position:</b>	
Unrestricted net position	-
Total liabilities and net assets	\$ 25,806

**CAMDEN PREP, INC.**

Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
 Proprietary Fund  
 For the Fiscal Year Ended June 30, 2024

---

	<u>Business-type Activities - Enterprise Fund Enrichment Program</u>
<b>Operating Revenues:</b>	
Charges for services:	
Miscellaneous revenue	\$ 8,179
<b>Operating Expenses:</b>	
Purchased services	275,516
Salaries and benefits	12,756
Supplies, materials and other expenses	14,627
	<u>302,899</u>
Total operating expenses	
	302,899
Operating loss before transfers from General Fund to Subsidize Program	(294,720)
<b>Transfers from General Fund to Subsidize Program</b>	<u>294,720</u>
Change in net position	-
<b>Total Net Position - beginning</b>	<u>-</u>
<b>Total Net Position - ending</b>	<u><u>\$ -</u></u>

**CAMDEN PREP, INC.**

Combining Statement of Cash Flows  
 Proprietary Fund  
 For the Fiscal Year Ended June 30, 2024

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	<b>Business-type Activities - Enterprise Fund Enrichment Program</b>
<b>Cash Flows from Operating Activities:</b>	
Receipts from customers	\$ 8,179
Payments to suppliers	<u>(278,955)</u>
Net cash used in operating activities	(270,776)
<b>Cash Flows from New Capital and Related Financing Activities:</b>	
Transfers from general fund to subsidize program	<u>294,720</u>
Net increase in cash and cash equivalents	23,944
<b>Cash Balance - beginning of year</b>	<u>1,862</u>
<b>Cash Balance - end of year</b>	<u><u>\$ 25,806</u></u>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities:</b>	
Operating loss	\$ (294,720)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Increase in accounts payable	<u>23,944</u>
Net cash used in operating activities	<u><u>\$ (270,776)</u></u>

## **LONG-TERM DEBT**

**CAMDEN PREP, INC.**

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

<u>Purpose</u>	<u>Date of Original Issue/ GASB 87 Adoption Date</u>	<u>Term of Lease</u>	<u>Amount of Original Lease</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u>
			<u>Principal</u>	<u>Interest</u>		<u>June 30, 2023</u>	<u>Current Year</u>	<u>Current Year</u>	<u>June 30, 2024</u>
Building 1	7/1/2021	35 Years	\$ 18,913,451	\$ 21,801,549	5.10%	\$ 18,434,679	\$ -	\$ 215,131	\$ 18,219,548
Building 2	7/1/2021	35 Years	\$ 27,137,967	\$ 30,893,110	5.10%	26,437,935	-	315,723	26,122,212
Building 3	7/1/2023	39 Years	\$ 39,643,974	\$ 51,276,702	5.09%	-	39,643,974	495,916	39,148,058
						<u>\$ 44,872,614</u>	<u>\$ 39,643,974</u>	<u>\$ 1,026,770</u>	<u>\$ 83,489,818</u>

## STATISTICAL SECTION (UNAUDITED)

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

### **Contents**

### **Exhibits**

#### **Financial Trends**

J-1 to J-5

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

#### **Revenue Capacity**

J-6 to J-9

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

#### **Debt Capacity**

J-10 to J-13

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

#### **Demographic and Economic Information**

J-14 and J-15

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

#### **Operating Information**

J-16 to J-20

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

#### **Renaissance School Performance Framework Financial Indicators**

J-21

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

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

## FINANCIAL TRENDS

**CAMDEN PREP, INC.**

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Governmental Activities:</b>										
Invested in capital assets	\$ (1,746,950)	\$ (550,373)	\$ 92,954	\$ 519,328	\$ 505,794	\$ 542,395	\$ 578,996	\$ 609,417	\$ 579,144	\$ -
Unrestricted	<u>6,133,015</u>	<u>5,985,079</u>	<u>5,823,627</u>	<u>5,070,080</u>	<u>2,467,378</u>	<u>1,692,925</u>	<u>1,483,589</u>	<u>1,121,842</u>	<u>732,819</u>	<u>205,876</u>
Total governmental activities net position	<u>\$ 4,386,065</u>	<u>\$ 5,434,706</u>	<u>\$ 5,916,581</u>	<u>\$ 5,589,408</u>	<u>\$ 2,973,172</u>	<u>\$ 2,235,320</u>	<u>\$ 2,062,585</u>	<u>\$ 1,731,259</u>	<u>\$ 1,311,963</u>	<u>\$ 205,876</u>
<b>School-wide:</b>										
Invested in capital assets	\$ (1,746,950)	\$ (550,373)	\$ 92,954	\$ 519,328	\$ 505,794	\$ 542,395	\$ 578,996	\$ 609,417	\$ 579,144	\$ -
Unrestricted	<u>6,133,015</u>	<u>5,985,079</u>	<u>5,823,627</u>	<u>5,070,080</u>	<u>2,467,378</u>	<u>1,692,925</u>	<u>1,483,589</u>	<u>1,121,842</u>	<u>732,819</u>	<u>205,876</u>
Total district net position	<u>\$ 4,386,065</u>	<u>\$ 5,434,706</u>	<u>\$ 5,916,581</u>	<u>\$ 5,589,408</u>	<u>\$ 2,973,172</u>	<u>\$ 2,235,320</u>	<u>\$ 2,062,585</u>	<u>\$ 1,731,259</u>	<u>\$ 1,311,963</u>	<u>\$ 205,876</u>

CAMDEN PREP, INC.

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Expenses:</b>										
Governmental activities:										
Instruction:										
Regular	\$ 11,145,592	\$ 8,854,099	\$ 8,637,571	\$ 7,972,649	\$ 6,685,833	\$ 5,892,003	\$ 4,984,216	\$ 3,635,453	\$ 2,700,916	\$ 925,832
Support services:										
General administration	14,255,715	13,015,770	10,235,975	7,277,741	6,614,075	5,728,713	4,758,112	3,068,301	2,371,666	929,683
School administrative services and plant operations and maintenance	9,790,971	6,786,160	5,826,282	5,425,768	4,509,261	2,945,255	1,877,372	897,816	803,168	455,528
On-behalf TPAF Social Security and other	1,198,437	154,191	152,810	168,130	160,859	191,914	304,652	207,089	152,382	43,172
Capital outlay	249,236	260,163	263,278	57,967	-	-	5,886	63,130	593,994	27,000
Unallocated depreciation	148,515	100,465	56,368	44,433	36,601	36,601	36,307	32,856	14,250	-
Increase in pension deficit	1,572,906	107,805	-	-	-	-	-	-	-	-
Excess amortization and lease interest expense	1,297,298	803,025	633,284	-	-	-	-	-	-	-
Total governmental activities expenses	<u>\$ 39,658,670</u>	<u>\$ 30,081,678</u>	<u>\$ 25,805,568</u>	<u>\$ 20,946,688</u>	<u>\$ 18,006,629</u>	<u>\$ 14,794,486</u>	<u>\$ 11,966,545</u>	<u>\$ 7,904,645</u>	<u>\$ 6,636,376</u>	<u>\$ 2,381,215</u>
<b>Program Revenues:</b>										
Governmental activities:										
Operating grants and contributions	<u>\$ 5,569,079</u>	<u>\$ 4,876,718</u>	<u>\$ 4,992,813</u>	<u>\$ 4,382,998</u>	<u>\$ 1,869,965</u>	<u>\$ 2,523,675</u>	<u>\$ 2,056,600</u>	<u>\$ 1,004,239</u>	<u>\$ 294,866</u>	<u>\$ 112,647</u>
Total governmental activities program revenues	<u>\$ 5,569,079</u>	<u>\$ 4,876,718</u>	<u>\$ 4,992,813</u>	<u>\$ 4,382,998</u>	<u>\$ 1,869,965</u>	<u>\$ 2,523,675</u>	<u>\$ 2,056,600</u>	<u>\$ 1,004,239</u>	<u>\$ 294,866</u>	<u>\$ 112,647</u>
<b>Net (Expense)/Revenue:</b>										
Governmental activities	<u>\$ (34,089,591)</u>	<u>\$ (25,204,960)</u>	<u>\$ (20,812,755)</u>	<u>\$ (16,563,690)</u>	<u>\$ (16,136,664)</u>	<u>\$ (12,270,811)</u>	<u>\$ (9,909,945)</u>	<u>\$ (6,900,406)</u>	<u>\$ (6,341,510)</u>	<u>\$ (2,268,568)</u>
Total net (expense)/revenue	<u>\$ (34,089,591)</u>	<u>\$ (25,204,960)</u>	<u>\$ (20,812,755)</u>	<u>\$ (16,563,690)</u>	<u>\$ (16,136,664)</u>	<u>\$ (12,270,811)</u>	<u>\$ (9,909,945)</u>	<u>\$ (6,900,406)</u>	<u>\$ (6,341,510)</u>	<u>\$ (2,268,568)</u>
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental activities:										
Local share	\$ 825,967	\$ 613,637	\$ 536,807	\$ 493,794	\$ 414,827	\$ 321,860	\$ 257,439	\$ 181,916	\$ 74,753	\$ 30,388
State share	28,540,781	21,203,863	18,549,034	17,062,761	14,334,094	11,125,298	8,895,521	6,286,008	4,524,617	921,622
State and Federal aid	2,624,422	1,669,088	1,161,236	1,149,558	904,288	835,766	847,824	573,527	440,332	1,635,081
Miscellaneous income	1,095,264	976,334	629,573	415,846	1,221,307	160,622	234,601	215,121	1,814,502	1,580,706
Increase in net capital outlay	249,236	260,163	263,278	57,967	-	-	5,886	30,274	593,994	-
Transfers to Proprietary Fund to Subsidize Program	(294,720)	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>\$ 33,040,950</u>	<u>\$ 24,723,085</u>	<u>\$ 21,139,928</u>	<u>\$ 19,179,926</u>	<u>\$ 16,874,516</u>	<u>\$ 12,443,546</u>	<u>\$ 10,241,271</u>	<u>\$ 7,286,846</u>	<u>\$ 7,448,198</u>	<u>\$ 4,167,797</u>
<b>Change in Net Position:</b>										
Governmental activities	<u>\$ (1,048,641)</u>	<u>\$ (481,875)</u>	<u>\$ 327,173</u>	<u>\$ 2,616,236</u>	<u>\$ 737,852</u>	<u>\$ 172,735</u>	<u>\$ 331,326</u>	<u>\$ 386,440</u>	<u>\$ 1,106,688</u>	<u>\$ 1,899,229</u>
Total school	<u>\$ (1,048,641)</u>	<u>\$ (481,875)</u>	<u>\$ 327,173</u>	<u>\$ 2,616,236</u>	<u>\$ 737,852</u>	<u>\$ 172,735</u>	<u>\$ 331,326</u>	<u>\$ 386,440</u>	<u>\$ 1,106,688</u>	<u>\$ 1,899,229</u>

**CAMDEN PREP, INC.**

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>General Fund:</b>										
Unreserved	<u>\$ 7,813,726</u>	<u>\$ 6,092,884</u>	<u>\$ 5,823,627</u>	<u>\$ 5,070,080</u>	<u>\$ 2,467,378</u>	<u>\$ 1,692,925</u>	<u>\$ 1,483,589</u>	<u>\$ 1,121,841</u>	<u>\$ 732,819</u>	<u>\$ 205,876</u>

**CAMDEN PREP, INC.**

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenues:</b>										
Local tax levy	\$ 825,967	\$ 613,637	\$ 536,807	\$ 493,794	\$ 414,827	\$ 321,860	\$ 257,439	\$ 181,916	\$ 74,753	\$ 30,388
Other local revenue	1,484,767	1,556,616	980,358	498,597	1,362,081	245,811	294,048	287,299	1,898,245	1,580,706
State sources	31,525,639	23,009,904	19,684,547	18,212,319	15,238,382	11,961,064	9,743,345	6,859,535	4,964,949	1,006,279
Federal sources	4,819,140	4,159,483	4,667,751	4,300,247	1,729,191	2,438,486	1,997,153	932,061	211,523	82,365
Total revenues	38,655,513	29,339,640	25,869,463	23,504,957	18,744,481	14,967,221	12,291,985	8,260,811	7,149,470	2,699,738
<b>Expenditures:</b>										
Instruction:										
Regular	8,575,179	6,633,920	5,715,172	5,246,778	5,732,973	4,665,486	3,668,288	2,937,214	2,533,358	925,832
Support Services:										
General administration	11,280,171	10,401,799	8,165,561	5,663,582	5,696,970	4,431,555	4,017,440	2,762,301	2,244,358	929,683
School administrative services and plant operations and maintenance	9,790,971	6,786,160	5,826,282	5,425,768	4,509,261	2,945,255	1,877,372	897,816	803,168	455,528
TPAF Social Security	1,198,437	154,191	152,810	168,130	160,859	191,914	304,652	207,089	152,382	43,172
Capital outlay	249,236	260,163	263,278	57,967	-	-	5,886	63,130	593,994	27,000
Special revenue	5,545,957	4,834,150	4,992,813	4,340,030	1,869,965	2,523,675	2,056,600	1,004,239	294,866	112,647
Total expenditures	36,639,951	29,070,383	25,115,916	20,902,255	17,970,028	14,757,885	11,930,238	7,871,789	6,622,126	2,493,862
Excess (deficit) of revenues over (under) expenditures	2,015,562	269,257	753,547	2,602,702	774,453	209,336	361,747	389,022	527,344	205,876
<b>General Expense:</b>										
Transfers to Proprietary Fund to Subsidize Program	(294,720)	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ 1,720,842	\$ 269,257	\$ 753,547	\$ 2,602,702	\$ 774,453	\$ 209,336	\$ 361,747	\$ 389,022	\$ 527,344	\$ 205,876

**Source:** School Financial Statements

**CAMDEN PREP, INC.**

General Fund - Other Local Revenue by Source

For the Fiscal Years Ended June 30

*(Modified Accrual Basis of Accounting)*


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	<u>E-Rate</u>	<u>Donations</u>	<u>Other Local</u>	<u>Totals</u>
2015	\$ 10,706	\$ 1,539,718	\$ 30,282	\$ 1,580,706
2016	66,745	1,747,757	-	1,814,502
2017	2,880	212,242	-	215,122
2018	108,193	126,408	-	234,601
2019	53,095	107,527	-	160,622
2020	104,832	1,116,475	-	1,221,307
2021	70,831	345,015	-	415,846
2022	191,260	438,015	298	629,573
2023	207,721	976,270	171,837	1,355,828
2024	281,443	669,768	144,053	1,095,264

**Source:** School Financial Statements

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

**CAMDEN PREP, INC.**

Demographic and Economic Statistics  
For the Fiscal Years Ended June 30

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<b>Year</b>	<b>Population<sup>a</sup></b>	<b>Personal Income (thousands of dollars)<sup>b</sup></b>	<b>County Per Capita Personal Income<sup>c</sup></b>	<b>Unemployment Rate<sup>d</sup></b>
2015	507,784	24,826,068	48,891	6.5%
2016	507,002	26,480,714	52,230	5.5%
2017	506,224	26,267,457	51,889	5.1%
2018	506,353	27,211,410	53,740	4.6%
2019	506,471	28,250,952	55,780	4.0%
2020	523,122	30,775,267	58,830	10.9%
2021	524,093	32,052,480	61,158	10.1%
2022	524,649	32,522,467	61,989	6.8%
2023	527,196	34,260,886	64,987	4.0%
2024	*	*	*	4.8%

**Source:**

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

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Personal capital income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

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

\* Data was not available at time of issuance.

## **OPERATING INFORMATION**

**CAMDEN PREP, INC.**

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

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Instruction:										
Regular	123	133	87	104	85	77	56	37	30	8
Special education	23	12	13	-	-	-	-	5	6	-
Support Services:										
General administration	16	15	15	16	3	3	2	2	2	2
School administrative services and plant operations and maintenance	11	17	16	10	14	12	11	10	6	5
Other support services	28	32	25	17	13	15	18	10	6	-
Total	<u>201</u>	<u>209</u>	<u>156</u>	<u>147</u>	<u>115</u>	<u>107</u>	<u>87</u>	<u>64</u>	<u>50</u>	<u>15</u>

**Source:** School Personnel Records

## CAMDEN PREP, INC.

Operating Statistics  
For the Fiscal Years Ended June 30

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary and Middle School	Senior High School				
2015	66	\$ 2,450,691	\$ 37,132	N/A	8	12	N/A	66	62	N/A	93.14%
2016	315	6,822,126	21,658	-41.67%	36	36	N/A	298	270	348.61%	90.91%
2017	398	7,664,700	19,258	-11.08%	42	42	N/A	354	316	18.91%	89.36%
2018	750	9,873,638	13,165	-31.64%	56	56	N/A	461	430	30.30%	93.28%
2019	902	12,234,210	22,309	69.46%	77	77	N/A	821	748	78.09%	91.11%
2020	904	16,100,063	17,929	0.45%	85	85	N/A	823	750	0.24%	91.13%
2021	1,038	16,519,257	15,915	-13.10%	104	97	7	891	722	8.26%	81.03%
2022	1,213	20,123,103	16,590	-25.64%	100	82	18	1,106	912	24.13%	82.46%
2023	1,165	24,193,665	20,767	15.83%	145	117	28	1,168	1,004	5.61%	85.96%
2024	1,433	31,070,872	21,682	36.24%	146	115	31	1,455	1,268	24.57%	87.15%

Sources: School records

**CAMDEN PREP, INC.**

School Building Information  
For the Fiscal Years Ended June 30

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Mt. Ephraim Campus (ES #1, MS #1)</u></b>										
<b>Mt. Ephraim Elementary</b>										
Square Feet	77,701	77,701	77,701	77,701	77,701	77,701	77,701	77,701	77,701	77,701
Capacity (students)	450	450	450	450	450	450	690	450	390	100
Enrollment	294	360	442	369	439	441	574	398	315	66
<b>Mt. Ephraim Middle</b>										
Square Feet	77,701	77,701	77,701	77,701	77,701	77,701	77,701	-	-	-
Capacity (students)	350	350	350	330	270	270	120	-	-	-
Enrollment	326	318	345	235	247	247	93	-	-	-
<b>Copewood Elementary</b>										
Square Feet	60,000	60,000	60,000	60,000	60,000	60,000	60,000	-	-	-
Capacity (students)	255	225	255	225	225	225	90	-	-	-
Enrollment	306	235	253	204	212	214	83	-	-	-
<b>Camden Prep High School</b>										
Square Feet	85,000	60,000	60,000	60,000	-	-	-	-	-	-
Capacity (students)	390	150	150	73	-	-	-	-	-	-
Enrollment	291	157	142	51	-	-	-	-	-	-
<b>Copewood Middle School</b>										
Square Feet	60,000	60,000	60,000	-	-	-	-	-	-	-
Capacity (students)	255	30	30	-	-	-	-	-	-	-
Enrollment	230	95	30	-	-	-	-	-	-	-
<b>Number of Schools at June 30</b>										
Elementary	2	2	2	2	2	2	2	1	1	1
Middle	2	2	2	1	1	1	1	-	-	-
High School	1	1	1	1	-	-	-	-	-	-

Source: School Office

**CAMDEN PREP, INC.**

Insurance Schedule  
For the Fiscal Year Ended June 30, 2024

Coverage	Policy Period	Policy No.	Carrier	Limits of Liability		Retention	Premium
Workers' Comp and Employers Liability	6/26/23 - 6/26/24	10WBNV8275	Twin City Fire Insurance Company	<u>WC:</u> Statutory  <u>Employer's Liability:</u> BI Per Accident \$1,000,000 BI Each Employee Disease \$1,000,000 BI Policy Limit Disease \$1,000,000		NIL	\$147,242
General Liability	6/26/23 - 6/26/24	7NA2CP0001612-00	American Alternative	<u>Liability:</u> Each Occurrence \$1,000,000 Personal and Advertising Injury \$1,000,000 General Aggregate \$3,000,000 Damage to Rented Premises \$1,000,000 Medical Payments, per person \$10,000 Products-Completed Operations \$3,000,000 Employee Benefits Liability \$1,000,000 Abuse and Molestation Limit \$1,000,000		NIL	\$275,645
Educators Liability	6/26/23 - 6/26/24	7NA2CP0001612-00	American Southern/WRM	Educators Legal Liability	\$1,000,000	\$5,000	Incl. w/GL
Hired and Non-Owned Automobile	6/26/23 - 6/26/24	7NA5CA000286-02	American Family Home	Combines Single Limit	\$1,000,000		Incl. w/GL
Automobile	6/26/23 - 6/26/24	10UENZE6185	Hartford	Automobile Liability Physical Damage	\$1,000,000 ACV	\$1,000	Incl. w/GL
Property	6/26/23 - 6/26/24	10UUNAG6501	Hartford	Property: Building/Personal Property Equipment Breakdown Business Income / Extra Expense Flood Earthquake Cause of Loss Form Special Coinsurance	\$157,753,260 Included \$11,890,000  \$10,000,000 \$10,000,000 Special Agreed Amount	\$2,500 except \$25,000 Earthquake \$50,000 Flood	Incl. w/GL

**CAMDEN PREP, INC.**Insurance Schedule  
For the Fiscal Year Ended June 30, 2024

Coverage	Policy Period	Policy No.	Carrier	Limits of Liability		Retention	Premium
Excess Liability	6/26/23 - 6/26/24	7NA2FF0000002-00	American Alternative	Each Occurrence Aggregate	\$10,000,000 \$10,000,000		Incl. w/GL
Excess Liability	6/26/23 - 6/26/24	SEO-124739	Crum & Forster Indemnity	Each Occurrence Aggregate	\$5,000,000 \$5,000,000		Incl. w/GL
Excess Liability	6/26/23 - 6/26/24	XS1134723	Lloyds of London	Each Occurrence Aggregate	\$10,000,000 \$10,000,000		Incl. w/GL
Excess Liability	6/26/23 - 6/26/24	CX008NA23	Aspen American Insurance	Each Occurrence Aggregate	\$15,000,000 \$15,000,000		Incl. w/GL
Excess Liability	6/26/23 - 6/26/24	11170734	Lexington Insurance Co	Each Occurrence Aggregate	\$10,000,000 \$10,000,000		Incl. w/GL
Crime	6/26/23 - 6/26/24	7NA2CP0001612-00	American Southern/ WRM	Employee Theft Forgery or Alteration Inside the Premises - Theft of Money and Securities Inside the Premises - Robbery/Safe Burglary Computer and Funds Transfer Outside Premises	\$500,000 \$250,000  \$250,000  \$100,000 \$250,000 \$250,000	\$10,000	Incl. w/GL
Excess Crime	6/26/23 - 6/26/24	CCP 2535060-02	Zurich	Employee Theft Depositors Forgery or Alteration Computer and Funds Transfer Fraud	\$500,000 \$500,000  \$500,000	Excess over American Southern/WRM \$500,000 deductible	Incl. w/GL
Kidnap and Ransom	6/26/23 - 6/26/24	U723-85483	US Specialty Ins. Co.	Ransom	\$5,000,000		Incl. w/GL
Workplace Violence	6/26/22 - 6/26/23	US00118282SP22A	Indian Harbor Ins. Co.	Limit	\$5,000,000		Incl. w/GL
Environmental	6/26/22 - 6/26/23	ISPILLSCAYXN002	Ironshore	Each Claim Policy Aggregate	\$3,000,000 \$3,000,000	\$25,000	Incl. w/GL
Cyber Liability	7/20/22- 07/20/23	CYB-104524	Crum & Forster	Aggregate Limit of Liability Branch Response Limit of Liability	\$3,000,000  \$3,000,000	\$50,000	Incl. w/GL
D&O	6/25/23 - 6/25/24	HSD1806409	Philadelphia Indemnity Ins. Co.	Directors and Officers  Employment Practices Liability Fiduciary Liability Aggregate	\$3,000,000  \$3,000,000 \$1,000,000 \$3,000,000	D&O - Ded. \$10,000 Empl. Pract. Liab. - Ded. \$10,000 Fid. Liab. - Ded. \$1,000	\$17,862

**CAMDEN PREP, INC.**

Insurance Schedule  
For the Fiscal Year Ended June 30, 2024

Coverage	Policy Period	Policy No.	Carrier	Limits of Liability	Retention	Retention	Premium
Excess D&O	6/25/23 - 6/25/24	APXE191554	Great American Ins. Co.	Limit	\$2,000,000	Excess over \$3,000,000	\$7,304
SIDE A D&O	6/25/23 - 6/25/24	EPG0041014	RLI Insurance	Limit	\$1,000,000	Excess over \$5,000,000	\$2,354

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

**RENAISSANCE SCHOOL PERFORMANCE  
FRAMEWORK FINANCIAL INDICATORS**

## CAMDEN PREP, INC.

Renaissance School Performance Indicators  
For the Fiscal Years Ended June 30

	2022	2023	2024	Source
Cash (unrestricted)	\$ 8,795,195	\$ 5,750,397	\$ 10,398,546	Audit: Exhibit A-1
Current Assets (include cash)	\$ 12,321,781	\$ 11,210,290	\$ 11,770,423	Audit: Exhibit A-1
Current Liabilities	\$ 6,498,154	\$ 5,117,406	\$ 3,956,697	Audit: Exhibit A-1
Total Expenses	\$ 25,115,916	\$ 29,070,383	\$ 36,942,850	Audit: Exhibit A-2
Change in Net Position	\$ 327,173	\$ (481,875)	\$ (1,048,641)	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	1,213	1,165	1,433	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	1,098	1,151	1,452	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	N/A			Auditor/Workpapers
Interest Expense				Auditor/Workpapers
Principal Payments				Auditor/Workpapers
Interest Payments				Auditor/Workpapers

Performance Indicators		2022	2023	2024	3 YR CUM	Calculation****	Target****
Near Term Indicators							
1a.	Current Ratio (working capital ratio)	1.90	2.19	2.97		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b.	Unrestricted days cash on hand	127.82	72.20	102.74		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c.	Enrollment Variance	110%	101%	99%	103%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.**	Default on loans or delinquent in debt payments	No	No	No		Auditor	not in default
Sustainability Indicators							
2a***	3 Year Cumulative Cash Flow	4,893,188	(3,044,798)	4,648,149	6,496,539	Net Change in Cash Flow from Prior Years	3 yr cum positive with most recent year positive
2b	Debt Service Coverage Ratio	N/A	N/A	N/A		N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

\* For renaissance schools: use Oct 15 count if no final count; use head count if ADE not available

\*\* Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No

\*\*\* 2023 =2023 Cash - 2022 Cash; 2022 =2022 Cash-2021 Cash; 2021 =2021 Cash-2020 Cash

\*\*\*\* Refer to NJ Performance Framework

Meets Standard

Does Not Meet Standard

Falls Far Below Standard

## **SINGLE AUDIT SECTION K**

**Exhibit K-1**

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the *Office of School Finance, Department of Education, State of New Jersey*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Camden Prep, Inc. (the Renaissance School), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Renaissance School's basic financial statements, and have issued our report thereon dated December 11, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

## Purpose of this Report

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

AAFCPA, Inc.

Westborough, Massachusetts  
December 11, 2024

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

**Exhibit K-2**

**Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular Letter 15-08**

**Independent Auditor's Report**

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

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

***Opinion on Each Major Federal and State Program***

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

In our opinion, the Renaissance School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal and state programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements as prescribed by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and the Uniform Guidance and State of New Jersey Department of Treasury OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal and state program occurred. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

## Report on Internal Control Over Compliance (Continued)

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

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

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

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

Westborough, Massachusetts  
December 11, 2024

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

CAMDEN PREP, INC.

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

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing (AL) Number	Pass-Through Entity Identification Number	Program or Award Amount	Grant Period		Balance at June 30, 2023	Cash Received	Total Budgetary Expenditures	Balance at
				From	To				June 30, 2024
									Accounts Receivable
U.S. Department of Education:									
Passed-through New Jersey Department of Education:									
Special Revenue Fund:									
Title I Grants to Local Educational Agencies	84.010	S010A1600030	\$ 1,130,640	7/1/23	6/30/24	\$ 467,392	\$ 534,398	\$ 67,006	\$ -
Title I Grants to Local Educational Agencies	84.010	S010A1600030	1,294,827	7/1/23	6/30/24	-	1,112,567	1,293,235	180,668
Title I Grants to Local Educational Agencies	84.010	S010A1600030	52,300	7/1/23	6/30/24	-	52,300	52,300	-
Title I Grants to Local Educational Agencies	84.010	S010A1600030	250,000	7/1/23	6/30/24	-	152,233	250,000	97,767
Total AL No. 84.010			\$ 2,727,767			467,392	1,851,498	1,662,541	278,435
COVID-19 - Education Stabilization Fund	84.425U	S425U210027	\$ 5,373,611	7/1/23	6/30/24	1,964,082	4,496,576	2,715,875	183,381
COVID-19 - Education Stabilization Fund	84.425U	S425U210027	133,109	7/1/23	6/30/24	87,209	87,209	-	-
COVID-19 - Education Stabilization Fund	84.425U	S425U210027	45,000	7/1/23	6/30/24	24,099	24,099	-	-
COVID-19 - Education Stabilization Fund	84.425U	S425U210027	40,000	7/1/23	6/30/24	22,472	28,287	5,815	-
COVID-19 - Education Stabilization Fund	84.425D	S425U210027	2,390,997	7/1/23	6/30/24	81,639	81,639	-	-
COVID-19 - Education Stabilization Fund	84.425D	S425U210027	153,442	7/1/23	6/30/24	15,380	28,267	12,887	-
COVID-19 - Education Stabilization Fund	84.425D	S425U210027	45,000	7/1/23	6/30/24	77	3,723	3,646	-
COVID-19 - Education Stabilization Fund	84.425U	S425U210027	40,000	7/1/23	6/30/24	-	40,000	40,000	-
Total AL No. 84.425			\$ 8,221,159			2,194,958	4,789,800	2,778,223	183,381
Special Education Cluster (IDEA):									
Special Education Grants to States	84.027	H027A160100	\$ 220,388	7/1/23	6/30/24	47,174	66,529	19,355	-
Special Education Grants to States	84.027	H027A160100	359,021	7/1/23	6/30/24	-	288,334	359,021	70,687
COVID-19 - Special Education Grants to States	84.027	H027X210100	63,109	7/1/23	6/30/24	63,109	63,109	-	-
Total AL No. 84.027 and Special Education Cluster (IDEA)			\$ 642,518			110,283	417,972	378,376	70,687
Total U.S. Department of Education and Special Revenue Fund						2,772,633	7,059,270	4,819,140	532,503
Total Expenditures of Federal Awards						\$ 2,772,633	\$ 7,059,270	\$ 4,819,140	\$ 532,503

CAMDEN PREP, INC.

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

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Accounts Receivable June 30, 2023	Cash Received	Due to City of Camden June 30, 2024	Budgetary Expenditures	Accounts Receivable June 30, 2024
			From	To					
State Department of Education:									
General Fund:									
TPAF Social Security	24-495-034-5095-003	\$ 304,652	7/1/17	6/30/18	\$ 105,490	\$ 105,490	\$ -	\$ -	\$ -
TPAF Social Security	24-495-034-5095-003	\$ 191,914	7/1/18	6/30/19	139,275	139,275	-	-	-
TPAF Social Security	24-495-034-5095-003	\$ 160,859	7/1/19	6/30/20	160,773	160,773	-	-	-
TPAF Social Security	24-495-034-5095-003	\$ 168,130	7/1/20	6/30/21	77,491	77,491	-	-	-
TPAF Social Security	24-495-034-5095-003	\$ 154,191	7/1/22	6/30/23	12,861	12,861	-	-	-
TPAF Social Security	24-495-034-5095-003	\$ 141,772	7/1/23	6/30/24	-	128,892	-	141,772	12,880
Total TPAF Social Security					495,890	624,782	-	141,772	12,880
On-Behalf Teachers' Pension and Annuity Fund - Post-Retirement Medical	24-495-034-5095-001	\$ 226,781	7/1/23	6/30/24	-	226,781	-	226,781	-
On-Behalf Teachers' Pension and Annuity Fund	24-495-034-5095-002	\$ 829,884	7/1/23	6/30/24	-	829,884	-	829,884	-
Equalization Aid - Local	24-495-034-5120-078	\$ 825,967	7/1/23	6/30/24	-	825,967	-	825,967	-
Equalization Aid - State	24-495-034-5120-078	\$ 23,500,103	7/1/23	6/30/24	-	23,892,442	392,339	23,500,103	-
State Adjustment Aid	24-495-034-5120-085	\$ 5,040,678	7/1/23	6/30/24	-	5,040,678	-	5,040,678	-
Special Education	24-495-034-5120-089	\$ 631,909	7/1/23	6/30/24	-	631,909	-	631,909	-
Security Aid	24-495-034-5120-084	\$ 506,717	7/1/23	6/30/24	-	506,717	-	506,717	-
Extra Ordinary Aid	24-495-034-5120-044	\$ 287,359	7/1/23	6/30/24	171,773	171,773	-	287,359	287,359
Total General Fund					667,663	32,750,933	392,339	31,991,170	300,239
Special Revenue Fund:									
Emergent Needs Capital Maintenance	Not Available	\$ 351,832	7/1/23	6/30/24	-	351,832	-	351,832	-
NJ Security Grant (Alyssa's Law)	21E00260	\$ 4,866	7/1/21	9/30/23	42,568	-	-	4,866	47,434
NJ High Impact Tutoring	E2400279	\$ 3,738	10/11/23	8/31/24	-	-	-	3,738	3,738
Total Special Revenue Fund					42,568	351,832	-	360,436	51,172
Total State Financial Assistance					\$ 710,231	\$ 33,102,765	\$ 392,339	32,351,606	\$ 351,411
Less: On-Behalf TPAF Pension System Contributions:									
On-Behalf Teachers' Pension and Annuity Fund - Post-Retirement Medical	24-495-034-5095-001	\$ 226,781	7/1/23	6/30/24				(226,781)	
On-Behalf Teachers' Pension and Annuity Fund	24-495-034-5095-002	\$ 829,884	7/1/23	6/30/24				(829,884)	
Total for State Financial Assistance - Major Program Determination								\$ 31,294,941	

**CAMDEN PREP, INC.**
**Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Year Ended June 30, 2024**


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**1. GENERAL**

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

**2. BASIS OF ACCOUNTING**

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

**3. RELATIONSHIP TO THE BASIC FINANCIAL STATEMENTS**

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

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 31,991,170	\$ 31,991,170
Special Revenue Fund	<u>4,819,140</u>	<u>360,436</u>	<u>5,179,576</u>
Total Awards and Financial Assistance	<u>\$ 4,819,140</u>	<u>\$ 32,351,606</u>	<u>\$ 37,170,746</u>

**CAMDEN PREP, INC.**

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

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**4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**5. OTHER**

The Teachers' Pension and Annuity Fund (TPAF) Social Security Contributions of \$141,772 represent the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2024.

The amount reported as On-Behalf TPAF Pension Contributions and On-Behalf TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,056,665, represents the amount paid by the state on behalf of the Renaissance School for fiscal year ended June 30, 2024.

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

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

**7. DE MINIMIS INDIRECT COST RATE**

The Renaissance School has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CAMDEN PREP, INC.**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024**1. SUMMARY OF AUDITOR'S RESULTS****Financial Statements**

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

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

Internal control over financial reporting:

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

Noncompliance material to financial statements disclosed?        Yes   X   No

**Federal Awards**

Internal control over major Federal programs:

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

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

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

Identification of major Federal programs:

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

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

Auditee qualified as low-risk auditee?   X   Yes        No

**CAMDEN PREP, INC.**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024**1. SUMMARY OF AUDITOR'S RESULTS (Continued)****State Awards**

Dollar threshold used to distinguish between type A and type B programs (.520)

\$938,848

**Yes**      **No**

Auditee qualified as low-risk auditee:

X

Type of auditor's report issued:

Unmodified

Internal control over major programs:

Material weakness(es) identified:

X

Significant deficiencies identified not considered to be material weakness(es)?

X

None  
Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in  
Accordance with New Jersey Department of Treasury OMB  
Circular Letter 15-08?

X

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program or Cluster</u>
24-495-034-5120-078	Equalization Aid - Local
24-495-034-5120-078	Equalization Aid - State
24-495-034-5120-085	State Adjustment Aid

**CAMDEN PREP, INC.**

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

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**2. FINANCIAL STATEMENT FINDINGS**

None

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

None

**CAMDEN PREP, INC.**

New Jersey Schedule of Prior Year Findings and Questioned Costs  
As Prepared by Management  
For the Fiscal Year Ended June 30, 2024

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**Status of Prior Year Findings**

This section identifies the status of prior-year findings related to the basic financial statements and Federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance (Section .511(a)(b)), and New Jersey OMB's Circular 04-04 and/or 15-08, as applicable.

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