

RIDGE AND VALLEY CHARTER SCHOOL

BLAIRSTOWN, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE

RIDGE AND VALLEY CHARTER SCHOOL  
BLAIRSTOWN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

PREPARED BY

RIDGE AND VALLEY CHARTER SCHOOL  
FINANCE DEPARTMENT



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INTRODUCTORY SECTION



**RIDGE AND VALLEY CHARTER SCHOOL**

1234 STATE ROUTE 94  
BLAIRSTOWN, NEW JESREY 07825

September 26, 2016

Honorable President and  
Members of the Board of Education  
Ridge and Valley Charter School.  
County of Warren, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Ridge and Valley Charter School for the fiscal year ended June 30, 2016, 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 Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections; introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general- purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State*



**1.) REPORTING ENTITY AND ITS SERVICES:** The Ridge and Valley Charter School is an independent reporting entity within the criteria adopted by the GASB as established by NCGA ST. No. 3. All funds and account groups of the District are included in this report. The Ridge and Valley Charter School and all its schools constitute the School's reporting entity. The School provides a full range of educational services appropriate to grade levels K through 8. These include regular special education services. The District completed the 2015-2016 fiscal year with an enrollment of 117 students, which is 8 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last six years.

Fiscal Year	AVERAGE DAILY ENROLLMENT	
	Student Enrollment	Percent Change
2015-2016	107.75	-13.380%
2014-2015	124.40	0.810%
2013-2014	123.40	1.480%
2012-2013	121.60	-0.002%
2011-2012	121.90	8.450%
2010-2011	112.40	0.890%

**2.) MAJOR INITIATIVES:** The Ridge and Valley Charter School is based on several assumptions. Human beings are merely a thread in the miraculous web of life supported by this living universe. We have a profound responsibility to respect the Earth. Hence, the school's primary focus is on ecological literacy and sustainability; in other words, children will learn to construct lives that promote the long-term health of the planet. The curriculum will use the universe as a context for learning. The program will be highly experiential, allowing children to learn by doing, often out-of-doors, and in multi-aged groups. They will be encouraged to develop critical thinking skills, to challenge traditional assumptions about consumer culture and to derive new models for honoring the world around them. Using this experiential approach, the school will meet the New Jersey Core Curriculum Content Standards set by the state Department of Education. Beyond all mandated state tests, learner assessment will primarily consist of projects, work portfolios and rubrics, rather than traditional letter grades. Each and every child will be cherished and respected, and his or her creativity and potential nurtured and supported. Children will be encouraged to cherish each other as well, and to respect and honor differences and boundaries. Conflict resolution will be an integral part of the program. The school will encourage active participation of all students and parents in shaping the educational experience and will strive to build a stronger community both inside the school and beyond school walls.

**3.) INTERNAL ACCOUNTING CONTROLS:** Management of the School is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School are protected from loss, theft or misuse and to ensure that adequate accounting data is 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.



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

As part of the 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 School has complied with applicable laws and regulations.

**4.) BUDGETARY CONTROLS:** In addition to internal accounting controls, the 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 Board. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects 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 cancelled 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 balance at June 30, 2016.

**5.) ACCOUNTING SYSTEMS AND REPORTS:** The School's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District 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.

**6.) FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2016 and the amount and percentage of increases in relation to prior year revenues.



<u>Revenue</u>	<u>Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from 2015</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 1,201,045	65.68%	\$ (79,076)	-6.17%
State Sources	588,550	32.18%	(33,060)	-5.32%
Federal Sources	39,161	2.14%	(2,585)	-6.19%
<b>TOTALS</b>	<b>\$ 1,828,756</b>	<b>100.00%</b>	<b>\$ (114,721)</b>	<b>-5.90%</b>

The decrease in local sources is attributed to a decrease from the local tax levy of \$87,889 offset by an increase in miscellaneous revenues of \$8,813.

The decrease in State sources is due to a decrease in mandate aid and other aid.

The decrease in Federal sources is due to a decrease in federal grants.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2016 and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from 2015</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 900,143	46.50%	\$ (14,742)	-1.61%
Undistributed expenditures	927,851	47.93%	56,133	6.44%
Capital Outlay	107,733	5.57%	(2,209)	-2.01%
Special Schools	0	0.00%	0	0.00%
<b>TOTALS</b>	<b>\$ 1,935,727</b>	<b>100.00%</b>	<b>\$ 39,182</b>	<b>2.06%</b>

The decrease in current expenditures is attributed to an increase in salaries of \$28,448 and is offset by a decrease in general supplies and other costs of \$43,190.

The increase in undistributed expenditures is attributed to an increase in salaries of \$29,300, in employee benefits of \$22,457 and in general supplies and other costs of \$4,376.

The decrease in capital outlay is attributed to an increase in debt repayments of \$4,872 offset by a decrease in instructional equipment of \$7,081.



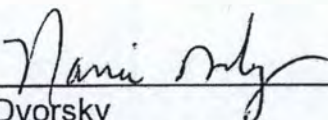
**7.) CASH MANAGEMENT:** The investment policy of the School is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 4. The School has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units for a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

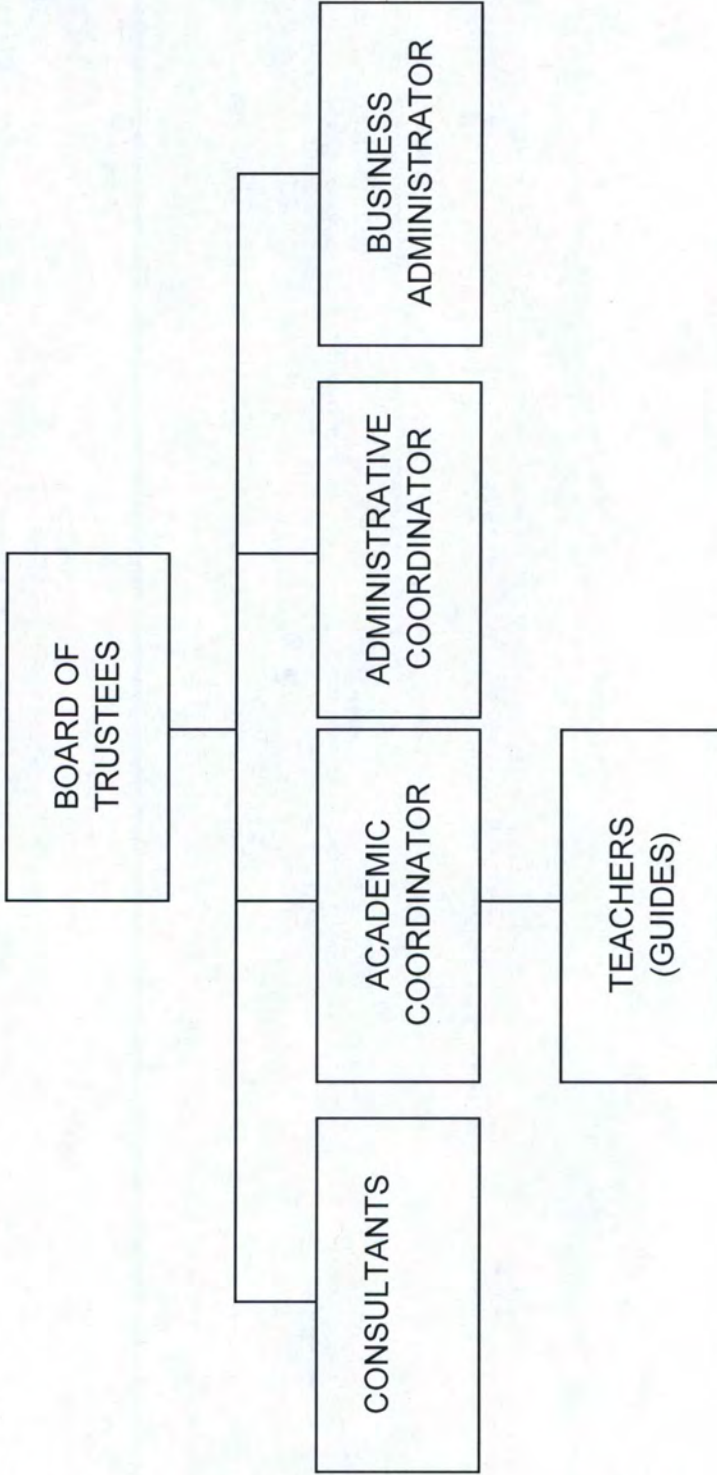
**9.) OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Cullari Carrico, LLC, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and amendments of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 15-08 OMB. The auditors' report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

**10.) ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Ridge and Valley Charter School for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

  
\_\_\_\_\_  
Nanci Dvorsky  
Administrative Coordinator

RIDGE AND VALLEY CHARTER SCHOOL  
Organizational Chart  
(Unit Control)





RIDGE AND VALLEY CHARTER SCHOOL  
BLAIRSTOWN, NEW JERSEY  
ROSTER OF OFFICIALS  
JUNE 30, 2016

<u>Members of the Board of Trustees</u>	<u>Term Expires</u>
Carol Barnett	June 2019
Dave McNulty	June 2019
Steve Andrasek	June 2018
Dave Paulson, Vice President	June 2018
Andy Marancik	June 2019
Pati Uzar, President	June 2019
Jessi Sohl	June 2019

Other Officials

Nanci Dvorsky, Administrative Coordinator  
Traci Pannullo, Curriculum Coordinator  
Lisa Masi, Integration Guide  
Glenn Richardson, CPA, School Business Administrator  
Robert Hart, Treasurer

RIDGE AND VALLEY CHARTER SCHOOL  
CONSULTANTS AND ADVISORS

AUDIT FIRM

Cullari Carrico, LLC  
55 Lane Road, Suite 300  
Fairfield, New Jersey 07004

ATTORNEY

William J. Gold, Esq.  
Attorney at Law  
21 Hardwick Road  
Hardwick, New Jersey 07825

OFFICIAL DEPOSITORIES

Lakeland Bank  
250 Oak Ridge Road  
Oak Ridge, New Jersey 07438



FINANCIAL SECTION



## Independent Auditors' Report

Honorable President and  
Members of the Board of Trustees  
Ridge and Valley Charter School  
County of Warren  
Blairstown, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business type activities the aggregate, discretely presented component units, each major fund and the aggregate remaining fund information of the Board of Trustees of the Ridge and Valley Charter School, in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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



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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Ridge and Valley Charter School, in the County of Warren, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information on pages 13 through 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with the sufficient evidence to express an opinion or provide any assurance.



Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ridge and Valley Charter School's basic financial statements. The accompanying introductory section, combining and individual fund financial statements, long-term debt schedules, and the Schedule of Expenditures of Federal Awards and State Financial Assistance as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 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.

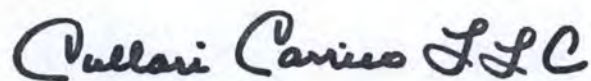
The information and statements described above are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or 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 introductory section, combining and individual fund financial statements, long-term debt schedules 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 taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated September 26, 2016, on our consideration of the Ridge and Valley Charter School's internal control over financial reporting and our test of its compliance with certain provision of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Ridge and Valley Charter School's internal control over financial reporting and compliance.



Raymond P. Burke, CPA, PSA  
CS 00225900  
Certified Public Accountant  
Public School Accountant



Fairfield, New Jersey  
September 26, 2016



REQUIRED SUPPLEMENTARY INFORMATION

PART I

RIDGE AND VALLEY CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

The discussion and analysis of Ridge and Valley Charter School's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2016 are as follows:

- In total, net assets decreased \$154,612. Net assets of governmental activities decreased \$154,610 which represents a 20.41 percent decrease from fiscal year 2015. Net assets of the business-type activity increased \$0 or 0 percent from fiscal year 2015.
- General revenues accounted for \$1,785,483 in revenue or 97.6 percent of all revenues. Program specific revenues, in the form of charges for services and sales, grants, and contributions, accounted for \$43,273 or 2.4 percent of total revenues of \$1,828,756.
- Total assets of governmental activities decreased \$161,323 primarily from a reduction of cash.
- The School District had \$1,983,368 in expenses related to governmental activities. General revenues (primarily income taxes, property taxes, and grants and entitlements) of \$1,785,483 were substantially adequate to provide for these programs.

**Using the Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Ridge and Valley Charter School as a financial whole, or as an entire operating entity.

The statement of net assets and statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in a single column. For Ridge and Valley Charter School, the General Fund is the most significant fund.

**Reporting the School District as a Whole  
Statement of Net Assets and Statement of Activities**

While this report contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2016?" The statement of net assets and the statement of activities answer this question.



RIDGE AND VALLEY CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting, takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it identifies whether the financial position of the School District has improved or diminished for the School District as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's enrollment, current property tax laws in New Jersey restricting revenue growth, facility conditions, required educational programs, and other factors.

In the statement of net assets and the statement of activities, the School District is divided into two distinct kinds of activities:

**Governmental Activities** – Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation.

**Business-Type Activity** – This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. There are no business activities for this fiscal year.

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

##### **Fund Financial Statements**

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's only major governmental fund is the General Fund.

##### **Governmental Funds**

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



RIDGE AND VALLEY CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

**Enterprise Fund**

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

**The School District as a Whole**

The perspective of the statement of net assets is of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2016 compared to 2015:

Table 1  
Net Assets

	Governmental Activities		Business-Type Activity		Total	
	2016	2015	2016	2015	2016	2015
<u>Assets:</u>						
Current and Other Assets	\$ 212,195	\$ 326,646	\$ 0	\$ 0	\$ 212,195	\$ 326,646
Capital Assets, Net	2,060,405	2,107,277	0	0	2,060,405	2,107,277
Total Assets	<u>2,272,600</u>	<u>2,433,923</u>	<u>0</u>	<u>0</u>	<u>2,272,600</u>	<u>2,433,923</u>
<u>Liabilities:</u>						
Current and Other Liabilities	108,633	417,098	0	0	108,633	417,098
Long-Term Liabilities	1,561,301	1,259,549	0	0	1,561,301	1,259,549
Total Liabilities	<u>1,669,934</u>	<u>1,676,647</u>	<u>0</u>	<u>0</u>	<u>1,669,934</u>	<u>1,676,647</u>
<u>Net Assets</u>						
Invested in Capital Assets						
Net of Related Debt	1,050,555	1,019,816	0	0	1,050,555	1,019,816
Debt for net pension	(631,508)	(553,130)			(631,508)	(553,130)
Restricted	53,811	35,515	0	0	53,811	35,515
Unrestricted (Deficit)	129,808	255,075	0	0	129,808	255,075
Total Net Assets	<u>\$ 602,666</u>	<u>\$ 757,276</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 602,666</u>	<u>\$ 757,276</u>

Total assets decreased \$161,323. Equity in pooled cash and cash equivalents decreased \$190,951. Receivables and other current assets increased \$76,500, and fixed assets decreased \$46,872.

Net assets of the School District's governmental activities decreased \$161,323. The net assets of the School District's business-type activity increased \$0.



RIDGE AND VALLEY CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

Table 2 reflects the change in net assets for fiscal year 2016.

Table 2  
Change in Net Assets

	Governmental Activities		Business-Type Activity		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
General Revenues:						
Property Taxes	\$ 1,175,360	\$ 1,263,249	\$ 0	\$ 0	\$ 1,175,360	\$ 1,263,249
Grants and Entitlements	631,823	664,149	0	0	631,823	664,149
Interest	59	10	0	0	59	10
Miscellaneous	21,514	16,069	0	0	21,514	16,069
Enterprise Fund	0	0	0	0	0	0
Total Revenues	1,828,756	1,943,477	0	0	1,828,756	1,943,477
Transfers	0	0	0	0	0	0
Total Revenues & Transfers	1,828,756	1,943,477	0	0	1,828,756	1,943,477
Program Expenses:						
Instruction	900,143	914,885	0	0	900,143	914,885
Support Services:						
Pupils and Instruct. Staff	23,372	21,931	0	0	23,372	21,931
Board of Education, Admin. and Fiscal	774,797	643,231	0	0	774,797	643,231
Oper. & Maint. Of Plant	203,168	200,626	0	0	203,168	200,626
Pupil Transportation	5,512	6,970	0	0	5,512	6,970
Extracurricular Activities	0	0	0	0	0	0
Interest and Fiscal Charges	76,376	75,520	0	0	76,376	75,520
Loss on Disp. of Capital Assets	0	0	0	0	0	0
Enterprise Fund	0	0	0	0	0	0
Total Expenses	1,983,368	1,863,163	0	0	1,983,368	1,863,163
Increase/(Decrease) in Net Assets	\$ (154,612)	\$ 80,314	\$ 0	\$ 0	\$ (154,612)	\$ 80,314

RIDGE AND VALLEY CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

**Governmental Activities**

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. Table 3, for governmental activities, indicates the total cost of services and the net cost of services. It identifies the cost of these services supported by tax revenues and unrestricted state entitlements.

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Instruction	\$ 900,143	\$ 914,885	\$ 900,143	\$ 914,885
Support Services:				
Pupils and Instructional Staff	23,372	21,931	0	0
Board of Ed., Adminis., and Fiscal	774,797	643,231	774,023	642,935
Operation and Maintenance of Plant	203,168	200,626	203,168	200,626
Pupil Transportation	5,512	6,970	5,512	6,970
Extracurricular Activities	0	0	0	0
Interest and Fiscal Charges	76,376	75,520	57,249	55,208
Loss on Disposal of Capital Assets	0	0	0	0
<b>Total Expenses</b>	<b>\$ 1,983,368</b>	<b>\$ 1,863,163</b>	<b>\$ 1,940,095</b>	<b>\$ 1,820,624</b>

The dependence upon tax revenues for governmental activities is apparent. Over 99 percent of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenues support is 100 percent. The community, as a whole, is the primary support for Ridge and Valley Charter School students.

**Business-Type Activity**

There are no business-type activities of the School District.

**The School District's Funds**

The School District's governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources of \$1,828,756 and expenditures and other financing used of \$1,983,368. The moderate negative change in fund balance for the year reflects that the School District was able to meet current costs only with the use of its prior net assets and financing.



RIDGE AND VALLEY CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

**General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal 2016, the School District amended its General Fund budget as needed. The budgeting systems are designed to tightly control total budgets, but provide flexibility for individual line items.

For the General Fund, final budgeted revenues and other financing sources, in the amount of \$1,851,527, were the same as the original budgeted revenues and other financing sources, in the amount of \$1,851,527. Of this difference, most was due to local revenues.

Expenditures and other financing uses were budgeted at \$1,987,263 while actual expenditures were \$1,892,454. The major difference comes from program savings throughout the year.

General Fund revenues and other financing sources were less than expenditures and other financing uses by \$106,971. These expenditures exceeded revenues, the School Board feels the financial position of the School District is stable and there will be a need for additional tax dollars in the future as enrollment rises.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2016, the School District had \$2,060,405 invested in capital assets, \$2,060,405 in governmental activities.

Table 4 reflects fiscal year 2016 balances compared to fiscal year 2015:

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

	Governmental Activities		Business-Type Activity		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 513,008	\$ 513,008	\$ 0	\$ 0	\$ 513,008	\$ 513,008
Land Improvements	926,501	958,104	0	0	926,501	958,104
Buildings and Bldg. Improve.	546,298	562,344	0	0	546,298	562,344
Furniture and Fixtures	0	0	0	0	0	0
Vehicles	0	0	0	0	0	0
Equipment	74,598	73,821	0	0	74,598	73,821
<b>Totals</b>	<b>\$ 2,060,405</b>	<b>\$ 2,107,277</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,060,405</b>	<b>\$ 2,107,277</b>



RIDGE AND VALLEY CHARTER SCHOOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
UNAUDITED

**Debt**

At June 30, 2016 the School District had no outstanding bonds but did have three notes payable. See Note 8 in the financial statements for details.

**Current Issues**

Ridge and Valley Charter School is actively seeking new students to expand and enhance its program.

In February 2013, the School District received a five year (to June 30, 2018) renewal of its Charter from the State of New Jersey, Department of Education. The approval was for a maximum enrollment of 135 students.

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

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Nanci Dvorsky, Administrative Coordinator, Ridge and Valley Charter School, 1234 Route 94, Blairstown, New Jersey.



**BASIC FINANCIAL STATEMENTS**



DISTRICT-WIDE FINANCIAL STATEMENTS



RIDGE AND VALLEY CHARTER SCHOOL  
Statement of Net Position  
June 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 27,873	\$ 0	\$ 27,873
Investments	0	0	0
Receivables, net	146,005	0	146,005
Inventory	0	0	0
Restricted assets:			
Cash and cash equivalents	34,492	0	34,492
Capital reserve account - cash	0	0	0
Prepaid expenses	3,825	0	3,825
Capital assets, net (Note 6):	<u>2,060,405</u>	<u>0</u>	<u>2,060,405</u>
Total Assets	<u>2,272,600</u>	<u>0</u>	<u>2,272,600</u>
<b>LIABILITIES</b>			
Accounts payable	19,653	0	19,653
Contracts payable	0	0	0
Deposit payable	0	0	0
Payable to federal government	0	0	0
Payable to state government	0	0	0
Deferred revenue	8,923	0	8,923
Noncurrent liabilities (Note 8):			
Due within one year	80,057	0	80,057
Due beyond one year	929,793	0	929,793
Net pension liability - PERS	<u>631,508</u>	<u>0</u>	<u>631,508</u>
Total liabilities	<u>1,669,934</u>	<u>0</u>	<u>1,669,934</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,050,555	0	1,050,555
Debt for net pension liability - PERS	(631,508)	0	(631,508)
Restricted for:			
Debt service	0	0	0
Capital projects	200	0	200
Permanent endowment - nonexpendable	0	0	0
Other purposes	53,611	0	53,611
Unrestricted	<u>129,808</u>	<u>0</u>	<u>129,808</u>
Total net assets	<u>\$ 602,666</u>	<u>\$ 0</u>	<u>\$ 602,666</u>



RIDGE AND VALLEY CHARTER SCHOOL  
Statement of Activities  
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
<b>Instruction:</b>							
Regular	\$ 900,143	\$ 0	\$ 0	\$ 0	\$ (900,143)	\$ 0	\$ (900,143)
Special education	0	0	0	0	0	0	0
Other special instruction	0	0	0	0	0	0	0
Vocational	0	0	0	0	0	0	0
Other instruction	0	0	0	0	0	0	0
Nonpublic school programs	0	0	0	0	0	0	0
Adult/continuing education program	0	0	0	0	0	0	0
<b>Support services:</b>							
Tuition	0	0	0	0	0	0	0
Student and instruction related services	23,372	0	23,372	0	0	0	0
School administrative services	251,393	0	774	0	(250,619)	0	(250,619)
General and business administrative services	107,774	0	0	0	(107,774)	0	(107,774)
Plant operations and maintenance	203,168	0	0	0	(203,168)	0	(203,168)
Pupil transportation	5,512	0	0	0	(5,512)	0	(5,512)
Business and other support services	415,630	0	0	0	(415,630)	0	(415,630)
Travel	0	0	0	0	0	0	0
Special schools	0	0	0	0	0	0	0
Charter Schools	0	0	0	0	0	0	0
Interest on long-term debt	0	0	0	0	0	0	0
Unallocated depreciation	76,376	0	19,127	0	(57,249)	0	(57,249)
Total governmental activities	1,983,368	0	43,273	0	(1,940,095)	0	(1,940,095)
<b>Business-type activities:</b>							
Food service	0	0	0	0	0	0	0
After School Program	0	0	0	0	0	0	0
Total business-type activities	0	0	0	0	0	0	0
<b>Total primary government</b>	<b>\$ 1,983,368</b>	<b>\$ 0</b>	<b>\$ 43,273</b>	<b>\$ 0</b>	<b>\$ (1,940,095)</b>	<b>\$ 0</b>	<b>\$ (1,940,095)</b>
<b>General Revenues</b>							
<b>Taxes:</b>							
Property taxes, levied for general purposes, net					1,175,360	0	1,175,360
Taxes levied for debt service					0	0	0
Federal and State aid not restricted					588,550	0	588,550
Tuition received					0	0	0
Investment earnings					59	0	59
Miscellaneous income					21,514	0	21,514
Transfers					0	0	0
Total general revenues, special items, extraordinary items and transfer:					1,785,483	0	1,785,483
Change in Net Assets					(154,612)	0	(154,612)
<b>Net Assets - beginning</b>					757,278	0	757,278
<b>Net Assets - ending</b>					602,666	0	602,666

FUND FINANCIAL STATEMENTS



GOVERNMENT FUNDS

RIDGE AND VALLEY CHARTER SCHOOL  
Balance Sheet  
Governmental Funds  
June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 30,794	\$ (3,121)	\$ 200	\$ 0	\$ 27,873
Investments	0	0	0	0	0
Receivables, net	131,024	0	0	0	131,024
Due from other funds	0	4,431	0	0	4,431
Receivables from other gov.	2,937	7,613	0	0	10,550
Other - (tuition)	0	0	0	0	0
Prepaid expenses	3,825	0	0	0	3,825
Inventory	0	0	0	0	0
Organization Costs	0	0	0	0	0
Restricted cash and cash equivalents	34,492	0	0	0	34,492
<b>Total assets</b>	<b>\$ 203,072</b>	<b>\$ 8,923</b>	<b>\$ 200</b>	<b>\$ 0</b>	<b>\$ 212,195</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	15,222	0	0	0	15,222
Contracts payable	0	0	0	0	0
Interfund payable	4,431	0	0	0	4,431
Payable to federal government	0	0	0	0	0
Payable to state government	0	0	0	0	0
Deferred revenue	0	8,923	0	0	8,923
<b>Total liabilities</b>	<b>19,653</b>	<b>8,923</b>	<b>0</b>	<b>0</b>	<b>28,576</b>
Fund Balances:					
Reserved for:					
Encumbrances	19,119	0	0	0	19,119
Legally restricted - unexpended additional spending proposal	0	0	0	0	0
Legally restricted - designated for subsequent year's expenditures	0	0	0	0	0
Maintenance reserve	30,223	0	0	0	30,223
School Closing reserve	4,269	0	0	0	4,269
Capital reserve account	0	0	0	0	0
Excess surplus	0	0	0	0	0
Excess surplus - designated for subsequent year's expenditures	0	0	0	0	0
Other purposes	0	0	0	0	0
Unreserved, reported in:					
General fund	129,808	0	0	0	129,808
Special revenue fund	0	0	0	0	0
Debt service fund	0	0	0	0	0
Capital projects fund	0	0	200	0	200
Permanent fund	0	0	0	0	0
<b>Total Fund Balances</b>	<b>183,419</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>183,619</b>
<b>Total liabilities and fund balances</b>	<b>\$ 203,072</b>	<b>\$ 8,923</b>	<b>\$ 200</b>	<b>\$ 0</b>	

Amounts reported for *governmental activities* in this statement of net assets (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 \$2,842,094 and the accumulated depreciation is \$781,689. (Note 6)	2,060,405
Long-term liabilities, related the proportionate share of the net pension liability - PERS	(631,508)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (Note 8)	(1,009,850)
<b>Net assets of governmental activities</b>	<b>\$ 602,666</b>



RIDGE AND VALLEY CHARTER SCHOOL  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
"Local tax levy"	\$ 1,175,360	\$ 0	\$ 0	\$ 0	\$ 1,175,360
Tuition charges	0	0	0	0	0
Interest earned on Capital Reserve Funds	59	0	0	0	59
Miscellaneous	21,514	4,112	0	0	25,626
Total - Local Sources	1,196,933	4,112	0	0	1,201,045
State sources	588,550	0	0	0	588,550
Federal sources	0	39,161	0	0	39,161
Total revenues	\$ 1,785,483	\$ 43,273	\$ 0	\$ 0	\$ 1,828,756
<b>EXPENDITURES</b>					
Current:					
Regular instruction	900,143	0	0	0	900,143
Special education instruction	0	0	0	0	0
Other special instruction	0	0	0	0	0
Vocational education	0	0	0	0	0
Other instruction	0	0	0	0	0
Nonpublic school programs	0	0	0	0	0
Adult/continuing education programs	0	0	0	0	0
Support services:					
Tuition	0	0	0	0	0
Student & instruction related services	0	23,372	0	0	23,372
School administrative services	250,619	774	0	0	251,393
Other administrative services	107,774	0	0	0	107,774
Plant operations and maintenance	203,168	0	0	0	203,168
Pupil transportation	5,512	0	0	0	5,512
Employee benefits	336,632	0	0	0	336,632
Travel	0	0	0	0	0
Debt service:					
Principal	0	0	0	0	0
Interest and other charges	0	0	0	0	0
Capital outlay	88,606	19,127	0	0	107,733
Total expenditures	1,892,454	43,273	0	0	1,935,727
Excess (Deficiency) of revenues over expenditures	(106,971)	0	0	0	(106,971)
<b>OTHER FINANCING SOURCES</b>					
Loan proceeds	0	0	0	0	0
Capital leases (non-budgeted)	0	0	0	0	0
Transfer Contribution to Whole School Refr	0	0	0	0	0
Transfer to Special Revenue Fund - ECPA	0	0	0	0	0
Transfers in	0	0	0	0	0
Transfers out	0	0	0	0	0
Total other financing sources and uses	0	0	0	0	0
<b>SPECIAL ITEM</b>					
Proceed from sale of land	0	0	0	0	0
Net change in fund balances	(106,971)	0	0	0	(106,971)
Fund balance - July 1, 2015	290,390	0	200	0	290,590
Fund balance - June 30, 2016	\$ 183,419	\$ 0	\$ 200	\$ 0	\$ 183,619

RIDGE AND VALLEY CHARTER SCHOOL  
 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, 2016

**Total net change in fund balances - governmental funds (from B-2)**                 \$                 (106,971)

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	(76,376)	
	Capital outlays	<u>29,502</u>	
			(46,874)

Advances of loan principal are other financing sources in the governmental funds, but the advance increases long-term liabilities in the statement of net assets and is not reported in the statement of activities. (620)

Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 78,231

Increases in the proportionate share of the net pension liability - PERS is not an expenditure in the governmental funds, but the increase in long-term liabilities in the statement of net assets is recorded as an expense on the statement of activities (78,378)

**Change in net assets of governmental activities**                 \$                 (154,612)



PROPRIETARY FUNDS

RIDGE AND VALLEY CHARTER SCHOOL  
 Statement of Net Position  
 Proprietary Funds  
 June 30, 2016

	Business-type Activities - Enterprise Funds		
	Food Service	After-School Program	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 0	\$ 0	\$ 0
Investments	0	0	0
Accounts receivable	0	0	0
Other receivables	0	0	0
Inventories	0	0	0
Total current assets	<u>0</u>	<u>0</u>	<u>0</u>
Noncurrent assets:			
Restricted cash and cash equivalents	0	0	0
Furniture, machinery & equipment	0	0	0
Less accumulated depreciation	<u>0</u>	<u>0</u>	<u>0</u>
Total noncurrent assets	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	0	0	0
Deposits payable	0	0	0
Compensated absences	<u>0</u>	<u>0</u>	<u>0</u>
Total current liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Noncurrent Liabilities:			
Compensated absences	<u>0</u>	<u>0</u>	<u>0</u>
Total noncurrent liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET ASSETS</b>			
Invested in capital assets net of related debt	0	0	0
Restricted for:			
Capital projects	0	0	0
Unrestricted	<u>0</u>	<u>0</u>	<u>0</u>
Total net assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



RIDGE AND VALLEY CHARTER SCHOOL  
 Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 Proprietary Funds  
 June 30, 2016

	<b>Business-type Activities - Enterprise Funds</b>		
	<u>Food Service</u>	<u>After-School Program</u>	<u>Total Enterprise</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 0	\$ 0	\$ 0
Daily sales - non-reimbursable programs	0	0	0
Special functions	0	0	0
Community service activities	0	0	0
Transportation fees from other LEA's within the state	0	0	0
Deductions from employee's salaries	0	0	0
Miscellaneous	0	0	0
<b>Total operating revenues</b>	<u>0</u>	<u>0</u>	<u>0</u>
Operating expenses:			
Cost of sales	0	0	0
Salaries	0	0	0
Employee benefits	0	0	0
Purchased property service	0	0	0
Other purchased professional services	0	0	0
Cleaning, repair and maintenance services	0	0	0
Rentals	0	0	0
Other purchased services:			
Contracted services (between home and school)	0	0	0
Contracted services (other than between home and school)	0	0	0
Contracted services (special education students) - vendors	0	0	0
Contracted services (special education students) - joint agreements	0	0	0
Insurance	0	0	0
General supplies	0	0	0
Depreciation	0	0	0
<b>Total Operating Expenses</b>	<u>0</u>	<u>0</u>	<u>0</u>
Operating income (loss)	0	0	0
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	0	0	0
Federal sources:			
National school lunch program	0	0	0
Special milk program	0	0	0
Food distribution program	0	0	0
Interest and investment revenue	0	0	0
Miscellaneous expense	0	0	0
<b>Total nonoperating revenues (expenses)</b>	<u>0</u>	<u>0</u>	<u>0</u>
Income (loss) before contributions & transfers	0	0	0
Capital contributions	0	0	0
Transfers in (out)	0	0	0
Change in net assets	0	0	0
Total net assets - beginning	0	0	0
<b>Total net assets - ending</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



RIDGE AND VALLEY CHARTER SCHOOL  
Statement of Cash Flows  
Proprietary Funds  
June 30, 2016

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	After-School Program	Total Enterprise	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 0	\$ 0	\$ 0	\$ 0
Payments to employees	0	0	0	0
Payments for employee benefits	0	0	0	0
Payments to suppliers	0	0	0	0
Net cash provided by (used for) operating activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>				
State Sources	0	0	0	0
Federal Sources	0	0	0	0
Operating subsidies and transfers to other funds	0	0	0	0
Net cash provided by (used for) non-capital financing activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Change in capital contributions	0	0	0	0
Purchases of capital assets	0	0	0	0
Gain/Loss on sale of fixed assets (proceeds)	0	0	0	0
Net cash provided by (used for) capital and related financing activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	0	0	0	0
Proceeds from safe/maturities of investments	0	0	0	0
Net cash provided by (used for) investing activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net increase (decrease) in cash and cash equivalents	0	0	0	0
Balances - beginning of year	0	0	0	0
Balances - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	0	0	0	0
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation and net amortization	0	0	0	0
(Increase) decrease in accounts receivable, net	0	0	0	0
(Increase) decrease in inventories	0	0	0	0
(Increase) decrease in other current assets	0	0	0	0
Increase (decrease) in accounts payable	0	0	0	0
Increase (decrease) in accrued salaries benefits	0	0	0	0
Total adjustments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net cash provided by (used for) operating activities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>



FIDUCIARY FUNDS

RIDGE AND VALLEY CHARTER SCHOOL  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2016

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 160	\$ 0	\$ 36,035
Interfund Receivable	0	0	0
Accounts Receivable	0	0	
Investments, at fair value:			
U.S. government obligations	0	0	0
NJ municipal bonds	0	0	0
Total investments	<u>0</u>	<u>0</u>	<u>0</u>
Total assets	<u>\$ 160</u>	<u>\$ 0</u>	<u>\$ 36,035</u>
<b>LIABILITIES</b>			
Accounts payable	0	0	0
Payable to district	0	0	0
Payable to student groups	0	0	12,730
Payroll deductions and withholdings	0	0	23,305
Total liabilities	<u>0</u>	<u>0</u>	<u>\$ 36,035</u>
<b>NET ASSETS</b>			
Held in trust for unemployment claims and other purposes	<u>\$ 160</u>		
Reserved for scholarships		<u>\$ 0</u>	



RIDGE AND VALLEY CHARTER SCHOOL  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
June 30, 2016

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>
<b>ADDITIONS</b>		
Contributions:		
Plan member	\$ 0	\$ 0
Other	0	0
Total contributions	<u>0</u>	<u>0</u>
Investment earnings:		
Net increase (decrease) in fair value of investments	0	0
Interest	0	0
Dividends	0	0
Less investment expense	0	0
Net investment earnings	<u>0</u>	<u>0</u>
Total additions	<u>0</u>	<u>0</u>
<b>DEDUCTIONS</b>		
Quarterly contribution reports	0	0
Unemployment claims	0	0
Scholarships awarded	0	0
Refunds of contributions	0	0
Administrative expenses	0	0
Total deductions	<u>0</u>	<u>0</u>
Changes in net assets	0	0
Net assets - beginning of the year	160	0
Net assets - end of the year	<u>\$ 160</u>	<u>\$ 0</u>



Ridge and Valley Charter School  
Notes to the Basic Financial Statements  
June 30, 2016

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Ridge and Valley Charter School (the "School District") is organized under the laws of the State of New Jersey. The School District operates under an elected Board form of government consisting of seven members elected for staggered terms. The School District provides educational services as authorized by state and federal guidelines.

The School District was established in 2000 and opened for classes in 2004. It is located in Warren County. The School District currently operates one instructional/support facility.

**A. Reporting Entity**

A reporting entity is composed of the primary government, component units, and other organizations that are included to insure the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Ridge and Valley Charter School, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. There are no component units of the Ridge and Valley Charter School.

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

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



Ridge and Valley Charter School  
Notes to the Basic Financial Statements  
June 30, 2016

**A. Basis of Presentation**

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

**1. Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental in nature and those that are considered business-type activities.

The statement of net assets presents the financial condition of the government and business-type activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and business-type activity. Direct expenses are those that are specifically associated with a service, program, or department and, 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 which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

**2. Fund Financial Statements**

During the fiscal year, the School District segregates transactions related to certain School District 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 School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**B. Fund Accounting**

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds; governmental, proprietary, and fiduciary.



Ridge and Valley Charter School  
Notes to the Basic Financial Statements  
June 30, 2016

**1. Governmental Funds**

Governmental funds are those through which most governmental functions of the School District 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 may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The General Fund is the School District's only major governmental fund.

**General Fund**

The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of New Jersey.

The other governmental funds of the School District account for grants and other resources, debt service, and capital projects of the School District whose use are restricted to a particular purpose.

**2. Proprietary Fund**

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The following are the School District's proprietary funds:

**Enterprise Fund**

The enterprise fund may be used to account for any activity for which a fee is charged to external users for goods or services.

**Food Service**

The Food Service enterprise fund accounts for the financial transactions related to the food service operations of the School District.

**Childcare**

The childcare or latchkey program enterprise fund accounts for the financial transactions related to the latchkey program operations of the School District.



Ridge and Valley Charter School  
Notes to the Basic Financial Statements  
June 30, 2016

**3. Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: non-expendable trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for scholarships and are not available to support the School District's own programs. The School District's only trust fund is a scholarship trust which accounts for a program that provides assistance to needy students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency fund accounts for various student-managed activities and salary related funds (tax withholdings).

**C. Measurement Focus**

**1. Government-Wide Financial Statements**

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

**2. Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With the measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise fund is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of net assets. The statement of changes in revenues, expenses, and changes in net assets presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. The statement of cash flows reflects how the School District finances and meets the cash flow need of its enterprise fund.

The private purpose trust fund is accounted for using a flow of economic resources measurement focus.



Ridge and Valley Charter School  
Notes to the Basic Financial Statements  
June 30, 2016

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**1. Revenues – Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, income taxes, grants, interest, tuition, and student fees.

**2. Deferred Revenues**

Deferred revenues arise when assets are recognized before revenue recognition criteria has been satisfied.



Ridge and Valley Charter School  
Notes to the Basic Financial Statements  
June 30, 2016

Property taxes for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations, are recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

**3. Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is uncured, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**E. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the object level within each fund and function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2016.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire fiscal year, including amounts automatically



Ridge and Valley Charter School  
Notes to the Basic Financial Statements  
June 30, 2016

carried forward from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

**F. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items using the consumption method. The current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

**G. Restricted Assets**

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws or other governments, or imposed by enabling legislation. Restricted assets in the General Fund include amounts required by State statute to be set aside to create a reserve for budget stabilization as well as unexpected revenues restricted for the purchase of school buses.

**H. Inventory**

On government-wide financial statements and in the enterprise fund, inventory is presented at the lower of cost or market. Cost is determined on a first-in, first-out basis and is expensed when used. Inventory consists of donated and purchased food.

**I. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column on the government-wide statement of net assets but are not reported on the fund financial statements. Capital assets used by the enterprise fund are reported in both the business-type activities column on the government-wide statement of net assets and in the fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market value on the date donated. The School District maintains a capitalization threshold of two thousand dollars. The School District does not have any infrastructure. Improvements are capitalized. Interest incurred during the construction of capital assets by the enterprise fund is also capitalized.



Ridge and Valley Charter School  
Notes to the Basic Financial Statements  
June 30, 2016

All capital assets, except land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 – 50 years
Buildings and Building Improve.	15 – 50 years
Furniture and Fixtures	5 – 20 years
Vehicles	5 – 15 years
Equipment	5 – 20 years

**J. Inter-fund Assets/Liabilities**

On fund financial statements, receivables and payables resulting from short-term inter-fund loans are classified as "Inter-fund Receivables/Payables". Inter-fund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net assets.

**K. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' right to receive compensation are attributable to services already rendered and it is probable the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than ten years of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' eligible rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees after five years of service.

The entire compensated absence liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements.



Ridge and Valley Charter School  
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June 30, 2016

These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. For the enterprise fund, the entire amount of compensated absences is reported as a fund liability.

**L. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise fund are reported on the enterprise fund 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**M. Net Assets**

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

**N. Fund Balance Reserves**

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

**O. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service and fees for the latchkey program. Operating expenses are necessary costs incurred to provide the services which are the primary activity of the enterprise fund.



Ridge and Valley Charter School  
Notes to the Basic Financial Statements  
June 30, 2016

**P. Capital Contributions**

Contributions of capital on enterprise fund financial statements arise from outside contributions of capital assets, contributions from other funds, or from grants or outside contributions or resources restricted to capital acquisition and construction.

**Q. Inter-fund Transactions**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental fund and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them not presented on the financial statements.

**R. Extraordinary and Special Items**

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

**S. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2005, the School District has implemented Governmental Accounting Standards Board Statement No. 37, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus" and Statement No. 38, "Certain Financial Statement Note Disclosures". The implementation of these statements had no effect on equity balances as previously reported for the fiscal year ended June 30, 2016.



Ridge and Valley Charter School  
Notes to the Financial Statements  
June 30, 2016

**NOTE 4. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximate market. The Board classifies certificates of deposit which have original maturity dates of more than three months or less than twelve months from the date of purchase, as investments.

DEPOSITS

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value of at least equal to 100% of the amount exceeding 75%.

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



Ridge and Valley Charter School  
Notes to the Financial Statements  
June 30, 2016

INVESTMENTS

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage or of any United States Bank for Cooperatives, which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2016, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash Equivalents	Investments	Capital Reserve Acct.	Total
Checking accounts	\$ 68,337	\$ 0	\$ 0	\$ 68,337
Certificate of Deposit	30,223	0	0	30,223
	\$ 98,560	\$ 0	\$ 0	\$ 98,560

During the period ended June 30, 2016 the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2016 was \$98,560 and the bank balance was \$138,793. Of the bank balance, \$138,793 was covered by federal depository insurance and \$0 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

**NOTE 5. CAPITAL RESERVE ACCOUNT**

Capital reserve accounts may be established by New Jersey School districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.



Ridge and Valley Charter School  
Notes to the Financial Statements  
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Funds placed in the capital reserve account are restricted to capital outlay expenditures and transfers of such funds for other uses are prohibited pursuant to N.J.S.A. 18A:22-8.2. Funds withdrawn from the account must be included in the annual budget certified for taxes as revenue labeled withdrawal from capital reserve account.

Increases in the account from sources other than investment income cannot exceed the amount appropriated in the annual budget certified for taxes as an increase in the capital reserve account.

**NOTE 6. FIXED ASSETS**

The following schedule is a summarization of the changes in general fixed assets by source for the fiscal year ended June 30, 2016.

	Balance as of June 30, 2015	General Fund	Expenditure from Special Revenue	Capital Projects	Less: Accumulated Depreciation	Net Book Value at June 30, 2016
Sites	\$ 513,008	\$ 0	\$ 0	\$ 0	\$ 0	513,008
Site Improvements	1,264,090	0	0	0	337,589	926,501
Building Improvements	641,872	0	0	0	95,574	546,298
Machinery and Equipment	393,620	10,377	19,127	0	348,526	74,598
Construction in Progress	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b>\$ <u>2,812,590</u></b>	<b>\$ <u>10,377</u></b>	<b>\$ <u>19,127</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>781,689</u></b>	<b>\$ <u>2,060,405</u></b>

The following is a summary of proprietary fund type fixed assets at June 30, 2016:

Machinery and Equipment	\$ 0
Less: Accumulated Depreciation	<u>0</u>
<b>Net Fixed Assets</b>	<b>\$ <u>0</u></b>

**NOTE 7 OPERATING LEASES**

As of June 30, 2016, the District does not have any operating leases for equipment.



Ridge and Valley Charter School  
Notes to the Financial Statements  
June 30, 2016

**NOTE 8. GENERAL LONG-TERM DEBT**

During the fiscal year ended June 30, 2016 the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance July 1, 2015	Issued	Retired	Balance June 30, 2016
Mortgage-Lakeland Bank	\$ 337,043	\$ 0	\$ 31,986	\$ 305,057
Mortgage-Lakeland Bank	30,869	0	8,570	22,299
Compensated Absences	10,740	620	0	11,360
Mortgage - Lakeland Bank	379,621	0	14,068	365,553
Mortgage-Non Profit Finance Fund	329,188	0	23,607	305,581
Totals	\$ 1,087,461	\$ 620	\$ 78,231	\$ 1,009,850

Lakeland Bank - The Charter School had four loans from Lakeland Bank for the purpose of the purchase of 93 Kerrs Corner Road, Blairstown, NJ property, purchase and renovation of 1234 Rte. 94, Blairstown, NJ property and as working capital. As of June 30, 2012, the Charter School had a first mortgage on the 1234 Rte. 94 property with an outstanding balance of \$421,745. The start date of the loan was October 15, 2008 and the due date is October 15, 2018. The terms of repayment are as follows: 60 month term will be monthly payments of \$4,306 per month which includes amortized principal and interest with a balloon payment of \$234,824 due September 15, 2019. The interest rate of 6.25% is fixed for 5 years.

Lakeland Bank - On April 6, 2009 the Charter School obtained a mortgage from Lakeland Bank in the amount of \$72,800 in order to purchase the solar panels used at the school. The terms of the mortgage are payments of \$863 monthly which includes principal and interest at 6.50% per annum. The mortgage expires October 15, 2018.

Lakeland Bank - On December 23, 2011 the Charter School obtained a mortgage from Lakeland Bank in the amount of \$423,039 in order to purchase additional trailers (for classrooms). The terms of the mortgage are payments of \$2,991 monthly which includes principal and interest at 5.75% per annum. The mortgage expires December 23, 2021.

Nonprofit Finance Fund - On October 15, 2008 the Charter School entered into a mortgage loan agreement with the Nonprofit Finance Fund in the amount of \$505,000 to refinance debt and to finance a portion of the renovation and improvements to the 1234 Rte 94 property. Interest is payable at a rate of 4.50% per annum, payable in arrears on the first day of each month. The maturity date is the earlier of 60 months from closing or October 1, 2013. The loan is amortized over 120 months and monthly payments of principal and interest are \$3,504.

The mortgages on the property 1234 Route 94 payable to Nonprofit Finance Fund and Lakeland Bank have the following future maturity schedule:

Year ending June 30	Principal	Interest	Total
2017	\$ 80,057	\$ 59,908	\$ 139,965
2018	85,229	54,736	139,965
2019	280,037	40,845	320,882
2020	44,549	33,388	77,937
2021	47,527	30,410	77,937
Thereafter	472,451	10,153	482,604
Total	\$ 1,009,850	\$ 229,440	\$ 1,239,290



Ridge and Valley Charter School  
Notes to the Financial Statements  
June 30, 2016

**NOTE 8. GENERAL LONG-TERM DEBT (CONTINUED)**

- A. Bonds Payable – there were no bonds issued and payable for the year ended June 30, 2016.
- B. Bonds Authorized but Not Issued – as of June 30, 2016 the Board had no bonds or notes that were authorized but not issued.
- C. Capital Lease Payable – as of June 30, 2016 the Board did not have any capital leases payable.

**NOTE 9. PENSION PLANS**

DESCRIPTION OF PLANS

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (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 Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, P.O. Box 295, Trenton, New Jersey 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.



Ridge and Valley Charter School  
Notes to the Financial Statements  
June 30, 2016

TEACHERS' PENSION AND ANNUITY FUND (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The TPAF is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

*Summary of Significant Accounting Policies* – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, 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.

The employer contributions for the District are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the District (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 District (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 District. However, the State's portion of the net pension liability that was associated with the District was \$4,193,694 as measured on June 30, 2014 and \$3,503,058 as measured on June 30, 2013.

For the year ended June 30, 2016, the District recognized pension expense of \$107,065 and revenues of \$107,065 for support provided by the State. The measurement period for the pension expense and revenue reported in the District's financial statements (A-2) at June 30, 2016 is based on changes in the collective net pension liability with a measurement period of June 30, 2014 through June 30, 2015. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2014 and June 30, 2015.

Although the District 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 District. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.



Ridge and Valley Charter School  
Notes to the Financial Statements  
June 30, 2016

	6/30/2015	6/30/2014
Collective deferred outflows of resources	\$ 7,521,378,257	\$ 2,306,623,861
Collective deferred inflows of resources	\$ 554,399,005	\$ 1,763,205,593
Collective net pension liability (Non-employer-State of NJ)	\$ 63,204,270,305	\$ 53,446,745,367
State's portion of the net pension liability that was associated with the District	\$ 4,717,319	\$ 10,752,544
State's portion of the net pension liability that was associated with the District as a percentage of the collective net pension liability	0.007464%	0.020118%

PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. 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 district, 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.

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

At June 30, 2016, the District reported a liability of \$631,508 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. The District'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, 2015 and 2014. At June 30, 2015, the District's proportion was 0.0014% which was a decrease of 0.0015% from its proportion measured as of June 30, 2014.



Ridge and Valley Charter School  
Notes to the Financial Statements  
June 30, 2016

For the year ended June 30, 2016, the District recognized pension expense of \$24,186. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 15,066	\$ -
Changes of assumptions	67,819	-
Net difference between projected and actual earnings on pension plan investments	-	10,153
Changes in proportion and difference between District contributions and proportionate share of contributions	66,875	22,417
District contributions subsequent to the measurement date	-	-
Total	<u>\$ 149,760</u>	<u>\$ 32,570</u>

\$2,585,345,211 reported as deferred outflows of resources related to pension resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2016	\$ 11,296
2017	11,296
2018	11,296
2019	17,991
2020	10,169
Total	<u>\$ 62,048</u>

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$ 5,086,138,484	\$ 1,032,618,058
Collective deferred inflows of resources	\$ 478,031,236	\$ 1,726,631,532
Collective net pension liability (Non-State - Local Group)	\$ 22,447,996,119	\$ 18,722,735,003
District's portion of net pension liability	\$ 631,508	\$ 553,130
District's proportion %	0.0014%	0.0030%



Ridge and Valley Charter School  
Notes to the Financial Statements  
June 30, 2016

**NOTE 10. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability. As of June 30, 2015 there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, 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 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

**NOTE 11. INTERFUND RECEIVABLES AND PAYABLES**

New Jersey statute requires that interest earned on the investments in capital projects fund be credited to the general fund or debt service based on Board resolution. In accordance with Board resolution, accrued interest as of June 30, 2016 in the amount of \$0 was transferred to debt service fund and \$0 was transferred to general fund to offset future interest payment to bondholders.

**NOTE 12. CONTINGENT LIABILITIES**

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

**NOTE 13. DEFERRED COMPENSATION**

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

**NOTE 14. RISK MANAGEMENT**

The District 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 District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.



Ridge and Valley Charter School  
Notes to the Financial Statements  
June 30, 2016

**NOTE 15. FUND BALANCE APPROPRIATED**

General Fund

The General Fund fund balance of \$183,419 at June 30, 2016, of which \$129,808 was unreserved and undesignated, \$19,119 is reserved for encumbrances, \$30,223 is reserved for maintenance and \$4,269 is reserved for a school closing escrow.

Debt Service Fund

The Debt Service Fund fund balance at June 30, 2016 of \$0 is unreserved and undesignated.

**NOTE 16. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7-F-7, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$0.

**NOTE 17. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

The Board operates in a heavily regulated environment. The operations of the Board are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including but not limited to The New Jersey State Board of Education. Such administrative directives, rules and regulations are subject to change by an act of congress or an administrative change mandated by The New Jersey State Board of Education. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.



REQUIRED SUPPLEMENTARY INFORMATION

PART II



**BUDGETARY COMPARISON SCHEDULES**



RIDGE AND VALLEY CHARTER SCHOOL  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
"Local Tax Levy"	\$ 1,262,977	\$ 0	\$ 1,262,977	\$ 1,175,360	\$ (87,617)
Tuition	0	0	0	0	0
Interest Earned on Capital Reserve Funds	0	0	0	59	59
Miscellaneous	0	0	0	21,514	21,514
Total - Local Sources	<u>1,262,977</u>	<u>0</u>	<u>1,262,977</u>	<u>1,196,933</u>	<u>(66,044)</u>
State Sources:					
Local Mandate Charter School Aid	309,581	0	309,581	309,581	0
Security Aid	6,919	0	6,919	6,919	0
Mandate - Non-Public	12,957	0	12,957	12,957	0
Special Ed Aid	92,274	0	92,274	92,274	0
On-Behalf TPAF (Non-Budgeted)	107,065	0	107,065	107,065	0
TPAF Social Security (Reimbursed - Non-Budgeted)	59,754	0	59,754	59,754	0
Total State Sources	<u>588,550</u>	<u>0</u>	<u>588,550</u>	<u>588,550</u>	<u>0</u>
Federal Sources:					
Impact Aid	0	0	0	0	0
Medical Assistance Program	0	0	0	0	0
Total Federal Sources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Revenues</b>	<u>\$ 1,851,527</u>	<u>\$ 0</u>	<u>\$ 1,851,527</u>	<u>\$ 1,785,483</u>	<u>\$ (66,044)</u>



RIDGE AND VALLEY CHARTER SCHOOL  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction:</b>					
Preschool/Kindergarten - Salaries of Teachers	\$ 127,762	\$ 278	\$ 128,040	\$ 128,040	\$ 0
Grades 1-5 - Salaries of Teachers	392,718	(6,862)	385,856	372,038	13,818
Grades 6-8 - Salaries of Teachers	281,638	(1,135)	280,503	276,673	3,830
Grades 9-12 - Salaries of Teachers	0	0	0	0	0
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	0	0	0	0	0
Other Salaries for Instruction	0	0	0	0	0
Purchased Professional-Educational Services	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
General Supplies	0	0	0	0	0
Textbooks	0	0	0	0	0
Other Objects	0	0	0	0	0
<b>Regular Programs - Undistributed Instruction:</b>					
Other Salaries for Instruction	93,160	2,314	95,474	95,474	0
Purchased Professional-Educational Services	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
General Supplies	32,909	(10,078)	22,831	21,496	1,335
Textbooks	10,100	0	10,100	6,422	3,678
Other Objects	0	0	0	0	0
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>938,287</b>	<b>(15,483)</b>	<b>922,804</b>	<b>900,143</b>	<b>22,661</b>



RIDGE AND VALLEY CHARTER SCHOOL  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	0 \$	0 \$	0 \$	0 \$	0
Other Salaries for Instruction	0	0	0	0	0
Purchased Professional-Educational Services	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
General Supplies	0	0	0	0	0
Textbooks	0	0	0	0	0
Other Objects	0	0	0	0	0
<b>Total Learning and/or Language Disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Behavioral Disabilities:</b>					
Salaries of Teachers	0	0	0	0	0
Other Salaries for Instruction	0	0	0	0	0
Purchased Professional-Educational Services	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
General Supplies	0	0	0	0	0
Textbooks	0	0	0	0	0
Other Objects	0	0	0	0	0
<b>Total Behavioral Disabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	0	0	0	0	0
Other Salaries for Instruction	0	0	0	0	0
Purchased Professional-Educational Services	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
General Supplies	0	0	0	0	0
Textbooks	0	0	0	0	0
Other Objects	0	0	0	0	0
<b>Total Resource Room/Resource Center</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



RIDGE AND VALLEY CHARTER SCHOOL  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND

Exhibit C-1

FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	0 \$	0 \$	0 \$	0 \$	0
Other Salaries for Instruction	0	0	0	0	0
Purchased Professional-Educational Services	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
General Supplies	0	0	0	0	0
Textbooks	0	0	0	0	0
Other Objects	0	0	0	0	0
<b>Total Basic Skills/Remedial - Instruction</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	0	0	0	0	0
Other Salaries for Instruction	0	0	0	0	0
Purchased Professional-Educational Services	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
General Supplies	0	0	0	0	0
Textbooks	0	0	0	0	0
Other Objects	0	0	0	0	0
<b>Total Bilingual Education - Instruction</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>School-Spon. Cocurricular Actvts. - Inst.</b>					
Salaries	0	0	0	0	0
Purchased Services (300-500 series)	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
Transfers to Cover Deficit (Agency Funds)	0	0	0	0	0
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>School-Spon. Cocurricular Athletics - Inst.</b>					
Salaries	0	0	0	0	0
Purchased Services (300-500 series)	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
Transfers to Cover Deficit (Agency Funds)	0	0	0	0	0
<b>Total School-Spon. Cocurricular Athletics - Inst.</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL INSTRUCTION</b>	<u>938,287</u>	<u>(15,483)</u>	<u>922,804</u>	<u>900,143</u>	<u>22,661</u>



RIDGE AND VALLEY CHARTER SCHOOL  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FISCAL YEAR ENDED JUNE 30, 2016

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regul	\$ 0	0	0	0	0
Tuition to Other LEAs Within the State - Special	0	0	0	0	0
Tuition to County Voc. School Dist. - Regular	0	0	0	0	0
Tuition to County Voc. School Dist. - Special	0	0	0	0	0
Tuition to CSSD & Regional Day Schools	0	0	0	0	0
Tuition to Private Schools for the Disabled - Within State	0	0	0	0	0
Tuition to Private Schools for the Disabled & Other LEA	0	0	0	0	0
Tuition - State Facilities	0	0	0	0	0
Tuition - Other	0	0	0	0	0
<b>Total Undistributed Expenditures - Instruction:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Undist. Expend. - Health Services</b>					
Salaries	0	0	0	0	0
Purchased Professional and Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
<b>Total Undistributed Expenditures - Health Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>					
Salaries of Other Professional Staff	0	0	0	0	0
Purchased Professional - Educational Services	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
<b>Total Undist. Expend.-Other Supp. Serv. Students-Related Serv.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Undist. Expend. - Other Supp - Serv. Students-Reg.:</b>					
Salaries of Other Professional Staff	0	0	0	0	0
Salaries of Secretarial and Clerical Assistants	0	0	0	0	0
Other Salaries	0	0	0	0	0
Purchased Professional - Educational Services	0	0	0	0	0
Other Purchased Prof. and Tech. Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
<b>Total Undist. Expend.-Other Supp. Serv. Students-Reg.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



RIDGE AND VALLEY CHARTER SCHOOL  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Undist. Expend. - Other Supp. Serv. Students - Spl.</b>					
Salaries of Other Professional Staff	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Salaries of Secretarial and Clerical Assistants	0	0	0	0	0
Other Salaries	0	0	0	0	0
Purchased Professional - Educational Services	0	0	0	0	0
Other Purchased Prof. and Tech. Services	0	0	0	0	0
Residential Costs	0	0	0	0	0
Mis. Purchase Serv. (400-500 series other than Residential Costs)	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
<b>Total Undist. Expend. - Other Supp. Serv. Students - Spl</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Undist. Expend. - Improvement of Inst. Serv.</b>					
Salaries of Supervisor of Instruction	0	0	0	0	0
Salaries of Other Professional Staff	0	0	0	0	0
Salaries of Secr and Clerical Assist.	0	0	0	0	0
Other Salaries	0	0	0	0	0
Purchased Prof- Educational Services	0	0	0	0	0
Other Purch Prof. and Tech. Services	0	0	0	0	0
Other Purch Services (400-500)	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	0	0	0	0	0
Purchased Professional and Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



RIDGE AND VALLEY CHARTER SCHOOL  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Salaries of Supervisors of Instruction	0	0	0	0	0
Salaries of Other Professional Staff	0	0	0	0	0
Salaries of Secretarial and Clerical Assist	0	0	0	0	0
Other Salaries	0	0	0	0	0
Purchased Professional - Educational Servic	0	0	0	0	0
Other Purchased Prof. and Tech. Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
Supplies and Materials	0	0	0	0	0
Other Objects	0	0	0	0	0
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Undist. Expend. - Supp. Serv. - General Admin.</b>					
Salaries	18,740	0	18,740	17,513	1,227
Legal Services	0	0	0	0	0
Other Purchased Professional Services	0	0	0	0	0
Communications/Telephone	9,410	(2,612)	6,798	6,399	399
Other Purchased Services (400-500 series)	0	0	0	0	0
Miscellaneous Expenditures	0	0	0	0	0
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>	<b>28,150</b>	<b>(2,612)</b>	<b>25,538</b>	<b>23,912</b>	<b>1,626</b>
<b>Undist. Expend. - Support Serv. - School Admin.</b>					
Salaries of Principals/Assistant Principals	128,197	37,726	165,923	162,544	3,379
Salaries of Other Professional Staff	0	0	0	0	0
Salaries of Secretarial and Clerical Assistants	103,670	(29,754)	73,916	71,457	2,459
Other Salaries	0	0	0	0	0
Purchased Professional and Technical Services	22,200	(6,582)	15,618	15,618	0
Other Purchased Services (400-500 series)	0	0	0	0	0
Supplies and Materials	1,000	0	1,000	1,000	0
Other Objects	0	0	0	0	0
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<b>255,067</b>	<b>1,390</b>	<b>256,457</b>	<b>250,619</b>	<b>5,838</b>



RIDGE AND VALLEY CHARTER SCHOOL  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance	
					Favorable (Unfavorable)	Final to Actual
<b>Undist. Expend. - Allowable Maintenance for School Facilities</b>						
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cleaning, Repair, and Maintenance Services	0	0	0	0	0	0
General Supplies	0	0	0	0	0	0
Other Objects	0	0	0	0	0	0
<b>Total Undist. Expend. - Allowable Maint. for Schl Fac.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant</b>						
Salaries	0	0	0	0	0	0
Purchased Professional and Technical Services	136,850	47	136,897	113,821	23,076	23,076
Cleaning, Repair and Maintenance Services	0	0	0	0	0	0
Rental of Land, Building & Other than Lease Purchases	0	0	0	0	0	0
Other Purchased Property Services	61,430	673	62,103	51,380	10,723	10,723
Insurance	12,746	662	13,408	13,408	0	0
Miscellaneous Purchased Services	0	0	0	0	0	0
General Supplies	6,000	0	6,000	3,528	2,472	2,472
Energy (Energy and Electricity)	30,800	0	30,800	21,031	9,769	9,769
Other Objects	0	0	0	0	0	0
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<b>247,826</b>	<b>1,382</b>	<b>249,208</b>	<b>203,168</b>	<b>46,040</b>	<b>46,040</b>
<b>Total Undist. Expend. - Oper. &amp; Maint. Of Plant</b>	<b>247,826</b>	<b>1,382</b>	<b>249,208</b>	<b>203,168</b>	<b>46,040</b>	<b>46,040</b>
<b>Undist. Expend. - Student Transportation Serv.</b>						
Sal. For Pup. Trans. (Bet. Home and School) - Regular	0	0	0	0	0	0
Sal. For Pup. Trans. (Bet. Home and School) - Special	0	0	0	0	0	0
Sal. For Pup. Trans. (Other than Bet. Home and School)	0	0	0	0	0	0
Management Fees - ESC & CTSA Transportation Programs	0	0	0	0	0	0
Other Purchased Professional and Technical Services	0	0	0	0	0	0
Cleaning, Repair and Maintenance Services	0	0	0	0	0	0
Rental Payments - School Buses	0	0	0	0	0	0
Lease Purchase Payments - School Buses	0	0	0	0	0	0
Contract Services - (Between Home and School) - Vendors	6,300	0	6,300	5,512	788	788
Contract Services (Other than Between Home & School)-Vendors	0	0	0	0	0	0
Contract Services - (Between Home and Sch) - Joint Agrmts	0	0	0	0	0	0
Contr Serv (Spl. Ed. Students) - Vendors	0	0	0	0	0	0
Contr Serv (Spl. Ed. Students) - Joint Agrmt	0	0	0	0	0	0
Contr Serv (Regular Students) - ESCs & CTSA	0	0	0	0	0	0
Contr Serv (Spl. Ed. Students) - ESCs & CTSA	0	0	0	0	0	0
Contr Serv. - Aid in Lieu Payments	0	0	0	0	0	0
Misc. Purchased Serv. - Transportation	0	0	0	0	0	0
Supplies and Materials	0	0	0	0	0	0
Miscellaneous Expenditures	0	0	0	0	0	0
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<b>6,300</b>	<b>0</b>	<b>6,300</b>	<b>5,512</b>	<b>788</b>	<b>788</b>



RIDGE AND VALLEY CHARTER SCHOOL  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance	
					Favorable	(Unfavorable)
<b>Undist. Expend. - Business and Other Support Serv.</b>						
Increase in Sale/Lease-back Reserve	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Salaries	0	0	0	0	0	0
Purchased Professional Services	0	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0	0
Sale/Lease-back Payments	0	0	0	0	0	0
Supplies and Materials	0	0	0	0	0	0
Interest on Current Loan	0	0	0	0	0	0
Interest on Lease Purchase Agreements	66,364	3,170	69,534	65,239		4,295
Miscellaneous Expenditures	22,153	(1,460)	20,693	18,623		2,070
<b>Total Undist. Expend. - Business and Other Support Serv.</b>	<b>88,517</b>	<b>1,710</b>	<b>90,227</b>	<b>83,862</b>		<b>6,365</b>
<b>UNALLOCATED BENEFITS</b>						
Group Insurance	0	0	0	0	0	0
Social Security Contributions	0	0	0	0	0	0
T.P.A.F. Contributions - ERIP	0	0	0	0	0	0
Other Retirement Contributions - Regular	0	0	0	0	0	0
Other Retirement Contributions - ERIP	0	0	0	0	0	0
Unemployment Compensation	0	0	0	0	0	0
Workmen's Compensation	0	0	0	0	0	0
Health Benefits	0	0	0	0	0	0
Tuition Reimbursement	0	0	0	0	0	0
Other Employee Benefits	174,297	2,044	176,341	169,813		6,528
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>174,297</b>	<b>2,044</b>	<b>176,341</b>	<b>169,813</b>		<b>6,528</b>
On-Behalf TPAF Medical Benefits (non-budgeted)	107,065	0	107,065	107,065		0
Reimbursed TPAF Social Security (non-budgeted)	59,754	0	59,754	59,754		0
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>166,819</b>	<b>0</b>	<b>166,819</b>	<b>166,819</b>		<b>0</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>341,116</b>	<b>2,044</b>	<b>343,160</b>	<b>336,632</b>		<b>6,528</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>966,976</b>	<b>3,914</b>	<b>970,890</b>	<b>903,705</b>		<b>67,185</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>1,905,263</b>	<b>(11,569)</b>	<b>1,893,694</b>	<b>1,803,848</b>		<b>89,846</b>



RIDGE AND VALLEY CHARTER SCHOOL  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FISCAL YEAR ENDED JUNE 30, 2016

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Preschool/Kindergarten	\$ 0	\$ 0	\$ 0	\$ 0	0
Grades 1-5	0	0	0	0	0
Grades 6-8	0	0	0	0	0
Grades 9-12	0	0	0	0	0
Home Instruction	0	0	0	0	0
<b>Special Education - Instruction:</b>					
Learning and/or Language Disabilities	0	0	0	0	0
Behavioral Disabilities	0	0	0	0	0
Resource Room/Resource Center	0	0	0	0	0
Basic Skills/Remedial - Instruction	0	0	0	0	0
Bilingual Education - Instruction	0	0	0	0	0
Undistributed Expenditures - Instruction	15,000	(2,000)	13,000	10,376	2,624
Undist. Expend. - Support Serv. - Students - Reg.	0	0	0	0	0
Undist. Expend. - Support Serv. - Inst. Staff	0	0	0	0	0
Undistributed Expenditures - General Admin.	0	0	0	0	0
Undistributed Expenditures - School Admin.	0	0	0	0	0
Undistributed Expenditures - Operation of Plant Services	0	0	0	0	0
<b>Total Equipment</b>	<u>15,000</u>	<u>(2,000)</u>	<u>13,000</u>	<u>10,376</u>	<u>2,624</u>
<b>Facilities Acquisition and Construction Services</b>					
Salaries	0	0	0	0	0
Legal Services	0	0	0	0	0
Other Purchased Prof. & Tech. Serv.	0	0	0	0	0
Construction Services	0	0	0	0	0
General Supplies	0	0	0	0	0
Land and Improvements	0	0	0	0	0
Lease Purchase Agreement - Principal	67,000	13,569	80,569	78,230	2,339
Buildings Other than Lease Purchase Agreement	0	0	0	0	0
Other Objects	0	0	0	0	0
Facilities Grant - Transfer to Special Revenues	0	0	0	0	0
<b>Total Facilities Acquisition and Construction Services</b>	<u>67,000</u>	<u>13,569</u>	<u>80,569</u>	<u>78,230</u>	<u>2,339</u>



RIDGE AND VALLEY CHARTER SCHOOL  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016

Exhibit C-1

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>					
Undistributed Expenditures:					
General Administration	\$ 0	\$ 0	\$ 0	\$ 0	0
School Administration	0	0	0	0	0
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>					
<b>TOTAL CAPITAL OUTLAY</b>	<u>82,000</u>	<u>11,569</u>	<u>93,569</u>	<u>88,606</u>	<u>4,963</u>
<b>Transfer of Funds to Charter Schools</b>	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<u>1,987,263</u>	<u>0</u>	<u>1,987,263</u>	<u>1,892,454</u>	<u>94,809</u>
<b>Excess (Deficiency) of Revenues</b>					
Over (Under) Expenditures	(135,736)	0	(135,736)	(106,971)	28,765
<b>Other Financing Sources:</b>					
Operating Transfer In:					
Debt Refinancing and New Mortgage	0	0	0	0	0
From Closure Reserve - fees and interfund usage	0	0	0	0	0
Operating Transfer Out:					
Transfer to Special Revenue Fund - ECPA	0	0	0	0	0
Transfer to Food Service Fund	0	0	0	0	0
Transfer to Internal Service Fund	0	0	0	0	0
Capital Reserve - Transfer to Debt Service Fd	0	0	0	0	0
Capital Reserve - Transfer to Capital Projects Fd	0	0	0	0	0
Capital Leases (non-budgeted)	0	0	0	0	0
<b>Total Other Financing Sources:</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources</b>					
Over (Under) Expend. and Other Fin. Sources (Uses)	(135,736)	0	(135,736)	(106,971)	28,765
<b>Fund Balance, July 1</b>	290,390	0	290,390	290,390	0
<b>Fund Balance, June 30</b>	<u>\$ 154,654</u>	<u>\$ 0</u>	<u>\$ 154,654</u>	<u>\$ 183,419</u>	<u>\$ 28,765</u>
<b>Recapitulation:</b>					
Reserve for Encumbrances				19,119	
Legally Restricted - Designated for Subsequent Year's Expenditures				0	
Maintenance Reserve				30,223	
School Closing Reserve				4,269	
Reserve for Excess Surplus				0	
Capital Reserve				0	
Unrestricted Fund Balance				129,808	
				<u>183,419</u>	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last State Aid Payment not recognized on GAAP basis				0	
<b>Fund Balance per Governmental Funds (GAAP)</b>				<u>\$ 183,419</u>	



RIDGE AND VALLEY CHARTER SCHOOL  
Budgetary Comparison Schedule  
Special Revenue Fund  
For the fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	\$ 6,339	\$ 0	\$ 6,339	\$ 4,112	\$ 2,227
State Sources	0	0	0	0	0
Federal Sources	45,858	0	45,858	39,161	6,697
<b>TOTAL REVENUES</b>	<b>\$ 52,197</b>	<b>\$ 0</b>	<b>\$ 52,197</b>	<b>\$ 43,273</b>	<b>\$ 8,924</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of teachers	0	0	0	0	0
Other salaries for instruction	0	0	0	0	0
Purchased Professional-Educational Services	0	0	0	0	0
Purchased Professional and Technical Services	0	0	0	0	0
Tuition	0	0	0	0	0
Other purchased services (400-500 series)	0	0	0	0	0
General Supplies	38	0	38	0	38
Textbooks	0	0	0	0	0
Other objects	0	0	0	0	0
<b>TOTAL INSTRUCTION</b>	<b>38</b>	<b>0</b>	<b>38</b>	<b>0</b>	<b>38</b>
<b>Support services</b>					
Salaries of Supervisors of Instruction	0	0	0	0	0
Salaries of Program Directors	0	0	0	0	0
Salaries of Other Professional Staff	0	0	0	0	0
Salaries of Secretaries & Clerical Assistants	0	0	0	0	0
Other Salaries	0	0	0	0	0
Personal Services - Employee Benefits	0	0	0	0	0
Purchased Educational Services - Contracted Pre-K	0	0	0	0	0
Purchased Professional - Educational Services	23,372	0	23,372	23,372	0
Other Purchased Professional Services	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0
Rentals	0	0	0	0	0
Contr. Serv. Trans. (Bet. Home & Sch.)	0	0	0	0	0
Contr. Serv. Trans. (Wrap Around Services)	0	0	0	0	0
Contr. Serv. Trans. (Field Trips)	0	0	0	0	0
Tuition	0	0	0	0	0
Travel	0	0	0	0	0
Other purchased Services (400-500 series)	0	0	0	0	0
Supplies & Materials	2,962	0	2,962	774	2,188
Other Objects	0	0	0	0	0
<b>TOTAL SUPPORT SERVICES</b>	<b>26,334</b>	<b>0</b>	<b>26,334</b>	<b>24,146</b>	<b>2,188</b>
<b>Facilities Acquisition and Construction Services:</b>					
Buildings	0	0	0	0	0
Instructional Equipment	25,824	0	25,824	19,127	6,697
Noninstructional Equipment	0	0	0	0	0
<b>TOTAL FACILITIES ACQ. AND CONSTRUCTION SVCS</b>	<b>25,824</b>	<b>0</b>	<b>25,824</b>	<b>19,127</b>	<b>6,697</b>
Transfer to Charter School	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>52,196</b>	<b>0</b>	<b>52,196</b>	<b>43,273</b>	<b>8,923</b>
<b>Other Financing Sources (Uses)</b>					
Transfer in from General Fund	0	0	0	0	0
Transfer out to Whole School Reform (General Fund)	0	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL OUTFLOWS</b>	<b>52,196</b>	<b>0</b>	<b>52,196</b>	<b>43,273</b>	<b>8,923</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0



NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
Part II



RIDGE AND VALLEY CHARTER SCHOOL  
 Required Supplementary Information  
 Budget to GAAP Reconciliation  
 for the Fiscal Year Ended June 30, 2016

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 1,785,483	(C-2) \$ 43,273
Difference - budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	0	0
Total revenues as reported on the statement of revenues, expenditures and changes in the fund balances - governmental funds	(B-2) \$ <u>1,785,483</u>	(B-2) \$ <u>43,273</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1) \$ 1,892,454	(C-2) \$ 43,273
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes	0	0
Net transfer (outflows) to general fund	<u>0</u>	<u>0</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	(B-2) \$ <u>1,892,454</u>	(B-2) \$ <u>43,273</u>



REQUIRED SUPPLEMENTARY INFORMATION

PART III

SCHEDULES RELATED TO ACCOUNTING AND  
REPORTING FOR PENSIONS (GASB 68)



RDIGE AND VALLEY CHARTER SCHOOL  
 Schedule of the District's Proportionate Share of the  
 Net Pension Liability - PERS  
 For the Fiscal Year Ended June 30, 2016

	JUNE 30,		
	2015	2014	2013
District's proportion of the net pension liability (asset)	.0013678%	0.0029543%	0.0024468%
District's proportionate share of the net pension liability (asset)	\$ 631,508	\$ 553,130	\$ 467,629
District's covered employee payroll	\$ 265,327	\$ 173,290	\$ 154,212
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	238%	319%	303%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	52.08%	48.72%

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

GASB 68 requires a presentation of the last 10 years, however the information is only available for the last 3.

RIDGE AND VALLEY CHARTER SCHOOL  
 Schedule of District Contributions - PERS  
 For the Fiscal Year Ended June 30, 2016

	JUNE 30,		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 24,186	\$ 11,952	\$ 10,240
Contributions in relation to the contractually required contribution	<u>(24,186)</u>	<u>(11,952)</u>	<u>(10,240)</u>
Contribution deficiency (excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
District's covered employee payroll	\$ 265,327	\$ 173,290	154,212
Contributions as a percentage of covered employee payroll	9.12%	6.90%	6.64%

GASB 68 requires a presentation of the last 10 years, however the information is only available for the last 3.



RIDGE AND VALLEY CHARTER SCHOOL  
 Schedule of the District's Proportionate Share of the  
 Net Pension Liability - TPAF  
 For the Fiscal Year Ended June 30, 2016

	JUNE 30,		
	2014	2014	2013
District's proportion of the net pension liability (asset)	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset)	\$ N/A	\$ N/A	\$ N/A
District's covered employee payroll	\$ 881,759	\$ 654,557	\$ 763,749
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

GASB 68 requires a presentation of the last 10 years, however the information is only available for the last 3.

Note - TPAF is a special funding situation as defined by GASB 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in these financial statements.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PART III



RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
JUNE 30, 2016

**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 25 years of service or under the disability provisions of PERS.

Changes of assumptions:

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on projection Scale AA.

**TEACHERS' PENSION AND ANNUITY FUND (TPAF)**

Changes of benefit terms:

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' account.

Changes of assumptions:

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvements.

OTHER SUPPLEMENTARY INFORMATION



SPECIAL REVENUE FUND

RIDGE AND VALLEY CHARTER SCHOOL  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2016

	Rural Education	I.D.E.A. Part B BASIC	Various Local Grants	WHIP GRANT	Totals 2016
<b>REVENUES</b>					
Local Sources	\$ 0	\$ 0	4,112	0	4,112
State Sources	0	0	0	0	0
Federal Sources	15,835	23,326	0	0	39,161
<b>Total Revenues</b>	<b>15,835</b>	<b>23,326</b>	<b>4,112</b>	<b>0</b>	<b>43,273</b>
<b>EXPENDITURES</b>					
<b>Instruction:</b>					
Salaries of Teachers	0	0	0	0	0
Other Salaries for Instruction	0	0	0	0	0
Purchased Professional - Educational Services	0	0	0	0	0
Purchased Professional and Technical Services	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
General Supplies	0	0	0	0	0
Textbooks	0	0	0	0	0
Other Objects	0	0	0	0	0
<b>Total instruction</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Support services:</b>					
Salaries of Other Professional Staff	0	0	0	0	0
Other Salaries	0	0	0	0	0
Personal Services - Employee Benefits	0	0	0	0	0
Purchased Educational Services - Cont. Pre K	0	0	0	0	0
Purchased Professional - Educational Services	0	23,326	46	0	23,372
Other Purchased Professional Services	0	0	0	0	0
Purchased Technical Services	0	0	0	0	0
Rentals	0	0	0	0	0
Contr. Serv.-Trans. (Bet. Home & Sch.)	0	0	0	0	0
Contr. Serv.-Trans. (Wrap Around Services)	0	0	0	0	0
Contr. Serv.-Trans. (Field Trips)	0	0	0	0	0
Travel	0	0	0	0	0
Other Purchased Services (400-500 series)	0	0	0	0	0
Supplies & Materials	0	0	774	0	774
Other Objects	0	0	0	0	0
<b>Total support services</b>	<b>0</b>	<b>23,326</b>	<b>820</b>	<b>0</b>	<b>24,146</b>



RIDGE AND VALLEY CHARTER SCHOOL  
 Special Revenue Fund  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2016

	Rural Education	I.D.E.A. Part B		Various Local Grants	WHIP GRANT	Totals 2016
		BASIC				
<b>EXPENDITURES (CONT'D):</b>						
<b>Facilities acquisition and const. serv.:</b>						
Buildings	0	0	0	0	0	0
Instructional Equipment	15,835	0	3,292	0	0	19,127
Noninstructional Equipment	0	0	0	0	0	0
<b>Total facilities acquisition and const. serv.</b>	<u>15,835</u>	<u>0</u>	<u>3,292</u>	<u>0</u>	<u>0</u>	<u>19,127</u>
Transfer to Charter Schools	0	0	0	0	0	0
<b>Total Expenditures</b>	<u>15,835</u>	<u>23,326</u>	<u>4,112</u>	<u>0</u>	<u>0</u>	<u>43,273</u>
<b>Other Financing Sources (Uses)</b>						
Transfer In from General Fund	0	0	0	0	0	0
Contribution to Whole School Reform	0	0	0	0	0	0
<b>Total Outflows</b>	<u>15,835</u>	<u>23,326</u>	<u>4,112</u>	<u>0</u>	<u>0</u>	<u>43,273</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (\$</b>	<u>0</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>0</u>	<u>\$</u>

CAPITAL PROJECTS FUND



RIDGE AND VALLEY CHARTER SCHOOL  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2016

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2016
			Prior Years	Current Year	
Purchase and Renovation: 1234 Route 94, Frelinghuysen, NJ	3/26/2004	\$ 1,042,719	\$ 1,042,671	\$ 0	\$ 48
93 Kerrs Corner, Frelinghuysen, NJ	3/26/2004	210,399	210,399	0	0
HVAC Renovation	9/1/2008	66,222	66,070	0	152
		\$ 1,319,340	\$ 1,319,140	\$ 0	\$ 200

PROPRIETARY FUNDS

NOT APPLICABLE FOR THE FISCAL YEAR ENDED JUNE 30, 2016



INTERNAL SERVICE FUND

NOT APPLICABLE FOR THE YEAR ENDED JUNE 30, 2016

FIDUCIARY FUNDS



RIDGE AND VALLEY CHARTER SCHOOL  
Fiduciary Fund  
Combining Statement of Fiduciary Net Position  
JUNE 30, 2016

	Non-expendable Trust		Agency		Unemployment Insurance Trust Fund	Total 2016
	Scholarship	Student Activity	Payroll			
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 0	\$ 12,730	\$ 23,305	\$ 160	\$	\$ 36,195
Accounts Receivable	0	0	0	0		0
<b>Total Assets</b>	<b>\$ 0</b>	<b>\$ 12,730</b>	<b>\$ 23,305</b>	<b>\$ 160</b>	<b>\$</b>	<b>\$ 36,195</b>
<b>LIABILITIES AND FUND BALANCES:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$	\$ 0
Payroll deductions and withholdings	0	0	9,306	0		9,306
Accrued salaries and wages	0	0	13,999	0		13,999
Payable to student groups	0	12,730	0	0		12,730
<b>Total liabilities</b>	<b>0</b>	<b>12,730</b>	<b>23,305</b>	<b>0</b>	<b></b>	<b>36,035</b>
<b>Fund balances:</b>						
Reserved - principal portion nonexpendable trust	0	0	0	0		0
Unreserved	0	0	0	160		160
<b>Total Fund Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>160</b>	<b></b>	<b>160</b>
<b>Total Liabilities and Fund Balance:</b>	<b>\$ 0</b>	<b>\$ 12,730</b>	<b>\$ 23,305</b>	<b>\$ 160</b>	<b>\$</b>	<b>\$ 36,195</b>

RIDGE AND VALLEY CHARTER SCHOOL  
 Fiduciary Fund  
 Combining Statement of Changes in Fiduciary Net Position  
 for the Fiscal Year ended June 30, 2016

	2016
OPERATING REVENUES:	
Local sources:	
Interest on investments	\$ 0
Donations	0
Total Operating Revenues	0
OPERATING EXPENSES:	
Bank charges	0
Unemployment Payments (net)	0
Total Operating Expenses	0
Operating income (loss)	0
Net income (loss)	0
Fund balances, July 1, 2015	160
Fund balances, June 30, 2016	\$ 160



RIDGE AND VALLEY CHARTER SCHOOL  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 for the Fiscal Year ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>June 30, 2016</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 7,037	\$ 75,765	\$ 70,072	\$ 12,730
Accounts Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	\$ <u>7,037</u>	\$ <u>75,765</u>	\$ <u>70,072</u>	\$ <u>12,730</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0
Payable to student groups	<u>7,037</u>	<u>75,765</u>	<u>70,072</u>	<u>12,730</u>
Total Liabilities	\$ <u>7,037</u>	\$ <u>75,765</u>	\$ <u>70,072</u>	\$ <u>12,730</u>

RIDGE AND VALLEY CHARTER SCHOOL  
 Payroll Agency Fund  
 Schedule of Receipts and Disbursements  
 for the Fiscal Year ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 35,114	\$ 1,283,039	\$ 1,294,848	\$ 23,305
Due From General Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Assets</b>	<b>\$ <u>35,114</u></b>	<b>\$ <u>1,283,039</u></b>	<b>\$ <u>1,294,848</u></b>	<b>\$ <u>23,305</u></b>
<b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$ 14,634	\$ 827,799	\$ 833,127	\$ 9,306
Accrued salaries and wages	<u>20,480</u>	<u>455,240</u>	<u>461,721</u>	<u>13,999</u>
<b>Total Liabilities</b>	<b>\$ <u>35,114</u></b>	<b>\$ <u>1,283,039</u></b>	<b>\$ <u>1,294,848</u></b>	<b>\$ <u>23,305</u></b>



LONG-TERM DEBT

Exhibit I-1

RIDGE AND VALLEY CHARTER SCHOOL  
 Long-Term Debt Account Group  
 Schedule of Serial Bonds  
 JUNE 30, 2016

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	INTEREST RATE	BALANCE JULY 1, 2015	ISSUED	RETIRED	BALANCE JUNE 30, 2016
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"NOT APPLICABLE FOR JUNE 30, 2016"



Exhibit I-2

RIDGE AND VALLEY CHARTER SCHOOL  
 Long-Term Debt Account Group  
 Schedule of Obligations Under Capital Leases  
 JUNE 30, 2016

<u>SERIES</u>	<u>INTEREST RATE PAYABLE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2015</u>	<u>ISSUED CURRENT YEAR</u>	<u>RETIRED CURRENT YEAR</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2016</u>
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"NOT APPLICABLE FOR JUNE 30, 2016"

RIDGE AND VALLEY CHARTER SCHOOL  
 Debt Service Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Sources:					
Debt Service Aid Type II	0	0	0	0	0
Total - State Sources	0	0	0	0	0
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	0	0	0	0	0
Redemption of Principal	0	0	0	0	0
Total Regular Debt Service	0	0	0	0	0
<b>Total expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0	0	0
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund	0	0	0	0	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	0	0	0	0	0
Fund Balance, July 1	0	0	0	0	0
Fund Balance, June 30	0	0	0	0	0
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Budgeted Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0



STATISTICAL SECTION

RIDGE AND VALLEY CHARTER SCHOOL  
NET ASSETS BY COMPONENT  
LAST SIX FISCAL YEARS

	2011	2012	2013	2014	2015	2016
<b>Governmental Activities:</b>						
Invested in capital assets, net of related debt	\$ 956,323	\$ 966,333	\$ 975,162	\$ 986,434	\$ 1,019,816	\$ 1,050,555
Debt for net pension liability - PERS	0	0	0	0	(553,130)	(631,508)
Restricted	30,556	45,929	33,525	30,505	35,515	53,811
Unrestricted	147,052	79,748	102,370	213,153	255,075	129,808
<b>Total governmental activities net assets</b>	<b>1,133,931</b>	<b>1,092,010</b>	<b>1,111,057</b>	<b>1,230,092</b>	<b>757,276</b>	<b>602,666</b>
<b>Business-Type Activities:</b>						
Invested in capital assets, net of related debt	0	0	0	0	0	0
Restricted	0	0	0	0	0	0
Unrestricted	0	0	0	0	0	0
<b>Total business-type activities net assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>District-Wide Activities:</b>						
Invested in capital assets, net of related debt	\$ 956,323	\$ 966,333	\$ 975,162	\$ 986,434	\$ 1,019,816	\$ 1,050,555
Debt for net pension liability - PERS	0	0	0	0	(553,130)	(631,508)
Restricted	30,556	45,929	33,525	30,505	35,515	53,811
Unrestricted	147,052	79,748	102,370	213,153	255,075	129,808
<b>Total district net assets</b>	<b>1,133,931</b>	<b>1,092,010</b>	<b>1,111,057</b>	<b>1,230,092</b>	<b>757,276</b>	<b>602,666</b>



RIDGE AND VALLEY CHARTER SCHOOL  
 CHANGES IN NET ASSETS  
 LAST SIX FISCAL YEARS

	2011	2012	2013	2014	2015	2016
<b>Expenses</b>						
<b>Governmental activities:</b>						
Instruction:						
Regular	\$ 745,741	\$ 831,386	\$ 873,181	\$ 800,602	\$ 914,885	\$ 900,143
Special education	0	0	0	0	0	0
Other special education	0	0	0	0	0	0
Vocational	0	0	0	0	0	0
Other instruction	0	0	0	0	0	0
Nonpublic school programs	0	0	0	0	0	0
Adult/continuing education programs	0	0	0	0	0	0
Support Services:						
Tuition	0	0	0	0	0	0
Student & instruction related services	9,192	9,606	22,241	21,195	21,931	23,372
School Administrative services	155,954	215,157	233,022	224,973	233,635	251,393
General administration	85,494	98,688	80,206	115,785	94,381	107,774
Central Services	0	0	0	0	0	0
Plant operations and maintenance	117,575	155,197	181,453	196,523	200,626	203,168
Administrative information technology	0	0	0	0	0	0
Pupil transportation	60	2,230	3,825	3,615	6,970	5,512
Other support services	193,324	255,548	219,791	317,657	315,215	415,630
Special Schools	0	0	0	0	0	0
Charter Schools	0	0	0	0	0	0
Interest on long-term debt	0	0	0	0	0	0
Unallocated depreciation	78,872	89,009	100,657	85,278	75,520	76,376
<b>Total Governmental Activities Expenses</b>	<b>1,386,212</b>	<b>1,656,821</b>	<b>1,714,376</b>	<b>1,765,628</b>	<b>1,863,163</b>	<b>1,983,368</b>
Business-type activities:						
Food service	0	0	0	0	0	0
Child Care	0	1,860	0	0	0	0
<b>Total Business-Type Activities Expense</b>	<b>0</b>	<b>1,860</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total District Expenses</b>	<b>\$ 1,386,212</b>	<b>\$ 1,658,681</b>	<b>\$ 1,714,376</b>	<b>\$ 1,765,628</b>	<b>\$ 1,863,163</b>	<b>\$ 1,983,368</b>

RIDGE AND VALLEY CHARTER SCHOOL  
CHANGES IN NET ASSETS  
LAST SIX FISCAL YEARS

	2011	2012	2013	2014	2015	2016
<b>Program Revenues</b>						
Governmental activities:						
Charges for services:						
Instruction (tuition)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Pupil transportation	0	0	0	0	0	0
Central and other support services	0	0	0	0	0	0
Operating grants and contributions	20,229	22,137	45,495	42,836	42,539	43,273
Capital grants and contributions	0	0	0	0	0	0
Total Governmental Activities Program Revenues	<u>20,229</u>	<u>22,137</u>	<u>45,495</u>	<u>42,836</u>	<u>42,539</u>	<u>43,273</u>
Business-type activities:						
Charges for services:						
Food service	0	0	0	0	0	0
Child care	0	1,860	0	0	0	0
Operating grants and contributions	0	0	0	0	0	0
Capital grants and contributions	0	0	0	0	0	0
Total Business Type Activities Program Revenue	<u>0</u>	<u>1,860</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total District Program Revenues	<u>20,229</u>	<u>23,997</u>	<u>45,495</u>	<u>42,836</u>	<u>42,539</u>	<u>43,273</u>
<b>Net (Expense)/Revenue</b>						
Governmental activities	(1,365,983)	(1,634,684)	(1,668,881)	(1,722,792)	(1,820,624)	(1,940,095)
Business-type activities	0	0	0	0	0	0
Total District-Wide Net Expense	<u>(1,365,983)</u>	<u>(1,634,684)</u>	<u>(1,668,881)</u>	<u>(1,722,792)</u>	<u>(1,820,624)</u>	<u>(1,940,095)</u>
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental activities:						
Property taxes levied for general purposes, net	940,456	1,009,394	1,132,587	1,231,831	1,263,249	1,175,360
Taxes levied for debt service	0	0	0	0	0	0
Unrestricted grants and contributions	519,489	567,320	539,960	588,767	621,610	588,550
Payments in lieu of taxes	0	0	0	0	0	0
Tuition Received	0	0	0	0	0	0
Investment earnings	0	0	32	10	10	59
Miscellaneous income	25,240	16,049	15,349	21,219	16,069	21,514
Transfers	0	0	0	0	0	0
Total Governmental Activities	<u>\$ 1,485,185</u>	<u>\$ 1,592,763</u>	<u>\$ 1,687,928</u>	<u>\$ 1,841,827</u>	<u>\$ 1,900,938</u>	<u>\$ 1,785,483</u>



RIDGE AND VALLEY CHARTER SCHOOL  
 CHANGES IN NET ASSETS  
 LAST SIX FISCAL YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Business-type activities:</b>						
Investment earnings	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers	0	0	0	0	0	0
Total Business-Type Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total District-Wide	<u>1,485,185</u>	<u>1,592,763</u>	<u>1,687,928</u>	<u>1,841,827</u>	<u>1,900,938</u>	<u>1,785,483</u>
<b>Change in Net Assets</b>						
Governmental activities	119,202	(41,921)	19,047	119,035	80,314	(154,612)
Business-type activities	0	0	0	0	0	0
Total District	<u>\$ 119,202</u>	<u>\$ (41,921)</u>	<u>\$ 19,047</u>	<u>\$ 119,035</u>	<u>\$ 80,314</u>	<u>\$ (154,612)</u>

RIDGE AND VALLEY CHARTER SCHOOL  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST SIX FISCAL YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund						
Reserved	\$ 30,356	\$ 47,649	\$ 33,525	\$ 30,305	\$ 35,315	\$ 53,611
Unreserved	147,052	77,828	102,370	213,153	255,075	129,808
Total General Fund	<u>177,408</u>	<u>125,477</u>	<u>135,895</u>	<u>243,458</u>	<u>290,390</u>	<u>183,419</u>
All Other Governmental Funds						
Reserved	0	0	0	0	0	0
Unreserved, reported in:						
Special revenue fund	0	0	0	0	0	0
Capital projects fund	200	200	200	200	200	200
Debt service fund	0	0	0	0	0	0
Permanent fund	0	0	0	0	0	0
Total All Other Governmental Funds	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>



RIDGE AND VALLEY CHARTER SCHOOL  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST SIX FISCAL YEARS

	2011	2012	2013	2014	2015	2016
<b>Revenues</b>						
Tax levy	\$ 940,456	\$ 1,009,394	\$ 1,132,587	\$ 1,231,831	\$ 1,263,249	\$ 1,175,360
Tuition charges	0	0	0	0	0	0
Interest earnings	0	0	32	10	10	59
Miscellaneous	24,228	16,049	16,060	22,880	16,862	25,626
State sources	499,364	540,223	539,960	588,767	621,610	588,550
Federal sources	41,366	49,234	44,784	41,175	41,746	39,161
<b>Total Revenue</b>	<u>1,505,414</u>	<u>1,614,900</u>	<u>1,733,423</u>	<u>1,884,663</u>	<u>1,943,477</u>	<u>1,828,756</u>
<b>Expenditures</b>						
<b>Instruction</b>						
Regular Instruction	745,741	831,386	873,181	800,602	914,885	900,143
Special education instruction	0	0	0	0	0	0
Other special instruction	0	0	0	0	0	0
Vocational education	0	0	0	0	0	0
Other instruction	0	0	0	0	0	0
Nonpublic school programs	0	0	0	0	0	0
Adult/continuing education	0	0	0	0	0	0
<b>Support Services:</b>						
Tuition	0	0	0	0	0	0
Student & inst. related services	9,192	9,606	22,241	21,195	21,931	23,372
General administration	155,954	215,157	233,022	224,973	233,635	251,393
School administrative services	85,494	98,688	80,206	115,785	94,381	107,774
Central services	0	0	0	0	0	0
Admin. information technology	0	0	0	0	0	0
Plant operations and maintenance	117,575	155,197	181,453	196,523	200,626	203,168
Pupil transportation	60	2,230	3,825	3,615	6,970	5,512
Other Support Services	0	0	0	0	0	0
Employee benefits	189,548	242,686	226,931	313,078	314,175	336,632
Special Schools	0	0	0	0	0	0
Charter Schools	0	0	0	0	0	0
Capital outlay	75,409	534,920	102,346	101,129	109,942	107,733
<b>Debt service:</b>						
Principal	0	0	0	0	0	0
Interest and other charges	0	0	0	0	0	0
<b>Total Expenditures</b>	<u>1,378,973</u>	<u>2,089,870</u>	<u>1,723,205</u>	<u>1,776,900</u>	<u>1,896,545</u>	<u>1,935,727</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<u>126,441</u>	<u>(474,970)</u>	<u>10,218</u>	<u>107,763</u>	<u>46,932</u>	<u>(106,971)</u>

RIDGE AND VALLEY CHARTER SCHOOL  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST SIX FISCAL YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Other Financing sources (uses)</b>						
Proceeds from borrowing	0	423,039	0	0	0	0
Capital leases (non-budgeted)	0	0	0	0	0	0
Proceeds from refunding	0	0	0	0	0	0
Payments to escrow agent	0	0	0	0	0	0
Transfers in	0	0	0	0	0	0
Transfers out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>423,039</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	\$ <u>126,441</u>	\$ <u>(51,931)</u>	\$ <u>10,218</u>	\$ <u>107,763</u>	\$ <u>46,932</u>	\$ <u>(106,971)</u>
Debt service as a percentage of noncapital expenditures	0	0	0	0	0	0

Source: District records



RIDGE AND VALLEY CHARTER SCHOOL  
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
 LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Sale of Capital Assets	Donations	Rentals	Prior Year Refunds	Sale and Leaseback of Textbooks	Miscellaneous	Annual Totals
2007	0	35	0	0	0	16,623	16,658
2008	0	0	0	0	0	388	388
2009	0	0	0	0	0	11,239	11,239
2010	0	3,000	0	0	0	16,579	19,579
2011	0	500	0	0	0	24,740	25,240
2012	0	0	0	0	0	11,549	11,549
2013	0	52	0	0	0	15,297	15,349
2014	0	0	0	0	0	21,219	21,219
2015	0	0	0	0	0	16,872	16,872
2016	0	0	0	0	0	25,685	25,685

Source: District records

RIDGE AND VALLEY CHARTER SCHOOL  
 RATIOS OF OUTSTANDING DEBT BY TYPE  
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities			Bond		Business-Type		Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Anticipati on Notes (BANs)	Capital Leases	Capital Leases				
2007	519,106	0	0	0	0	0	519,106	0.23%	86.78	
2008	497,936	0	0	0	0	0	497,936	0.22%	84.00	
2009	1,055,360	0	0	0	0	0	1,055,360	0.44%	177.64	
2010	1,006,278	0	0	0	0	0	1,006,278	0.40%	169.66	
2011	945,710	0	0	0	0	0	945,710	0.37%	159.32	
2012	1,302,915	0	0	0	0	0	1,302,915	0.49%	219.09	
2013	1,229,605	0	0	0	0	0	1,229,605	0.47%	209.47	
2014	1,150,080	0	0	0	0	0	1,150,080	0.41%	195.89	
2015	1,087,461	0	0	0	0	0	1,087,461	0.38%	186.40	
2016	1,009,850	0	0	0	0	0	1,009,850	0.36%	173.54	



RIDGE AND VALLEY CHARTER SCHOOL  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST SEVEN FISCAL YEARS

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2010	5,931	254,422,107	42,897	9.90%
2011	5,936	253,057,616	42,631	10.20%
2012	5,947	262,756,301	44,183	9.50%
2013	5,870	263,786,060	44,938	9.20%
2014	5,871	279,283,470	47,570	8.10%
2015	5,834	286,099,360	49,040	5.90%
2016	5,819	283,065,255	48,645	4.90%

RIDGE AND VALLEY CHARTER SCHOOL  
 FULL-TIME EQUIVALENT CHARTER SCHOOL EMPLOYEES  
 BY FUNCTION / PROGRAM  
 LAST SIX FISCAL YEARS

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction						
Regular	13.50	14.00	11.00	11.00	11.00	11.00
Special education	1.50	2.00	3.00	3.00	3.00	3.00
Other special education	0.00	0.00	0.00	0.00	0.00	0.00
Vocational	0.00	0.00	0.00	0.00	0.00	0.00
Other instruction	5.00	5.00	5.00	5.00	5.00	5.00
Nonpublic school programs	0.00	0.00	0.00	0.00	0.00	0.00
Adult/continuing education programs	0.00	0.00	0.00	0.00	0.00	0.00
Support Services:						
Student & instruction related services	1.00	1.00	1.00	1.00	1.00	1.00
General administration	1.00	1.00	1.00	1.00	1.00	1.00
School administrative services	1.00	1.00	2.00	2.00	2.00	2.00
Other administrative services	1.00	1.00	1.00	1.00	1.00	1.00
Central services	0.00	0.00	0.00	0.00	0.00	0.00
Administrative Information Technology	0.00	0.00	0.00	0.00	0.00	0.00
Plant operations and maintenance	0.00	0.00	0.00	0.00	0.00	0.00
Pupil transportation	0.00	0.00	0.00	0.00	0.00	0.00
Other support services	0.00	0.00	0.00	0.00	0.00	0.00
Special Schools	0.00	0.00	0.00	0.00	0.00	0.00
Total	<u>24.00</u>	<u>25.00</u>	<u>24.00</u>	<u>24.00</u>	<u>24.00</u>	<u>24.00</u>

**Source:** District Personnel Records



RIDGE AND VALLEY CHARTER SCHOOL  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Elementary School	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2007	101.50	1,053,033.00	10,375		8.50	11.94	-	-	101.50	101.50		1.00
2008	105.40	1,158,191.00	10,989	5.92%	9.50	11.09	-	-	105.40	105.40	3.84%	1.00
2009	103.50	2,346,024.00	22,667	106.28%	16.00	6.47	-	-	103.50	103.50	-1.80%	1.00
2010	112.00	1,521,705.00	13,587	-40.06%	20.00	5.60	-	-	107.50	107.50	3.86%	1.00
2011	113.00	1,378,973.00	12,203	-10.18%	20.00	5.65	-	-	112.40	112.40	4.56%	1.00
2012	126.00	2,089,870.00	16,586	35.92%	21.00	6.00	-	-	121.90	121.90	8.45%	1.00
2013	129.00	1,723,205.00	13,358	-19.46%	19.00	6.79	-	-	121.60	121.60	-0.25%	1.00
2014	126.00	1,776,900.00	14,102	5.57%	19.00	6.63	-	-	123.40	123.40	1.48%	1.00
2015	125.00	1,896,545.00	15,172	7.59%	19.00	6.58	-	-	124.40	124.40	0.81%	1.00
2016	117.00	1,935,727.00	16,545	9.04%	19.00	6.16	-	-	107.75	107.75	-13.38%	1.00

Sources: District records

RIDGE AND VALLEY CHARTER SCHOOL  
 SCHOOL BUILDING INFORMATION  
 LAST NINE FISCAL YEARS

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>District Building</b>									
<u>Elementary</u>									
Ridge and Valley Charter School									
Square Feet	10,000	10,000	10,000	10,000	13,500	13,500	13,500	13,500	13,500
Capacity (students)	135	135	135	135	135	135	135	135	135
Enrollment	105.4	103.5	112.0	113.0	126.0	129.0	126.0	125.0	117.0

Middle School  
 None

High School  
 None

Other  
 None

Number of Schools at June 30, 2016  
 Elementary = 1  
 Middle School = 0  
 Senior High School = 0  
 Other = 0

Source: District Facilities Office



RIDGE AND VALLEY CHARTER SCHOOL  
 SCHEDULE OF ALLOWABLE MAINTENANCE EXPENDITURES BY SCHOOL FACILITY  
 LAST SIX FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES  
 11-000-261-xxx

School Facilities Project # (s)	Elementary	Other	Total
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0
2016	0	0	0
Total School Facilities	<u>0</u>	<u>0</u>	<u>0</u>

Source: District records

RIDGE AND VALLEY CHARTER SCHOOL  
 INSURANCE SCHEDULE  
 JUNE 30, 2016

	<u>Coverage</u>	<u>Deductible</u>
Commercial General Liability and Commercial Property (Stonington Insurance Company)		
General Liability (Each Occurrence)	1,000,000	500
Products / Completed Operations Aggregate	2,000,000	
Personal & Advertising Injury	1,000,000	
Fire Damage	100,000	
Medical Expense	5,000	
Blanket Real & Personal Property	500,000	1,000
Blanket Extra Expense	15,000	
Workers Compensation (Liberty Mutual)		
Each Accident	500,000	
Policy Limit	500,000	
Voluntary Accident (QBE Insurance Co.)	250,000	
Directors & Officers (U.S. Specialty Insurance)	1,000,000	7,500

Source: District records



**Charter Performance Indicators  
Financial Performance  
Fiscal Ratios**

Name: Ridge and Valley Charter School

	2014 Audit	2015 Audit	2016 Audit	Source
Cash	185,266	218,001	27,873	Audit: Exhibit A-1
Current Assets (includes CASH)	275,805	326,646	212,195	Audit: Exhibit A-1
Total Assets	2,452,324	2,433,923	2,272,600	Audit: Exhibit A-1
Current Liabilities	802,422	417,098	108,633	Audit: Exhibit A-1
Total Liabilities	1,222,232	1,123,517	1,669,934	Audit: Exhibit A-1
Net Assets	1,230,092	1,310,406	602,666	Audit: Exhibit A-1
Total Revenue	1,884,663	1,943,477	1,828,756	Audit: Exhibit A-2
Total Expenses	1,765,628	1,863,163	1,983,368	Audit: Exhibit A-2
Change in Net Assets	119,035	80,314	(154,612)	Audit: Exhibit A-2
Depreciation Expense	85,278	75,520	76,376	Financial Statements/Audit Workpapers
Interest Expense	71,264	62,834	65,239	Financial Statements/Audit Workpapers
Principal Payments	79,525	73,359	78,231	Financial Statements/Audit Workpapers
Interest Payments	71,264	62,834	65,239	Financial Statements/Audit Workpapers
Final Average Daily Enrollment	123.40	124.40	107.75	DOE Enrollment Reports
March 30th Budgeted Enrollment	123	125	117	Charter School Budget

Near Term Indicators	RATIOS ANALYSIS...			Source:	Target
	2014	2015	2016		
1a. Current Ratio	0.34	0.78	1.95	Current Assets/Current Liabilities	> 1.1
1b. Unrestricted Days Cash	38.30	42.71	5.13	Cash/(Total Expenses/365)	30-60
1c. Enrollment Variance	100%	100%	92%	Average Daily Enrollment/Budgeted Enrollment	>95%
1d.* Default	No	No	No	Audit	not in default
<b>Sustainability Indicators</b>					
2a. Total Margin	6%	4%	-8%	Change in Net Assets/Total Revenue	positive
2b. Debt to Asset	0.50	0.46	0.73	Total Liabilities/Total Assets	< 9
2c. ** Cash Flow		32,735	(190,128)	Net change in cash flow from prior years (Change in Net Assets+Depreciation+Interest Expense)/(Principal & Interest Payments)	3 yr cum positive
2d. Debt Service Coverage Ratio	1.83	1.61	(0.09)		>1.10

\* Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No  
 \*\* 2016 =2016 Cash - 2015 Cash; 2015 =2015 Cash-2014 Cash, 2014 =2014 Cash-2013 Cash

Refer questions to [charterfinance@doe.state.nj.us](mailto:charterfinance@doe.state.nj.us)

SINGLE AUDIT SECTION



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 Auditors' Report

Honorable President and  
Members of the Board of Education  
Ridge and Valley Charter School  
County of Warren, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Trustees of the Ridge and Valley Charter School District in the County of Warren, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Ridge and Valley Charter School's basic financial statements, and have issued our report thereon dated September 26, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Ridge and Valley Charter School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ridge and Valley Charter School's internal control. Accordingly, we do not express an opinion of the effectiveness of the Ridge and Valley Charter School District'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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Ridge and Valley Charter 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 determination of financial statement amounts. 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 Division of Finance, Department of Education, State of New Jersey.

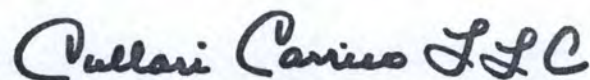
**Purpose of this Report**

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 Division of 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.

This report is intended for the information and use of the audit committee, management, the Ridge and Valley Charter School Board of Education, the New Jersey State Department of Education, and other State and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Raymond P. Burke, CPA, PSA  
No. CS 00225900  
Certified Public Accountant  
Public School Accountant



Fairfield, New Jersey  
September 26, 2016



Report on Compliance for Each Major Federal Program,  
Report on Internal Control Over Compliance;  
and Report on the Schedule of Expenditures of Federal and  
State Awards Required by OMB Circular A-133 and  
New Jersey OMB Circular 15-08

Independent Auditors' Report

Honorable President and  
Members of the Board of Education  
Ridge and Valley Charter School  
County of Warren, New Jersey

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

We have audited the Ridge and Valley Charter School's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2016. Ridge and Valley Charter 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Ridge and Valley Charter School's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's 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 or state program occurred. An audit includes examining, on a test basis, evidence about the Ridge and Valley Charter School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Ridge and Valley Charter School's compliance.



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

In our opinion, the Board of Trustees of Ridge and Valley Charter School District, in the County of Warren, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

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

Management of the Board of Trustees of the Ridge and Valley Charter School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Ridge and Valley Charter School's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Ridge and Valley Charter School's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or 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.

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

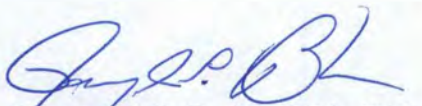
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

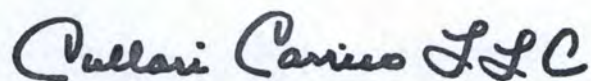


**Report on Schedule of Expenditures of Federal and State Awards Required by  
OMB Circular A-133 and by New Jersey OMB's Circular 15-08**

We have audited the financial statements of the Board of Trustees of the Ridge and Valley Charter School District as of and for the year ended June 30, 2016, and have issued our report thereon dated September 26, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and of state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and by New Jersey OMB's Circular 15-08, and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedule of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended for the information and use of the management of the Ridge and Valley Charter School Board of Trustees, the New Jersey State Department of Education and other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Raymond P. Burke, CPA, PSA  
No. CS 00225900  
Certified Public Accountant  
Public School Accountant



Fairfield, New Jersey  
September 26, 2016

RIDGE AND VALLEY CHARTER SCHOOL  
 Schedule of Expenditures of Federal Awards  
 for the Fiscal Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance June 30, 2015	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Deferred Revenue	Balance June 30, 2016	Due to Grantor at
U.S. Department of Agriculture Wildlife Habitat Incentive Program	10.766		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Department of Agriculture											
U.S. Department of Education Passed-through State Department of Education:											
Rural Education Achievement Program	84.358A	9/1/15-8/31/16	20,921	-	-	13,308	14,224	-	6,697	(7,613)	-
Rural Education Achievement Program	84.358A	9/1/14-8/31/15	20,339	1,611	-	-	1,611	-	-	-	-
Rural Education Achievement Program	84.358A	9/1/14-8/31/15	20,339	(8,340)	-	8,340	-	-	-	-	-
I.D.E.A. Part B, Basic Regular	84.027	9/1/15-8/31/16	23,326	-	-	23,326	23,326	-	-	-	-
Total Department of Education											
Total Federal Financial Assistance											
			\$ 39,161	\$ (7,613)	\$ -	\$ 39,161	\$ 39,161	\$ -	\$ 6,697	\$ (7,613)	\$ -
			\$ 39,161	\$ (7,613)	\$ -	\$ 39,161	\$ 39,161	\$ -	\$ 6,697	\$ (7,613)	\$ -



RIDGE AND VALLEY CHARTER SCHOOL  
 Schedule of Expenditures of State Financial Assistance  
 for the Fiscal Year Ended June 30, 2016

State Grantor/Program Title	State Grant Account Numbers	Grant Period	Award Amount	Balance at June 30, 2015	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Deferred Revenue	Balance June 30, 2016	Due to Grantor at
State Department of Education:											
Local Mandate Aid (State Share) Security Aid	16-495-034-5120-071	7/1/15 - 6/30/16	\$ 309,581	\$ -	\$ -	\$ 309,581	\$ 309,581	\$ -	\$ -	\$ -	\$ -
Mandate Aid - Non-Public	16-195-034-5120-084	7/1/15 - 6/30/16	6,919	-	-	6,919	6,919	-	-	-	-
TPAF Social Security	16-495-034-5120-071	7/1/15 - 6/30/16	12,957	-	-	12,957	12,957	-	-	-	-
TPAF Social Security	16-495-034-5094-003	7/1/15 - 6/30/16	59,754	-	-	56,817	59,754	-	-	(2,937)	-
On-Behalf Retirement	15-495-034-5094-003	7/1/14 - 6/30/15	55,341	(2,720)	-	2,720	-	-	-	-	-
Special Education Aid	16-495-034-5094-001	7/1/15 - 6/30/16	107,065	-	-	107,065	107,065	-	-	-	-
	16-495-034-5120-089	7/1/15 - 6/30/16	92,274	-	-	92,274	92,274	-	-	-	-
<b>Total State Financial Assistance</b>			<b>\$ 588,550</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 588,550</b>	<b>\$ 588,550</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,937)</b>	<b>\$ -</b>

RIDGE AND VALLEY CHARTER SCHOOL  
Notes to the Schedules of Awards and Financial Assistance  
JUNE 30, 2016

**NOTE 1 - GENERAL**

The accompanying schedules of expenditures of awards and state financial assistance include federal and state award activity of the Board of Education, Ridge and Valley Charter School. The Board of Trustees is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2 - BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of State, Local Governments, a Non-Profit Organization. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis.

The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$0 for the General Fund and \$0 for the Special Revenue Fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:



RIDGE AND VALLEY CHARTER SCHOOL  
Notes to the Schedules of Awards and Financial Assistance  
JUNE 30, 2016

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 0	\$ 588,550	\$ 588,550
Special Revenue Fund	39,161	0	39,161
Debt Service Fund	0	0	0
Food Service Fund	<u>0</u>	<u>0</u>	<u>0</u>
Total Financial Assistance	<u>\$ 39,161</u>	<u>\$ 588,550</u>	<u>\$ 627,711</u>

**NOTE 4 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 - OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Per Capita Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

RIDGE AND VALLEY CHARTER SCHOOL  
Schedule of Findings and Questioned Costs  
June 30, 2016

Section I - Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- 2) Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

Noncompliance material to general-purpose financial statements noted? \_\_\_\_\_ yes  X  no

**State Awards**

Dollar threshold used to distinguish between type A and type B programs: \$300,000

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

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

Internal Control over major programs:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- 2) Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes  X  none reported

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>16-495-034-5120-071</u>	<u>Local Mandate-Charter School Nonpublic Aid</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____



RIDGE AND VALLEY CHARTER SCHOOL  
Schedule of Findings and Questioned Costs  
June 30, 2016

*Section II - Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general-purpose financial statement that are required to be reported in accordance with paragraphs 5.18 through 5.20 of "Government Auditing Standards".

None

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

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 15-08.

**FEDERAL AWARDS**

None

**STATE AWARDS**

None

RIDGE AND VALLEY CHARTER SCHOOL  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs  
for the Fiscal Year Ended June 30, 2016

Federal Financial Assistance / Grant Activity:

None

State Aid and State Aid Activity:

None

Debt Service / Capital Projects:

None

Board Secretary Records:

None