

RIDGE AND VALLEY CHARTER SCHOOL

BLAIRSTOWN, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE

RIDGE AND VALLEY CHARTER SCHOOL
BLAIRSTOWN, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PREPARED BY

RIDGE AND VALLEY CHARTER SCHOOL
FINANCE DEPARTMENT

**RIDGE AND VALLEY CHARTER SCHOOL
OUTLINE OF COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Page No.

INTRODUCTORY SECTION

| | |
|--------------------------|---|
| Letter of Transmittal | 2 |
| Organizational Chart | 7 |
| Roster of Officials | 8 |
| Consultants and Advisors | 9 |

FINANCIAL SECTION

| | |
|-------------------------------------|----|
| Independent Auditors' Report | 10 |
|-------------------------------------|----|

| | |
|---|----|
| Required Supplementary Information - Part I Management's Discussion and Analysis | 13 |
|---|----|

Basic Financial Statements

A. Charter School - District Wide Financial Statements

| | |
|-------------------------------|----|
| A-1 Statement of Net Position | 20 |
| A-2 Statement of Activities | 21 |

B. Fund Financial Statements:

Governmental Funds:

| | |
|---|----|
| B-1 Balance Sheet | 22 |
| B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances | 23 |
| B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 24 |

Proprietary Funds:

| | |
|---|----|
| B-4 Statement of Net Position | 25 |
| B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets | 26 |
| B-6 Statement of Cash Flows | 27 |

Fiduciary Funds:

| | |
|--|----|
| B-7 Statement of Fiduciary Net Position | 28 |
| B-8 Statement of Changes in Fiduciary Net Position | 29 |

**RIDGE AND VALLEY CHARTER SCHOOL
OUTLINE OF COMPREHENSIVE ANNUAL FINANCIAL REPORT**

| | <u>Page No.</u> |
|--|-----------------|
| Notes to the Basic Financial Statements | 30 |
| Required Supplementary Information - Part II | |
| C. Budgetary Comparison Schedules | |
| C-1 Budgetary Comparison Schedule - General Fund | 50 |
| C-2 Budgetary Comparison Schedule - Special Revenue Fund | 61 |
| Notes to the Required Supplementary Information - Part II | |
| C-3 Budget-to-GAAP Reconciliation | 62 |
| Required Supplementary Information - Part III | |
| L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) | |
| L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS | 63 |
| L-2 Schedule of the District Contributions - PERS | 64 |
| L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF | 65 |
| Notes to the Required Supplementary Information - Part III | |
| | 66 |
| M. Schedules Related to Accounting and Reporting for Pensions (GASB 68) | |
| M-1 Schedule of the District's Proportionate Share of the Net OPEB Liability - PERS | 67 |
| M-2 Schedule of the District's Contribution - PERS | 68 |
| M-3 Schedule of the District's Proportionate Share of the Net OPEB Liability - TPAF | 69 |
| M-4 Schedule of the District's Contribution - TPAF | 70 |
| Other Supplementary Information | |
| E. Special Revenue Fund: | |
| E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund - Budgetary Basis | 71 |
| F. Capital Projects Fund: | |
| F-1 Summary Statement of Project Expenditures | 73 |
| G. Proprietary Funds: | |
| Enterprise Fund (Not Applicable) | |
| Internal Service Fund (Not Applicable) | |
| H. Fiduciary Funds: | |
| H-1 Combining Statement of Fiduciary Net Position | 74 |
| H-2 Combining Statement of Changes in Fiduciary Net Position | 75 |
| H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements | 76 |
| H-4 Payroll Agency Fund Schedule of Receipts and Disbursements | 77 |

**RIDGE AND VALLEY CHARTER SCHOOL
OUTLINE OF COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Page No.

| | | |
|----|---|----|
| I. | Long-Term Debt Account Group: | |
| | I-1 Schedule of Serial Bonds | 78 |
| | I-2 Schedule of Obligations under Capital Leases | 79 |
| | I-3 Debt Service Fund Budgetary Comparison Schedule | 80 |

STATISTICAL SECTION (Unaudited)

| | | |
|----|--|----|
| J. | J-1 Net Assets by Component | 81 |
| | J-2 Changes in Net Assets | 82 |
| | J-3 Fund Balances - Governmental Funds | 85 |
| | J-4 Charges in Fund Balances - Governmental Funds | 86 |
| | J-5 General Fund, Other Local Revenue by Source | 88 |
| | J-10 Ratios of Outstanding Debt by Type | 89 |
| | J-14 Demographic and Economic Statistics | 90 |
| | J-16 Full Time Equivalent Charter School Employees by Function/Program | 91 |
| | J-17 Operating Statistics | 92 |
| | J-18 School Building Information | 93 |
| | J-19 Schedule of Allowable Maintenance Expenditures by School Facility | 94 |
| | J-20 Insurance Schedule | 95 |
| | J-21 Charter Performance Indicators | 96 |

SINGLE AUDIT SECTION

| | | |
|----|---|-----|
| K. | K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards | 97 |
| | K-2 Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal and State Awards Required by New Jersey OMB Circular 15-08 | 99 |
| | K-3 Schedule of Expenditures of Federal Awards, Schedule A | 102 |
| | K-4 Schedule of Expenditures of State Financial Assistance, Schedule B | 103 |
| | K-5 Notes for Schedule of Expenditures of State Financial Assistance | 104 |
| | K-6 Schedule of Findings and Questioned Costs | 106 |
| | K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs | 108 |

INTRODUCTORY SECTION

RIDGE AND VALLEY CHARTER SCHOOL
1234 STATE ROUTE 94
BLAIRSTOWN, NEW JESREY 07825

November 30, 2020

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, 2020, 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 New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the general-purpose financial statements. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

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 2019-2020 fiscal year with an enrollment of 130 students, which is the same number of students as the previous year's enrollment. The following details the changes in the student enrollment of the District over the last eight years.

| Fiscal Year | AVERAGE DAILY ENROLLMENT | |
|-------------|--------------------------|----------------|
| | Student Enrollment | Percent Change |
| 2019-2020 | 129.90 | 3.510% |
| 2018-2019 | 125.50 | 0.480% |
| 2017-2018 | 124.90 | 0.000% |
| 2016-2017 | 124.90 | 15.917% |
| 2015-2016 | 107.75 | -13.380% |
| 2014-2015 | 124.40 | 0.810% |
| 2013-2014 | 123.40 | 1.480% |
| 2012-2013 | 121.60 | -0.002% |

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, 2020.

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, 2020 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 2019</u> | <u>Percent of Increase (Decrease)</u> |
|-----------------|---------------------|----------------------------|--------------------------------------|---------------------------------------|
| Local Sources | \$ 1,759,006 | 61.30% | \$ 185,876 | 11.82% |
| State Sources | 1,061,976 | 37.01% | 100,657 | 10.47% |
| Federal Sources | 48,326 | 1.68% | (4,745) | -8.94% |
| TOTALS | \$ 2,869,308 | 100.00% | \$ 281,788 | 10.89% |

The increase in local sources is attributed to an increase from the local tax levy of \$188,838 offset by a decrease in miscellaneous revenues of \$2,962.

The increase in State sources is due to an increase 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, 2020 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 2019</u> | <u>Percent of Increase (Decrease)</u> |
|----------------------------|---------------------|----------------------------|--------------------------------------|---------------------------------------|
| Current Expense: | | | | |
| Instruction | \$ 1,133,855 | 45.85% | \$ 17,440 | 1.56% |
| Undistributed expenditures | 1,294,259 | 52.33% | 81,370 | 6.71% |
| Capital Outlay | 44,949 | 1.82% | (4,364) | -8.85% |
| Special Schools | 0 | 0.00% | 0 | 0.00% |
| TOTALS | \$ 2,473,063 | 100.00% | \$ 94,446 | 3.97% |

The increase in current expenditures is attributed to an increase in salaries of \$14,811, and in general supplies and other costs of \$2,629.

The increase in undistributed expenditures is attributed to an increase in salaries of \$966, in employee benefits of \$59,029, and in general supplies and other costs of \$21,375.

The decrease in capital outlay is attributed to an increase in debt repayments of \$775, offset by a decrease in instructional equipment of \$5,139.

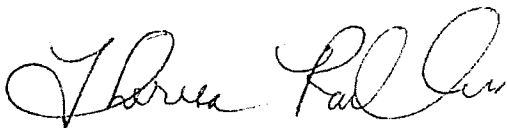
7.) **CASH MANAGEMENT:** The investment policy of the School is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 4. The School has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the 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 New Jersey Circular 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.

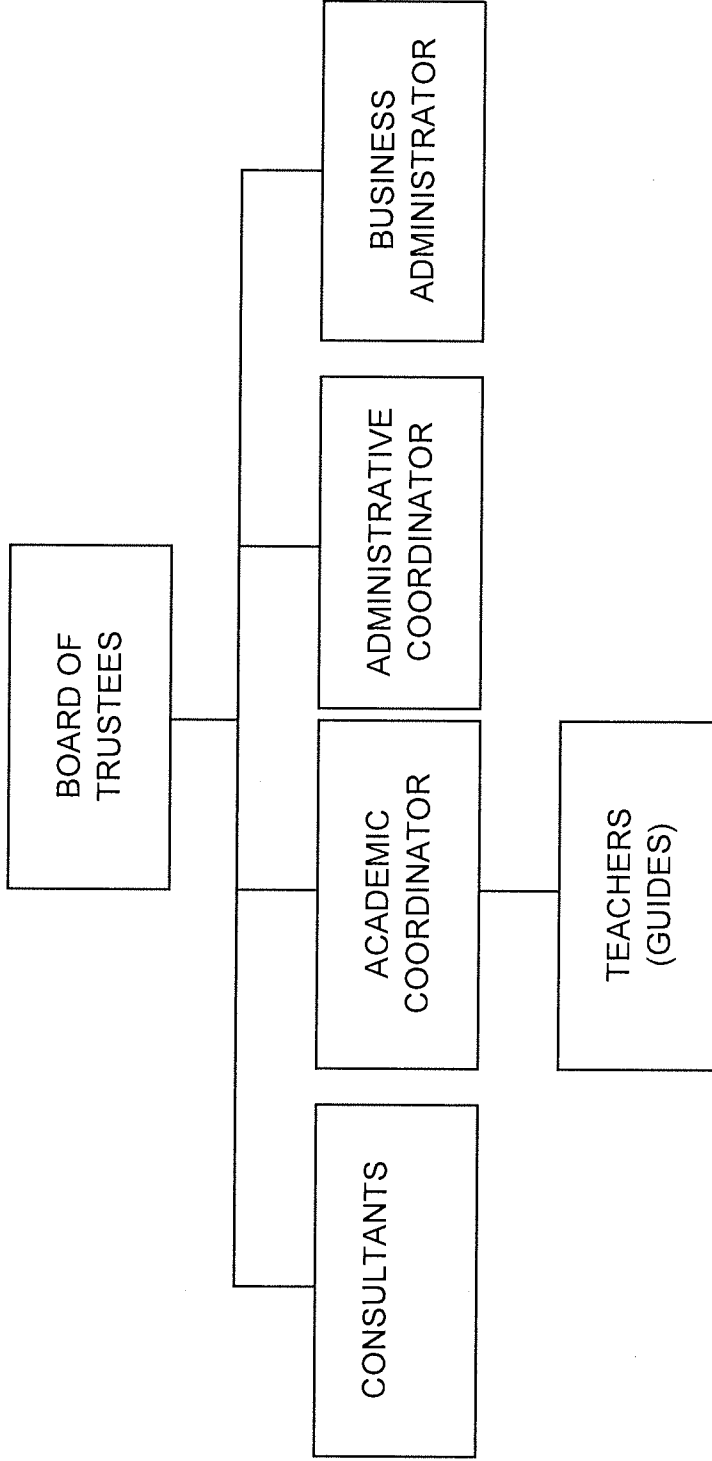
10.) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Ridge and Valley Charter School for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance 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,



Theresa Radline
Business Coordinator

RIDGE AND VALLEY CHARTER SCHOOL
Organizational Chart
(Unit Control)



RIDGE AND VALLEY CHARTER SCHOOL
BLAIRSTOWN, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2020

| <u>Members of the Board of Trustees</u> | <u>Term Expires</u> |
|---|---------------------|
| Carol Barnett | June 2022 |
| Julie Budzinski-Flores | June 2022 |
| Steve Andrasek | June 2021 |
| Dave McNulty | June 2022 |
| Jenn Gurdak | June 2021 |
| Jessi Sohl | June 2022 |
| Cindy Calvano | June 2022 |

Other Officials

Theresa Radline, Business Coordinator
Traci Pannullo, Curriculum Coordinator
Lisa Masi, Integration Coordinator
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

Weiner Law Group, LLP
Attorneys at Law
629 Parsippany Road, P.O. Box 0438
Parsippany, NJ 07054

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

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, 2020, and the related notes to the financial statements, which collectively comprise the Ridge and Valley Charter School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2020, 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

Required Supplementary Information

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.

Other Information

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 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 New Jersey Circular 15-08-OMB, *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 combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2020, 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



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



Fairfield, New Jersey
November 30, 2020

REQUIRED SUPPLEMENTARY INFORMATION

PART I

RIDGE AND VALLEY CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
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, 2020. 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 2020 are as follows:

- In total, net assets increased \$107,020. Net assets of governmental activities increased \$107,020 which represents a 8.48 percent increase from fiscal year 2019. Net assets of the business-type activity increased \$0 or 0 percent from fiscal year 2019.
- General revenues accounted for \$2,820,350 in revenue or 98.29 percent of all revenues. Program specific revenues, in the form of charges for services and sales, grants, and contributions, accounted for \$48,958 or 1.71 percent of total revenues of \$2,869,308.
- Total assets of governmental activities increased \$582,511 primarily from an increase in cash.
- The School District had \$2,762,288 in expenses related to governmental activities. General revenues (primarily income taxes, property taxes, and grants and entitlements) of \$2,820,350 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 2020?" 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, 2020
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, 2020
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 2020 compared to 2019:

Table 1
Net Assets

| | Governmental Activities | | Business-Type Activity | | Total | |
|-------------------------------|----------------------------|-----------------------|------------------------|-------------|-----------------------|-----------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| <u>Assets:</u> | | | | | | |
| Current and Other Assets | \$ 1,242,154 | \$ 608,298 | \$ 0 | \$ 0 | \$ 1,242,154 | \$ 608,298 |
| Capital Assets, Net | 1,864,176 | 1,915,521 | 0 | 0 | 1,864,176 | 1,915,521 |
| Total Assets | <u>3,106,330</u> | <u>2,523,819</u> | <u>0</u> | <u>0</u> | <u>3,106,330</u> | <u>2,523,819</u> |
| <u>Liabilities:</u> | | | | | | |
| Current and Other Liabilities | 311,564 | 72,931 | 0 | 0 | 311,564 | 72,931 |
| Long-Term Liabilities | 3,950,237 | 3,713,379 | 0 | 0 | 3,950,237 | 3,713,379 |
| Total Liabilities | <u>4,261,801</u> | <u>3,786,310</u> | <u>0</u> | <u>0</u> | <u>4,261,801</u> | <u>3,786,310</u> |
| <u>Net Assets</u> | | | | | | |
| Invested in Capital Assets | | | | | | |
| Net of Related Debt | 1,028,105 | 1,062,603 | 0 | 0 | 1,028,105 | 1,062,603 |
| Debt for net pension | (525,010) | (426,916) | 0 | 0 | (525,010) | (426,916) |
| Debt for net OPEB | (2,609,856) | (2,453,223) | 0 | 0 | (2,609,856) | (2,453,223) |
| Restricted | 30,460 | 30,451 | 0 | 0 | 30,460 | 30,451 |
| Unrestricted (Deficit) | 920,830 | 524,594 | 0 | 0 | 920,830 | 524,594 |
| Total Net Assets | <u>\$ (1,155,471)</u> | <u>\$ (1,262,491)</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ (1,155,471)</u> | <u>\$ (1,262,491)</u> |

Total assets increased \$582,511. Equity in pooled cash and cash equivalents increased \$680,231. Receivables and other current assets decreased \$46,375, and fixed assets decreased \$51,345.

Net assets of the School District's governmental activities increased \$107,020. 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, 2020
UNAUDITED

Table 2 reflects the change in net assets for fiscal year 2020.

Table 2
Change in Net Assets

| | Governmental Activities | | Business-Type Activity | | Total | |
|--|----------------------------|--------------|---------------------------|------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | | | |
| General Revenues: | | | | | | |
| Property Taxes | \$ 1,747,253 | \$ 1,558,415 | \$ 0 | \$ 0 | \$ 1,747,253 | \$ 1,558,415 |
| Grants and Entitlements | 1,061,976 | 1,014,390 | 0 | 0 | 1,061,976 | 1,014,390 |
| Interest | 0 | 9 | 0 | 0 | 0 | 9 |
| Miscellaneous | 11,121 | 14,706 | 0 | 0 | 11,121 | 14,706 |
| Enterprise Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenues | 2,820,350 | 2,587,520 | 0 | 0 | 2,820,350 | 2,587,520 |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Revenues & Transfers | 2,820,350 | 2,587,520 | 0 | 0 | 2,820,350 | 2,587,520 |
| Program Expenses: | | | | | | |
| Instruction | 1,133,855 | 1,116,415 | 0 | 0 | 1,133,855 | 1,116,415 |
| Support Services: | | | | | | |
| Pupils and Instruct. Staff | 59,587 | 22,665 | 0 | 0 | 59,587 | 22,665 |
| Board of Education, Admin. and Fiscal | 1,313,446 | 450,775 | 0 | 0 | 1,313,446 | 450,775 |
| Oper. & Maint. Of Plant | 175,838 | 197,489 | 0 | 0 | 175,838 | 197,489 |
| Pupil Transportation | 2,950 | 6,410 | 0 | 0 | 2,950 | 6,410 |
| Extracurricular Activities | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 76,612 | 102,089 | 0 | 0 | 76,612 | 102,089 |
| Loss on Disp. of Capital Assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Enterprise Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenses | 2,762,288 | 1,895,843 | 0 | 0 | 2,762,288 | 1,895,843 |
| Increase/(Decrease) in Net Assets | \$ 58,062 | \$ 691,677 | \$ 0 | \$ 0 | \$ 58,062 | \$ 691,677 |

RIDGE AND VALLEY CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
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 government 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 | |
|------------------------------------|---------------------------|---------------------|-------------------------|---------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Instruction | \$ 1,133,855 | \$ 1,116,415 | \$ 1,133,855 | \$ 1,116,415 |
| Support Services: | | | | |
| Pupils and Instructional Staff | 59,587 | 22,665 | 36,274 | 0 |
| Board of Ed., Adminis., and Fiscal | 1,313,446 | 450,775 | 1,312,814 | 450,775 |
| Operation and Maintenance of Plant | 175,838 | 197,489 | 175,838 | 197,489 |
| Pupil Transportation | 2,950 | 6,410 | 2,950 | 6,410 |
| Extracurricular Activities | 0 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 76,612 | 102,089 | 51,599 | 71,683 |
| Loss on Disposal of Capital Assets | 0 | 0 | 0 | 0 |
| Total Expenses | <u>\$ 2,762,288</u> | <u>\$ 1,895,843</u> | <u>\$ 2,713,330</u> | <u>\$ 1,842,772</u> |

The dependence upon tax revenues for governmental activities is apparent. Over 97 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 \$2,869,308 and expenditures and other financing used of \$2,762,288. The positive change in fund balance for the year reflects that the School District was able to meet current costs without 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, 2020
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 2020, 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 \$2,858,187, were the same as the original budgeted revenues and other financing sources, in the amount of \$2,858,187. Of this difference, most was due to local revenues.

Expenditures and other financing uses were budgeted at \$2,754,437 while actual expenditures were \$2,424,105. The major difference comes from program savings throughout the year.

General Fund revenues and other financing sources were more than expenditures and other financing uses by \$396,245. These revenues exceeded expenditures, 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 2020, the School District had \$1,864,176 invested in capital assets, \$1,864,176 in governmental activities.

Table 4 reflects fiscal year 2020 balances compared to fiscal year 2019:

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

| | Governmental Activities | | Business-Type Activity | | Total | |
|------------------------------|----------------------------|---------------------|---------------------------|-------------|---------------------|---------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Land | \$ 513,008 | \$ 513,008 | \$ 0 | \$ 0 | \$ 513,008 | \$ 513,008 |
| Land Improvements | 800,092 | 831,695 | 0 | 0 | 800,092 | 831,695 |
| Buildings and Bldg. Improve. | 482,111 | 498,157 | 0 | 0 | 482,111 | 498,157 |
| Furniture and Fixtures | 0 | 0 | 0 | 0 | 0 | 0 |
| Vehicles | 0 | 0 | 0 | 0 | 0 | 0 |
| Equipment | 68,965 | 72,661 | 0 | 0 | 68,965 | 72,661 |
| Totals | \$ 1,864,176 | \$ 1,915,521 | \$ 0 | \$ 0 | \$ 1,864,176 | \$ 1,915,521 |

RIDGE AND VALLEY CHARTER SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED

Debt

At June 30, 2020 the School District had no outstanding bonds but did have a note 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 January 2019, the School District received a five year (to June 30, 2023) 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 Theresa Radline, Administrative Coordinator, Ridge and Valley Charter School, 1234 Route 94, Blaiirstown, New Jersey.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

RIDGE AND VALLEY CHARTER SCHOOL
Statement of Net Position
June 30, 2020

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|---|------------------------------------|-------------------------------------|-----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,043,729 | \$ 0 | \$ 1,043,729 |
| Investments | 0 | 0 | 0 |
| Receivables, net | 168,165 | 0 | 168,165 |
| Inventory | 0 | 0 | 0 |
| Restricted assets: | | | |
| Cash and cash equivalents | 30,260 | 0 | 30,260 |
| Capital reserve account - cash | 0 | 0 | 0 |
| Prepaid expenses | 0 | 0 | 0 |
| Capital assets, net (Note 6): | <u>1,864,176</u> | <u>0</u> | <u>1,864,176</u> |
| Total Assets | <u>3,106,330</u> | <u>0</u> | <u>3,106,330</u> |
| LIABILITIES | | | |
| Accounts payable | 2,366 | 0 | 2,366 |
| Contracts payable | 0 | 0 | 0 |
| Deposit payable | 0 | 0 | 0 |
| Payable to federal government | 278,847 | 0 | 278,847 |
| Payable to state government | 0 | 0 | 0 |
| Deferred revenue | 9,651 | 0 | 9,651 |
| Noncurrent liabilities (Note 8): | | | |
| Due within one year | 20,700 | 0 | 20,700 |
| Due beyond one year | 815,371 | 0 | 815,371 |
| Net pension liability - PERS | 525,010 | 0 | 525,010 |
| Net OPEB liability - PERS | <u>2,609,856</u> | <u>0</u> | <u>2,609,856</u> |
| Total liabilities | <u>4,261,801</u> | <u>0</u> | <u>4,261,801</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 1,028,105 | 0 | 1,028,105 |
| Debt for net pension liability - PERS | (525,010) | 0 | (525,010) |
| Debt for net OPEB liability - PERS | (2,609,856) | 0 | (2,609,856) |
| Restricted for: | | | |
| Debt service | 0 | 0 | 0 |
| Capital projects | 200 | 0 | 200 |
| Permanent endowment - nonexpendable | 0 | 0 | 0 |
| Other purposes | 30,260 | 0 | 30,260 |
| Unrestricted | <u>920,830</u> | <u>0</u> | <u>920,830</u> |
| Total net assets | <u>\$ (1,155,471)</u> | <u>\$ 0</u> | <u>\$ (1,155,471)</u> |

RIDGE AND VALLEY CHARTER SCHOOL
Statement of Activities
For the Year Ended June 30, 2020

| 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 |
| Governmental activities: | | | | | | | |
| Instruction: | \$ 1,133,855 | \$ 0 | \$ 0 | \$ 0 | \$ (1,133,855) | \$ 0 | \$ (1,133,855) |
| Regular | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 |
| Support services: | | | | | | | |
| Tuition | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Student and instruction related services | 59,587 | 0 | 0 | 0 | 0 | 0 | 0 |
| School administrative services | 428,359 | 0 | 23,313 | 0 | (36,274) | 0 | (36,274) |
| General and business administrative services | 55,807 | 0 | 632 | 0 | (427,727) | 0 | (427,727) |
| Plant operations and maintenance | 175,838 | 0 | 0 | 0 | (55,807) | 0 | (55,807) |
| Pupil transportation | 2,950 | 0 | 0 | 0 | (175,838) | 0 | (175,838) |
| Business and other support services | 829,280 | 0 | 0 | 0 | (2,950) | 0 | (2,950) |
| Travel | 0 | 0 | 0 | 0 | (829,280) | 0 | (829,280) |
| 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 | 76,612 | 0 | 25,013 | 0 | (51,599) | 0 | (51,599) |
| Total governmental activities | 2,762,288 | 0 | 48,958 | 0 | (2,713,330) | 0 | (2,713,330) |
| Business-type activities: | | | | | | | |
| 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 |
| Total primary government | \$ 2,762,288 | \$ 0 | \$ 48,958 | \$ 0 | \$ (2,713,330) | \$ 0 | \$ (2,713,330) |
| General Revenues | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes, levied for general purposes, net | | | | | 1,747,253 | 0 | 1,747,253 |
| Taxes levied for debt service | | | | | 0 | 0 | 0 |
| Federal and State aid not restricted | | | | | 1,061,976 | 0 | 1,061,976 |
| Tuition received | | | | | 0 | 0 | 0 |
| Investment earnings | | | | | 0 | 0 | 0 |
| Miscellaneous Income | | | | | 11,121 | 0 | 11,121 |
| Transfers | | | | | 0 | 0 | 0 |
| Total general revenues, special items, extraordinary items and transfer: | | | | | 2,820,350 | 0 | 2,820,350 |
| Change in Net Assets | | | | | 107,020 | 0 | 107,020 |
| Net Assets - beginning | | | | | (1,262,491) | 0 | (1,262,491) |
| Net Assets - ending | | | | | (1,155,471) | 0 | (1,155,471) |

FUND FINANCIAL STATEMENTS

GOVERNMENT FUNDS

RIDGE AND VALLEY CHARTER SCHOOL
Balance Sheet
Governmental Funds
June 30, 2020

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|---|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 1,052,257 | \$ (8,728) | \$ 200 | \$ 0 | \$ 1,043,729 |
| Investments | 0 | 0 | 0 | 0 | 0 |
| Receivables, net | 142,292 | 0 | 0 | 0 | 142,292 |
| Due from other funds | 0 | 4,782 | 0 | 0 | 4,782 |
| Receivables from other gov. | 12,276 | 13,597 | 0 | 0 | 25,873 |
| Other - (tuition) | 0 | 0 | 0 | 0 | 0 |
| Prepaid expenses | 0 | 0 | 0 | 0 | 0 |
| Inventory | 0 | 0 | 0 | 0 | 0 |
| Organization Costs | 0 | 0 | 0 | 0 | 0 |
| Restricted cash and cash equivalents | 30,260 | 0 | 0 | 0 | 30,260 |
| Total assets | <u>\$ 1,237,085</u> | <u>\$ 9,651</u> | <u>\$ 200</u> | <u>\$ 0</u> | <u>\$ 1,246,936</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | 2,366 | 0 | 0 | 0 | 2,366 |
| Contracts payable | 0 | 0 | 0 | 0 | 0 |
| Interfund payable | 4,782 | 0 | 0 | 0 | 4,782 |
| Payable to federal government | 278,847 | 0 | 0 | 0 | 278,847 |
| Payable to state government | 0 | 0 | 0 | 0 | 0 |
| Deferred revenue | 0 | 9,651 | 0 | 0 | 9,651 |
| Total liabilities | <u>285,995</u> | <u>9,651</u> | <u>0</u> | <u>0</u> | <u>295,646</u> |
| Fund Balances: | | | | | |
| Reserved for: | | | | | |
| Encumbrances | 0 | 0 | 0 | 0 | 0 |
| 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 | 30,260 | 0 | 0 | 0 | 30,260 |
| School Closing reserve | 0 | 0 | 0 | 0 | 0 |
| 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 | 920,830 | 0 | 0 | 0 | 920,830 |
| 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 |
| Total Fund Balances | <u>951,090</u> | <u>0</u> | <u>200</u> | <u>0</u> | <u>951,290</u> |
| Total liabilities and fund balances | <u>\$ 1,237,085</u> | <u>\$ 9,651</u> | <u>\$ 200</u> | <u>\$ 0</u> | |

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 \$2,951,753 and the accumulated depreciation is \$1,087,577. (Note 6) | 1,864,176 |
| Long-term liabilities, related the proportionate share of the net pension liability - PERS and the net OPEB liability - PERS | (3,134,866) |
| 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) | (836,071) |
| Net assets of governmental activities | <u>\$ (1,155,471)</u> |

RIDGE AND VALLEY CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
June 30, 2020

| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Total Governmental Funds</u> |
|--|-------------------------|-------------------------------------|--------------------------------------|----------------------------------|---|
| REVENUES | | | | | |
| Local sources: | | | | | |
| "Local tax levy" | \$ 1,747,253 | \$ 0 | \$ 0 | \$ 0 | \$ 1,747,253 |
| Tuition charges | 0 | 0 | 0 | 0 | 0 |
| Interest earned on Capital Reserve Funds | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 11,121 | 632 | 0 | 0 | 11,753 |
| Total - Local Sources | <u>1,758,374</u> | <u>632</u> | <u>0</u> | <u>0</u> | <u>1,759,006</u> |
| State sources | 1,061,976 | 0 | 0 | 0 | 1,061,976 |
| Federal sources | 0 | 48,326 | 0 | 0 | 48,326 |
| Total revenues | <u>\$ 2,820,350</u> | <u>\$ 48,958</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 2,869,308</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Regular instruction | 1,133,855 | 0 | 0 | 0 | 1,133,855 |
| 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 | 36,274 | 23,313 | 0 | 0 | 59,587 |
| School administrative services | 427,727 | 632 | 0 | 0 | 428,359 |
| Other administrative services | 55,807 | 0 | 0 | 0 | 55,807 |
| Plant operations and maintenance | 175,838 | 0 | 0 | 0 | 175,838 |
| Pupil transportation | 2,950 | 0 | 0 | 0 | 2,950 |
| Employee benefits | 571,718 | 0 | 0 | 0 | 571,718 |
| 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 | 19,936 | 25,013 | 0 | 0 | 44,949 |
| Total expenditures | <u>2,424,105</u> | <u>48,958</u> | <u>0</u> | <u>0</u> | <u>2,473,063</u> |
| Excess (Deficiency) of revenues over expenditures | <u>396,245</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>396,245</u> |
| OTHER FINANCING SOURCES | | | | | |
| Loan proceeds | 0 | 0 | 0 | 0 | 0 |
| Capital leases (non-budgeted) | 0 | 0 | 0 | 0 | 0 |
| Transfer Contribution to Whole School Ref | 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 | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| SPECIAL ITEM | | | | | |
| Proceed from sale of land | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net change in fund balances | 396,245 | 0 | 0 | 0 | 396,245 |
| Fund balance - July 1, | 554,845 | 0 | 200 | 0 | 555,045 |
| Fund balance - June 30 | <u>\$ 951,090</u> | <u>\$ 0</u> | <u>\$ 200</u> | <u>\$ 0</u> | <u>\$ 951,290</u> |

PROPRIETARY FUNDS

RIDGE AND VALLEY CHARTER SCHOOL
Statement of Net Position
Proprietary Funds
June 30, 2020

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

RIDGE AND VALLEY CHARTER SCHOOL
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
June 30, 2020

| | Business-type Activities - Enterprise Funds | | |
|--|--|---------------------------------|-----------------------------|
| | Food Service | After-School Program | Total Enterprise |
| 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 |
| Total operating revenues | <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 |
| Total Operating Expenses | <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 |
| Total nonoperating revenues (expenses) | <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 | <u>0</u> | <u>0</u> | <u>0</u> |
| Total net assets - beginning | 0 | 0 | 0 |
| Total net assets - ending | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

RIDGE AND VALLEY CHARTER SCHOOL
Statement of Cash Flows
Proprietary Funds
June 30, 2020

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Fund |
|--|--|-------------------------|---------------------|---|
| | Food Service | After-School Program | Total Enterprise | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| 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> |
| CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES | | | | |
| 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> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| 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> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| 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> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | |
| 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, 2020

| | <u>Unemployment</u> <u>Compensation Trust</u> | <u>Private Purpose</u> <u>Scholarship Fund</u> | <u>Agency</u> <u>Fund</u> |
|---|--|---|------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 0 | \$ 0 | \$ 22,424 |
| 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>\$ 0</u> | <u>\$ 0</u> | <u>\$ 22,424</u> |
| LIABILITIES | | | |
| Accounts payable | 0 | 0 | 0 |
| Payable to district | 0 | 0 | 0 |
| Payable to student groups | 0 | 0 | 25,722 |
| Payroll deductions and withholdings | 0 | 0 | (3,298) |
| Total liabilities | <u>0</u> | <u>0</u> | <u>\$ 22,424</u> |
| NET ASSETS | | | |
| Held in trust for unemployment claims and other purposes | <u>\$ 0</u> | | |
| Reserved for scholarships | | <u>\$ 0</u> | |

RIDGE AND VALLEY CHARTER SCHOOL
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2020

| | <u>Unemployment Compensation Trust</u> | <u>Private Purpose Scholarship Fund</u> |
|---|--|---|
| ADDITIONS | | |
| 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> |
| DEDUCTIONS | | |
| 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 | <u>0</u> | <u>0</u> |
| Net assets - end of the year | <u>\$ 0</u> | <u>\$ 0</u> |

Ridge and Valley Charter School
Notes to the Basic Financial Statements
June 30, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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, 2020

Property taxes for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2020 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 2020.

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, 2020

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, 2020, 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, 2020

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
Notes to the Basic Financial Statements
June 30, 2020

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, 2020

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, 2020.

Ridge and Valley Charter School
Notes to the Basic Financial Statements
June 30, 2020

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 Basic Financial Statements
June 30, 2020

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, 2020, cash and cash equivalents and investments of the District consisted of the following:

| | Cash and Cash Equivalents | Investments | Capital Reserve Acct. | Total |
|------------------------|------------------------------|-------------|--------------------------|--------------|
| Checking accounts | \$ 1,066,153 | \$ 0 | \$ 0 | \$ 1,066,153 |
| Certificate of Deposit | 30,260 | 0 | 0 | 30,260 |
| | \$ 1,096,413 | \$ 0 | \$ 0 | \$ 1,096,413 |

During the period ended June 30, 2020 the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2020 was \$1,096,413 and the bank balance was \$1,184,341. Of the bank balance, \$302,996 was covered by federal depository insurance and \$881,345 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

Ridge and Valley Charter School
Notes to the Basic Financial Statements
June 30, 2020

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, 2020.

| | Balance as of June 30, 2019 | General Fund | Expenditure from Special Revenue | Capital Projects | Less: Accumulated Depreciation | Net Book Value at June 30, 2020 |
|-----------------------------|-----------------------------------|----------------------|--|---------------------|--------------------------------------|---------------------------------------|
| Sites | \$ 513,008 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 513,008 |
| Site Improvements | 1,264,090 | 0 | 0 | 0 | 463,998 | 800,092 |
| Building Improvements | 641,872 | 0 | 0 | 0 | 159,761 | 482,111 |
| Machinery and Equipment | 507,516 | 254 | 25,013 | 0 | 463,818 | 68,965 |
| Construction in Progress | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total | \$ <u>2,926,486</u> | \$ <u>254</u> | \$ <u>25,013</u> | \$ <u>0</u> | \$ <u>1,087,577</u> | \$ <u>1,864,176</u> |

The following is a summary of proprietary fund type fixed assets at June 30, 2020:

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

NOTE 7 OPERATING LEASES

As of June 30, 2020, the District does not have any operating leases for equipment.

Ridge and Valley Charter School
Notes to the Basic Financial Statements
June 30, 2020

NOTE 8. GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2020 the following changes occurred in liabilities reported in the general long-term debt account group:

| | Balance July 1, 2019 | Issued | Retired | Balance June 30, 2020 |
|-------------------------------------|-------------------------|-----------------|------------------|--------------------------|
| Mortgage-Lakeland Bank | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Mortgage-Lakeland Bank | 0 | 0 | 0 | 0 |
| Mortgage-Lakeland Bank | 841,098 | 0 | 19,687 | 821,411 |
| Compensated Absences | 11,820 | 2,840 | 0 | 14,660 |
| Mortgage - Lakeland Bank | 0 | 0 | 0 | 0 |
| Mortgage-Non Profit Finance Fund | 0 | 0 | 0 | 0 |
| Totals | <u>\$ 852,918</u> | <u>\$ 2,840</u> | <u>\$ 19,687</u> | <u>\$ 836,071</u> |

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 was paid in full with a refinance in June 2018.

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 was refinanced in June 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 was refinanced in June 2018.

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 loan is amortized over 120 months and monthly payments of principal and interest are \$3,504. The mortgage was refinanced with Lakeland Bank in June 2018.

Lakeland Bank - On June 25, 2018 the Charter school obtained a mortgage from Lakeland Bank in the amount of \$860,000 in order to refinance and satisfy all other outstanding loans/mortgages. The terms of the mortgage are payments of \$4,812.46 monthly, which includes principal and interest at 4.5% per annum. The mortgage matures in June 2028, with a balloon payment.

The mortgage on the property 1234 Route 94 payable to Lakeland Bank have the following future maturity schedule:

| <u>Year ending June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|-------------------|-------------------|-------------------|
| 2021 | \$ 20,700 | \$ 37,050 | \$ 57,750 |
| 2022 | 21,664 | 36,086 | 57,750 |
| 2023 | 779,047 | 35,076 | 814,123 |
| 2024 | 0 | 0 | 0 |
| 2025 | 0 | 0 | 0 |
| Thereafter | <u>14,660</u> | <u>0</u> | <u>14,660</u> |
| Total | <u>\$ 836,071</u> | <u>\$ 108,212</u> | <u>\$ 944,283</u> |

Ridge and Valley Charter School
Notes to the Basic Financial Statements
June 30, 2020

NOTE 8. GENERAL LONG-TERM DEBT (CONTINUED)

- A. Bonds Payable – there were no bonds issued and payable for the year ended June 30, 2020.
- B. Bonds Authorized but Not Issued – as of June 30, 2020 the Board had no bonds or notes that were authorized but not issued.
- C. Capital Lease Payable – as of June 30, 2020 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 Basic Financial Statements
June 30, 2020

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 \$3,966,604 as measured on June 30, 2018 and \$4,818,542 as measured on June 30, 2017.

For the year ended June 30, 2020, the District recognized pension expense of \$285,870 and revenues of \$285,870 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, 2020 is based on changes in the collective net pension liability with a measurement period of June 30, 2018 through June 30, 2019. 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, 2018 and June 30, 2019.

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 Basic Financial Statements
June 30, 2020

| | 6/30/2019 | 6/30/2018 |
|--|-------------------|-------------------|
| Collective deferred outflows of resources | \$ 9,932,767,606 | \$ 12,473,998,870 |
| Collective deferred inflows of resources | \$ 17,539,845,423 | \$ 16,180,773,639 |
| Collective net pension liability (Non-employer-State of NJ) | \$ 61,519,112,443 | \$ 63,806,350,446 |
| State's portion of the net pension liability that was associated with the District | \$ 5,279,038 | \$ 3,966,604 |
| State's portion of the net pension liability that was associated with the District as a percentage of the collective net pension liability | 0.008602% | 0.623500% |

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, 2020, the District reported a liability of \$525,010 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018. 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, 2019 and 2018. At June 30, 2020, the District's proportion was 0.29% which was a decrease of 0.7% from its proportion measured as of June 30, 2019.

Ridge and Valley Charter School
Notes to the Basic Financial Statements
June 30, 2020

For the year ended June 30, 2020, the District recognized pension expense of \$19,809. At June 30, 2020, 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 | \$ 9,423 | \$ 2,319 |
| Changes of assumptions | 52,424 | 182,229 |
| Net difference between projected and actual earnings on pension plan investments | - | 8,287 |
| Changes in proportion and difference between District contributions and proportionate share of contributions | 157,183 | 116,753 |
| District contributions subsequent to the measurement date | - | - |
| Total | <u><u>\$ 219,030</u></u> | <u><u>\$ 309,588</u></u> |

\$2,122,619,897 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, 2020, the plan measurement date is June 30, 2019) will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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> |
|--------------|----------------------------|
| 2020 | \$ (15,161) |
| 2021 | (49,183) |
| 2022 | (43,918) |
| 2023 | (20,622) |
| 2024 | (2,117) |
| Total | <u><u>\$ (131,001)</u></u> |

| | <u>6/30/2019</u> | <u>6/30/2018</u> |
|--|-------------------|-------------------|
| Collective deferred outflows of resources | \$ 3,660,314,627 | \$ 6,415,820,851 |
| Collective deferred inflows of resources | \$ 11,398,113,779 | \$ 6,581,869,368 |
| Collective net pension liability (Non-State - Local Group) | \$ 18,143,832,135 | \$ 19,689,501,539 |
| District's portion of net pension liability | \$ 525,010 | \$ 426,916 |
| District's proportion % | 0.2914% | 0.2170% |

Ridge and Valley Charter School
Notes to the Basic Financial Statements
June 30, 2020

NOTE 10. POST-RETIREMENT BENEFITS

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2019, the State contributed \$1.908 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State’s pay-as-you-go contribution between Fiscal Year 2018 and Fiscal Year 2019 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2018 than in Fiscal Year 2019. The Fiscal Year 2020 Appropriations Act includes \$1.612 billion as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provision of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2019 total State OPEB liability to provide these benefits has been re-measured to \$76.0 billion, a decrease of \$14.5 billion or 16 percent from the previous year’s \$90.5 billion liability booked in accordance with GASB Statement No. 45.

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, 2020 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 various financial institutions, 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.

Ridge and Valley Charter School
Notes to the Basic Financial Statements
June 30, 2020

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.

NOTE 15. FUND BALANCE APPROPRIATED

General Fund

The General Fund balance of \$951,090 at June 30, 2020, of which \$920,830 was unreserved and undesignated, and \$30,260 is reserved for maintenance.

Debt Service Fund

The Debt Service Fund balance at June 30, 2020 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, 2020 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, 2020

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual Favorable (Unfavorable) |
|--|---------------------|---------------------|---------------------|---------------------|--|
| REVENUES: | | | | | |
| Local Sources: | | | | | |
| "Local Tax Levy" | \$ 1,747,253 | \$ 0 | \$ 1,747,253 | \$ 1,747,253 | \$ 0 |
| Tuition | 0 | 0 | 0 | 0 | 0 |
| Interest Earned on Capital Reserve Funds | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 | 11,121 | 11,121 |
| Total - Local Sources | <u>1,747,253</u> | <u>0</u> | <u>1,747,253</u> | <u>1,758,374</u> | <u>11,121</u> |
| State Sources: | | | | | |
| Local Mandate Charter School Aid | 482,190 | 0 | 482,190 | 482,190 | 0 |
| Security Aid | 10,518 | 0 | 10,518 | 10,518 | 0 |
| Mandate - Non-Public | 37,829 | 0 | 37,829 | 37,829 | 0 |
| Special Ed Aid | 158,514 | 0 | 158,514 | 158,514 | 0 |
| Adjustment Aid | 0 | 0 | 0 | 0 | 0 |
| On-Behalf TPAF (Non-Budgeted) | 285,870 | 0 | 285,870 | 285,870 | 0 |
| TPAF Social Security (Reimbursed - Non-Budgeted) | 87,055 | 0 | 87,055 | 87,055 | 0 |
| Total State Sources | <u>1,061,976</u> | <u>0</u> | <u>1,061,976</u> | <u>1,061,976</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> |
| Total Revenues | <u>\$ 2,809,229</u> | <u>\$ 0</u> | <u>\$ 2,809,229</u> | <u>\$ 2,820,350</u> | <u>\$ 11,121</u> |

RIDGE AND VALLEY CHARTER SCHOOL
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FISCAL YEAR ENDED JUNE 30, 2020

Exhibit C-1

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance | |
|--|--------------------|---------------------|------------------|------------------|-------------------------|-----------------|
| | | | | | Favorable (Unfavorable) | Final to Actual |
| EXPENDITURES: | | | | | | |
| Current Expense: | | | | | | |
| Regular Programs - Instruction: | | | | | | |
| Preschool/Kindergarten - Salaries of Teachers | \$ 234,742 | \$ 12,591 | \$ 247,333 | \$ 235,018 | \$ | 12,315 |
| Grades 1-5 - Salaries of Teachers | 494,331 | 0 | 494,331 | 459,967 | | 34,364 |
| Grades 6-8 - Salaries of Teachers | 351,195 | 45,354 | 396,549 | 372,861 | | 23,688 |
| Grades 9-12 - Salaries of Teachers | 0 | 0 | 0 | 0 | | 0 |
| Regular Programs - Home Instruction: | | | | | | |
| 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 |
| Regular Programs - Undistributed Instruction: | | | | | | |
| Other Salaries for Instruction | 79,365 | 0 | 79,365 | 25,000 | | 54,365 |
| Purchased Professional-Educational Services | 0 | 0 | 0 | 0 | | 0 |
| Purchased Technical Services | 61,800 | (50,300) | 11,500 | 11,500 | | 0 |
| Other Purchased Services (400-500 series) | 0 | 0 | 0 | 0 | | 0 |
| General Supplies | 30,900 | 768 | 31,668 | 23,105 | | 8,563 |
| Textbooks | 8,205 | 500 | 8,705 | 6,404 | | 2,301 |
| Other Objects | 5,408 | 0 | 5,408 | 0 | | 5,408 |
| TOTAL REGULAR PROGRAMS - INSTRUCTION | 1,265,946 | 8,913 | 1,274,859 | 1,133,855 | | 141,004 |

RIDGE AND VALLEY CHARTER SCHOOL
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FISCAL YEAR ENDED JUNE 30, 2020

Exhibit C-1

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|-----------------|------------------|--------------|----------|----------------------------------|
| SPECIAL EDUCATION - INSTRUCTION | | | | | |
| Learning and/or Language Disabilities: | | | | | |
| 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 |
| Total Learning and/or Language Disabilities | 0 | 0 | 0 | 0 | 0 |
| Behavioral Disabilities: | | | | | |
| 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 |
| Total Behavioral Disabilities | 0 | 0 | 0 | 0 | 0 |
| Resource Room/Resource Center: | | | | | |
| 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 |
| Total Resource Room/Resource Center | 0 | 0 | 0 | 0 | 0 |
| TOTAL SPECIAL EDUCATION - INSTRUCTION | 0 | 0 | 0 | 0 | 0 |

RIDGE AND VALLEY CHARTER SCHOOL
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FISCAL YEAR ENDED JUNE 30, 2020

Exhibit C-1

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual Favorable (Unfavorable) |
|--|--------------------|---------------------|------------------|------------------|--|
| Basic Skills/Remedial - Instruction | | | | | |
| 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 |
| Total Basic Skills/Remedial - Instruction | 0 | 0 | 0 | 0 | 0 |
| Bilingual Education - Instruction | | | | | |
| 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 |
| Total Bilingual Education - Instruction | 0 | 0 | 0 | 0 | 0 |
| School-Spon. Cocurricular Actvts. - Inst. | | | | | |
| 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 |
| Total School-Spon. Cocurricular Actvts. - Inst. | 0 | 0 | 0 | 0 | 0 |
| School-Spon. Cocurricular Athletics - Inst. | | | | | |
| 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 |
| Total School-Spon. Cocurricular Athletics - Inst. | 0 | 0 | 0 | 0 | 0 |
| TOTAL INSTRUCTION | 1,265,946 | 8,913 | 1,274,859 | 1,133,855 | 141,004 |

RIDGE AND VALLEY CHARTER SCHOOL
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FISCAL YEAR ENDED JUNE 30, 2020

Exhibit C-1

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual Favorable (Unfavorable) |
|---|--------------------|---------------------|-----------------|----------|--|
| Undistributed Expenditures - Instruction: | | | | | |
| 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 |
| Total Undistributed Expenditures - Instruction: | 0 | 0 | 0 | 0 | 0 |
| Undist. Expend. - Health Services | | | | | |
| 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 |
| Total Undistributed Expenditures - Health Services | 0 | 0 | 0 | 0 | 0 |
| Undist. Expend. - Other Supp. Serv. Students - Related Serv. | | | | | |
| 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 |
| Total Undist. Expend.-Other Supp. Serv. Students-Related Serv. | 0 | 0 | 0 | 0 | 0 |
| Undist. Expend. - Other Supp - Serv. Students-Reg.: | | | | | |
| 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 |
| Total Undist. Expend.-Other Supp. Serv. Students-Reg. | 0 | 0 | 0 | 0 | 0 |

RIDGE AND VALLEY CHARTER SCHOOL
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FISCAL YEAR ENDED JUNE 30, 2020

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|-----------------|------------------|--------------|----------|----------------------------------|
| Undist. Expend. - Other Supp. Serv. Students - Spl. | | | | | |
| 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 |
| Total Undist. Expend. - Other Supp. Serv. Students - Spl | 0 | 0 | 0 | 0 | 0 |
| Undist. Expend. - Improvement of Inst. Serv. | | | | | |
| 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 |
| Total Undist. Expend. - Improvement of Inst. Serv. | 0 | 0 | 0 | 0 | 0 |
| Undist. Expend. - Edu. Media Serv./Sch. Library | | | | | |
| 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 |
| Total Undist. Expend. - Edu. Media Serv./Sch. Library | 0 | 0 | 0 | 0 | 0 |

RIDGE AND VALLEY CHARTER SCHOOL
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FISCAL YEAR ENDED JUNE 30, 2020

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|-----------------|------------------|----------------|----------------|----------------------------------|
| Undist. Expend. - Instructional Staff Training Serv. | | | | | |
| 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 Serv | 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 |
| Total Undist. Expend. - Instructional Staff Training Serv. | 0 | 0 | 0 | 0 | 0 |
| Undist. Expend. - Supp. Serv. - General Admin. | | | | | |
| Salaries | 70,493 | 0 | 70,493 | 31,820 | 38,673 |
| Legal Services | 0 | 0 | 0 | 0 | 0 |
| Other Purchased Professional Services | 0 | 0 | 0 | 0 | 0 |
| Communications/Telephone | 7,622 | 0 | 7,622 | 4,454 | 3,168 |
| Other Purchased Services (400-500 series) | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous Expenditures | 0 | 0 | 0 | 0 | 0 |
| Total Undist. Expend. - Supp. Serv. - General Admin. | 78,115 | 0 | 78,115 | 36,274 | 41,841 |
| Undist. Expend. - Support Serv. - School Admin. | | | | | |
| Salaries of Principals/Assistant Principals | 169,451 | 3,521 | 172,972 | 172,973 | (1) |
| Salaries of Other Professional Staff | 0 | 0 | 0 | 0 | 0 |
| Salaries of Secretarial and Clerical Assistants | 160,815 | 13,786 | 174,601 | 174,601 | 0 |
| Other Salaries | 0 | 0 | 0 | 0 | 0 |
| Purchased Professional and Technical Services | 71,333 | 9,731 | 81,064 | 79,667 | 1,397 |
| Other Purchased Services (400-500 series) | 0 | 0 | 0 | 0 | 0 |
| Supplies and Materials | 1,185 | 0 | 1,185 | 486 | 699 |
| Other Objects | 0 | 0 | 0 | 0 | 0 |
| Total Undist. Expend. - Support Serv. - School Admin. | 402,784 | 27,038 | 429,822 | 427,727 | 2,095 |

RIDGE AND VALLEY CHARTER SCHOOL
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FISCAL YEAR ENDED JUNE 30, 2020

Exhibit C-1

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance | |
|--|-----------------|------------------|----------------|----------------|---------------|---------------|
| | | | | | Favorable | (Unfavorable) |
| Undist. Expend. - Allowable Maintenance for School Facilities | | | | | | |
| 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 |
| Total Undist. Expend. - Allowable Maint. for Schl Fac. | 0 | 0 | 0 | 0 | 0 | 0 |
| Undist. Expend. - Oth. Oper. & Maint. of Plant | | | | | | |
| Salaries | 0 | 0 | 0 | 0 | 0 | 0 |
| Purchased Professional and Technical Services | 86,409 | 16,341 | 102,750 | 72,391 | 30,359 | 30,359 |
| 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 | 124,280 | (34,027) | 90,253 | 60,663 | 29,590 | 29,590 |
| Insurance | 17,510 | 0 | 17,510 | 14,479 | 3,031 | 3,031 |
| Miscellaneous Purchased Services | 0 | 0 | 0 | 0 | 0 | 0 |
| General Supplies | 5,665 | 0 | 5,665 | 4,521 | 1,144 | 1,144 |
| Energy (Energy and Electricity) | 30,900 | 0 | 30,900 | 23,784 | 7,116 | 7,116 |
| Other Objects | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Undist. Expend. - Other Oper. & Maint. Of Plant | 264,764 | (17,686) | 247,078 | 175,838 | 71,240 | 71,240 |
| Total Undist. Expend. - Oper. & Maint. Of Plant | 264,764 | (17,686) | 247,078 | 175,838 | 71,240 | 71,240 |
| Undist. Expend. - Student Transportation Serv. | | | | | | |
| 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 | 9,270 | 0 | 9,270 | 2,950 | 6,320 | 6,320 |
| 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 |
| Total Undist. Expend. - Student Transportation Serv. | 9,270 | 0 | 9,270 | 2,950 | 6,320 | 6,320 |

RIDGE AND VALLEY CHARTER SCHOOL
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FISCAL YEAR ENDED JUNE 30, 2020

Exhibit C-1

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance | |
|---|------------------|------------------|------------------|------------------|-----------|----------------|
| | | | | | Favorable | (Unfavorable) |
| Undist. Expend. - Business and Other Support Serv. | | | | | | |
| 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 | 38,072 | 0 | 38,072 | 38,067 | 0 | 5 |
| Miscellaneous Expenditures | 18,851 | 810 | 19,661 | 17,740 | 1,921 | 1,921 |
| Total Undist. Expend. - Business and Other Support Serv. | 56,923 | 810 | 57,733 | 55,807 | | 1,926 |
| UNALLOCATED BENEFITS | | | | | | |
| 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 | 239,780 | 11,073 | 250,853 | 198,793 | 52,060 | 52,060 |
| TOTAL UNALLOCATED BENEFITS | 239,780 | 11,073 | 250,853 | 198,793 | | 52,060 |
| On-Behalf TPAF Medical Benefits (non-budgeted) | 285,870 | 0 | 285,870 | 285,870 | 0 | 0 |
| Reimbursed TPAF Social Security (non-budgeted) | 87,055 | 0 | 87,055 | 87,055 | 0 | 0 |
| TOTAL ON-BEHALF CONTRIBUTIONS | 372,925 | 0 | 372,925 | 372,925 | | 0 |
| TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS | 612,705 | 11,073 | 623,778 | 571,718 | | 52,060 |
| TOTAL UNDISTRIBUTED EXPENDITURES | 1,424,561 | 21,235 | 1,445,796 | 1,270,314 | | 175,482 |
| TOTAL GENERAL CURRENT EXPENSE | 2,690,507 | 30,148 | 2,720,655 | 2,404,169 | | 316,486 |

RIDGE AND VALLEY CHARTER SCHOOL
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FISCAL YEAR ENDED JUNE 30, 2020

Exhibit C-1

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual Favorable (Unfavorable) |
|---|--------------------|---------------------|-----------------|---------------|--|
| CAPITAL OUTLAY | | | | | |
| Equipment | | | | | |
| Regular Programs - Instruction: | | | | | |
| 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 |
| Special Education - Instruction: | | | | | |
| 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 | 6,180 | 0 | 6,180 | 254 | 5,926 |
| 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 |
| Total Equipment | <u>6,180</u> | <u>0</u> | <u>6,180</u> | <u>254</u> | <u>5,926</u> |
| Facilities Acquisition and Construction Services | | | | | |
| 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 | 57,750 | (30,148) | 27,602 | 19,682 | 7,920 |
| 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 |
| Total Facilities Acquisition and Construction Services | <u>57,750</u> | <u>(30,148)</u> | <u>27,602</u> | <u>19,682</u> | <u>7,920</u> |

RIDGE AND VALLEY CHARTER SCHOOL
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020

Exhibit C-1

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual Favorable (Unfavorable) |
|--|--------------------|---------------------|-------------------|-------------------|--|
| Assets Acquired Under Capital Leases (non-budgeted) | | | | | |
| Undistributed Expenditures: | | | | | |
| General Administration | 0 | 0 | 0 | 0 | 0 |
| School Administration | 0 | 0 | 0 | 0 | 0 |
| Assets Acquired Under Capital Leases (non-budgeted) | | | | | |
| TOTAL CAPITAL OUTLAY | <u>63,930</u> | <u>(30,148)</u> | <u>33,782</u> | <u>19,936</u> | <u>13,846</u> |
| Transfer of Funds to Charter Schools | 0 | 0 | 0 | 0 | 0 |
| TOTAL EXPENDITURES | <u>2,754,437</u> | <u>0</u> | <u>2,754,437</u> | <u>2,424,105</u> | <u>330,332</u> |
| Excess (Deficiency) of Revenues | | | | | |
| Over (Under) Expenditures | | | | | |
| Other Financing Sources: | <u>54,792</u> | <u>0</u> | <u>54,792</u> | <u>396,245</u> | <u>341,453</u> |
| 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 Maintenance Reserve | 0 | 0 | 0 | 0 | 0 |
| Transfer to Closure Reserve | 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 |
| Total Other Financing Sources: | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources | <u>54,792</u> | <u>0</u> | <u>54,792</u> | <u>396,245</u> | <u>341,453</u> |
| Over (Under) Expend. and Other Fin. Sources (Uses) | | | | | |
| Fund Balance, July 1 | <u>554,845</u> | <u>0</u> | <u>554,845</u> | <u>554,845</u> | <u>0</u> |
| Fund Balance, June 30 | <u>\$ 609,637</u> | <u>\$ 0</u> | <u>\$ 609,637</u> | <u>\$ 951,090</u> | <u>\$ 341,453</u> |
| Recapitulation: | | | | | |
| Reserve for Encumbrances | | | | 0 | |
| Legally Restricted - Designated for Subsequent Year's Expenditures | | | | 0 | |
| Maintenance Reserve | | | | 30,260 | |
| School Closing Reserve | | | | 0 | |
| Reserve for Excess Surplus | | | | 0 | |
| Capital Reserve | | | | 0 | |
| Unrestricted Fund Balance | | | | <u>920,830</u> | |
| | | | | <u>951,090</u> | |
| Reconciliation to Governmental Funds Statements (GAAP): | | | | | |
| Last State Aid Payment not recognized on GAAP basis | | | | 0 | |
| Fund Balance per Governmental Funds (GAAP) | | | | <u>\$ 951,090</u> | |

RIDGE AND VALLEY CHARTER SCHOOL
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the fiscal Year Ended June 30, 2020

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|------------------|------------------|-----------------------------|
| REVENUES: | | | | | |
| Local Sources | \$ 4,946 | \$ 0 | \$ 4,946 | \$ 632 | \$ 4,314 |
| State Sources | 0 | 0 | 0 | 0 | 0 |
| Federal Sources | 53,663 | 0 | 53,663 | 48,326 | 5,337 |
| TOTAL REVENUES | \$ 58,609 | \$ 0 | \$ 58,609 | \$ 48,958 | \$ 9,651 |
| EXPENDITURES: | | | | | |
| Instruction: | | | | | |
| 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 | 0 | 0 | 0 | 0 | 0 |
| Textbooks | 0 | 0 | 0 | 0 | 0 |
| Other objects | 0 | 0 | 0 | 0 | 0 |
| TOTAL INSTRUCTION | 0 | 0 | 0 | 0 | 0 |
| Support services | | | | | |
| 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 | 27,723 | 0 | 27,723 | 23,313 | 4,410 |
| 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) | 4,946 | 0 | 4,946 | 632 | 4,314 |
| Supplies & Materials | 0 | 0 | 0 | 0 | 0 |
| Other Objects | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPORT SERVICES | 32,669 | 0 | 32,669 | 23,945 | 8,724 |
| Facilities Acquisition and Construction Services: | | | | | |
| Buildings | 0 | 0 | 0 | 0 | 0 |
| Instructional Equipment | 25,940 | 0 | 25,940 | 25,013 | 927 |
| Noninstructional Equipment | 0 | 0 | 0 | 0 | 0 |
| TOTAL FACILITIES ACQ. AND CONSTRUCTION SVCS | 25,940 | 0 | 25,940 | 25,013 | 927 |
| Transfer to Charter School | 0 | 0 | 0 | 0 | 0 |
| TOTAL EXPENDITURES | 58,609 | 0 | 58,609 | 48,958 | 9,651 |
| Other Financing Sources (Uses) | | | | | |
| Transfer in from General Fund | 0 | 0 | 0 | 0 | 0 |
| Transfer out to Whole School Reform (General Fund) | 0 | 0 | 0 | 0 | 0 |
| TOTAL OTHER FINANCING SOURCES (USES) | 0 | 0 | 0 | 0 | 0 |
| TOTAL OUTFLOWS | 58,609 | 0 | 58,609 | 48,958 | 9,651 |
| 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, 2020

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|--|---------------------------|-------------------------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule | (C-1) \$ 2,820,350 | (C-2) \$ 48,958 |
| 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>2,820,350</u> | (B-2) \$ <u>48,958</u> |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | (C-1) \$ 2,424,105 | (C-2) \$ 48,958 |
| 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>2,424,105</u> | (B-2) \$ <u>48,958</u> |

OTHER SUPPLEMENTARY INFORMATION

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, 2020

| | JUNE 30, | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| District's proportion of the net pension liability (asset) | 0.2913729% | 0.2168242% | 0.2942163% | 0.2799235% | .0013678% | 0.0029543% | 0.0024468% |
| District's proportionate share of the net pension liability (asset) | \$ 525,010 | \$ 426,916 | \$ 684,889 | \$ 829,053 | \$ 631,508 | \$ 553,130 | \$ 467,629 |
| District's covered employee payroll | \$ 347,574 | \$ 378,428 | \$ 297,960 | \$ 264,883 | \$ 265,327 | \$ 173,290 | \$ 154,212 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll | 151% | 113% | 230% | 313% | 238% | 319% | 303% |
| Plan fiduciary net position as a percentage of the total pension liability | 72.52% | 53.60% | 47.58% | 45.35% | 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 seven.

RIDGE AND VALLEY CHARTER SCHOOL
 Schedule of District Contributions - PERS
 For the Fiscal Year Ended June 30, 2020

| | JUNE 30, | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Contractually required contribution | \$ 28,342 | \$ 21,567 | \$ 27,256 | \$ 24,868 | \$ 24,186 | \$ 11,952 | \$ 10,240 |
| Contributions in relation to the contractually required contribution | (28,342) | (21,567) | (27,256) | (24,868) | (24,186) | (11,952) | (10,240) |
| Contribution deficiency (excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| District's covered employee payroll | \$ 347,574 | \$ 378,428 | \$ 297,960 | \$ 264,883 | \$ 265,327 | \$ 173,290 | \$ 154,212 |
| Contributions as a percentage of covered employee payroll | 8.15% | 5.70% | 9.15% | 9.39% | 9.12% | 6.90% | 6.64% |

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

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, 2020

| | JUNE 30, | | | | |
|---|--------------|--------------|------------|------------|------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 |
| District's proportion of the net pension liability (asset) | N/A | N/A | N/A | N/A | N/A |
| District's proportionate share of the net pension liability (asset) | \$ N/A | \$ N/A | \$ N/A | \$ N/A | \$ N/A |
| District's covered employee payroll | \$ 1,092,846 | \$ 1,078,035 | \$ 979,205 | \$ 872,225 | \$ 881,759 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll | N/A | N/A | N/A | N/A | N/A |
| Plan fiduciary net position as a percentage of the total pension liability | 26.95% | 0.62% | 0.71% | 0.61% | 0.28% |
| | | | | | 0.78% |
| | | | | | 0.76% |

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 seven.

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, 2020

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.

SCHEDULES RELATED TO ACCOUNTING AND
REPORTING FOR OPEB (GASB 75)

RDIGE AND VALLEY CHARTER SCHOOL
 Schedule of the District's Proportionate Share of the
 Net OPEB Liability - PERS
 For the Fiscal Year Ended June 30, 2020

| | JUNE 30, | | | |
|--|--------------|--------------|--------------|--------------|
| | 2019 | 2018 | 2017 | 2016 |
| District's proportion of the net OPEB liability (asset) | 0.01% | 0.01% | 0.01% | 0.00% |
| District's proportionate share of the net OPEB liability (asset) | \$ 2,609,856 | \$ 2,453,223 | \$ 2,730,800 | \$ 2,875,298 |
| District's covered employee payroll | \$ 347,574 | \$ 378,428 | \$ 297,960 | \$ 264,883 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll | 751% | 648% | 916% | 1085% |

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

GASB 75 requires a presentation of the last 10 years, however the information is only available for the last four.

RIDGE AND VALLEY CHARTER SCHOOL
 Schedule of District Contributions - PERS
 For the Fiscal Year Ended June 30, 2020

| | JUNE 30, | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Contractually required contribution | \$ 19,809 | \$ 21,567 | \$ 27,256 | \$ 24,868 | \$ 24,186 | \$ 11,952 | \$ 10,240 |
| Contributions in relation to the contractually required contributor | (19,809) | (21,567) | (27,256) | (24,868) | (24,186) | (11,952) | (10,240) |
| Contribution deficiency (excess) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| District's covered employee payroll | \$ 347,574 | \$ 378,428 | \$ 297,960 | \$ 264,883 | \$ 265,327 | \$ 173,290 | \$ 154,212 |
| Contributions as a percentage of covered employee payroll | 5.70% | 5.70% | 9.15% | 9.39% | 9.12% | 6.90% | 6.64% |

GASB 75 requires a presentation of the last 10 years, however the information is only available for the last seven.

RIDGE AND VALLEY CHARTER SCHOOL
 Schedule of the District's Proportionate Share of the
 Net OPEB Liability - TPAF
 For the Fiscal Year Ended June 30, 2020

| | JUNE 30, | | | |
|---|--------------|--------------|------------|------------|
| | 2019 | 2018 | 2017 | 2016 |
| District's proportion of the net OPEB liability (asset) | N/A | N/A | N/A | N/A |
| District's proportionate share of the net OPEB liability (asset \$ | N/A | \$ N/A | \$ N/A | \$ N/A |
| District's covered employee payroll | \$ 1,092,846 | \$ 1,078,035 | \$ 979,205 | \$ 872,225 |
| District's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll | N/A | N/A | N/A | N/A |

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

GASB 75 requires a presentation of the last 10 years, however the information is only available for the last four.

Note - TPAF is a special funding situation as defined by GASB 75 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.

RIDGE AND VALLEY CHARTER SCHOOL
 Schedule of District Contributions - TPAF
 For the Fiscal Year Ended June 30, 2020

| | JUNE 30, | | | | | | |
|---|--------------|--------------|------------|------------|------------|------------|------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Contractually required contribution | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions in relation to the contractually required contributor | - | - | - | - | - | - | - |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered employee payroll | \$ 1,092,846 | \$ 1,078,035 | \$ 979,205 | \$ 872,225 | \$ 881,759 | \$ 654,557 | \$ 763,749 |
| Contributions as a percentage of covered employee payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

GASB 75 requires a presentation of the last 10 years, however the information is only available for the last seven.

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, 2020

| | I.D.E.A. Part B | | Various Local Grants | WHIP GRANT | Totals 2020 |
|---|--------------------|---------------|----------------------------|---------------|----------------|
| | Rural Education | BASIC | | | |
| REVENUES | | | | | |
| Local Sources | \$ 0 | \$ 0 | 632 | \$ 0 | 632 |
| State Sources | 0 | 0 | 0 | 0 | 0 |
| Federal Sources | 25,013 | 23,313 | 0 | 0 | 48,326 |
| Total Revenues | 25,013 | 23,313 | 632 | 0 | 48,958 |
| EXPENDITURES | | | | | |
| Instruction: | | | | | |
| 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 |
| Total instruction | 0 | 0 | 0 | 0 | 0 |
| Support services: | | | | | |
| 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 | 23,313 | 0 | 0 | 23,313 |
| 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 | 632 | 0 | 632 |
| Supplies & Materials | 0 | 0 | 0 | 0 | 0 |
| Other Objects | 0 | 0 | 0 | 0 | 0 |
| Total support services | 0 | 23,313 | 632 | 0 | 23,945 |

RIDGE AND VALLEY CHARTER SCHOOL
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2020

| | I.D.E.A. Part B | | | | Totals 2020 |
|--|--------------------|---------------|----------------------------|---------------|----------------|
| | Rural Education | BASIC | Various Local Grants | WHIP GRANT | |
| EXPENDITURES (CONT'D): | | | | | |
| Facilities acquisition and const. serv.: | | | | | |
| Buildings | 0 | 0 | 0 | 0 | 0 |
| Instructional Equipment | 25,013 | 0 | 0 | 0 | 25,013 |
| Noninstructional Equipment | 0 | 0 | 0 | 0 | 0 |
| Total facilities acquisition and const. serv. | <u>25,013</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>25,013</u> |
| Transfer to Charter Schools | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | <u>25,013</u> | <u>23,313</u> | <u>632</u> | <u>0</u> | <u>48,958</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfer In from General Fund | 0 | 0 | 0 | 0 | 0 |
| Contribution to Whole School Reform | 0 | 0 | 0 | 0 | 0 |
| Total Outflows | <u>25,013</u> | <u>23,313</u> | <u>632</u> | <u>0</u> | <u>48,958</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (\$ | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |

CAPITAL PROJECTS FUND

RIDGE AND VALLEY CHARTER SCHOOL
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2020

| Project Title/Issue | Original Date | Appropriations | Expenditures to Date | | Unexpended Balance June 30, 2020 |
|--|---------------|----------------|----------------------|--------------|----------------------------------|
| | | | 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, 2020

INTERNAL SERVICE FUND

NOT APPLICABLE FOR THE YEAR ENDED JUNE 30, 2020

FIDUCIARY FUNDS

RIDGE AND VALLEY CHARTER SCHOOL
 Fiduciary Fund
 Combining Statement of Fiduciary Net Position
 JUNE 30, 2020

| | Non-expendable | | | | Total |
|--|----------------|------------------|-------------------|-----------------------------------|------------------|
| | Trust | Agency | | | |
| | Scholarship | Student Activity | Payroll | Unemployment Insurance Trust Fund | 2020 |
| ASSETS: | | | | | |
| Cash and cash equivalents | \$ 0 | \$ 25,722 | \$ (3,298) | \$ 0 | \$ 22,424 |
| Accounts Receivable | 0 | 0 | 0 | 0 | 0 |
| Total Assets | \$ 0 | \$ 25,722 | \$ (3,298) | \$ 0 | \$ 22,424 |
| LIABILITIES AND FUND BALANCES: | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Payroll deductions and withholdings | 0 | 0 | 9,535 | 0 | 9,535 |
| Accrued salaries and wages | 0 | 0 | (12,833) | 0 | (12,833) |
| Payable to student groups | 0 | 25,722 | 0 | 0 | 25,722 |
| Total liabilities | 0 | 25,722 | (3,298) | 0 | 22,424 |
| Fund balances: | | | | | |
| Reserved - principal portion nonexpendable trust | 0 | 0 | 0 | 0 | 0 |
| Unreserved | 0 | 0 | 0 | 0 | 0 |
| Total Fund Balances | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities and Fund Balances | \$ 0 | \$ 25,722 | \$ (3,298) | \$ 0 | \$ 22,424 |

RIDGE AND VALLEY CHARTER SCHOOL
 Fiduciary Fund
 Combining Statement of Changes in Fiduciary Net Position
 for the Fiscal Year ended June 30, 2020

| | 2020 |
|-----------------------------|------|
| 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, | 0 |
| Fund balances, June 30, | \$ 0 |

RIDGE AND VALLEY CHARTER SCHOOL
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2020

| | <u>Balance</u> <u>July 1, 2019</u> | <u>Cash</u> <u>Receipts</u> | <u>Cash</u> <u>Disbursements</u> | <u>June 30, 2020</u> |
|---------------------------|---------------------------------------|--------------------------------|-------------------------------------|-------------------------|
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 31,019 | \$ 8,342 | \$ 13,639 | \$ 25,722 |
| Accounts Receivable | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Assets | \$ <u><u>31,019</u></u> | \$ <u><u>8,342</u></u> | \$ <u><u>13,639</u></u> | \$ <u><u>25,722</u></u> |
| LIABILITIES: | | | | |
| Accounts payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Payable to student groups | <u>31,019</u> | <u>8,342</u> | <u>13,639</u> | <u>25,722</u> |
| Total Liabilities | \$ <u><u>31,019</u></u> | \$ <u><u>8,342</u></u> | \$ <u><u>13,639</u></u> | \$ <u><u>25,722</u></u> |

RIDGE AND VALLEY CHARTER SCHOOL
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 for the Fiscal Year ended June 30, 2020

| | <u>Balance</u> <u>July 1, 2019</u> | <u>Cash</u> <u>Receipts</u> | <u>Cash</u> <u>Disbursements</u> | <u>Balance</u> <u>June 30, 2020</u> |
|-------------------------------------|---------------------------------------|--------------------------------|-------------------------------------|--|
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 23,923 | \$ 1,604,711 | \$ 1,631,932 | \$ (3,298) |
| Due From General Fund | <u>0</u> | <u>0</u> | <u>0</u> | <u>-</u> |
| Total Assets | <u>\$ 23,923</u> | <u>\$ 1,604,711</u> | <u>\$ 1,631,932</u> | <u>\$ (3,298)</u> |
| LIABILITIES: | | | | |
| Payroll deductions and withholdings | \$ 10,763 | \$ 1,083,300 | \$ 1,084,528 | \$ 9,535 |
| Accrued salaries and wages | <u>13,160</u> | <u>521,411</u> | <u>547,404</u> | <u>(12,833)</u> |
| Total Liabilities | <u>\$ 23,923</u> | <u>\$ 1,604,711</u> | <u>\$ 1,631,932</u> | <u>\$ (3,298)</u> |

LONG-TERM DEBT

Exhibit I-1

RIDGE AND VALLEY CHARTER SCHOOL
 Long-Term Debt Account Group
 Schedule of Serial Bonds
 JUNE 30, 2020

| <u>ISSUE</u> | <u>DATE OF ISSUE</u> | <u>AMOUNT OF ISSUE</u> | <u>ANNUAL MATURITIES DATE</u> | <u>AMOUNT</u> | <u>INTEREST RATE</u> | <u>BALANCE JULY 1, 2019</u> | <u>ISSUED</u> | <u>RETIRED</u> | <u>BALANCE JUNE 30, 2020</u> |
|--------------|----------------------|------------------------|-------------------------------|---------------|----------------------|-----------------------------|---------------|----------------|------------------------------|
|--------------|----------------------|------------------------|-------------------------------|---------------|----------------------|-----------------------------|---------------|----------------|------------------------------|

"NOT APPLICABLE FOR JUNE 30, 2020"

Exhibit I-2

RIDGE AND VALLEY CHARTER SCHOOL
 Long-Term Debt Account Group
 Schedule of Obligations Under Capital Leases
 JUNE 30, 2020

| <u>SERIES</u> | <u>INTEREST RATE PAYABLE</u> | <u>AMOUNT OF ORIGINAL ISSUE</u> | <u>AMOUNT OUTSTANDING JUNE 30, 2019</u> | <u>ISSUED CURRENT YEAR</u> | <u>RETIRED CURRENT YEAR</u> | <u>AMOUNT OUTSTANDING JUNE 30, 2020</u> |
|---------------|------------------------------|---------------------------------|---|----------------------------|-----------------------------|---|
|---------------|------------------------------|---------------------------------|---|----------------------------|-----------------------------|---|

"NOT APPLICABLE FOR JUNE 30, 2020"

RIDGE AND VALLEY CHARTER SCHOOL
 Debt Service Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2020

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Positive (Negative) Final to Actual |
|---|-----------------|------------------|--------------|----------|--|
| REVENUES: | | | | | |
| 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 |
| Total Revenues | 0 | 0 | 0 | 0 | 0 |
| EXPENDITURES: | | | | | |
| 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 |
| Total expenditures | 0 | 0 | 0 | 0 | 0 |
| 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 |
| Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures | 0 | 0 | 0 | 0 | 0 |
| Budgeted Fund Balance | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

STATISTICAL SECTION

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------------------|------------------|------------------|------------------|----------------|----------------|--------------------|--------------------|--------------------|--------------------|
| Governmental Activities: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 956,323 | \$ 966,333 | \$ 975,162 | \$ 986,434 | \$ 1,019,816 | \$ 1,050,555 | \$ 1,070,962 | \$ 1,085,160 | \$ 1,062,603 | \$ 1,028,105 |
| Debt for net pension liability - PERS | 0 | 0 | 0 | 0 | (553,130) | (631,508) | (829,053) | (684,889) | (426,916) | (525,010) |
| Debt for net OPEB liability - PERS | 0 | 0 | 0 | 0 | 0 | 0 | (2,875,298) | (2,730,800) | (2,453,223) | (2,609,856) |
| Restricted | 30,556 | 45,929 | 33,525 | 30,505 | 35,515 | 53,811 | 34,703 | 63,432 | 30,451 | 30,460 |
| Unrestricted | 147,052 | 79,748 | 102,370 | 213,153 | 255,075 | 129,808 | 233,926 | 312,929 | 524,594 | 920,830 |
| Total governmental activities net assets | 1,133,931 | 1,092,010 | 1,111,057 | 1,230,092 | 757,276 | 602,666 | (2,364,760) | (1,954,168) | (1,262,491) | (1,155,471) |
| Business-Type Activities: | | | | | | | | | | |
| Invested in capital assets, net of related debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Restricted | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unrestricted | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total business-type activities net assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| District-Wide Activities: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 956,323 | \$ 966,333 | \$ 975,162 | \$ 986,434 | \$ 1,019,816 | \$ 1,050,555 | \$ 1,070,962 | \$ 1,085,160 | \$ 1,062,603 | \$ 1,028,105 |
| Debt for net pension liability - PERS | 0 | 0 | 0 | 0 | (553,130) | (631,508) | (829,053) | (684,889) | (426,916) | (525,010) |
| Debt for net OPEB liability - PERS | 0 | 0 | 0 | 0 | 0 | 0 | (2,875,298) | (2,730,800) | (2,453,223) | (2,609,856) |
| Restricted | 30,556 | 45,929 | 33,525 | 30,505 | 35,515 | 53,811 | 34,703 | 63,432 | 30,451 | 30,460 |
| Unrestricted | 147,052 | 79,748 | 102,370 | 213,153 | 255,075 | 129,808 | 233,926 | 312,929 | 524,594 | 920,830 |
| Total district net assets | 1,133,931 | 1,092,010 | 1,111,057 | 1,230,092 | 757,276 | 602,666 | (2,364,760) | (1,954,168) | (1,262,491) | (1,155,471) |

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 745,741 | \$ 831,386 | \$ 873,181 | \$ 800,602 | \$ 914,885 | \$ 900,143 | \$ 965,967 | \$ 1,002,640 | \$ 1,116,415 | \$ 1,133,855 |
| Special education | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other special education | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Vocational | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other instruction | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Nonpublic school programs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adult/continuing education programs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Support Services: | | | | | | | | | | |
| Tuition | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Student & instruction related services | 9,192 | 9,606 | 22,241 | 21,195 | 21,931 | 23,372 | 20,243 | 21,957 | 22,665 | 59,587 |
| School Administrative services | 155,954 | 215,157 | 233,022 | 224,973 | 233,635 | 251,393 | 263,387 | 299,495 | 372,120 | 428,359 |
| General administration | 85,494 | 98,688 | 80,206 | 115,785 | 94,381 | 107,774 | 102,433 | 94,909 | 101,516 | 55,807 |
| Central Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant operations and maintenance | 117,575 | 155,197 | 181,453 | 196,523 | 200,626 | 203,168 | 210,709 | 179,377 | 197,489 | 175,838 |
| Administrative information technology | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pupil transportation | 60 | 2,230 | 3,825 | 3,615 | 6,970 | 5,512 | 6,120 | 6,000 | 6,410 | 2,950 |
| Other support services | 193,324 | 255,548 | 219,791 | 317,657 | 315,215 | 415,630 | 581,603 | 119,869 | (22,861) | 829,280 |
| Special Schools | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Charter Schools | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest on long-term debt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unallocated depreciation | 78,872 | 89,009 | 100,657 | 85,278 | 75,520 | 76,376 | 76,998 | 75,413 | 102,089 | 76,612 |
| Total Governmental Activities Expenses | <u>1,386,212</u> | <u>1,656,821</u> | <u>1,714,376</u> | <u>1,765,628</u> | <u>1,863,163</u> | <u>1,983,368</u> | <u>2,227,460</u> | <u>1,799,660</u> | <u>1,895,843</u> | <u>2,762,288</u> |
| Business-type activities: | | | | | | | | | | |
| Food service | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Child Care | 0 | 1,860 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Business-Type Activities Expense | <u>0</u> | <u>1,860</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total District Expenses | <u>\$ 1,386,212</u> | <u>\$ 1,658,681</u> | <u>\$ 1,714,376</u> | <u>\$ 1,765,628</u> | <u>\$ 1,863,163</u> | <u>\$ 1,983,368</u> | <u>\$ 2,227,460</u> | <u>\$ 1,799,660</u> | <u>\$ 1,895,843</u> | <u>\$ 2,762,288</u> |

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Instruction (tuition) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Pupil transportation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Central and other support services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating grants and contributions | 20,229 | 22,137 | 45,495 | 42,836 | 42,539 | 43,273 | 33,200 | 53,689 | 53,071 | 48,958 |
| Capital grants and contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Governmental Activities Program Revenue: | 20,229 | 22,137 | 45,495 | 42,836 | 42,539 | 43,273 | 33,200 | 53,689 | 53,071 | 48,958 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Food service | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Child care | 0 | 1,860 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating grants and contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital grants and contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Business Type Activities Program Revenue | 0 | 1,860 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total District Program Revenues | 20,229 | 23,997 | 45,495 | 42,836 | 42,539 | 43,273 | 33,200 | 53,689 | 53,071 | 48,958 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | (1,365,983) | (1,634,684) | (1,668,881) | (1,722,792) | (1,820,624) | (1,940,095) | (2,194,260) | (1,745,971) | (1,842,772) | (2,713,330) |
| Business-type activities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total District-Wide Net Expense | (1,365,983) | (1,634,684) | (1,668,881) | (1,722,792) | (1,820,624) | (1,940,095) | (2,194,260) | (1,745,971) | (1,842,772) | (2,713,330) |
| General Revenues and Other Changes in Net Assets | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes, n | 940,456 | 1,009,394 | 1,132,567 | 1,231,831 | 1,263,249 | 1,175,360 | 1,294,210 | 1,331,114 | 1,558,415 | 1,747,253 |
| Taxes levied for debt service | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unrestricted grants and contributions | 519,489 | 567,320 | 539,960 | 588,767 | 621,610 | 588,550 | 787,136 | 776,822 | 961,319 | 1,061,976 |
| Payments in lieu of taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tuition Received | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment earnings | 0 | 0 | 32 | 10 | 10 | 59 | 62 | 10 | 9 | 0 |
| Miscellaneous income | 25,240 | 16,049 | 15,349 | 21,219 | 16,069 | 21,514 | 20,724 | 48,617 | 14,706 | 11,121 |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Governmental Activities | 1,485,185 | 1,592,763 | 1,687,928 | 1,841,827 | 1,900,938 | 1,785,483 | 2,102,132 | 2,156,563 | 2,534,449 | 2,820,350 |

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------------------|------------|-------------|-----------|------------|-----------|--------------|-------------|------------|------------|------------|
| Business-type activities: | | | | | | | | | | |
| Investment earnings | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Business-Type Activities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total District-Wide | 1,485,165 | 1,592,763 | 1,687,928 | 1,841,827 | 1,900,938 | 1,785,483 | 2,102,132 | 2,156,563 | 2,534,449 | 2,820,350 |
| Change in Net Assets | | | | | | | | | | |
| Governmental activities | 119,202 | (41,921) | 19,047 | 119,035 | 80,314 | (154,612) | (92,128) | 410,592 | 691,677 | 107,020 |
| Business-type activities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total District | \$ 119,202 | \$ (41,921) | \$ 19,047 | \$ 119,035 | \$ 80,314 | \$ (154,612) | \$ (92,128) | \$ 410,592 | \$ 691,677 | \$ 107,020 |

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 30,356 | \$ 47,649 | \$ 33,525 | \$ 30,305 | \$ 35,315 | \$ 53,611 | \$ 34,503 | \$ 33,013 | \$ 30,251 | \$ 30,260 |
| Unreserved | 147,052 | 77,828 | 102,370 | 213,153 | 255,075 | 129,808 | 233,926 | 312,929 | 524,594 | 920,830 |
| 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> | <u>268,429</u> | <u>345,942</u> | <u>554,845</u> | <u>951,090</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital projects fund | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 |
| Debt service fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Permanent fund | 0 | 0 | 0 | 0 | 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> | <u>200</u> | <u>200</u> | <u>200</u> | <u>200</u> |

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Revenues | | | | | | | | | | |
| Tax levy | \$ 940,456 | \$ 1,009,394 | \$ 1,132,587 | \$ 1,231,831 | \$ 1,263,249 | \$ 1,175,360 | \$ 1,294,210 | \$ 1,331,114 | \$ 1,558,415 | \$ 1,747,253 |
| Tuition charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest earnings | 0 | 0 | 32 | 10 | 10 | 59 | 62 | 10 | 9 | 0 |
| Miscellaneous | 24,228 | 16,049 | 16,060 | 22,880 | 16,862 | 25,626 | 20,745 | 48,617 | 14,706 | 11,753 |
| State sources | 499,364 | 540,223 | 539,960 | 588,767 | 621,610 | 588,550 | 787,136 | 776,822 | 961,319 | 1,061,976 |
| Federal sources | 41,366 | 49,234 | 44,784 | 41,175 | 41,746 | 39,161 | 33,179 | 53,689 | 53,071 | 48,326 |
| Total Revenue | 1,505,414 | 1,614,900 | 1,733,423 | 1,884,663 | 1,943,477 | 1,828,756 | 2,135,332 | 2,210,252 | 2,587,520 | 2,869,308 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 745,741 | 831,386 | 873,181 | 800,602 | 914,885 | 900,143 | 965,967 | 1,002,640 | 1,116,415 | 1,133,855 |
| Special education instruction | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other special instruction | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Vocational education | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other instruction | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Nonpublic school programs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adult/continuing education | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Support Services: | | | | | | | | | | |
| Tuition | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Student & inst. related services | 9,192 | 9,606 | 22,241 | 21,195 | 21,931 | 23,372 | 20,243 | 21,957 | 22,665 | 23,313 |
| General administration | 155,954 | 215,157 | 233,022 | 224,973 | 233,635 | 251,393 | 263,387 | 299,495 | 372,120 | 92,713 |
| School administrative services | 85,494 | 98,688 | 80,206 | 115,785 | 94,381 | 107,774 | 102,433 | 94,909 | 101,516 | 427,727 |
| Central services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Admin. information technology | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant operations and maintenance | 117,575 | 155,197 | 181,453 | 196,523 | 200,626 | 203,168 | 210,709 | 179,377 | 197,489 | 175,838 |
| Pupil transportation | 60 | 2,230 | 3,825 | 3,615 | 6,970 | 5,512 | 6,120 | 6,000 | 6,410 | 2,950 |
| Other Support Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Employee benefits | 189,548 | 242,686 | 226,931 | 313,078 | 314,175 | 336,632 | 379,458 | 407,671 | 512,689 | 571,718 |
| Special Schools | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Charter Schools | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital outlay | 75,409 | 534,920 | 102,346 | 101,129 | 109,942 | 107,733 | 102,005 | 120,690 | 49,313 | 44,949 |
| Debt service: | | | | | | | | | | |
| Principal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest and other charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 1,378,973 | 2,089,870 | 1,723,205 | 1,776,900 | 1,896,545 | 1,935,727 | 2,050,322 | 2,132,739 | 2,378,617 | 2,473,063 |
| Excess (Deficiency) of Revenues over (under) Expenditures | 126,441 | (474,970) | 10,218 | 107,763 | 46,932 | (106,971) | 85,010 | 77,513 | 208,903 | 396,245 |

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------------------|--------------------|------------------|-------------------|------------------|---------------------|------------------|------------------|-------------------|-------------------|
| Other Financing sources (uses) | | | | | | | | | | |
| Proceeds from borrowing | 0 | 423,039 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital leases (non-budgeted) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Proceeds from refunding | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payments to escrow agent | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers in | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,500 | 2,771 | 0 |
| Transfers out | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,500) | (2,771) | 0 |
| Total Other Financing Sources (Uses) | 0 | 423,039 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Change in Fund Balances | \$ 126,441 | \$ (51,931) | \$ 10,218 | \$ 107,763 | \$ 46,932 | \$ (106,971) | \$ 85,010 | \$ 77,513 | \$ 208,903 | \$ 396,245 |
| Debt service as a percentage of noncapital expenditures | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Source: District records

Exhibit J-5

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 |
|--------------------------------|------------------------------|-----------|---------|-----------------------|---------------------------------------|---------------|------------------|
| 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 |
| 2017 | 0 | 0 | 0 | 0 | 0 | 20,807 | 20,807 |
| 2018 | 0 | 0 | 0 | 0 | 0 | 48,617 | 48,617 |
| 2019 | 0 | 0 | 0 | 0 | 0 | 14,706 | 14,706 |
| 2020 | 0 | 0 | 0 | 0 | 0 | 11,753 | 11,753 |

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 Anticipati on Notes (BANs) | Business-Type | | Total District | Percentage of Personal Income | Per Capita |
|----------------------------|--------------------------|-------------------------------|----------------|----------------|---------------------------------|---------------|-----------|----------------|-------------------------------|------------|
| | General Obligation Bonds | Certificates of Participation | Capital Leases | Capital Leases | | | | | | |
| 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% | 172.04 | |
| 2017 | 918,079 | 0 | 0 | 0 | 0 | 0 | 918,079 | 0.31% | 156.38 | |
| 2018 | 860,000 | 0 | 0 | 0 | 0 | 0 | 860,000 | 0.29% | 147.41 | |
| 2019 | 841,098 | 0 | 0 | 0 | 0 | 0 | 841,098 | 0.27% | 144.54 | |
| 2020 | 821,411 | 0 | 0 | 0 | 0 | 0 | 821,411 | 0.26% | 141.79 | |

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

| <u>Year</u> | <u>Population</u> | <u>Personal Income</u> | <u>Per Capita Personal Income</u> | <u>Unemployment Rate</u> |
|-------------|-------------------|------------------------|---|------------------------------|
| 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% |
| 2017 | 5,793 | 294,875,286 | 50,902 | 4.20% |
| 2018 | 5,808 | 298,844,832 | 51,454 | 3.90% |
| 2019 | 5,728 | 306,625,568 | 53,531 | 3.40% |
| 2020 | 5,691 | 319,026,078 | 56,058 | 3.10% |

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

| <u>Function/Program</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Instruction | | | | | | | | | | |
| Regular | 13.50 | 14.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 |
| Special education | 1.50 | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Other special education | 0.00 | 0.00 | 0.00 | 0.00 | 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 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other instruction | 5.00 | 5.00 | 5.00 | 5.00 | 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 | 0.00 | 0.00 | 0.00 | 0.00 |
| Adult/continuing education programs | 0.00 | 0.00 | 0.00 | 0.00 | 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 | 1.00 | 1.00 | 1.00 | 1.00 |
| General administration | 1.00 | 1.00 | 1.00 | 1.00 | 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 | 2.00 | 2.00 | 2.00 | 2.00 |
| Other administrative services | 1.00 | 1.00 | 1.00 | 1.00 | 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 | 0.00 | 0.00 | 0.00 | 0.00 |
| Administrative Information Technology | 0.00 | 0.00 | 0.00 | 0.00 | 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 | 0.00 | 0.00 | 0.00 | 0.00 |
| Pupil transportation | 0.00 | 0.00 | 0.00 | 0.00 | 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 | 0.00 | 0.00 | 0.00 | 0.00 |
| Special Schools | 0.00 | 0.00 | 0.00 | 0.00 | 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> | <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

| Fiscal Year | Pupil/Teacher Ratio | | | | | | | | | | Student Attendance Percentage | |
|-------------|---------------------|------------------------|----------------|-------------------|----------------|-------------------|---------------|--------------------|--------------------------------|--------------------------------|-------------------------------|--------------------------------------|
| | 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 |
| 2011 | 113.00 | 1,378,973.00 | 12,203 | #DIV/0! | 20.00 | 5.65 | - | - | 112.40 | 112.40 | #DIV/0! | 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 |
| 2017 | 126.00 | 2,050,322.00 | 16,272 | -1.65% | 19.00 | 6.63 | - | - | 124.90 | 124.90 | 15.92% | 1.00 |
| 2018 | 126.00 | 2,132,739.00 | 16,927 | 4.02% | 19.00 | 6.63 | - | - | 124.90 | 124.90 | 0.00% | 1.00 |
| 2019 | 130.00 | 2,378,617.00 | 18,297 | 8.10% | 19.00 | 6.84 | - | - | 124.50 | 124.50 | -0.32% | 1.00 |
| 2020 | 130.00 | 2,473,063.00 | 19,024 | 3.97% | 19.00 | 6.84 | - | - | 129.50 | 129.50 | 4.02% | 1.00 |

Sources: District records

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <u>District Building</u> | | | | | | | | | | |
| <u>Elementary</u> | | | | | | | | | | |
| Ridge and Valley Charter School | | | | | | | | | | |
| Square Feet | 10,000 | 13,500 | 13,500 | 13,500 | 13,500 | 13,500 | 13,500 | 13,500 | 13,500 | 13,500 |
| Capacity (students) | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 |
| Enrollment | 113.0 | 126.0 | 129.0 | 126.0 | 125.0 | 117.0 | 126.0 | 126.0 | 130.0 | 130.0 |

Middle School
 None

High School
 None

Other
 None

Number of Schools at June 30, 2020
 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 TEN 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 |
| 2017 | 0 | 0 | 0 |
| 2018 | 0 | 0 | 0 |
| 2019 | 0 | 0 | 0 |
| 2020 | 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, 2020

| | <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

| | 2018 Audit | 2019 Audit | 2020 Audit | Source |
|--------------------------------|---------------|---------------|---------------|---------------------------------------|
| Cash | 298,025 | 363,507 | 363,507 | Audit: Exhibit A-1 |
| Current Assets (includes CASH) | 464,871 | 608,298 | 608,298 | Audit: Exhibit A-1 |
| Total Assets | 2,426,851 | 2,523,819 | 2,523,819 | Audit: Exhibit A-1 |
| Current Liabilities | 169,083 | 72,931 | 72,931 | Audit: Exhibit A-1 |
| Total Liabilities | 4,381,689 | 3,786,310 | 3,786,310 | Audit: Exhibit A-1 |
| Net Assets | (1,954,168) | (1,262,491) | (1,262,491) | Audit: Exhibit A-1 |
| Total Revenue | 2,210,252 | 2,587,520 | 2,587,520 | Audit: Exhibit A-2 |
| Total Expenses | 1,799,660 | 1,895,843 | 1,895,843 | Audit: Exhibit A-2 |
| Change in Net Assets | 410,592 | 691,677 | 691,677 | Audit: Exhibit A-2 |
| Depreciation Expense | 75,413 | 76,865 | 76,865 | Financial Statements/Audit Workpapers |
| Interest Expense | 50,701 | 38,843 | 38,843 | Financial Statements/Audit Workpapers |
| Principal Payments | 88,298 | 18,902 | 18,902 | Financial Statements/Audit Workpapers |
| Interest Payments | 50,701 | 38,843 | 38,843 | Financial Statements/Audit Workpapers |
| Final Average Daily Enrollment | 124.90 | 125.50 | 129.90 | DOE Enrollment Reports |
| March 30th Budgeted Enrollment | 126 | 130 | 130 | Charter School Budget |

| Near Term Indicators | RATIOS ANALYSIS... | | | Source: | Target |
|----------------------------------|--------------------|--------|-------|--|-------------------|
| | 2018 | 2019 | 2020 | | |
| 1a. Current Ratio | 2.75 | 8.34 | 8.34 | Current Assets/Current Liabilities | > 1.1 |
| 1b. Unrestricted Days Cash | 60.44 | 69.98 | 69.98 | Cash/(Total Expenses/365) | 30-60 |
| 1c. Enrollment Variance | 99% | 97% | 100% | Average Daily Enrollment/Budgeted Enrollment | >95% |
| 1d.* Default | No | No | No | Audit | not in default |
| Sustainability Indicators | | | | | |
| 2a. Total Margin | 19% | 27% | 27% | Change in Net Assets/Total Revenue | positive |
| 2b. Debt to Asset | 1.81 | 1.50 | 1.50 | Total Liabilities/Total Assets | <9 |
| 2c.** Cash Flow | 139,246 | 65,482 | 0 | Net change in cash flow from prior years | 3 yr cum positive |
| 2d. Debt Service Coverage Ratio | 3.86 | 13.98 | 13.98 | (Change in Net Assets+Depreciation+Interest Expense)/(Principal & Interest Payments) | >1.10 |

* Is school in default of loan covenant(s) and/or is delinquent with debt service payments? Yes or No
 ** 2020 =2020 Cash - 2019 Cash; 2019 =2019 Cash-2018 Cash; 2018 =2018 Cash-2017 Cash

Refer questions to charterfinance@doe.state.nj.us

SINGLE AUDIT SECTION

Independent Auditors' Report on 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*

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, 2020, 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 November 30, 2020.

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, CGMA
No. CS 00225900
Certified Public Accountant
Public School Accountant



Fairfield, New Jersey
November 30, 2020

Committed to Your Financial Well Being
Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control Over Compliance Required by
New Jersey Circular 15-08-OMB

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 New Jersey *State Grant Compliance Supplement* that could have a direct and material effect on each of Ridge and Valley Charter School's major state programs for the fiscal year ended June 30, 2020. 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its 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 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; and the audit requirements of New Jersey Circular 15-08-OMB. Those standards and the New Jersey Circular 15-08-OMB, 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 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 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 state programs for the year ended June 30, 2020.

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 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 state program and to test and report on internal control over compliance in accordance with New Jersey Circular 15-08-OMB, 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.

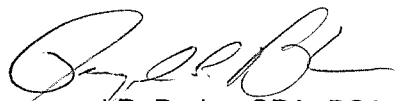
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify 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 the New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Financial Assistance Required by
New Jersey Circular 15-08-OMB**

We have audited the financial statements of the governmental activities, the business-type activities and 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 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Ridge and Valley Charter School's basic financial statements. We issued our report thereon dated November 30, 2020, which contained unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and of state financial assistance are presented for purposes of additional analysis as required by the New Jersey Circular 15-08-OMB, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic 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, CGMA
No. CS 00225900
Certified Public Accountant
Public School Accountant



Fairfield, New Jersey
November 30, 2020

RIDGE AND VALLEY CHARTER SCHOOL
 Schedule of Expenditures of Federal Awards
 for the Fiscal Year Ended June 30, 2020

| Federal Grantor/Pass-Through Grantor/ Program Title | Federal CFDA Number | Grant Period | Award Amount | Balance June 30, 2019 | Carryover Amount | Cash Received | Budgetary Expenditures | Repayment of Prior Years Balances | Deferred Revenue | Balance June 30, 2020 Accounts Receivable | 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 | 9/1/18-8/31/19 | 22,968 | (1,463) | - | 2,972 | 1,509 | - | - | - | - |
| Rural Education Achievement Program | 84.358A | 9/1/19-8/31/20 | 24,432 | - | - | 15,245 | 23,504 | - | 928 | 9,187 | - |
| COVID 19 - CARES Act Emergency Relief | 84.425D | 3/13/20-9/30/22 | 4,410 | - | - | - | - | - | 4,410 | 4,410 | - |
| I.D.E.A. Part B, Basic Regular | 84.027 | 9/1/19-8/31/20 | 23,313 | - | - | 23,313 | 23,313 | - | - | - | - |
| Total Department of Education | | | | | | | | | | | |
| Total Federal Financial Assistance | | | | | | | | | | | |
| | | | \$ 48,326 | \$ - | \$ - | \$ 48,326 | \$ 48,326 | \$ - | \$ 5,338 | \$ 13,597 | \$ - |

K-4 SCHEDULE B

RIDGE AND VALLEY CHARTER SCHOOL
 Schedule of Expenditures of State Financial Assistance
 for the Fiscal Year Ended June 30, 2020

| State Grantor/Program Title | State Grant Account Numbers | Grant Period | Award Amount | Balance at June 30, 2019 | Carryover Amount | Cash Received | Budgetary Expenditures | Repayment of Prior Years Balances | Balance June 30, 2020 | | |
|--|-----------------------------|------------------|--------------|--------------------------|------------------|---------------|------------------------|-----------------------------------|-----------------------|---------------------|-------------------|
| | | | | | | | | | Deferred Revenue | Accounts Receivable | Due to Grantor at |
| State Department of Education: | | | | | | | | | | | |
| Local Mandate Aid (State Share) | 20-495-034-5120-071 | 7/1/19 - 6/30/20 | \$ 482,190 | \$ - | \$ - | \$ 482,190 | \$ 482,190 | \$ - | \$ - | \$ - | |
| Security Aid | 20-195-034-5120-084 | 7/1/19 - 6/30/20 | 10,518 | - | - | 10,518 | 10,518 | - | - | - | |
| Mandate Aid - Non-Public | 20-495-034-5120-071 | 7/1/19 - 6/30/20 | 37,829 | - | - | 37,829 | 37,829 | - | - | - | |
| Mandate Aid - Non-Public | 19-495-034-5120-071 | 7/1/18 - 6/30/19 | 61,735 | 14,361 | - | - | - | 14,361 | - | - | |
| TPAF Social Security | 19-495-034-5094-003 | 7/1/18 - 6/30/19 | 80,165 | (3,834) | - | 3,834 | - | - | - | - | |
| TPAF Social Security | 20-495-034-5094-003 | 7/1/19 - 6/30/20 | 87,055 | - | - | 82,752 | 87,055 | - | - | (4,303) | |
| On-Behalf Retirement | 20-495-034-5094-001 | 7/1/19 - 6/30/20 | 285,870 | - | - | 285,870 | 285,870 | - | - | - | |
| Special Education Aid | 20-495-034-5120-089 | 7/1/19 - 6/30/20 | 158,514 | - | - | 158,514 | 158,514 | - | - | - | |
| Total State Financial Assistance | | | | | | | | | \$ 1,061,976 | \$ 14,361 | \$ - |
| Less: On-Behalf TPAF Retirement | | | | | | | | | (285,870) | | |
| TOTAL FOR STATE FINANCIAL ASSISTANCE - MAJOR PROGRAM DETERMINATION | | | | | | | | | \$ 776,106 | | |

RIDGE AND VALLEY CHARTER SCHOOL
Notes to the Schedules of Awards and Financial Assistance
JUNE 30, 2020

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 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the cost principles contained in the New Jersey State Compliance Supplement, 15-08-OMB. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The information in these schedules are presented in accordance with the audit requirements of New Jersey 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

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, 2020

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|----------------------------|------------------|---------------------|---------------------|
| General Fund | \$ 0 | \$ 1,061,976 | \$ 1,061,976 |
| Special Revenue Fund | 48,326 | 0 | 48,326 |
| Debt Service Fund | 0 | 0 | 0 |
| Food Service Fund | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Financial Assistance | <u>\$ 48,326</u> | <u>\$ 1,061,976</u> | <u>\$ 1,110,302</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 Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2020. 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, 2020.

Single Audit Policy

The State of New Jersey requires all organizations that disburse federal grant, state grant or state aid funds to recipients that expend \$750,000 or more in federal or state financial assistance within their fiscal year to have annual single audits or program-specific audits performed in accordance with the Uniform Guide and New Jersey 15-08-OMB.

All organizations that disburse federal grant, state grant or state aid funds to recipients that expend less than \$750,000 in federal or state financial assistance within their fiscal year, but expend \$100,000 or more in state and/or federal financial assistance within their fiscal year must have either a financial statement audit performed in accordance with Government Auditing Standards (Yellow Book) or a program specific audit performed in accordance with the Uniform Guidance and New Jersey 15-08-OMB.

RIDGE AND VALLEY CHARTER SCHOOL
 Schedule of Findings and Questioned Costs
 June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiency(ies) that are not considered to be material weaknesses? yes X none reported

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

State Financial Assistance

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

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) Significant deficiency(ies) that are not considered to be material weaknesses? yes X none reported

Disclosure of audit findings that are required to be reported in accordance with New Jersey Circular 15-08-OMB? yes X no

Identification of major programs:

Local Mandate - Charter School Aid
 GMIS - 20-495-034-5120-071

RIDGE AND VALLEY CHARTER SCHOOL
Schedule of Findings and Questioned Costs
June 30, 2020

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".

The audit did not disclose any findings or questioned costs required to be reported under generally accepted auditing standards.

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.

The audit did not disclose any findings or questioned costs for state awards as defined in the State of New Jersey compliance supplement.

RIDGE AND VALLEY CHARTER SCHOOL
Summary Schedule of Prior Year Audit Findings
and Questioned Costs
for the Fiscal Year Ended June 30, 2020

Federal Financial Assistance / Grant Activity:

None

State Aid and State Aid Activity:

None

Debt Service / Capital Projects:

None

Board Secretary Records:

None