

RIDGE AND VALLEY CHARTER SCHOOL

***ANNUAL COMPREHENSIVE
FINANCIAL REPORT***

FISCAL YEAR ENDED JUNE 30, 2022

RIDGE AND VALLEY CHARTER SCHOOL

***Ridge and Valley Charter School
Board of Trustees
Blairstown, New Jersey***

***Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022***

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
OF THE
RIDGE AND VALLEY CHARTER SCHOOL
BLAIRSTOWN, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Prepared By

***Ridge and Valley Charter School
Finance Department***

And

Barre & Company, LLC CPA's

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**RIDGE AND VALLEY CHARTER SCHOOL
TABLE OF CONTENTS**

	Page
INTRODUCTORY SECTION	1
Transmittal Letter	2
Organizational Chart	6
Roster of Officials.....	7
Consultants and Advisors	8
FINANCIAL SECTION	9
REQUIRED SUPPLEMENTARY INFORMATION – PART I	14
Management’s Discussion and Analysis.....	15
BASIC FINANCIAL STATEMENTS.....	21
SECTION A – CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS	22
A-1 Statement of Net Position.....	23
A-2 Statement of Activities.....	24
SECTION B – FUND FINANCIAL STATEMENTS	25
GOVERNMENTAL FUNDS	26
B-1 Balance Sheet.....	27
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	28
B-3 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	29
PROPRIETARY FUNDS	N/A
B-4 Statement of Net Position.....	N/A
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position.....	N/A
B-6 Statement of Cash Flows	N/A
FIDUCIARY FUNDS	N/A
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
NOTES TO THE FINANCIAL STATEMENTS	30
REQUIRED SUPPLEMENTARY INFORMATION – PART II	68

**RIDGE AND VALLEY CHARTER SCHOOL
TABLE OF CONTENTS**

	Page
FINANCIAL SECTION (CONTINUED)	
SECTION C – BUDGETARY COMPARISON SCHEDULE.....	69
C-1 Budgetary Comparison Schedule – General Fund.....	70
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (if applicable)	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund.....	72
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION.....	73
C-3 Budget-to-GAAP Reconciliation	74
REQUIRED SUPPLEMENTARY INFORMATION – PART III	75
SCHEDULE L - SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68).....	76
L-1 Schedules of the Charter School’s Proportionate Share of the Net Pension Liability - PERS	77
L-2 Schedules of Charter School Contributions - PERS.....	78
L-3 Schedules of the Charter School’s Proportionate Share of the Net Pension Liability - TPAF	79
SCHEDULE M - SCHEDULES RELATED TO OTHER THAN PENSIONS.....	80
M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	81
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III.....	82
OTHER SUPPLEMENTARY INFORMATION	85
SECTION D – SCHOOL BASED BUDGET SCHEDULES.....	N/A
D-1 Combining Balance Sheet.....	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual.....	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A

**RIDGE AND VALLEY CHARTER SCHOOL
TABLE OF CONTENTS**

	Page
SECTION E – SPECIAL REVENUE FUND	86
E-1 Combining Schedule of Revenues and Expenditures – Budgetary Basis	87
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
 FINANCIAL SECTION (CONTINUED)	
SECTION F – CAPITAL PROJECTS FUND	N/A
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	N/A
F-2(x) Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis.....	N/A
SECTION G – PROPRIETARY FUNDS	N/A
ENTERPRISE FUND	N/A
G-1 Combining Schedule Net Position	N/A
G-2 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
G-3 Combining Schedule of Cash Flow	N/A
INTERNAL SERVICE FUND	N/A
G-4 Combining Schedule Net Position	N/A
G-5 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Schedule of Cash Flow	N/A
SECTION H – FIDUCIARY FUNDS	N/A
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
SECTION I – LONG-TERM DEBT SCHEDULES	88
I-1 Schedule of Serial Bonds	89
I-1 Schedule of Serial Bonds of Obligations under Capital Leases	N/A
I-1 Schedule of Serial Bonds Service Fund Budgetary Comparison Schedule..	N/A

**RIDGE AND VALLEY CHARTER SCHOOL
TABLE OF CONTENTS**

	Page
STATISTICAL SECTION (UNAUDITED)	90
INTRODUCTION TO THE STATISTICAL SECTION	91
FINANCIAL TRENDS	92
J-1 Net Position by Component.....	93
J-2 Changes in Net Assets/Position	94
J-3 Fund Balances – Governmental Funds	95
J-4 Changes in Fund Balances – Governmental Funds	96
J-5 General Fund Other Local Revenue by Source	97
REVENUE CAPACITY	N/A
J-6 Assessed Value and Estimated Actual Value of Taxable Property	N/A
J-7 Direct and Overlapping Property Tax Rates.....	N/A
J-8 Principal Property Taxpayers*	N/A
J-9 Property Tax Levies and Collections.....	N/A
DEBT CAPACITY	N/A
J-10 Ratios of Outstanding Debt by Type	N/A
J-11 Ratios of General Bonded Debt Outstanding	N/A
J-12 Direct and Overlapping Governmental Activities Debt	N/A
J-13 Legal Debt Margin Information	N/A
OPERATING INFORMATION	98
J-16 Full-Time Equivalent Charter School Employees by Function/Program	99
J-17 Operating Statistics	100
J-18 School Building Information.....	101
J-20 Insurance Schedule.....	102
J-21 Charter School Performance Framework, Financial Performance, Fiscal Ratios	103

** Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

**RIDGE AND VALLEY CHARTER SCHOOL
TABLE OF CONTENTS**

	Page
SINGLE AUDIT SECTION	104
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	105
K-2 Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance in Accordance with Uniform Guidance and New Jersey Circular 15-08-OMB	107
K-3 Schedule of Expenditures of Federal Awards – Schedule A	110
K-4 Schedule of Expenditures of State Financial Assistance – Schedule B	111
 SINGLE AUDIT SECTION (CONTINUED)	
K-5 Notes to the Schedules of Expenditures of Awards and Financial Assistance	112
K-6 Schedule of Findings and Questioned Costs	115
o Section I - Summary of Auditor's Results	
o Section II - Financial Statement Findings	
o Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs	
K-7 Summary Schedule of Prior Audit Findings and Questioned Costs as prepared by management	117

INTRODUCTORY SECTION



Ridge and Valley Charter School

1234 State Route 94, Blairstown, New Jersey 07825 • Tel (908) 362-1114 • www.ridgeandvalley.org

February 24, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Ridge and Valley Charter School (Charter School) for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Trustees (the "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 basic financial statements and results of operations of the various funds of the Charter School. All disclosures necessary to enable the reader to gain an understanding of the Charter School's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the Charter School;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the Charter School's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the Charter School, generally presented on a multi-year basis;
- The Single Audit Section — The Charter School is required to undergo an annual single audit in conformity with the provisions of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (U.S. Uniform Guidance) and New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, are included in the single audit section of this report.

Charter School Organization

An elected six-member Board of Trustees (the “Board”) serves as the policy maker for the Charter School. The Board adopts an annual budget and directly approves all expenditures which serve as the basis for control over and authorization for all expenditures of the Charter School funds.

The Chief Executive Officer of the Charter School is responsible to the Board for total educational and support operations. The Chief Academic Officer is responsible to the Chief Executive Officer for the educational programs of all campuses. The Primary School Principal, the Intermediate School Principal, the Middle School Principal and the High School Principal are responsible to the Chief Academic Officer for the instructional program of each campus. The Business Administrator is the Chief Financial Officer of the Charter School, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the Charter School, acting as custodian of all Charter School funds, and investing idle funds as permitted by New Jersey law.

- 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 Charter School are included in this report. The Charter School and all its schools constitute the school’s reporting entity. The Charter School provides a full range of educational services appropriate to grade levels K through 8. These include regular special education services. The Charter School completed the 2021 - 2022 fiscal year with an enrollment of 119 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 Charter School over the last 10 years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022	114.9	-7.75%
2021	124.6	-3.78%
2020	129.5	4.02%
2019	124.5	-0.32%
2018	124.9	0.00%
2017	124.9	15.92%
2016	107.75	-13.38%
2015	124.4	0.81%
2014	123.4	1.48%
2013	121.6	-0.25%

- 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 his or her creativity and potential nurtured and supported. Children will be encouraged to cherish each other as well, and respect and honor differences and boundaries. Conflict resolution will be in integral part of the program. The Charter 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 Charter School is responsible for establishing and maintaining an internal control designed to ensure that the assets of the Charter School are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

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

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

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, 2022 and the amount and percentage of increases in relation to prior year revenues.

7. **CASH MANAGEMENT:** The investment policy of the Charter School is guided in large part by state statute as detailed in “Notes to the Basic Financial Statement” Note 3. The Charter School had adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Government Units from 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 Barre & Company, LLC Certified Public Accountants, was selected by the Board of Trustees. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey’s Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. The auditors’ report on the basic financial statements and specific required supplemental information 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.

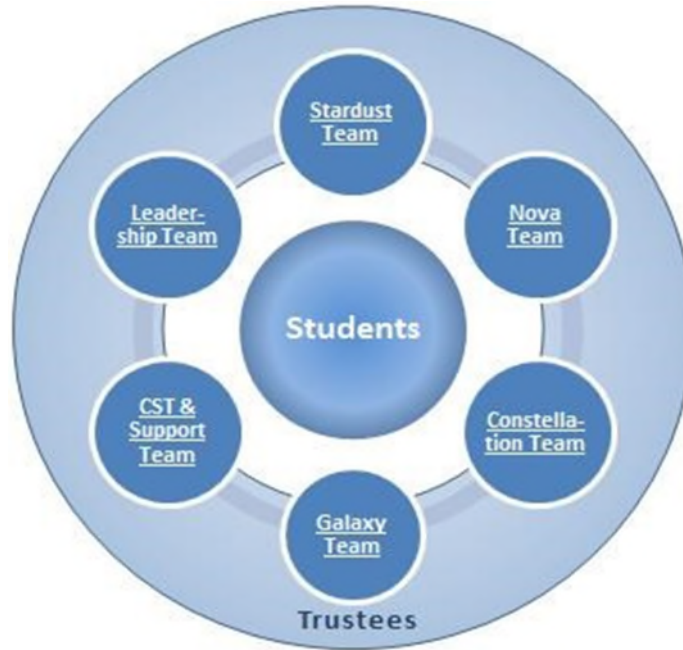
10. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Ridge and Valley Charter School Board of Trustees for their concern in providing fiscal accountability to the citizens and taxpayers of the Charter School and thereby contributing their full support to the development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

Respectfully submitted,



Theresa Radline
School Business Administrator

Organizational Chart



Stardust Team: Alyssa Garner, Sundae Greame, Julia Kelly, Jessica Krause

Nova Team: Ieva Alverson, Becky Garceau/Ronnie LaBrie, Sena McClain, Kristine Tucker

Constellation Team: Nancy Christian, Mike Florio, Bradley White, Tonya Wikander

Galaxy Team: Krissy Caggiano/Mechu Lippert, Mark Garner, Dan Egan, Tyler Thurgood, Maggie Vetter

Child Study Team & Support: Meaghan Manole, Erica Garfinkle, Tess Mullen, Milly Paulson, Theresa Radline, Jen Ross, and Toni Marek-Mazzariello

Leadership Team: Robin Balles, Lisa Masi, Traci Pannullo

Trustees:

Non-voting: Robin Balles, Lisa Masi, Traci Pannullo, and Theresa Radline

Voting: Jessica Sohl, Co-coordinator (President), Kerry (Carol M.) Barnett, Julie Budzinski-Flores, Co-Coordinator (and Vice-President), Cindy Terranova, Jennifer Napolitano, and Dave McNulty.

**RIDGE AND VALLEY CHARTER SCHOOL
BLAIRSTOWN, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2022**

<u>MEMBERS OF THE BOARD OF TRUSTEES</u>	<u>Term Expires</u>
Carol Barnett	June 2025
Julie Budzinski-Flores	June 2025
Dave McNulty	June 2025
Jennifer Napolitano	June 2024
Jessica Sohl	June 2025
Cindy Terranova	June 2025

OTHER OFFICIALS

- Theresa Radline, School Business Administrator
- Robin Balles, Infrastructure Coordinator
- Traci Pannullo, Curriculum Coordinator
- Lisa Masi, Integration Coordinator
- Robert Hart, Treasurer

**RIDGE AND VALLEY CHARTER SCHOOL
BLAIRSTOWN, NEW JERSEY**

CONSULTANTS AND ADVISORS

Audit Firm

Barre & Company LLC
Certified Public Accountants
2204 Morris Avenue, Suite 206
Union, New Jersey 07083

Attorney

Weiner Law Group, LLP
Attorneys at Law
629 Parsippany Road, P.O. Box 0438
Parsippany, New Jersey 07064

Official Depository

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

FINANCIAL SECTION

BARRE & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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Union, New Jersey 07083
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Independent Auditor's Report

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund 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, 2022, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Ridge and Valley Charter School, in the, State of New Jersey, as of June 30, 2022, and the respective changes in the financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Adoption of New Accounting Principle

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2022, the Charter School adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Consistency of Financial Statements

As a result of the adoption of GASB Statement No. 87, leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the School. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Charter School's 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, following this report, and pension and post-employment benefit schedule in Exhibits L-1 through L-3, M-1, and the related notes be presented to supplement the basic financial statements and budgetary comparison information in Exhibits C-1 through C-3. 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ridge and Valley Charter School's basic financial statements. The combining and related major fund supporting statements and schedules are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of New Jersey's Circular 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, are also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey

In accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey, we have also issued our report dated February 24, 2023 on our consideration of the Ridge and Valley Charter School's internal control over financial reporting and our tests of its compliance with certain provisions 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the Office of School Finance, Department of Education, State of New Jersey and the Office of School Finance, Department of Education, State of New Jersey in considering the Charter School's internal control over financial reporting and compliance.



BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants



Richard M. Barre
Public School Accountant
PSA Number CS-01181

Union, New Jersey
February 24, 2023

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**RIDGE AND VALLEY CHARTER SCHOOL
BLAIRSTOWN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED**

The discussion and analysis of Ridge and Valley Charter School's financial performance provides an overall review of the Charter School's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the Charter School's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Charter School's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- ❖ General revenues accounted for \$3,134,549 or 97% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$89,399 or 3% of total revenues of \$3,223,948.
- ❖ The Charter School had \$2,859,252 in expenses; only \$89,399 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$3,134,549 were adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$3,123,614 in revenues and \$2,795,672 in expenditures. The General Fund's fund balance increased \$327,942 over 2021. This increase was anticipated by the Board of Trustees.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

**RIDGE AND VALLEY CHARTER SCHOOL
BLAIRSTOWN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Reporting the Charter School as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the Charter School to provide programs and activities, the view of the Charter School as a whole look at all financial transactions and ask the question, "How did we do financially during 2022?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- ❖ Governmental activities — All of the Charter School's programs and services are reported here including instruction, administration, support services, and capital outlay.
- ❖ Business-Type Activity — This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the Charter School's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the Charter School's funds. The Charter School uses many funds to account for a multitude of financial transactions. The Charter School's governmental funds are the General Fund and Special Revenue Fund.

The Charter School's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Charter School's general government operations and the basic

**RIDGE AND VALLEY CHARTER SCHOOL
BLAIRSTOWN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Fund Financial Statements (Continued)

services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds is reconciled in the financial statements.

Enterprise Fund

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Charter School-wide and fund financial statements. The notes to the financial statements can be found starting on page 30 of this report.

The Charter School as a Whole

Recall that the *Statement of Net Position* provides the perspective of the Charter School as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The Charter School's financial position is the product of several financial transactions including the net results of activities.

The Charter School's combined Net Position were \$2,029,441 for 2022 and \$1,706,904 for 2021.

Governmental Activities

The Charter School's total revenues were \$3,223,948 for 2022 and \$3,100,951 for 2021, this includes \$79,703 for 2022 and \$77,649 for 2021 of state reimbursed TPAF social security contributions.

The total cost of all program and services were \$2,902,494 for 2022 and \$2,754,088 for 2021. Instruction comprises \$1,712,522 for 2022 and \$1,680,346 for 2021 of Charter School expenses.

The *Statement of Activities* shows the cost of program services and the charges for services and grants offsetting those services.

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

**RIDGE AND VALLEY CHARTER SCHOOL
BLAIRSTOWN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

Governmental Activities (Continued)

Administration includes expenses associated with administrative and financial supervision of the Charter School.

Support services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development and the costs associated with operating the facility.

Capital Outlay represents instructional and/or non-instructional equipment purchased and is capitalized when such equipment is over the \$2,000 threshold.

Business-Type Activities

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

The Charter School's Funds

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$3,223,948 for 2022 and \$3,100,951 for 2021 and expenditures were \$2,902,494 for 2022 and \$2,734,140 for 2021. The net change in fund balance was most significant in the general fund, a increase of \$321,454 in 2022 and an increase of \$645,658 in 2021.

As demonstrated by the various statements and schedules included in the financial section of this report, the Charter School continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2022, and the amount and percentage of increases and decreases in relation to prior year revenues.

**RIDGE AND VALLEY CHARTER SCHOOL
BLAIRSTOWN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

The Charter School's Funds (Continued)

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2021	Percent of Increase/ (Decrease)
Local Sources	\$ 1,576,131	48.89%	\$ (137,327)	-8.01%
Intermediate Sources	2,000	0.06%	(461)	-18.73%
State Sources	1,580,143	49.01%	271,736	20.77%
Federal Sources	65,674	2.04%	(10,951)	-14.29%
Total	\$ 3,223,948	100.00%	\$ 122,997	

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2022, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2021	Percent of Increase/ (Decrease)
Instruction	\$ 1,169,717	40.30%	\$ (9,644)	-0.82%
Administration	1,340,869	46.20%	132,668	10.98%
Support Services	365,810	12.60%	39,402	12.07%
Debt Service: Principal Payments	24,065	0.83%	3,895	19.31%
Capital Outlay	2,033	0.07%	2,033	100.00%
Total	\$ 2,902,494	100.00%	\$ 168,354	

General Fund Budgeting Highlights

The Charter School'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.

Over the course of the year, the Charter School revised the annual operating budget in accordance with state regulations. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

Capital Assets (Net of Depreciation) and Debt Administration

The Charter School had \$1,430,368 for 2022 and \$1,493,348 for 2021 invested in a newly purchased building, building improvements, and equipment.

**RIDGE AND VALLEY CHARTER SCHOOL
BLAIRSTOWN, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED
(CONTINUED)**

For the Future

The Ridge and Valley Charter School is in stable financial condition presently. The Charter School is proud of its community support. A major concern is the continued enrollment growth of the Charter School with the increased reliance on federal and state funding.

In conclusion, Ridge and Valley Charter School has committed itself to financial stability for many years. In addition, the Charter School's system for financial planning, budgeting, and internal financial controls are well regarded. The Charter School plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the Charter School's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Charter School's finances and to show the Charter School's accountability for the money it receives. If you have questions about this report or need additional information, contact Theresa Radline, School Business Administrator, Ridge and Valley Charter School, 1234 State Route 94, Blairstown, New Jersey 07825.

BASIC FINANCIAL STATEMENTS

SECTION A – CHARTER SCHOOL-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the Charter School. These statements include the financial activities of the overall Charter School, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the Charter School.

RIDGE AND VALLEY CHARTER SCHOOL
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents:			
Cash and Cash Equivalents	\$ 1,707,543	\$ -	\$ 1,707,543
Other Receivables	179,066		179,066
Restricted Assets:			
Cash and Cash Equivalents	30,260		30,260
Capital Assets, Net	1,430,368		1,430,368
Total Assets	3,347,237	-	3,347,237
DEFERRED OUTFLOWS OF RESOURCES:			
Pensions	82,430		82,430
Total Deferred Outflows of Resources	82,430	-	82,430
LIABILITIES:			
Accounts Payable	14,904		14,904
Payable to Student Group			-
Unearned Revenue			-
Noncurrent Liabilities:			
Due Within One Year	24,958		24,958
Due Beyond One Year:			
Other Long Term Liabilities	773,638		773,638
Net Pension Liability	250,401		250,401
Total Liabilities	1,063,901	-	1,063,901
DEFERRED INFLOWS OF RESOURCES:			
Pensions	336,325		336,325
Total Deferred Inflows of Resources	336,325	-	336,325
NET POSITION:			
Net Investment in Capital Assets	670,687		670,687
Restricted for:			
Capital Projects Fund	200		200
Student Activities	19,120		19,120
Other Purposes	30,260		30,260
Unassigned	1,309,174		1,309,174
Total Net Position	2,029,441	\$ -	\$ 2,029,441

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

RIDGE AND VALLEY CHARTER SCHOOL
 Statement of Activities
 For The Fiscal Year Ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes In Net Position			
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:								
Instruction	1,142,670	\$ 569,852	\$ -	\$ 89,399	\$ -	\$ (1,623,123)	\$ -	\$ (1,623,123)
Administration	503,441	160,873				(664,314)		(664,314)
Support Services	392,857	24,546				(417,403)		(417,403)
Unallocated Depreciation	65,013					(65,013)		(65,013)
Total Governmental Activities	<u>2,103,981</u>	<u>\$ 755,271</u>	<u>\$ -</u>	<u>\$ 89,399</u>	<u>\$ -</u>	<u>(2,769,853)</u>	<u>\$ -</u>	<u>(2,769,853)</u>
BUSINESS-TYPE ACTIVITIES:								
Food Service	-							-
Total Business-Type Activities	<u>-</u>							<u>-</u>
Total Primary Government	<u>\$ 2,103,981</u>			<u>\$ 89,399</u>	<u>\$ -</u>	<u>(2,769,853)</u>	<u>\$ -</u>	<u>(2,769,853)</u>
GENERAL REVENUES								
General Purposes						\$ 1,558,004	\$ -	\$ 1,558,004
Federal and State Aid Not Restricted						1,556,418		1,556,418
Miscellaneous Income						20,127		20,127
Total General Revenues						<u>3,134,549</u>	<u>-</u>	<u>3,134,549</u>
Change in Net Position						364,696	-	364,696
Net Position - Beginning of Year						1,706,904	-	1,706,904
Prior Period Adjustments						(42,159)	-	(42,159)
Net Position - Beginning of Year (Restated)						1,664,745	-	1,664,745
Net Position - Ending						<u>\$ 2,029,441</u>	<u>\$ -</u>	<u>\$ 2,029,441</u>

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

SECTION B – FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

RIDGE AND VALLEY CHARTER SCHOOL
 Governmental Funds
 Balance Sheet
 June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 1,688,223	\$ 19,120	\$ 200	\$ 1,707,543
Investments	30,260			30,260
Receivables:				
Interfund Receivables	35,176			35,176
Receivables From Other Governments	143,890	35,176		179,066
Total Current Assets	1,897,549	54,296	200	1,952,045
Total Assets	\$ 1,897,549	\$ 54,296	\$ 200	\$ 1,952,045
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Current Liabilities:				
Interfund Payables	\$ -	\$ 35,176	\$ 35,176	\$ 35,176
Accounts Payable	1,695			1,695
Payroll Deductions and Withholdings	13,209			13,209
Total Current Liabilities	14,904	35,176	35,176	50,080
Total Liabilities	14,904	35,176	35,176	50,080
Fund Balances:				
Restricted For:				
Student Activities		19,120		19,120
Assigned For:				
Maintenance reserve	30,260			30,260
Unassigned:				
General Fund	1,852,385			1,852,385
Capital Projects Fund			200	200
Total Fund Balances	1,882,645	19,120	200	1,901,965
Total Liabilities and Fund Balances	\$ 1,897,549	\$ 54,296	\$ 35,376	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$2,292,991 and the accumulated depreciation is \$862,623.				
				1,430,368
Net pension liability of \$250,401, deferred inflows of resources of \$336,325 less deferred outflows of resources of \$82,430 related to pensions are not reported in the governmental funds				
				(504,296)
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.				
				(798,596)
Net Position of Governmental Activities				\$ 2,029,441

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

RIDGE AND VALLEY CHARTER SCHOOL
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
REVENUES:				
Local Sources:				
Local Tax Levy	\$ 1,558,004	\$ -	\$ -	\$ 1,558,004
Interest on Investments	323			323
Student Activities		10,009		10,009
Miscellaneous	7,795			7,795
Total Local Sources	1,566,122	10,009	-	1,576,131
Intermediate Sources		2,000		2,000
State Sources	1,557,492	22,651		1,580,143
Federal Sources		65,674		65,674
Total Revenues	3,123,614	100,334	-	3,223,948
EXPENDITURES:				
Current:				
Instruction	1,127,511	42,206		1,169,717
Administration	1,340,869			1,340,869
Support Services	303,227	62,583		365,810
Debt Service: Principal Payment	24,065			24,065
Capital Outlay		2,033		2,033
Total Expenditures	2,795,672	106,822	-	2,902,494
NET CHANGE IN FUND BALANCES	327,942	(6,488)	-	321,454
FUND BALANCES, JULY 1	1,596,862	25,608	200	1,622,670
PRIOR PERIOD ADJUSTMENT	(42,159)	-		(42,159)
FUND BALANCE, JULY 1, RESTATED	1,554,703	25,608	200	1,580,511
FUND BALANCES, JUNE 30	\$ 1,882,645	\$ 19,120	\$ 200	\$ 1,901,965

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

RIDGE AND VALLEY CHARTER SCHOOL
 Reconciliation of the Statement of Revenues, Expenditures
 And Changes in Fund Balances of Governmental Funds
 To the Statement of Activities
 For the Fiscal Year Ended June 30, 2022

Total net change in fund balances - governmental fund (from B-2)	\$	321,454
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation Expense	(65,013)	
Capital Outlay	-	(65,013)
<p>Repayment of mortgage principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.</p>		
		24,065
<p>Pension costs associated with the PERS pension plan are reported in the governmental funds as expenditures in the year the school pension contribution is paid. However, on the statement of activities, the net difference between the current and prior year net pension liability is recognized.</p>		
		82,157
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.</p>		
		-
Change in net position of governmental activities	\$	362,663

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

NOTES TO THE FINANCIAL STATEMENTS

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1: DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The Charter School was established in 2000 and opened for classes in 2004. It is located in Warren County. The Charter School currently operates on 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 Charter School consists of all funds, departments, boards, and agencies that are not legally separate from the Charter School. For Ridge and Valley Charter School, this includes general operations, food service, and student related activities of the Charter School.

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

Based on attorney’s recommendation, the school has decided to not file Federal form 990 on a yearly basis/

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 in the more significant of the Charter School’s accounting policies.

A. Basis of Presentation

The Charter School’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.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Charter School as whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Charter School 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 Charter School at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Charter School's governmental activities and business-type activities.

The Statement of net assets presents the financial condition of the government and business-type activities presents a comparison between direct expenses and program revenues for each program or function of the Charter School'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 Charter School, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent of which each governmental function or business segment is self-financing or draws from the general revenues of the Charter School.

2. Fund Financial Statements

During the fiscal year, the Charter District segregates transactions related to certain Charter School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Charter School 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.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting

The Charter School 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.

1. Governmental Funds

Governmental funds are those through which most governmental functions of the Charter School are financed. Governmental fund reporting focuses on the sources, uses and balance 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 Charter School'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 Charter School for any purpose provided it is expended or transferred according to the general laws of New Jersey.

The other governmental funds of the Charter School account for grants and other resources, debt service, and capital projects of the Charter School 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 Charter School'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 Charter School.

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

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

3. Fiduciary Fund, Trust and Agency Fund Types

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 – Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local government, including New Jersey school districts and their charter schools. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, or FY2020-2021. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. After considering the criteria and guidance, it was determined that Payroll and Payroll Agency (Fund 60), previously reported as fiduciary funds, that such activities are more appropriately reported in a general fund (Fund 10).

C. Measurement Focus and Basis of Accounting

1. Government-Wide Financial Statements

The government-wide and proprietary financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the Charter School 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.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

The statement of changes in revenues, expenses, and changes in net assets present increases (e.g. revenues) and decreases (e.g. expenses) total net assets. The statement of cash flows reflects how the Charter School 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.

D. Basic 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 Charter School, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the Charter School receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. 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 Charter School must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are accrued on an accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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. Unearned Revenues

Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2022 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 in accounting. 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 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 2022.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 carried forward from prior fiscal years. The amounts reported as the final budgets 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, 2022, 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 of 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 Sate 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 statement 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 purchase 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-0wide 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 Charter School maintains a capitalization threshold of two thousand dollars.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The Charter School does not have any infrastructure. Improvements are capitalized interest incurred during the construction of capital assets by the enterprise fund is also capitalized. 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:

Description	Estimated Lives
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

Right of Use Assets

Right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related leases

J. Receivables

Receivables at June 30, 2022, consisted of accounts, intergovernmental, grants, and miscellaneous.

All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Funds		Total Governmental Activities	Proprietary Fund	Total Business Type Activities	Total
	General Fund	Special Revenue Fund		Food Service Fund		
State Awards	\$ 4,951	\$ -	\$ 4,951	\$ -	\$ -	\$ 4,951
Federal Awards	-	35,176	35,176	-	-	35,176
Other	138,939	-	138,939	-	-	138,939
Gross Receivables	143,890	35,176	179,066	-	-	179,066
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Total Receivables, Net	<u>\$ 143,890</u>	<u>\$ 35,176</u>	<u>\$ 179,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,066</u>

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Inter-fund Assets/Liabilities

Transfer between funds are used to repay expenses paid by another fund.

The following interfund balances remained on the fund financial statements at June 30, 2022

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 35,176	\$ -
Special Revenue Fund		35,176
Total	\$ 35,176	\$ 35,176

L. 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 Charter School will compensate the employees for the benefits through paid time off or some other means. The Charter School 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 Charter School has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees eligible rates fiscal year end, taking into consideration any limits specified in the Charter School's termination policy. The Charter School records a liability for Charter School's termination policy. The Charter School records a liability 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.

Those 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.

M. 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

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations (Continued)

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.

N. 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 Charter School'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.

O. Fund Balance Reserves

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

P. Operating Revenues and Expenses.

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the Charter School, 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.

Q. 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 constructions or resources restricted to capital acquisition and construction.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

T. Impact of Recently Issued Accounting Principles

During fiscal years 2022 through 2023, the District adopted the following GASB statements as required:

a) The Charter School has adopted the following as of June 30, 2022:

As a result of the adoption of GASB 87, leases are recognized as a right-of-use asset and a corresponding lease liability in other financial liabilities at the date at which the leased asset is available for use by the School. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are subject to impairment.

The lease liability is measured at the present value of lease payments to be made over the lease term, discounted using the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily available. Lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the School and payment of penalties for termination of a lease when the lease term reflects the lessee exercising a termination option. Each lease payment is allocated between the repayment of the principal portion of lease liability and the interest portion. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period and is recorded in financing expense. Payments associated with short-term leases and leases of low-value assets are recognized on a straightline basis as an expense in the consolidated statement of income.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact of Recently Issued Accounting Principles (CONTINUED)

b) Impact of Recently Issued Accounting Principles

- GASB Statement No. 91, Conduit Debt Obligations, effective for the year ending
- GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, effective for the year ending June 30, 2023.
- GASB Statement No. 99, Omnibus 2022, effective for the year ending June 30, 2023.
- GASB Statement No. 100, Accounting Changes and Error Corrections, effective for the year ending June 30, 2024.
- GASB Statement No. 101, Compensated Absences, effective for the year ending June 30, 2025.

The Charter School will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material

NOTE 3: CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2005, the School District has implemented Governmental Accounting Standards Board (GASB) 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, 2022.

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.

A. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits and Investments (Continued)

Deposits (continued)

N.J.S.A. 17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks of which the deposits are federally insured.

All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

As of June 30, 2022, cash and cash equivalents of the Charter School consisted of the following:

	General Fund	Special Revenue	Capital Projects	Total
Operating Account	1,718,483	\$ 19,120	\$ 200	\$ 1,737,803

The Charter School had no investments at June 30, 2022.

The carrying amount of the Board's cash and cash equivalents at June 30, 2022 was \$1,737,803 and the bank balance was \$1,765,376. All bank balances were covered by federal depository insurance (FDIC) and/or by a collateral pool maintained by the banks as required by GUDPA.

Pursuant to GASB Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the Charter School's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the Charter School would not be able to recover the value of its deposits and investments).

Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by a pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

As of June 30, 2022, none of the cash and cash equivalents for Ridge and Valley Charter School were exposed to custodial credit risk.

The Charter School does not have a policy for the management of custodial credit risk, except as noted above, other than depositing all of its funds in banks covered by GUDPA.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

New Jersey statutes (N.J.S.A.18A:20-37) permit the Charter School to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) 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.
- (3) Bond or other obligations of the School District

NOTE 5: CAPITAL RESERVE ACCOUNT

Capital reserve accounts maybe established by New Jersey School Districts for the accumulation funds place in the capital reserve are restricted to capital outlay expenditures and transfers of such funds for other uses prohibited pursuant to N.J.S.A. 18A:22-8.2. Fund 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 in increase in the capital reserve account.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

The following schedule is a summarization of the changes in general fixed assets by source for the fiscal year ended June 30, 2022.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 513,008	\$ -	\$ -	\$ 513,008
Land Improvements	1,512,732	-	-	1,512,732
Total Capital Assets Not Being Depreciated	<u>2,025,740</u>	<u>-</u>	<u>-</u>	<u>2,025,740</u>
<i>Capital Assets Being Depreciated:</i>				
Leasehold Improvements	\$ -	\$ -	\$ -	\$ -
Building and Building Improvements	226,254	-	-	\$ 226,254
Machinery and Equipment	38,964	2,033	-	40,997
Total Capital Assets Being Depreciated	<u>265,218</u>	<u>2,033</u>	<u>-</u>	<u>267,251</u>
Less Accumulated Depreciation For:				
Land Improvements	635,955	49,430	-	685,385
Building and Building Improvements	153,387	11,353	-	164,740
Machinery and Equipment	8,268	4,230	-	12,498
Total Accumulated Depreciation	<u>797,610</u>	<u>65,013</u>	<u>-</u>	<u>862,623</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>(532,392)</u>	<u>(62,980)</u>	<u>-</u>	<u>(595,372)</u>
Government Activity Capital Assets, Net	<u>\$ 1,493,348</u>	<u>\$ (62,980)</u>	<u>\$ -</u>	<u>\$ 1,430,368</u>
Business-Type Activities:				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	\$ -	\$ -	\$ -	\$ -
Less Accumulated Depreciation	-	-	-	-
Enterprise Fund Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the District-wide statement of net position. One item of that reconciliation explains that capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. An addition to the fund balance-total governmental funds is made to reflect the carrying value of the Commission's capital assets at year-end in the District-wide financial statements.

NOTE 8: GENERAL LONG-TERM DEBT

During the fiscal year ended June 30, 2022, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance		Balance	
	June 30, 2021	Issued	Retired	June 30, 2022
Mortgage - Lakeland Bank	\$ 801,241	\$ -	\$ 24,065	\$ 777,176
Compensated Absences	18,380	3,040	-	21,420
Totals	<u>\$ 819,621</u>	<u>\$ 3,040</u>	<u>\$ 24,065</u>	<u>\$ 798,596</u>

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)

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 related to the 1234 Rte. 94, Blirstown, NJ property. The loan is amortized over 120 months and monthly payments of \$4,409.32 monthly, which includes principal and interest at 3.65% 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:

Year Ending, June 30	Principal	Interest	Total
2023	24,958	27,954	52,912
2024	25,810	27,101	52,912
2025	26,843	26,069	52,912
2026	27,839	25,073	52,912
Thereafter	671,726	47,071	718,796
Total	\$ 777,176	\$ 153,268	\$ 930,444

- A. Bond Payable – there were no bonds issued and payable for the year ended June 30, 2022.
- B. Bond Authorized but Not Issued – as of June 30, 2022 the Board had no bonds or notes that were authorized but not issued.
- C. Capital Lease Payable – as of June 30, 2022 the Board did not have any capital leases payable.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: PENSION PLANS

Substantially all the Board's employees participate in one of the two contributory, defined benefit public employee systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey. In addition, certain employees may participate in the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees; Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Annual Comprehensive Financial Report (ACFR), which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

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. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to tier 5 members upon 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age of which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Basis of Presentation

The schedule of employer allocations and the schedule of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amounts by employer. The allocation percentages for each group as of June 30, 2021 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The state's pension contributions is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021 measurement date, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment amounts certified for payments due not be included in their unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Charter School contributions to PERS amounted to \$ 24,794 for fiscal year 2022

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

At June 30, 2022, the Charter School reported a liability of \$ 250,401 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 which was rolled forward to June 30, 2022. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021 measurement date, the Charter School's proportion was 0.0021137099%, which was an decrease of -0.00049281% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the Charter School recognized pension expense of \$ 28,737 . At June 30, 2022, the Charter School reported deferred outflows of resources and deferred related to pensions from the following sources.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Pension Liabilities Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 1,304	\$ 89,144
Difference Between Expected and Actual Experience	\$ 3,949	1,793
Changes in Proportion	\$ 77,177	179,426
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	\$ -	65,962
	<u>\$ 82,430</u>	<u>\$ 336,325</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for the 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

Amounts reported as deferred outflows of resources and deferred inflows resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2023	\$ (98,921.64)
2024	(70,630)
2025	(48,157)
2026	(36,200)
2027	14
	<u>\$ (253,895)</u>

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuations as of July 1, 2020. This actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate		
Price		2.75%
Wage		3.25%
Salary Increases:		
through 2026		2.00-6.00% based on years of service
Thereafter		3.00-7.00% based on years of service
Investment Rate of Return		7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020,

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is like that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected future real rates of return (expected returns, net of pension plan investments expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Long Term Expected Rate of Return (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

			Long Term
			Expected Real
	Target		Rate of
Asset Class	Allocation		Return
US Equity	27.00%		8.09%
Non-U.S. Developed Markets Equity	13.50%		8.71%
Emerging Markets Equity	5.50%		10.96%
Private Equity	13.00%		11.30%
Real Assets	8.00%		9.15%
Real Estate	3.00%		7.40%
High Yield	2.00%		3.75%
Private Credit	8.00%		7.60%
Investment Grade Credit	8.00%		1.68%
Cash Equivalents	4.00%		0.50%
U.S. Treasuries	5.00%		95.00%
Risk Mitigation Strategies	3.00%		3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: PENSION PLANS (CONTINUED)

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

The following presents the Charter School's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the Charter School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Measurement Date June 30, 2021			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
Charter School proportionate share of the Net Pension Liability	\$ 344,630	\$ 253,070	\$ 175,368

Measurement Date June 30, 2020			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
Charter School proportionate share of the Net Pension Liability	\$ 539,281	\$ 428,397	\$ 334,310

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teacher's Pension Annuity Fund (TPAF)

Pension Description

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefit Provided

The vesting and benefit provision 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 of 2% of related interest earned on the contributions.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF)

Benefit Provided (Continued)

In the case of death before retirement, member's beneficiaries are entitled to full interest credited to the member's accounts. The following represents the membership tiers for TPAF:

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

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

Allocation Methodology

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows in resources and collective pension expense excluding that attributable to employer-paid member contributions.

The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2021 measurement date. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF)

Contributions

The contributions policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021 measurement date, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The Employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the Charter School. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contribution was less than the actuarial determined amount.

This note discloses the portion of the Charter School's total proportionate share of the net pension liability that is associated with the Charter School. During the fiscal year ended 2022, the State of New Jersey contributed \$ 39,958 to the TPAF for normal pension benefits on behalf of the Charter School, which is less than the contractually required contribution of \$ 292,273 .

The employee contribution rate was 6.92% effective July 1, 2021. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2020.

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

As June 30, 2021, the State's proportionate share of the net pension liability associated with the Charter School was \$ 4,794,747 . The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021.

The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2021, Charter School's proportion was , which was 0.0099734% an increase of 0.0006428% from its proportion measured as of June 30, 2020.

Charter School's Proportionate Share of the Net Pension Liability	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the Charter School	4,794,747
Total	\$ 4,794,747

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the Charter School in the amount of \$ 292,273 and the Charter School recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 5,289,559,561	\$ 24,224,281,713
Difference Between Expected and Actual Experience	941,265,828	142,774,569
Changes in Proportion and differences between employer contributions and proportionate share of contributions	142,705,445	142,705,445
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	2,854,036,178
	\$ 6,373,530,834	\$ 27,363,797,905

The \$ 6,373,530,834 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$ 27,363,797,905 reported as a deferred inflow of resources resulting from the difference between projected and actual.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Fiscal Year	Total
Ending June 30,	Total
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	<u>\$ (20,990,267,071)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 01, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wages	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45%
	based on years of service
Thereafter	2.75 - 5.65%
	based on years of service
Investment Rate of Return	7.00%

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

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The actuarial assumptions used in the July 01, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF' target asset allocation as of June 30, 2021 is summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	8.00%	9.15%
Real Estate	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The single blended discount rate was based on the long-term expected rate of return on pension plan investment of 7.00% and a municipal bond rate of 2.21% as of June 30, 2021 based on the Bond Buyer Go 20-Bond Municipal Bond index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: PENSION PLANS (CONTINUED)

Teacher's Pension Annuity Fund (TPAF) (Continued)

Discount Rate – TPAF (Continued)

rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contributions rate in the most recent fiscal year. The State employer contributed 78% of the actuarially determined contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the net pension liability of the State as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1% percentage-point lower or 1-percentage-point higher than the current rate:

Measurement Date June 30, 2021			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 5,683,702	\$ 4,803,803	\$ 4,064,744

Measurement Date June 30, 2020			
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(4.40%)	(5.40%)	(6.40%)
Charter School's proportionate share of the Net Pension Liability	\$ 7,232,852	\$ 6,157,625	\$ 5,264,830

Pension Plan Fiduciary Net Position – TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP, which is a defined contribution plan. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9: PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP) (Continued)

defined contribution plan. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by the New Jersey Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by the State of New Jersey regulation. Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums.

For DCRP, the Charter School recognized no pension expense for the fiscal year ended June 30, 2022. There were no employee contributions to DCRP for the fiscal year ended June 30, 2022.

NOTE 10: POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

Plan Description and Benefits Provided

The school is in a "special funding situation, as described in GASB Statement No. 75 in that OPEB contributions and expense are legally required to be made by and are the sole responsibility of the State of New Jersey.

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

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

Plan Description and Benefits Provided (continued)

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011 , future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

Employees covered by benefit terms:

At June 30, 2021, the following employees were covered by the benefit terms:

Active plan member							213,901
Inactive plan members or beneficiaries currently receiving benefits							150,427
Inactive plan members entitled to but not yet receiving benefit payments							-
	Total						<u>364,328</u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%			
		TPAF/ABP	PERS	PFRS
Salary Increases				
Through 2026		1.55% to 4.45%	2.00% to 6.00%	3.25% to 15.25%
		based on service	based on service	based on service
		years	years	years
Rate thereafter		2.75% to 5.65%	3.00% to 7.00%	NOT
		based on service	based on service	APPLICABLE
		years	years	

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2022. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015- June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013- June 30, 2018 for TPAF, PERS and PFRS, respectively.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% longterm trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

Discount rate

The discount rate for June 30, 2020 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total Non-Employer OPEB Liability

The table below summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the Charter School for the fiscal year ended June 30, 2021

				Total OPEB Liability
Balance at June 30, 2021				\$ 4,853,919
Service cost				413,388
Interest on Total OPEB Liability				115,701
Effect on Changes of Benefit Terms				(4,747)
Difference between expected and actual experience				(834,314)
Effect of Changes of Assumptions				4,400
Effect of Changes of Proportion				-
Contributions - Employee				2,958
Gross Benefits Paid by the State				(91,140)
		Net Changes		(393,754)
Balance at June 30, 2022				<u>4,460,165</u>

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

The following presents the total nonemployer OPEB liability as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Measurement Date Ended June 30, 2021		
	At 1%	At current	At 1%
	Decrease (1.16%)	discount rate (2.16%)	Increase (3.16%)
Total OPEB Liability	\$ 5,342,577	\$ 4,460,165	\$ 3,765,318

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate (Continued)

The following presents the total nonemployer OPEB liability as of June 30, 2021 calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	Measurement Date Ended June 30, 2021		
	At 1%	Trend Rate	At 1%
	decrease		Increase
Total OPEB Liability	\$ 3,610,518	\$ 4,460,165	\$ 5,601,178

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

For the fiscal year ended June 30, 2022 the Charter School recognized OPEB expense of \$ 579,934 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

In accordance with GASB Statement 75, as the Charter School's proportionate share of the OPEB liability is \$ 4,460,165 , there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2021 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between Actual and Expected Experience	\$ 672,350	\$ 1,338,575
Net Difference between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumption Changes	\$ 756,610	478,534
Sub Total	1,428,960	1,817,109
Contributions Made in Fiscal Year 2021 after June 30, 2020 Measurement Date	TBD	N/A
Total	TBD	1,817,109

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

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10: POST-RETIREMENT BENEFITS (CONTINUED)

General Information about the OPEB Plan (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Measurement Period ending June 30,	
2022	\$ (87,877)
2023	\$ (87,877)
2024	\$ (87,877)
2025	\$ (87,877)
2026	\$ (62,479)
Total Thereafter	\$ 25,837
	\$ (388,148)

NOTE 11: INTERFUND RECEIVABLES AND PAYABLES

New Jersey statute required that interest earned on the investments in capital project 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, 2022 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 it 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 Charter School.

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 FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14: RISK MANAGEMENT

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

Property and Liability Insurance

The Charter School maintains commercial insurance coverage for property, liability, student accident and surety bonds. 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 \$1,882,645 at June 30, 2022, of which \$1,852,385 was unreserved and unassigned, \$30,260 is assigned for maintenance.

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 Financial Act of 1996 (CEIFA). New Jersey Charter Schools 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, 2022 is \$0.

NOTE 17: DETAIL DISCLOSURES REGARDING LIABILITIES AND EXPENSES/EXPENDITURES

On May 3, 2020 the charter school (the "Borrower"), was granted a loan (the "Loan") from Santander Bank in the aggregate amount of \$278,847 pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

Funds from the Loan may only be used for maintain payroll or make mortgage payments, lease payments, and utility payments incurred before February 15, 2020. The Charter School used the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. On May 1, 2021, the entire loan was forgiven and the proceeds are recognized as special item.

**RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 18: CURRENT VUNERABILITY 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 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 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.

NOTE 19: SUBSEQUENT EVENTS

Subsequent events were evaluated through February 24, 2023, the date the financial statements were available to be issued.

NOTE 18: IMPACT OF COVID-19

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's financial condition, liquidity, and future results of operations. Management is Actively monitoring the global situation on its financial condition, liquidity, operations, Suppliers, industry, and workforce. Given the daily evolution of the covid-19 outbreak And the global responses to curb its spread, the company is not able to estimate the Effects of the COVID-19 outbreak on its results of operations, financial condition, or Liquidity for fiscal year 2023

Although the Charter School cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material effect on the Charter School's results of future operations, financial position, and liquidity in fiscal year 2023.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

SECTION C – BUDGETARY COMPARISON SCHEDULE

RIDGE AND VALLEY CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Equalization Aid-Local	2,094,181	\$ (536,177)	\$ 1,558,004	1,558,004	\$ -
Total Local Sources	2,094,181	(536,177)	1,558,004	1,558,004	-
Categorical Aid:					
Equalization Aid-State	280,102		280,102	280,102	-
Special Education	89,399		89,399	89,399	-
Security Aid	8,751		8,751	8,751	-
Non-Public Student Aid		148,333	148,333	148,333	-
Adjustment Aid	245,723	169,907	415,630	415,630	-
Total Categorical Aid	378,252	148,333	942,215	942,215	-
Revenues From Other Sources:					
On-Behalf TPAF Pension Contributions (Non-Budgeted)				433,213	433,213
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)				101,216	101,216
On-Behalf TPAF Long Term Disability Contributions (Non-Budgeted)				195	195
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				79,703	79,703
Federal Sources Contributions/Donations					
Interest Income				323	323
Miscellaneous Revenue				8,745	8,745
Total Revenues From Other Sources	-	-	-	623,395	623,395
Total Revenues	2,472,433	(387,844)	2,500,219	3,123,614	623,395
EXPENDITURES:					
Instruction:					
Kindergarten: Salaries of Teachers	140,636	(5,478)	135,158	120,018	15,140
Grades 1-5: Salaries of Teachers	248,911		248,911	202,686	46,225
Grades 6-8: Salaries of Teachers	289,084	(20,000)	269,084	198,778	70,306
Other Salaries for Instruction	505,762	71,988	577,750	562,687	15,063
Purchased Prof/Tech Services	11,600	(2,000)	9,600	7,120	2,480
General Supplies	32,148	(3,500)	28,648	22,818	5,830
Textbooks	17,100	(3,000)	14,100	9,335	4,765
Miscellaneous	6,600		6,600	4,069	2,531
Total Instruction	1,251,841	38,010	1,289,851	1,127,511	162,340
Administration:					
Salaries - General Administration	313,714	3,162	316,876	313,570	3,306
Salaries of Secretarial/Clerical Assistants	118,729		118,729	78,466	40,263
Total Benefits Cost	362,019	(10,334)	351,685	242,160	109,525

See Management's Discussion and Analysis section of this report for an explanation of significant budget variances, original and final.

RIDGE AND VALLEY CHARTER SCHOOL
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
(Continued from Prior Page)					
Purchases Prof/Tech Services	44,547	4,071	48,618	32,637	15,981
Communications/Telephone	7,930		7,930	7,521	409
Supplies and Materials	1,232		1,232	1,133	99
Mortgage Payments - Interest	36,641		36,641	28,847	7,794
Miscellaneous Expenses	23,244	1,915	25,159	22,208	2,951
Total Administration	908,056	(1,186)	906,870	726,542	180,328
Support Services:					
Salaries	46,630	920	47,550	46,841	709
Purchased Prof/Tech Services	122,190	4,304	126,494	116,390	10,104
Other Purchased Services	123,856	(42,113)	81,743	66,707	15,036
Transportation-Other Than To/From School	9,645	1,440	11,085	11,085	-
Insurance for Property, Liability and Fidelity	18,217	217	18,434	18,434	-
Supplies and Materials	8,000		8,000	6,946	1,054
Energy Costs (Heat and Electricity)	32,148		32,148	22,236	9,912
Miscellaneous Expenses	2,000	13,562	15,562	14,588	974
Total Support Services	362,686	(21,670)	341,016	303,227	37,789
Capital Outlay:					
Instructional Equipment	6,430	46,673	53,103		53,103
Mortgage Payments-Principal	30,671		30,671	24,065	6,606
Total Capital Outlay	37,101	46,673	83,774	24,065	59,709
On-Behalf TPAF Pension Contributions (Non-Budgeted)				433,213	(433,213)
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)				101,216	(101,216)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				79,703	(79,703)
On Behalf TPAF Long-Term Disability Contributions (Non-Budgeted)				195	(195)
Total Expenditures	2,559,684	61,827	2,621,511	2,795,672	(72,750)
(Continued from Prior Page)					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(87,251)	(449,671)	(536,922)	327,942	864,864
FUND BALANCE, JULY 1	1,596,862	-	1,596,862	1,596,862	-
PRIOR PERIOD ADJUSTMENT	-	-	-	(42,159)	42,159
FUND BALANCE, JULY 1, RESTATED	-	-	-	1,554,703	(1,554,703)
FUND BALANCE, JUNE 30	\$ 1,509,611	\$ (449,671)	\$ 1,059,940	\$ 1,882,645	\$ 864,864
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures Budgeted Fund Balance	\$ 1,509,611	\$ (449,671)	1,059,940	\$ 1,882,645	\$ 822,705
Total	\$ 1,509,611	\$ (449,671)	\$ 1,059,940	\$ 1,882,645	\$ 822,705

See Management's Discussion and Analysis section of this report for an explanation of significant budget variances, original and final.

RIDGE AND VALLEY CHARTER SCHOOL
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Federal Sources	48,148	29,783	\$ 77,931	65,674	\$ (12,257)
State Sources		30,944	30,944	22,651	(8,293)
Local Sources		2,000	2,000	12,009	10,009
Total Revenues	48,148	62,727	110,875	100,334	(10,541)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	25,718		25,718	10,885	14,833
Purchased Prof/Tech Services	2,436		2,436		2,436
Other Purchased Services	26,046	3,417	29,463	27,047	2,416
General Supplies	12,847		12,847	4,274	8,573
Total Instruction	67,047	3,417	70,464	42,206	28,258
Support Services:					
Salaries of Supervisors of Instruction	2,400		2,400		2,400
Personal Services - Employee Benefits	2,031		2,031		2,031
Other Purchased Professional Services	51,862	1,366	53,228	34,412	18,816
Purchased Technical Services	20,000		20,000	9,674	10,326
Supplies and Materials	3,840		3,840	2,000	1,840
Miscellaneous Expenditures			-	16,497	(16,497)
Total Support Services	80,133	1,366	81,499	62,583	18,916
Capital Outlay:					
Buildings	33,345		33,345		33,345
Instructional Equipment			-	2,033	(2,033)
Total Capital Outlay	33,345	-	33,345	2,033	31,312
Total Expenditures	180,525	4,783	185,308	106,822	78,486
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (132,377)	\$ 57,944	\$ (74,433)	\$ (6,488)	\$ (67,945)

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

RIDGE AND VALLEY CHARTER SCHOOL
 Budgetary Comparison Schedule
 Budget-To-GAAP Reconciliation
 Note to RSI
 For the Fiscal Year Ended June 30, 2022

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

		General Fund		Special Revenue Fund
Sources/Inflows of Resources				
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1]	\$ 3,123,614	[C-2]	100,334
 Difference - Budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized				-
 Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	\$ 3,123,614	[B-2]	\$ 100,334
 Uses/Outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 2,795,672	[C-2]	106,822
 Differences - Budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial accounting purposes.				-
 Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 2,795,672	[B-2]	\$ 106,822

REQUIRED SUPPLEMENTARY INFORMATION – PART III

***SCHEDULE L - SCHEDULES RELATED TO ACCOUNTING AND
REPORTING FOR PENSIONS (GASB 68)***

RIDGE AND VALLEY CHARTER SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST NINE FISCAL YEARS
 UNAUDITED

	Fiscal Year Ending June 30,								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Charter School's proportion of the net pension liability	0.00244680%	0.00295430%	0.00136780%	0.279923500%	0.294216300%	0.216824200%	0.291372900%	0.002606519%	0.002113710%
Charter School's proportionate share of the net pension liability	\$ 467,629	\$ 553,130	\$ 631,508	\$ 829,053	\$ 684,889	\$ 426,916	\$ 525,010	\$ 425,055	\$ 250,401
Charter School's covered payroll (plan measurement period)	\$ 154,212	\$ 173,290	\$ 265,327	\$ 264,883	\$ 297,960	\$ 378,428	\$ 347,574	\$ 198,535	\$ 240,995
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	303%	319%	238%	313%	230%	113%	151%	214%	104%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	52.08%	45.35%	47.58%	53.60%	72.52%	53.60%	51.52%

RIDGE AND VALLEY CHARTER SCHOOL
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF THE CHARTER SCHOOL CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 10,240	\$ 11,952	\$ 24,186	\$ 24,868	27,256	21,567	28,342	28,737	24,794
Contributions in relation to the contractually required contribution	(10,240)	(11,952)	(24,186)	(24,868)	(27,256)	(21,567)	(28,342)	(28,737)	(24,794)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charter School's covered payroll (fiscal year)	\$ 154,212	\$ 173,290	\$ 265,327	\$ 264,883	\$ 297,960	\$ 378,428	\$ 347,574	\$ 198,535	\$ 240,995
Contributions as a percentage of covered employee payroll	6.64%	6.90%	9.12%	9.39%	9.15%	5.70%	8.15%	14.47%	10.29%

RIDGE AND VALLEY CHARTER SCHOOL
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF THE CHARTER SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHER'S PENSION AND ANNUITY FUND
 LAST NINE FISCAL YEARS
 UNAUDITED

	Fiscal Year Ending June 30,								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
State's proportion of the net pension liability attributable of the Charter School	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability attributable to the Charter School	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Charter School's covered payroll (plan measurement period)	\$ 763,749	\$ 654,557	\$ 881,759	\$ 872,225	\$ 979,205	\$ 1,078,035	\$ 1,092,846	\$ 1,041,906	\$ 1,089,828
Charter School's proportionate share of the net pension liability as a percentage of its covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	0.76%	0.78%	0.28%	0.61%	0.71%	0.62%	26.95%	24.48%	35.52%

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

Ridge and Valley Charter School
Required Supplementary Information Schedules
Schedule of Changes in the Charter School's Net OPEB Liability and Related Ratios
Last Five Fiscal Years
(Unaudited)

	Fiscal Years Ending					
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
OPEB Liability at Beginning of Measurement Period	\$ 2,875,298	\$ 2,730,800	\$ 2,453,223	\$ 2,609,856	\$ 4,853,919	\$ 4,853,919
Service cost	256,377	213,238	212,639	224,013	413,388	413,388
Interest on Total OPEB Liability	88,391	104,273	101,679	97,764	115,701	115,701
Effect on Changes of Benefit Terms	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE
Difference between expected and actual experience	NOT AVAILABLE	(250,237)	(118,858)	1,117,584	(834,314)	(834,314)
Effect of Changes of Assumptions	(428,344)	(281,520)	38,913	886,644	4,400	4,400
Contributions - Employee	2,329	2,267	2,375	2,561	2,958	2,958
Gross Benefits Paid by the State	(63,251)	(65,598)	(80,115)	(84,503)	(91,140)	(91,140)
Net Change in Total OPEB Liability	NOT AVAILABLE	(144,498)	(277,577)	156,633	2,244,063	(393,754)
OPEB Liability at Beginning of Measurement Period	2,875,298	2,730,800	2,730,800	2,453,223	2,609,856	4,853,919
Total OPEB Liability at End of Measurement Period	\$ 2,875,298	\$ 2,730,800	\$ 2,453,223	\$ 2,609,856	\$ 4,853,919	\$ 4,460,165

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule:

Changes in benefit terms: The \$63,870,842 decrease in liability from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences Between Expected and Actual Experiences: The \$11,385,071,658 decrease in the liability from June 30, 2020 to June 30, 2021 is due to changes in the census claims

Update in census information	\$ (591,982,074)
Premium and Claims Experience	(10,793,089,584)
Total	\$ (11,385,071,658)

Changes in Assumptions:

The \$59,202,105 increase in the liability from June 30, 2020 to June 30, 2021 is due to the combined effect of the following:

Trend Update	\$ 141,651,103
Mortality Projection Scale Update	270,835,004
Discount Rate Change	536,297,378
Salary Scale	(889,581,380)
Total Changes in Assumption	\$ 59,202,105

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION III

RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR FISCAL YEAR ENDED JUNE 30, 2022

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 7.00% as of June 30, 2020 to 7.00% as of June 30, 2021 in accordance with Paragraph 44 of GASB Statement No. 67.

RIDGE AND VALLEY CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHER'S PENSION AND ANNUITY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2022

A. Benefit Changes

There were none.

B. Changes in Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021 in accordance with Paragraph 44 of GASB Statement No. 67.

OTHER SUPPLEMENTARY INFORMATION

**SECTION E – SPECIAL REVENUE FUND
DETAIL STATEMENTS**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expandable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Ridge and Valley CHARTER SCHOOL
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2021

	REAP Grant	Idea Basic Part B	CRRSA Act Learning Acceleration	Charter School Security Grant	SDA Emergent Needs Capital Maintenance	Local Grants	Student Activity / Athletics Fund	Total
Revenues:								
Federal Sources	\$ 27,047	\$ 23,468	15,159	\$ -	\$ -	\$ -	\$ -	\$ 65,674
State Sources				11,707	10,944	2,000	10,009	22,651
Local Sources								12,009
Total Revenues	\$ 27,047	\$ 23,468	\$ 15,159	\$ 11,707	\$ 10,944	\$ 2,000	\$ 10,009	\$ 100,334
Expenditures:								
Instruction:								
Salaries of Teachers	\$ -	\$ -	\$ 10,885	\$ -	\$ -	\$ -	\$ -	\$ 10,885
General Supplies			4,274					4,274
Other Objects	27,047							27,047
Total Instruction	27,047	-	15,159	-	-	-	-	42,206
Support Services:								
Other Purchased Professional Services		23,468			10,944	2,000		34,412
Supplies and Materials				9,674			16,497	11,674
Student Activities								16,497
Total Support Services	-	23,468	-	9,674	10,944	2,000	16,497	62,583
Facilities Acquisition and Construction Services:								
Noninstructional Equipment				2,033				2,033
Total Facilities Acquisition and Construction Services	-	-	-	2,033	-	-	-	2,033
Total Expenditures	27,047	23,468	15,159	11,707	10,944	2,000	16,497	106,822
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,488)	\$ (6,488)

SECTION I – LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

RIDGE AND VALLEY CHARTER SCHOOL
 Schedule of Notes Payable
 June 30, 2022

Issue	Date of Issue	Amount of Issue	Interest Rate	Balance June 30, 2021	Issued	Retired	Balance June 30, 2022
Mortgage	6/25/18	\$ 860,000	3.60%	\$ 801,241	\$ -	\$ 24,065	\$ 777,176
				\$ 801,241	\$ -	\$ 24,065	\$ 777,176

**STATISTICAL SECTION
(UNAUDITED)**

Ridge and Valley Charter School has been in operation for ten (10) years. GASB requires that ten years of statistical data be presented. State law usually grants charters for less than ten years. Therefore, only statistical data for ten (10) years is available and has been presented.

Contents

Financial Trends

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

Revenue Capacity (Not Applicable to Charter School)

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year. The charter school implemented GASB Statement 34 in the fiscal year ending June 30, 2008; schedules presenting charter school-wide information include information beginning in that year.*

FINANCIAL TRENDS

RIDGE AND VALLEY CHARTER SCHOOL

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt	\$ 670,687	\$ 1,028,105	\$ 1,028,105	\$ 1,062,603	\$ 1,085,160	\$ 1,070,962	\$ 1,050,555	\$ 1,019,806	\$ 986,434	\$ 975,162
Debt for net pension liability - PERS			\$ (525,010)	\$ (426,916)	\$ (684,889)	\$ (829,053)	\$ (631,508)	\$ (553,130)		
Debt for net OPEB liability - PERS			\$ (2,609,856)	\$ (2,453,223)	\$ (2,730,800)	\$ (2,875,298)				
Restricted	49,580	30,460	30,460	30,451	63,432	34,703	53,811	35,515	30,505	33,525
Unrestricted	1,309,174	648,339	920,830	524,594	312,929	233,926	129,808	255,075	213,153	102,370
Total Governmental Activities Net Assets/ Position	\$ 2,029,441	\$ 1,706,904	\$ (1,155,471)	\$ (1,262,491)	\$ (1,954,168)	\$ (2,364,760)	\$ 602,666	\$ 757,266	\$ 1,230,092	\$ 1,111,057
Charter School-Wide										
Net Investment in Capital Assets/ Invested in capital assets, net of related debt	\$ 670,687	\$ 1,028,105	\$ 1,028,105	\$ 1,062,603	\$ 1,085,160	\$ 1,070,962	\$ 1,050,555	\$ 1,019,806	\$ 986,434	\$ 975,162
Debt for net pension liability - PERS			\$ (525,010)	\$ (426,916)	\$ (684,889)	\$ (829,053)	\$ (631,508)	\$ (553,130)		
Debt for net OPEB liability - PERS			\$ (2,609,856)	\$ (2,453,223)	\$ (2,730,800)	\$ (2,875,298)				
Restricted	49,580	30,460	30,460	30,451	63,432	34,703	53,811	35,515	30,505	33,525
Unrestricted	1,309,174	648,339	920,830	524,594	312,929	233,926	129,808	255,075	213,153	102,370
Total Charter School Net Position	\$ 2,029,441	\$ 1,706,904	\$ (1,155,471)	\$ (1,262,491)	\$ (1,954,168)	\$ (2,364,760)	\$ 602,666	\$ 757,266	\$ 1,230,092	\$ 1,111,057

Source: Annual Comprehensive Financial Report

RIDGE AND VALLEY CHARTER SCHOOL

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental Activities:										
Instruction	\$ 1,712,522	\$ 1,680,346	\$ 1,133,855	\$ 1,116,415	\$ 1,002,640	\$ 965,967	\$ 900,143	\$ 914,885	\$ 800,602	\$ 873,181
Administration	664,314	175,701								
Support Services	417,403	835,568	1,628,433	779,428	797,000	1,261,493	1,083,225	948,278	965,026	841,195
Unallocated Depreciation	65,013	62,473								
Total Governmental Activities Expenses	<u>2,859,252</u>	<u>2,754,088</u>	<u>2,762,288</u>	<u>1,895,843</u>	<u>1,799,640</u>	<u>2,227,460</u>	<u>1,983,368</u>	<u>1,863,163</u>	<u>1,765,628</u>	<u>1,714,376</u>
Business-Type Activities:										
Child Care	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	-	-	-	-	-	-	-	-	-	-
Total Charter School Expenses	<u>\$ 2,859,252</u>	<u>\$ 2,754,088</u>	<u>\$ 2,762,288</u>	<u>\$ 1,895,843</u>	<u>\$ 1,799,640</u>	<u>\$ 2,227,460</u>	<u>\$ 1,983,368</u>	<u>\$ 1,863,163</u>	<u>\$ 1,765,628</u>	<u>\$ 1,714,376</u>
Program Revenues										
Governmental Activities:										
Operating Grants and Contributions	\$ 89,399	\$ 107,358	\$ 48,958	\$ 53,071	\$ 53,669	\$ 33,200	\$ 43,273	\$ 42,539	\$ 42,836	\$ 45,495
Total Governmental Activities Expenses	<u>89,399</u>	<u>107,358</u>	<u>48,958</u>	<u>53,071</u>	<u>53,669</u>	<u>33,200</u>	<u>43,273</u>	<u>42,539</u>	<u>42,836</u>	<u>45,495</u>
Business-Type Activities:										
Child Care	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	-	-	-	-	-	-	-	-	-	-
Total Charter School Program Revenue	<u>\$ 89,399</u>	<u>\$ 107,358</u>	<u>\$ 48,958</u>	<u>\$ 53,071</u>	<u>\$ 53,669</u>	<u>\$ 33,200</u>	<u>\$ 43,273</u>	<u>\$ 42,539</u>	<u>\$ 42,836</u>	<u>\$ 45,495</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (2,769,853)	\$ (2,646,730)	\$ (2,713,330)	\$ (1,842,772)	\$ (1,745,971)	\$ (2,194,260)	\$ (1,940,095)	\$ (1,820,624)	\$ (1,722,792)	\$ (1,668,881)
Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total Charter School Net Expense	<u>\$ (2,769,853)</u>	<u>\$ (2,646,730)</u>	<u>\$ (2,713,330)</u>	<u>\$ (1,842,772)</u>	<u>\$ (1,745,971)</u>	<u>\$ (2,194,260)</u>	<u>\$ (1,940,095)</u>	<u>\$ (1,820,624)</u>	<u>\$ (1,722,792)</u>	<u>\$ (1,668,881)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 1,558,004	\$ 1,689,262	\$ 1,747,253	\$ 1,558,415	\$ 1,331,114	\$ 1,294,210	\$ 1,175,360	\$ 1,263,249	\$ 1,231,831	\$ 1,132,587
Federal and State Aid Not Restricted (Unrestricted Grants and Contributions)	1,556,418	1,249,510	1,061,976	961,319	776,822	787,136	588,550	621,610	588,767	539,960
Investment Earnings	20,127	54,821	11,121	9	10	62	59	10	10	32
Miscellaneous Income	0	278,847		14,706	48,617	20,724	21,514	16,069	21,219	15,349
Special Items										
Total Governmental Activities	<u>3,134,749</u>	<u>3,272,440</u>	<u>2,820,350</u>	<u>2,534,449</u>	<u>2,156,563</u>	<u>2,102,132</u>	<u>1,785,483</u>	<u>1,900,938</u>	<u>1,841,827</u>	<u>1,687,928</u>
Change in Net Position										
Governmental Activities	\$ 364,896	\$ 625,710	\$ 107,020	\$ 691,677	\$ 410,592	\$ (92,128)	\$ (154,612)	\$ 80,314	\$ 119,035	\$ 19,047
Total Charter School	<u>\$ 364,896</u>	<u>\$ 625,710</u>	<u>\$ 107,020</u>	<u>\$ 691,677</u>	<u>\$ 410,592</u>	<u>\$ (92,128)</u>	<u>\$ (154,612)</u>	<u>\$ 80,314</u>	<u>\$ 119,035</u>	<u>\$ 19,047</u>

Source: Annual Comprehensive Financial Report

RIDGE AND VALLEY CHARTER SCHOOL
 Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Unaudited

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund	30,260	\$ 30,260	\$ 30,260	\$ 30,251	\$ 33,013	\$ 34,503	\$ 53,611	\$ 35,315	\$ 30,305	\$ 33,525
Restricted	1,852,385	1,566,602	920,830	524,594	312,929	233,926	129,808	255,075	213,153	102,370
Unassigned										
Total General Fund	\$ 1,882,645	\$ 1,596,862	\$ 951,090	\$ 554,845	\$ 345,942	\$ 268,429	\$ 183,419	\$ 290,390	\$ 243,458	\$ 135,895
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Special Revenue Fund	19,120	-	-	-	-	-	-	-	-	-
Capital projects fund	200	200	200	200	200	200	200	200	200	200
Total All Other Governmental Funds	\$ 19,320	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200

Source: Annual Comprehensive Financial Report

RIDGE AND VALLEY CHARTER SCHOOL
 Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Unaudited

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Local Source (Tax Levy)	\$ 1,566,122	\$ 1,707,138	\$ 1,747,253	\$ 1,558,415	\$ 1,331,114	\$ 1,294,210	\$ 1,175,360	\$ 1,263,249	\$ 1,231,831	\$ 1,132,587
Student Activities	10,009	6,320	-	-	-	-	-	-	-	-
Interest Earnings	-	-	-	9	10	62	59	10	10	32
Intermediate Sources / Miscellaneous	2,000	30,625	11,753	14,706	48,617	20,745	25,626	16,862	22,880	16,060
State Sources	1,580,143	1,308,407	1,061,976	961,319	776,822	787,136	588,550	621,610	588,767	539,960
Federal Sources	65,674	48,461	48,326	53,071	53,689	33,179	39,161	41,746	41,175	44,784
Total Revenues	<u>3,223,948</u>	<u>3,100,951</u>	<u>2,869,308</u>	<u>2,587,520</u>	<u>2,210,252</u>	<u>2,135,332</u>	<u>1,828,756</u>	<u>1,943,477</u>	<u>1,884,663</u>	<u>1,733,423</u>
Expenditures:										
Instruction	1,169,717	1,157,631	133,855	1,116,415	1,002,640	965,967	900,143	914,885	800,602	873,181
Administration	1,340,869	1,208,201	-	-	-	-	-	-	-	-
Support Services	365,810	348,138	2,294,259	1,212,889	1,009,409	982,350	927,851	871,718	875,169	747,678
Capital Outlay	26,098	20,170	44,949	49,313	120,690	102,005	107,733	109,942	101,129	102,346
Total Expenditures	<u>2,902,494</u>	<u>2,734,140</u>	<u>2,473,063</u>	<u>2,378,617</u>	<u>2,132,739</u>	<u>2,050,322</u>	<u>1,935,727</u>	<u>1,896,545</u>	<u>1,776,900</u>	<u>1,723,205</u>
Special Items	0	278,847	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	321,454	645,658	396,245	208,903	77,513	85,010	(106,971)	46,932	107,763	10,218
Other Financing Uses:										
State Repayment / Proceeds from Borrowing	-	-	-	2,771	1,500	-	-	-	-	-
Transfers In	-	-	-	(2,771)	(1,500)	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Uses	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ 321,454	\$ 645,658	\$ 396,245	\$ 208,903	\$ 77,513	\$ 85,010	\$ (106,971)	\$ 46,932	\$ 107,763	\$ 10,218

Source: Annual Comprehensive Financial Report

RIDGE AND VALLEY CHARTER SCHOOL
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years
(modified accrual basis of accounting)
 Unaudited

Fiscal Year Ending June 30,	Donations	Interest	Miscellaneous Revenue	Total
2022	\$ -	\$ 323	\$ 7,795	\$ 8,118
2021	-	295	17,581	17,876
2020	-		11,753	11,753
2019	-		14,706	14,706
2018	-	-	48,617	48,617
2017	-	-	20,807	20,807
2016	-	-	25,685	25,685
2015	-		16,872	16,872
2014	-		21,219	21,219
2013	52		15,297	15,349

Source: Charter School records

OPERATING INFORMATION

RIDGE AND VALLEY CHARTER SCHOOL
 Full-Time Equivalent Charter School Employees by Function
 Last Ten Fiscal Years

Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction										
Regular	12.0	12.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Special Education	6.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other Special Education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other Instruction	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Non-Public School Programs	-	-	-	-	-	-	-	-	-	-
Adult/Continuing Education Program	-	-	-	-	-	-	-	-	-	-
Support Services										
Student & Instruction Related Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
General Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
School Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Other Administrative Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Central Services	-	-	-	-	-	-	-	-	-	-
Administrative Information Technology	-	-	-	-	-	-	-	-	-	-
Plant Operation and Maintenance	-	-	-	-	-	-	-	-	-	-
Pupil Transportation	-	-	-	-	-	-	-	-	-	-
Other Support Services	-	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Total	28	27	24	24	24	24	24	24	24	24

RIDGE AND VALLEY CHARTER SCHOOL
 School Building Information
 Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>Charter School Building</u>										
<u>Elementary School</u>										
Ridge and Valley Charter School										
Square Feet	13,500	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	119	125	130	130	126	126	117	125	126	129

Number of Schools at June 30, 2022
 Elementary School = 1
 Middle School = 0
 High School = 0

Source: Charter School Facilities Office

RIDGE AND VALLEY CHARTER SCHOOL

Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil / Teacher Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percent Change in Average Daily Enrollment	Student Attendance Percentage
2022	119	\$ 2,771,607	\$ 23,291	10.95%	18	6.39	114.94	106.62	-7.75%	92.76%
2021	125	2,623,979	20,992	10.35%	17	7.33	124.6	119.86	-3.78%	96.20%
2020	130	2,473,063	19,024	3.97%	19	6.84	129.5	129.50	4.02%	100.00%
2019	130	2,378,617	18,297	8.10%	19	6.84	124.5	124.50	-0.32%	100.00%
2018	126	2,132,739	16,927	4.02%	19	6.63	124.9	124.90	0.00%	100.00%
2017	126	2,050,322	16,272	-1.65%	19	6.63	124.9	124.90	15.92%	100.00%
2016	117	1,935,727	16,545	9.04%	19	6.16	107.75	107.75	-13.38%	100.00%
2015	125	1,896,545	15,172	7.59%	19	6.58	124.4	124.40	0.81%	100.00%
2014	126	1,776,900	14,102	5.57%	19	6.63	123.4	123.40	1.48%	100.00%
2013	129	1,723,205	13,358	-19.46%	19	6.79	121.6	121.60	-0.25%	100.00%

RIDGE AND VALLEY CHARTER SCHOOL
Insurance Schedule
June 30, 2022

	Coverage	Deductible
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 Compenssation (Liberty Mutual)		
Each Accident	500,000	
 Policy Limit	500,000	
 Voluntarily Accident (QBE Insurance Co.)	250,000	
 Directors & Officers (U.S. Specialty Insurance)	1,000,000	7,500

Source: District Records

Ridge and Valley Charter School
 New Jersey Performance Framework Financial Ratios
Charter School Performance Framework Financial Indicators
 Audited Performance Indicators
 Fiscal Ratios
 Last Three Fiscal Years

	2020 Audit	2021 Audit	2022 Audit	Source
Cash	\$ 363,507	\$ 1,534,163	\$ 1,737,803	Audit: Exhibit A-1
Current Assets (include cash)	608,298	1,661,753	1,916,869	Audit: Exhibit A-1
Current Liabilities	72,931	39,083	14,904	Audit: Exhibit A-1
Total Expenses	1,895,843	2,754,088	2,859,252	Audit: Exhibit A-2
Change in Net Position	691,677	625,710	364,696	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	129.9	124.0	115.00	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	130	125	119	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/other bond payable:</i>				
Depreciation Expense	76,865	62,473	65,013	Auditor/Workpapers
Interest Expense	38,843	36,660	28,847	Auditor/Workpapers
Principal Payments - Normal	18,902	20,170	24,065	Auditor/Workpapers
Interest Payments	38,843	36,660	28,847	Auditor/Workpapers

	2018	2019	2020	3 YR CUM	Calculation*****	Target*****
Performance Indicators						
Near Term Indicators						
1a. Current Ratio (working capital ratio)	8.3	42.5	128.6		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b. Unrestricted days cash on hand	70	203	222		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c. Enrollment Variance	100%	99%	97%	99%	Average Daily Enrollment/Budgeted Enrollment	>95% or >95% for 3 yr cum
1d.** Default on loans or delinquent in debt payments	NO	NO	NO		Auditor	not in default
Sustainability Indicators						
2a*** 3 Year Cumulative Cash Flow	0	1,170,656	203,640	1,374,296	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b Debt Service Coverage Ratio	13.98	12.75	8.67		N/A or (Change in Net Position + depreciation + interest expense) / (principal + interest payments)	>1.10

* For renaissance schools: use Oct 15 count; if no final count: use head count if ADE not available
 ** Is school in default of loan covenant(s) and/or is delinquent with debt service payments? No
 *** 2022-2022 Cash-2021 Cash; 2021-2021 Cash - 2020 Cash; 2020-2020 Cash-2019 Cash
 ***** Refer to NJ Performance Framework
 Meets Standard
 Does Not Meet Standard
 Falls Far Below Standard

SINGLE AUDIT SECTION

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K-1
Page 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**

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

We have audited, in accordance with the 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 in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of Ridge and Valley Charter School (Charter School), in the , State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements and have issued our report thereon February 24, 2023 which contains an emphasis of matter paragraph describing the adoption of a new accounting principle, consistency of financial statements, and prior period adjustment.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter School's internal control.

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

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

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 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 matter that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


Richard M. Barre
Public School Accountant
PSA Number CS-01181

Union, New Jersey
February 24, 2023

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K-2
Page 1

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE AND
NEW JERSEY CIRCULAR 15-08 OMB**

The Honorable President and
Members of the Board of Trustees
Ridge and Valley Charter School

Blairstown, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Ridge and Valley Charter School's compliance with the types of compliance requirements described in the New Jersey Circular 15-08- OMB State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2022. The Ridge and Valley Charter School's major state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs.

In our opinion, the Ridge and Valley Charter School, 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 fiscal year ended June 30, 2022.

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Ridge and Valley Charter School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Ridge and Valley Charter School's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Office of School Finance, Department of Education, State of New Jersey; and New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Ridge and Valley Charter School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 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 internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Purpose of this Report

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


BARRE & COMPANY LLC
Certified Public Accountants
Public School Accountants


Richard M. Barre
Public School Accountant
PSA Number CS-01181

Union, New Jersey
February 24, 2023

RIDGE AND VALLEY CHARTER SCHOOL
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Start/End From To	Balance at June 30, 2021	Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures	Pass-Through To Subrecipients	Adjustments	Repayment Of Prior Year Balances	Accounts Receivable	Balance at June 30, 2022 Unearned Revenue	Due to Grantor
U.S. Department of Education																
Part of U.S. Department of Education																
Special Revenue Fund																
Special Education Cluster (IDEA)	84.027	84.027A	H027420031	IDEA - 22	23,468	7/1/21 - 6/30/22				(23,468) (23,468)					(23,468) (23,468)	
Total Special Education Cluster (IDEA)																
Other Special Revenue Funds:																
CRS Learning Acceleration Grant	84.425	COVID-19 84.425D		NA	15,189	9/15/20 - 8/31/23		(617)	15,189	(15,189)						
CRS Learning Acceleration Grant	84.358A	NA		NA	2,794	9/1/20 - 8/31/21		(617)	2,794	(2,794)						
Total Other Special Revenue Funds								(617)	42,823	(42,236)						
Total Special Revenue Fund								(617)	42,823	(66,674)					(23,468)	
Total Federal Financial Awards								(617)	42,823	(66,674)					(23,468)	

The accompanying Notes to Financial Statements and Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

RIDGE AND VALLEY CHARTER SCHOOL
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balance	Balance at June 30, 2022		MEMO
			From	To	Unearned Revenue (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Unearned Revenue/ Interfund Payable	
State Department of Education													
General Education Public Cluster													
Special Education - State Share	22-495-034-5120-078	\$ 280,102	7/1/21	6/30/22	\$ -	\$ -	\$ 280,102	\$(280,102)	\$ -	\$ -	\$ -	\$ -	\$ 280,102
Equalization Aid - State Share	21-495-034-5120-071	-	7/1/20	6/30/21	-	-	89,399	(89,399)	-	-	-	-	89,399
Special Education Categorical Aid	22-495-034-5120-089	-	7/1/20	6/30/21	-	-	8,751	(8,751)	-	-	-	-	8,751
Special Education Aid	21-495-034-5120-084	-	7/1/20	6/30/21	-	-	415,630	(415,630)	-	-	-	-	415,630
Security Aid	22-495-034-5120-085	-	7/1/21	6/30/22	-	-	148,333	(148,333)	-	-	-	-	148,333
Adjustment Aid	22-495-034-5120-085	-	7/1/21	6/30/22	-	-	942,219	(942,219)	-	-	-	-	942,219
Nonpublic Aid	22-100-034-5088-042	148,333	7/1/21	6/30/22	-	-	-	-	-	-	-	-	-
Total State Aid-Public Cluster													
TPAF Post-Retirement Medical Contributions	22-495-034-5094-001		7/1/21	6/30/22									
On-Behalf TPAF Pension Contributions	22-495-034-5094-002		7/1/21	6/30/22									
TPAF Long Term Disability Insurance Premium	22-495-034-5094-004		7/1/21	6/30/22									
Reimbursed TPAF - Social Security	22-495-034-5094-003	79,703	7/1/21	6/30/22	(3,561)	-	75,702	(79,703)	(4,001)	-	-	-	79,703
Reimbursed TPAF - Social Security	21-495-034-5094-003	77,649	7/1/20	6/30/21	(3,561)	-	79,263	(79,709)	(4,007)	-	-	-	79,703
Total Reimbursed TPAF-Social Security Cluster													
Total General Fund					(3,561)	-	1,556,102	(1,556,542)	(4,001)	-	-	-	1,556,542
Special Revenue Fund:													
Preschool and Charter School Security	21E00257	11,708	7/1/21	9/30/23	-	-	10,944	(11,708)	(11,708)	-	-	-	11,708
SDA Emergent and Capital Maintenance Funds	0	10,944	7/1/21	6/30/22	-	-	-	(10,944)	-	-	-	-	10,944
Total Special Revenue Fund													
Total State Financial Assistance Subject to Major Program Determination for State Single Aud													
Programs Financial Assistance Not Subject to Major Program Determination (Non-Cash Assistance)													
TPAF Post-Retirement Medical Contributions	22-495-034-5094-001	101,216	7/1/21	6/30/22	-	-	101,216	(101,216)	-	-	-	-	101,216
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	433,213	7/1/21	6/30/22	-	-	433,213	(433,213)	-	-	-	-	433,213
TPAF Long Term Disability Insurance Premium	22-495-034-5094-004	195	7/1/21	6/30/22	-	-	195	(195)	-	-	-	-	195
Total General Funds (Non-Cash Assistance)													
Total State Financial Assistance					(3,561)	-	1,021,478	(1,021,918)	(4,001)	-	-	-	2,091,166

RIDGE AND VALLEY CHARTER SCHOOL
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
June 30, 2022

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Trustees, 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 schedules of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal and state 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 basis of accounting are described in Note 1 to the board's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 CFR 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the New Jersey OMB Circular 15-08, "*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*". Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

RIDGE AND VALLEY CHARTER SCHOOL
Notes to the Schedules of Expenditures
of Awards and Financial Assistance
June 30, 2022

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is none for the general fund and none for the special revenue fund. See Notes to the Required Supplementary Information 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 presented below:

	Federal	State	Total
General Fund	\$ -	\$ 1,557,492	\$ 1,557,492
Special Revenue Fund	65,674	8,488	74,162
Total Awards & Financial Assistance	<u>\$ 65,674</u>	<u>\$ 1,565,980</u>	<u>\$ 1,631,654</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

Ridge and Valley Charter School has no loan balances outstanding at June 30, 2022.

NOTE 6. OTHER INFORMATION

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, TPAF Post-Retirement Medical Benefits Contributions and TPAF Long-Term Disability Insurance represents the amount paid by the state on behalf of the charter school for the year ended June 30, 2022. 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, 2022.

RIDGE AND VALLEY CHARTER SCHOOL
Notes to the Schedules of Expenditures
of Awards and Financial Assistance
June 30, 2022

NOTE 7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

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

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

School-wide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; amounts used in school-wide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The Charter School does not have a schoolwide program.

NOTE 9. DE MINIMIS INDIRECT COST RATE

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

NOTE 10. MAJOR PROGRAMS

Major programs are identified in the Summary of Auditors Results section of the Schedule of Findings and Questioned Costs.

RIDGE AND VALLEY CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended **June 30, 2022**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditors’ report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None Reported

Noncompliance material to basic financial statements noted? _____ Yes X No

Federal Awards

N/A

State Awards

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

Auditee qualified as low-risk auditee? X Yes _____ No

Internal control over major programs:

1) Material weakness(es) identified? _____ Yes X No

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None Reported

Type of auditors’ report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJ Circular Letter 15-08-OMB, as applicable? _____ Yes X No

GMIS Number(s)	Name of State Programs
	STATE AID – PUBLIC CLUSTER
<u>22-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>22-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>22-495-034-5120-084</u>	<u>Security Aid</u>
<u>22-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>22-100-034-5068-042</u>	<u>Non-Public Student Aid</u>

RIDGE AND VALLEY CHARTER SCHOOL
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended **June 30, 2022**

Section II – Schedule of Financial Statement Findings

The section identifies the significant deficiencies, material weaknesses and fraud, non-compliance with provisions of laws, regulation, contracts, and grant agreements related to financial statements for which Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey requires.

No Current Year Findings

Section III – Schedule of Federal and State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and material matters of noncompliance, including questioned costs and significant instances of abuse, related to the audit of major federal and state programs, as required by U.S Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

No Current Year Findings

CURRENT YEAR STATE AWARDS

No Current Year Findings

RIDGE AND VALLEY CHARTER SCHOOL
Summary Schedule of Prior Year Audit Findings and Questioned Costs as prepared by
Management
For the Fiscal Year Ended **June 30, 2022**

STATUS OF PRIOR-YEAR FINDINGS

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

No Prior Year Findings