

***RIDGE AND VALLEY CHARTER SCHOOL***

***ANNUAL COMPREHENSIVE  
FINANCIAL REPORT***

***FISCAL YEAR ENDED JUNE 30, 2023***

***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, 2023***

***ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
OF THE  
RIDGE AND VALLEY CHARTER SCHOOL  
BLAIRSTOWN, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023***

***Prepared By***

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

***And***

***Barre & Company, LLC CPA's***

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***INTRODUCTORY SECTION***



# Ridge and Valley Charter School

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

November 28, 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, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Charter School and 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

A six-member Board of Trustees 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 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 2022 - 2023 fiscal year with an enrollment of 128 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>
2023	129.0	12.27%
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%

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 structure 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). The Internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the 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. The Internal control structure 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, 2023.

- 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, 2023 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 State of 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.

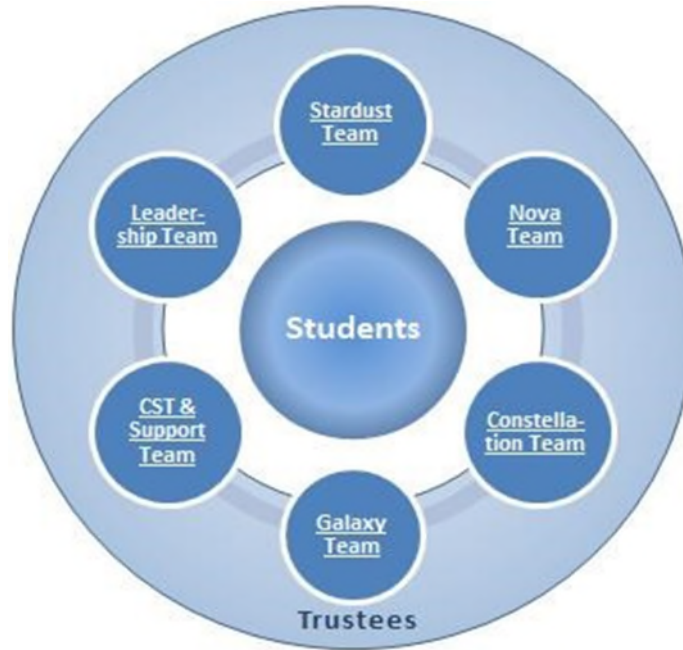
10. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Ridge and Valley Charter School Board of Trustees for their concern in providing fiscal accountability to the citizens and taxpayers of the Charter School and thereby contributing their full support to the development 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, Sena McClain, Kristine Tucker

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

**Galaxy Team:** Sarah Crosby, Mark Garner, Dan Egan, Tyler Thurgood, Maggie Vetter

**Child Study Team & Support:** Meaghan Manole, Mackenzie Cyr, Mary Paulson, Milly Paulson, Theresa Radline, Jen Ross, Toni Marek-Mazzariello

**Leadership Team:** Robin Balles, Lisa Masi, Traci Pannullo

### **Trustees:**

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

Voting: Kerry (Carol M.) Barnett, Julie Budzinski-Flores Co-coordinator (and Vice-President, as required by NJSA 18A), Jenn Gurdak, Kasey Errico, Dave McNulty, Jessica Sohl, Co-coordinator (and President, as required by NJSA 18A)., and Cindy Terranova.

**RIDGE AND VALLEY CHARTER SCHOOL  
BLAIRSTOWN, NEW JERSEY  
ROSTER OF OFFICIALS  
JUNE 30, 2023**

<b><u>MEMBERS OF THE BOARD OF TRUSTEES</u></b>	<b><u>Term Expires</u></b>
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
Katharine Errico	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 and  
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, 2023, 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 county of Warren, State of New Jersey, as of June 30, 2023, 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 November 28, 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 the effectiveness of the Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* 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  
November 28, 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, 2023  
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, 2023. 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 2023 are as follows:

- ❖ General revenues accounted for \$3,516,020 or 98% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$81,328 or 2% of total revenues of \$3,597,348.
- ❖ The Charter School had \$2,907,407 in expenses; only \$81,328 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$3,516,020 were adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$3,449,386 in revenues and \$3,013,649 in expenditures. The General Fund's fund balance increased \$435,737 over 2022. 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.

**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 2023?" 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.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED  
(CONTINUED)**

**Reporting the Charter School as a Whole**

**Statement of Net Position and the Statement of Activities (Continued)**

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 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED  
(CONTINUED)**

**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 29 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 \$2,719,382 for 2023 and \$2,029,441 for 2022.

**Governmental Activities**

The Charter School's total revenues were \$3,569,394 for 2023 and \$3,223,948 for 2022, this includes \$92,769 for 2023 and \$79,703 for 2022 of state reimbursed TPAF social security contributions.

The total cost of all program and services were \$3,166,945 for 2023 and \$2,902,494 for 2022. Instruction comprises \$1,855,161 for 2023 and \$1,712,522 for 2022 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.

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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED  
(CONTINUED)**

**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 \$3,597,348 for 2023 and \$3,223,948 for 2022 and expenditures were \$3,166,945 for 2023 and \$2,902,494 for 2022. The net change in fund balance was most significant in the general fund, a increase of \$429,249 in 2023 and an increase of \$321,454 in 2022.

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, 2023, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase/ (Decrease) From 2022	Percent of Increase/ (Decrease)
Local Sources	\$ 1,837,920	51.09%	\$ 261,789	16.61%
Intermediate Sources	2,000	0.06%	-	0.00%
State Sources	1,656,655	46.05%	76,512	4.84%
Federal Sources	100,773	2.80%	35,099	53.44%
<b>Total</b>	<b>\$ 3,597,348</b>	<b>100.00%</b>	<b>\$ 373,400</b>	

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal year ended June 30, 2023, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) From 2022	Percent of Increase/ (Decrease)
Instruction	\$ 1,202,619	37.97%	\$ 32,902	2.81%
Administration	1,397,951	44.14%	57,082	4.26%
Support Services	399,037	12.60%	33,227	9.08%
Debt Service: Principal Payments	24,958	0.79%	893	3.71%
Capital Outlay	142,380	4.50%	140,347	6903.44%
<b>Total</b>	<b>\$ 3,166,945</b>	<b>100.00%</b>	<b>\$ 264,451</b>	

**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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED  
(CONTINUED)**

**General Fund Budgeting Highlights (Continued)**

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 \$1,502,258 for 2023 and \$1,430,368 for 2022 invested in a newly purchased building, building improvements, and equipment.

**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, 2023

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents:			
Cash and Cash Equivalents	\$ 2,191,234	\$ -	\$ 2,191,234
Other Receivables	133,418		133,418
Restricted Assets:			
Cash and Cash Equivalents	30,260		30,260
Capital Assets, Net	1,502,258		1,502,258
<b>Total Assets</b>	<b>3,857,170</b>	<b>-</b>	<b>3,857,170</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Pensions	145,779		145,779
			-
<b>Total Deferred Outflows of Resources</b>	<b>145,779</b>	<b>-</b>	<b>145,779</b>
<b>LIABILITIES:</b>			
Accounts Payable	22,544		22,544
Noncurrent Liabilities:			
Due Within One Year	25,810		25,810
Due Beyond One Year:			
Other Long Term Liabilities	726,408		726,408
Net Pension Liability	324,764		324,764
<b>Total Liabilities</b>	<b>1,099,526</b>	<b>-</b>	<b>1,099,526</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Pensions	184,041		184,041
			-
<b>Total Deferred Inflows of Resources</b>	<b>184,041</b>	<b>-</b>	<b>184,041</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	653,192		653,192
Restricted for:			
Capital Projects Fund	200		200
Student Activities	13,786		13,786
Other Purposes	30,260		30,260
			-
Unassigned	2,021,944		2,021,944
<b>Total Net Position</b>	<b>2,719,382</b>	<b>\$ -</b>	<b>\$ 2,719,382</b>

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, 2023

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
<b>GOVERNMENTAL ACTIVITIES:</b>								
Instruction	1,293,883	\$ 561,278	\$ -	\$ 81,328	\$ -	\$ (1,773,833)	\$ -	\$ (1,773,833)
Administration	330,302	183,903				(514,205)	-	(514,205)
Support Services	428,496	39,055				(467,551)	-	(467,551)
Unallocated Depreciation	70,490					(70,490)	-	(70,490)
Total Governmental Activities	<u>2,123,171</u>	<u>\$ 784,236</u>	<u>-</u>	<u>81,328</u>	<u>-</u>	<u>(2,826,079)</u>	<u>-</u>	<u>(2,826,079)</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>								
Food Service	-							
Total Business-Type Activities	<u>-</u>							
Total Primary Government	<u>\$ 2,123,171</u>			<u>\$ 81,328</u>	<u>\$ -</u>	<u>\$ (2,826,079)</u>	<u>\$ -</u>	<u>\$ (2,826,079)</u>
<b>GENERAL REVENUES</b>								
General Purposes						\$ 1,814,987	\$ -	\$ 1,814,987
Federal and State Aid Not Restricted						1,676,100		1,676,100
Miscellaneous Income						24,933		24,933
Total General Revenues						<u>3,516,020</u>	<u>-</u>	<u>3,516,020</u>
Change in Net Position						689,941	-	689,941
Net Position - Beginning of Year						2,029,441	-	2,029,441
Net Position - Ending						<u>\$ 2,719,382</u>	<u>\$ -</u>	<u>\$ 2,719,382</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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 2,148,001	\$ 43,033	\$ 200	\$ 2,191,234
Investments	30,260			30,260
Receivables:				
Interfund Receivables	35,176			35,176
Receivables From Other Governments	126,211	7,207		133,418
Total Current Assets	<u>2,339,648</u>	<u>50,240</u>	<u>200</u>	<u>2,390,088</u>
Total Assets	<u>\$ 2,339,648</u>	<u>\$ 50,240</u>	<u>\$ 200</u>	<u>\$ 2,390,088</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
Current Liabilities:				
Interfund Payables	\$ -	\$ 35,176		\$ 35,176
Accounts Payable	8,044	1,278		9,322
Payroll Deductions and Withholdings	13,222			13,222
Total Current Liabilities	<u>21,266</u>	<u>36,454</u>	<u>-</u>	<u>57,720</u>
Total Liabilities	<u>21,266</u>	<u>36,454</u>	<u>-</u>	<u>57,720</u>
Fund Balances:				
Restricted For:				
Student Activities		13,786		13,786
Assigned For:				
Maintenance reserve	30,260			30,260
Unassigned:				
General Fund	2,288,122			2,288,122
Capital Projects Fund			200	200
Total Fund Balances	<u>2,318,382</u>	<u>13,786</u>	<u>200</u>	<u>2,332,368</u>
Total Liabilities and Fund Balances	<u>\$ 2,339,648</u>	<u>\$ 50,240</u>	<u>\$ 200</u>	
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 \$2,435,371 and the accumulated depreciation is \$933,113.				
				1,502,258
Net pension liability of \$324,764, deferred inflows of resources of \$184,041 less deferred outflows of resources of \$145,779 related to pensions are not reported in the governmental funds				
				(363,026)
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.				
				(752,218)
Net Position of Governmental Activities				<u>\$ 2,719,382</u>

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, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
<b>REVENUES:</b>				
Local Sources:				
Local Tax Levy	\$ 1,814,987	\$ -	\$ -	\$ 1,814,987
Interest on Investments	949			949
Student Activities		13,217		13,217
Miscellaneous	8,767			8,767
<b>Total Local Sources</b>	<b>1,824,703</b>	<b>13,217</b>	<b>-</b>	<b>1,837,920</b>
Intermediate Sources		2,000		2,000
State Sources	1,624,683	31,972		1,656,655
Federal Sources		100,773		100,773
<b>Total Revenues</b>	<b>3,449,386</b>	<b>147,962</b>	<b>-</b>	<b>3,597,348</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	1,155,009	47,610	-	1,202,619
Administration	1,397,951			1,397,951
Support Services	317,667	81,370		399,037
Debt Service: Principal Payment	24,958			24,958
Capital Outlay	118,064	24,316		142,380
<b>Total Expenditures</b>	<b>3,013,649</b>	<b>153,296</b>	<b>-</b>	<b>3,166,945</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>435,737</b>	<b>(5,334)</b>	<b>-</b>	<b>430,403</b>
<b>FUND BALANCES, JULY 1</b>	<b>1,882,645</b>	<b>19,120</b>	<b>200</b>	<b>1,901,965</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 2,318,382</b>	<b>\$ 13,786</b>	<b>\$ 200</b>	<b>\$ 2,332,368</b>

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, 2023

Total net change in fund balances - governmental fund (from B-2)	\$	430,403
<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	(70,490)	
Capital Outlay	142,380	71,890
<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>		
		24,958
<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>		
		162,690
<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	\$	689,941

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, 2023**

**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.

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

**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.

**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, 2023**

**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 nay 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, 2023**

**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, 2023**

**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, 2023**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basic of Accounting (Continued)**

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, 2023, but which were levied to finance fiscal year 2023 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 2023.

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgetary Process (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, 2023, 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, 2023**

**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, 2023, 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	\$ 4,564	\$ -	\$ 4,564	\$ -	\$ -	\$ 4,564	
Federal Awards	-	7,207	7,207	-	-	7,207	
Other	121,647	-	121,647	-	-	121,647	
Gross Receivables	126,211	7,207	133,418	-	-	133,418	
Less: Allowance for Uncollectibles	-	-	-	-	-	-	
Total Receivables, Net	<u>\$ 126,211</u>	<u>\$ 7,207</u>	<u>\$ 133,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,418</u>	

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2023

Fund	Receivable	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, 2023**

**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, 2023**

**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, 2023:**

GASB No. 96, Subscription-Based Information Technology Arrangements (SBITA), is effective with the fiscal year ending June 30, 2023. The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs.

As of June 30, 2023, the entity's SBITAs were all 12 months or less and so the entity was exempt from reporting under this pronouncement.

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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. 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, 2023.

**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, 2023**

**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, 2023, cash and cash equivalents of the Charter School consisted of the following:

	General Fund	Special Revenue	Capital Projects	Total
Operating Account	2,178,261	\$ 43,033	\$ 200	\$ 2,221,494

The Charter School had no investments at June 30, 2023.

The carrying amount of the Board’s cash and cash equivalents at June 30, 2023 was \$2,221,494 and the bank balance was \$2,254,099. 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, 2023, none of the cash and cash equivalents for Ridge and Valley Charter School were exposed to custodial credit risk.

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

Deposits and Investments (Continued)

Deposits (Continued)

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.

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.

**NOTE 6: CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023, 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, 2023.

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 6: CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 513,008	\$ -	\$ -	\$ 513,008
Land Improvements	1,512,732	136,100	-	1,648,832
Total Capital Assets Not Being Depreciated	<u>2,025,740</u>	<u>136,100</u>	<u>-</u>	<u>2,161,840</u>
<i>Capital Assets Being Depreciated:</i>				
Leasehold Improvements	\$ -	\$ -	\$ -	\$ -
Building and Building Improvements	226,254	1,660	-	\$ 227,914
Machinery and Equipment	40,997	4,620	-	45,617
Total Capital Assets Being Depreciated	<u>267,251</u>	<u>6,280</u>	<u>-</u>	<u>273,531</u>
Less Accumulated Depreciation For:				
Land Improvements	685,385	54,282	-	739,667
Building and Building Improvements	164,740	11,429	-	176,169
Machinery and Equipment	12,498	4,779	-	17,277
Total Accumulated Depreciation	<u>862,623</u>	<u>70,490</u>	<u>-</u>	<u>933,113</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>(595,372)</u>	<u>(64,210)</u>	<u>-</u>	<u>(659,582)</u>
Government Activity Capital Assets, Net	<u>\$ 1,430,368</u>	<u>\$ 71,890</u>	<u>\$ -</u>	<u>\$ 1,502,258</u>
<b>Business-Type Activities:</b>				
<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 7: GENERAL LONG-TERM DEBT**

During the fiscal year ended June 30, 2023, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023
Mortgage - Lakeland Bank	\$ 777,176	\$ -	\$ 24,958	\$ 752,218
Compensated Absences	-	-	-	-
Totals	<u>\$ 777,176</u>	<u>\$ -</u>	<u>\$ 24,958</u>	<u>\$ 752,218</u>

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7: 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, Blairstown, 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
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
<b>Total</b>	<b>\$ 752,218</b>	<b>\$ 125,314</b>	<b>\$ 877,532</b>

- A. Bond Payable – there were no bonds issued and payable for the year ended June 30, 2023.
- B. Bond Authorized but Not Issued – as of June 30, 2023 the Board had no bonds or notes that were authorized but not issued.
- C. Capital Lease Payable – as of June 30, 2023 the Board did not have any capital leases payable.

**NOTE 8: 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](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8: PENSION PLANS (CONTINUED)**

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

**Benefits Provided (Continued)**

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:

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

**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.

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8: PENSION PLANS (CONTINUED)**

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

**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, 2021 through June 30, 2022. 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, 2022 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

**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 2022 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



**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8: PENSION PLANS (CONTINUED)**

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

**Contributions (Continued)**

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 \$ 37,456 for fiscal year 2023

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

At June 30, 2023, the Charter School reported a liability of \$ 448,248 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 which was rolled forward to June 30, 2023. 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, 2022 measurement date, the Charter School's proportion was 0.00297023%, which was an increase of 0.00085652% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the Charter School recognized pension expense of \$ (61,742). At June 30, 2023, the Charter School reported deferred outflows of resources and deferred related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 1,389	\$ 67,121
Difference Between Expected and Actual Experience	3,235	2,853
Changes in Proportion	169,811	114,067
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	18,553	0
	<u>\$ 192,988</u>	<u>\$ 184,041</u>

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8: 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)**

*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 5.04, 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years for the 2022, 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	\$ 7,351.23
2024	3,745
2025	1,826
2026	(3,985)
2027	100
	\$ 9,039

**Actuarial Assumptions**

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuations as of July 1, 2021. 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:	
	2.75-6.55% based on years of service
Investment Rate of Return	7.00%

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8: PENSION PLANS (CONTINUED)**

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

**Actuarial Assumptions (Continued)**

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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. 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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected 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.

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8: PENSION PLANS (CONTINUED)**

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

**Long Term Expected Rate of Return (Continued)**

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

**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.

**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, 2022 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:

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8: PENSION PLANS (CONTINUED)**

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

	Measurement Date January 0, 1900		
	1%	Current	1%
	Decrease (6.00%)	Discount Rate (7.00%)	Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 580,745	\$ 452,044	\$ 342,515

	Measurement Date January 0, 1900		
	1%	Current	1%
	Decrease (6.00%)	Discount Rate (7.00%)	Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 344,630	\$ 253,070	\$ 175,368

**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](http://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.

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:

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8: PENSION PLANS (CONTINUED)**

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

**Benefit Provided (Continued)**

<b>Tier</b>	<b>Descriptions</b>
<b>1</b>	Members who were enrolled prior to July 1, 2007
<b>2</b>	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
<b>3</b>	Members who were eligible to enroll on or after November 2, 2008, 2010 and prior to May 22, 2010
<b>4</b>	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
<b>5</b>	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, 2022 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, 2023**

**NOTE 8: 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 2022 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 2023, 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 \$ 434,304 .

The employee contribution rate was 6.92% effective July 1, 2022. 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, 2022, the State's proportionate share of the net pension liability associated with the Charter School was \$ 5,353,956 . The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 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.

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8: 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, 2022, Charter School's proportion was , which was 0.0103770% an increase of 0.0004036% from its proportion measured as of June 30, 2021.

Charter School's Proportionate Share of the Net Pension Liability	\$	-
State's Proportionate Share of the Net Pension Liability Associated with the Charter School		<u>5,353,956</u>
Total	\$	<u>5,353,956</u>

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the Charter School in the amount of \$ 434,304 and the Charter School recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 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	\$ 3,013,097,864	\$ 19,441,140,477
Difference Between Expected and Actual Experience	699,820,974	122,664,916
Changes in Proportion and differences between employer contributions and proportionate share of contributions	118,969,401	118,969,401
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>1,172,371,073</u>	<u>-</u>
	<u>\$ 5,004,259,312</u>	<u>\$ 19,682,774,794</u>

The \$ 5,004,259,312 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 \$ 19,682,774,794 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, 2023**

**NOTE 8: 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 Ending June 30,	Total
2022	\$ (2,658,825,381)
2023	(3,823,762,872)
2024	(3,351,102,048)
2025	(1,509,375,379)
2026	(1,647,727,819)
Thereafter	(1,687,721,983)
	(14,678,515,482)

**Actuarial Assumptions**

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 01, 2021 which was rolled forward to June 30, 2022. 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:	
	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-2022.

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8: PENSION PLANS (CONTINUED)**

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

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the July 01, 2021 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, 2022) 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, 2022 is summarized in the following table:

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

**Discount Rate – TPAF**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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, 2022 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, 2023**

**NOTE 8: 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, 2022 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 January 0, 1900		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 6,287,625	\$ 5,362,482	\$ 4,583,166

	Measurement Date January 0, 1900		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Charter School's proportionate share of the Net Pension Liability	\$ 5,683,702	\$ 4,803,803	\$ 4,064,744

**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, 2023**

**NOTE 8: PENSION PLANS (CONTINUED)**

**Defined Contribution Retirement Program (DCRP) (Continued)**

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, 2023. There were no employee contributions to DCRP for the fiscal year ended June 30, 2023.

**NOTE 9: 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, 2023**

**NOTE 9: 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, 2022, 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	364,328

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

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:

		<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases				
Through 2026		2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%
		based on service	based on service	based on service
		years	years	years

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9: POST-RETIREMENT BENEFITS (CONTINUED)**

**General Information about the OPEB Plan (Continued)**

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%.

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, 2022

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9: POST-RETIREMENT BENEFITS (CONTINUED)**

**General Information about the OPEB Plan (Continued)**

Changes in the Total Non-Employer OPEB Liability (Continued)

				Total OPEB Liability
Balance at January 0, 1900				\$ 4,460,165
Service cost				353,881
Interest on Total OPEB Liability				90,790
Effect on Changes of Benefit Terms				-
Difference between expected and actual experience				(472,865)
Effect of Changes of Assumptions				(919,028)
Effect of Changes of Proportion				-
Contributions - Employee				2,885
Gross Benefits Paid by the State				(89,930)
Net Changes				(1,034,267)
Balance at June 30, 2023				3,425,898

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

The following presents the total nonemployer OPEB liability as of June 30, 2022 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 January 0, 1900		
	At 1%	At current	At 1%
	Decrease (2.54%)	discount rate (3.54%)	Increase (4.54%)
Total OPEB Liability	\$ 4,026,783	\$ 3,425,898	\$ 2,944,319

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

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

	Measurement Date Ended January 0, 1900		
	At 1%	Trend Rate	At 1%
	decrease	Trend Rate	Increase
Total OPEB Liability	\$ 2,831,714	\$ 3,425,898	\$ 6,235,696

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9: 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

For the fiscal year ended June 30, 2023 the Charter School recognized OPEB expense of \$ 386,480 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, 2022 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	\$ 611,659	\$ 1,043,937
Net Difference between Expected and Actual Earnings on OPEB Plan Investments	-	-
Assumption Changes	\$ 592,936	2,367,305
Sub Total	1,204,595	3,411,242
Contributions Made in Fiscal Year 2021 after June 30, 2020 Measurement Date	N/A	N/A
<b>Total</b>	<b>1,204,595</b>	<b>3,411,242</b>

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

Measurement Period ending June 30,	
2023	\$ (173,921)
2024	\$ (173,921)
2025	\$ (173,921)
2026	\$ (147,155)
2027	\$ (84,145)
Total Thereafter	\$ 265,254
	<b>\$ (487,810)</b>



**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10: 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, 2023 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 11 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 12 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.

**NOTE 13: 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 14: FUND BALANCE APPROPRIATED**

General Fund

The General Fund Balance of \$ 2,318,382 at June 30, 2023, of which \$ 2,288,122 was unreserved and unassigned, \$ 30,260 is assigned for maintenance.

**RIDGE AND VALLEY CHARTER SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 15: 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, 2023 is \$0.

**NOTE 16: 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.

**NOTE 17: 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 18: SUBSEQUENT EVENTS**

Subsequent events were evaluated through November 28, 2023, the date the financial statements were available to be issued.

***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, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Equalization Aid-Local	2,194,833	\$ (21,248)	\$ 2,173,585	1,814,987	\$ (358,598)
<b>Total Local Sources</b>	<b>2,194,833</b>	<b>(21,248)</b>	<b>2,173,585</b>	<b>1,814,987</b>	<b>(358,598)</b>
Categorical Aid:					
Equalization Aid-State				266,777	266,777
Special Education				81,328	81,328
Security Aid				10,493	10,493
Non-Public Student Aid				56,798	56,798
Adjustment Aid	604,500	117,386	721,886	665,088	(56,798)
<b>Total Categorical Aid</b>	<b>-</b>	<b>-</b>	<b>721,886</b>	<b>1,080,484</b>	<b>415,396</b>
Revenues From Other Sources:					
On-Behalf TPAF Pension Contributions (Non-Budgeted)	-	-	-	357,392	357,392
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)	-	-	-	93,886	93,886
On-Behalf TPAF Long Term Disability Contributions (Non-Budgeted)	-	-	-	152	152
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				92,769	92,769
Federal Sources				-	-
Contributions/Donations				-	-
Interest Income				949	949
Miscellaneous Revenue				8,767	8,767
<b>Total Revenues From Other Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>553,915</b>	<b>553,915</b>
<b>Total Revenues</b>	<b>2,194,833</b>	<b>(21,248)</b>	<b>2,895,471</b>	<b>3,449,386</b>	<b>610,713</b>
<b>EXPENDITURES:</b>					
Instruction:					
Kindergarten: Salaries of Teachers	100,577	278	100,855	100,855	-
Grades 1-5: Salaries of Teachers	566,480	943	567,423	567,423	-
Grades 6-8: Salaries of Teachers	364,885	(2,333)	362,552	329,914	32,638
Grades 9-12: Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	147,364	15,215	162,579	117,694	44,885
General Supplies	35,363	1,500	36,863	26,620	10,243
Textbooks	12,760	(7,600)	5,160	5,128	32
Miscellaneous	73,429	(22,715)	50,714	7,375	43,339
<b>Total Instruction</b>	<b>1,300,858</b>	<b>(14,712)</b>	<b>1,286,146</b>	<b>1,155,009</b>	<b>131,137</b>
Administration:					
Salaries - General Administration	66,024		66,024	66,024	-
Salaries of Secretarial/Clerical Assistants	313,665		313,665	299,665	14,000
Total Benefits Cost	422,077	10,952	433,029	333,923	99,106

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, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
(Continued from Prior Page)					
Purchases Prof/Tech Services	64,911	18,317	83,228	78,298	4,930
Other Purchased Services	16,098	(3,000)	13,098	6,301	6,797
Communications/Telephone	8,000	500	8,500	7,997	503
Insurance	20,277	(4,000)	16,277	14,877	1,400
Supplies and Materials	8,428	(3,817)	4,611	1,128	3,483
Mortgage Payments - Interest	30,000		30,000	27,954	2,046
Miscellaneous Expenses	33,990	(10,500)	23,490	17,585	5,905
<b>Total Administration</b>	<b>983,470</b>	<b>8,452</b>	<b>991,922</b>	<b>853,752</b>	<b>138,170</b>
Support Services:					
Salaries	25,723		25,723	23,836	1,887
Salaries - Improvement of Instruction	58,916		58,916	54,006	4,910
Purchased Prof/Tech Services	157,348	2,500	159,848	82,942	76,906
Cleaning, Repair, and Maintenance Services	74,570	52,000	126,570	115,116	11,454
Transportation-Other Than To/From School	10,800	560	11,360	11,360	-
Non-Mandated Transportation To/From School	11,000		11,000	885	10,115
Supplies and Materials	8,800	1,200	10,000	8,698	1,302
Energy Costs (Heat and Electricity)	35,363		35,363	18,806	16,557
Miscellaneous Expenses	3,735		3,735	2,018	1,717
<b>Total Support Services</b>	<b>386,255</b>	<b>56,260</b>	<b>442,515</b>	<b>317,667</b>	<b>124,848</b>
Capital Outlay:					
Instructional Equipment	80,000	45,320	125,320	105,497	19,823
Miscellaneous Expenses		24,000	24,000	12,567	11,433
Mortgage Payments-Principal	25,000	40	25,040	24,958	82
<b>Total Capital Outlay</b>	<b>105,000</b>	<b>69,360</b>	<b>174,360</b>	<b>143,022</b>	<b>31,338</b>
On-Behalf TPAF Pension Contributions (Non-Budgeted)	-	-		357,392	(357,392)
On-Behalf TPAF Post-Retirement Medical Contributions (Non-Budgeted)	-	-		93,886	(93,886)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				92,769	(92,769)
On Behalf TPAF Long-Term Disability Contributions (Non-Budgeted)				152	(152)
<b>Total Expenditures</b>	<b>2,775,583</b>	<b>119,360</b>	<b>2,894,943</b>	<b>3,013,649</b>	<b>(24,668)</b>
(Continued from Prior Page)					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(580,750)	(140,608)	(721,358)	435,737	1,157,095
<b>FUND BALANCE, JULY 1</b>	<b>1,882,645</b>	<b>-</b>	<b>1,882,645</b>	<b>1,882,645</b>	<b>-</b>
<b>FUND BALANCE, JUNE 30</b>	<b>\$ 1,301,895</b>	<b>\$ (140,608)</b>	<b>\$ 1,161,287</b>	<b>\$ 2,318,382</b>	<b>\$ 1,157,095</b>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures Budgeted Fund Balance	\$ 1,301,895	\$ (140,608)	1,161,287	\$ 2,318,382	\$ 1,157,095
<b>Total</b>	<b>\$ 1,301,895</b>	<b>\$ (140,608)</b>	<b>\$ 1,161,287</b>	<b>\$ 2,318,382</b>	<b>\$ 1,157,095</b>

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, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
Federal Sources	136,527	2,513	\$ 139,040	100,773	\$ (38,267)
State Sources	31,972		31,972	31,972	-
Local Sources	2,000		2,000	15,217	13,217
<b>Total Revenues</b>	<b>170,499</b>	<b>2,513</b>	<b>173,012</b>	<b>147,962</b>	<b>(25,050)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	22,232		22,232	6,160	16,072
Other Purchased Services	28,785	3,056	31,841	31,045	796
General Supplies	12,204		12,204	10,405	1,799
<b>Total Instruction</b>	<b>63,221</b>	<b>3,056</b>	<b>66,277</b>	<b>47,610</b>	<b>18,667</b>
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	55,188	(543)	54,645	50,345	4,300
Purchased Technical Services	8,292		8,292	8,292	-
Supplies and Materials	6,022		6,022	4,182	1,840
Miscellaneous Expenditures			-	18,551	(18,551)
<b>Total Support Services</b>	<b>73,933</b>	<b>(543)</b>	<b>73,390</b>	<b>81,370</b>	<b>(7,980)</b>
Capital Outlay:					
Buildings	33,345		33,345	24,316	9,029
Instructional Equipment			-		-
<b>Total Capital Outlay</b>	<b>33,345</b>	<b>-</b>	<b>33,345</b>	<b>24,316</b>	<b>9,029</b>
<b>Total Expenditures</b>	<b>170,499</b>	<b>2,513</b>	<b>173,012</b>	<b>153,296</b>	<b>19,716</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,334)</b>	<b>\$ 5,334</b>

***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, 2023

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

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 3,449,386	[C-2] 147,962
 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] \$ 3,449,386	 [B-2] \$ 147,962
 <b>Uses/Outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 3,013,649	[C-2] 153,296
 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] \$ 3,013,649	 [B-2] \$ 153,296

***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 TEN FISCAL YEARS**  
**UNAUDITED**

	Fiscal Year Ending June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Charter School's proportion of the net pension liability	0.00244680%	0.00295430%	0.00136780%	0.27992350%	0.29421630%	0.21682420%	0.291372900%	0.00260652%	0.00211371%	0.00297023%
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	\$ 448,248
Charter School's covered employees payroll	\$ 154,212	\$ 173,290	\$ 265,327	\$ 264,883	\$ 297,960	\$ 378,428	\$ 347,574	\$ 198,535	\$ 240,995	\$ 196,467
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%	228%
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%	62.91%

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

	Fiscal Year Ending June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 10,240	\$ 11,952	\$ 24,186	\$ 24,868	\$ 27,256	\$ 21,567	\$ 28,342	\$ 28,737	\$ 24,794	\$ 37,456
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)	(37,456)
Contribution deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charter School's covered employee payroll	\$ 154,212	\$ 173,290	\$ 265,327	\$ 264,883	\$ 297,960	\$ 378,428	\$ 347,574	\$ 198,535	\$ 240,995	\$ 196,467
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%	19.06%

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 TEN FISCAL YEARS  
 UNAUDITED

	Fiscal Year Ending June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	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	N/A
Charter School's covered employees payroll	\$ 763,749	\$ 654,557	\$ 881,759	\$ 872,225	\$ 979,205	\$ 1,078,035	\$ 1,092,846	\$ 1,041,906	\$ 1,089,828	\$ 1,458,096
Charter School's proportionate share of the net pension liability as a percentage of it's covered employee payroll	N/A	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%	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 Seven Years**  
**(Unaudited)**

	Fiscal Years Ending						
	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
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	\$ 4,460,165
Service cost	256,377	213,238	212,639	212,639	224,013	413,388	353,881
Interest on Total OPEB Liability	88,391	104,273	104,273	101,679	97,764	115,701	90,790
Effect on Changes of Benefit Terms						(4,747)	-
Difference between expected and actual experience		(250,237)	(250,237)	(118,858)	1,117,584	(834,314)	(472,865)
Effect of Changes of Assumptions	(428,344)	(281,520)	(281,520)	38,913	886,644	4,400	(919,028)
Contributions - Employee	2,329	2,267	2,267	2,375	2,561	2,958	2,885
Gross Benefits Paid by the State	(63,251)	(65,598)	(65,598)	(80,115)	(84,503)	(91,140)	(89,930)
Net Change in Total OPEB Liability	(144,498)	(144,498)	(277,577)	156,633	2,244,063	(393,754)	(1,034,267)
OPEB Liability at Beginning of Measurement Period	2,875,298	2,875,298	2,730,800	2,453,223	2,609,856	4,853,919	4,460,165
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	\$ 3,425,898

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

**Notes to Schedule:**

*Differences Between Expected and Actual Experiences:* The \$1,399,200,736 decrease in the liability from June 30, 2021 to June 30, 2022 is due to the combined effect of the following:

Update in census information	\$ 1,102,043,610
Premium and Claims Experience	297,157,126
<b>Total</b>	<b>\$ 1,399,200,736</b>

*Changes in Assumptions:*

The \$13,586,368,097 decrease in the liability from June 30, 2021 to June 30, 2022 is due to the combined effect of the following:

Trend Update	\$ 1,934,312,842
Experience Study Update	\$ (2,690,739,174)
Discount Rate Change	\$ (12,829,941,765)
<b>Total Changes in Assumption</b>	<b>\$ (13,586,368,097)</b>



***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, 2023**

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

The discount rate remained unchanged from 7.00% as of June 30, 2021 and as of June 30, 2022 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, 2023**

**A. Benefit Changes**

There were none.

**B. Changes in Assumptions**

The discount rate remained unchanged from 7.00% as of June 30, 2021 and as of June 30, 2022 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	ARP ESSER	CRRSA Act ESSER II	CRRSA Act Learning Acceleration	CRRSA Act Learning Acceleration	Charter School Security Grant	SDA Emergent Needs Capital Maintenance	Climate Grant	Local Grants	Student Activity / Athletics Fund	Total
Revenues:												
Federal Sources	\$ 31,045	\$ 22,925	5,117	24,316	6,970	10,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,773
State Sources							8,292	17,020	6,660			31,972
Local Sources										2,000	13,217	15,217
<b>Total Revenues</b>	<b>\$ 31,045</b>	<b>\$ 22,925</b>	<b>\$ 5,117</b>	<b>\$ 24,316</b>	<b>\$ 6,970</b>	<b>\$ 10,400</b>	<b>\$ 8,292</b>	<b>\$ 17,020</b>	<b>\$ 6,660</b>	<b>\$ 2,000</b>	<b>\$ 13,217</b>	<b>\$ 147,962</b>
Expenditures:												
Instruction:												
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ 6,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,160
General Supplies	31,045		5,117		810				4,478			10,405
Other Objects												31,045
<b>Total Instruction</b>	<b>31,045</b>	<b>-</b>	<b>5,117</b>	<b>-</b>	<b>6,970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,478</b>	<b>-</b>	<b>-</b>	<b>47,610</b>
Support Services:												
Other Purchased Professional Services		22,925				10,400		17,020				50,345
Purchased Technical Services							8,292					8,292
Supplies and Materials									2,182	2,000		4,182
Student Activities											18,551	18,551
<b>Total Support Services</b>	<b>-</b>	<b>22,925</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,400</b>	<b>8,292</b>	<b>17,020</b>	<b>2,182</b>	<b>2,000</b>	<b>18,551</b>	<b>81,370</b>
Facilities Acquisition and Construction Services:												
Noninstructional Equipment				24,316								24,316
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,316</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,316</b>
<b>Total Expenditures</b>	<b>31,045</b>	<b>22,925</b>	<b>5,117</b>	<b>24,316</b>	<b>6,970</b>	<b>10,400</b>	<b>8,292</b>	<b>17,020</b>	<b>6,660</b>	<b>2,000</b>	<b>18,551</b>	<b>153,296</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,334)	\$ (5,334)

## ***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, 2023

Issue	Date of Issue	Amount of Issue	Interest Rate	Balance June 30, 2022	Issued	Retired	Balance June 30, 2023
Mortgage	6/25/18	\$ 860,000	3.60%	\$ 777,176	\$ -	\$ 24,958	\$ 752,218
				\$ 777,176	\$ -	\$ 24,958	\$ 752,218



**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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Governmental Activities</b>				1,155,471						
Net Investment in Capital Assets/										
Invested in capital assets, net of related debt	\$ 653,192	\$ 670,687	\$ 1,028,105	\$ 1,028,105	\$ 1,062,603	\$ 1,085,160	\$ 1,070,962	\$ 1,050,555	\$ 1,019,816	\$ 986,434
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	56,068	30,460	30,460	30,451	63,432	34,703	53,811	35,515	30,505
Unrestricted	2,016,610	1,302,686	648,339	920,830	524,594	312,929	233,926	129,808	255,075	213,153
<b>Total Governmental Activities Net Assets/ Position</b>	<b>\$ 2,719,382</b>	<b>\$ 2,029,441</b>	<b>\$ 1,706,904</b>	<b>\$ (1,155,471)</b>	<b>\$ (1,262,491)</b>	<b>\$ (1,954,168)</b>	<b>\$ (2,364,760)</b>	<b>\$ 602,666</b>	<b>\$ 757,276</b>	<b>\$ 1,230,092</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets/										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities Net Assets/Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Charter School-Wide</b>										
Net Investment in Capital Assets/										
Invested in capital assets, net of related debt	\$ 653,192	\$ 670,687	\$ 1,028,105	\$ 1,028,105	\$ 1,062,603	\$ 1,085,160	\$ 1,070,962	\$ 1,050,555	\$ 1,019,816	\$ 986,434
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	56,068	30,460	30,460	30,451	63,432	34,703	53,811	35,515	30,505
Unrestricted	2,016,610	1,302,686	648,339	920,830	524,594	312,929	233,926	129,808	255,075	213,153
<b>Total Charter School Net Position</b>	<b>\$ 2,719,382</b>	<b>\$ 2,029,441</b>	<b>\$ 1,706,904</b>	<b>\$ (1,155,471)</b>	<b>\$ (1,262,491)</b>	<b>\$ (1,954,168)</b>	<b>\$ (2,364,760)</b>	<b>\$ 602,666</b>	<b>\$ 757,276</b>	<b>\$ 1,230,092</b>

Source: Annual Comprehensive Financial Report

**RIDGE AND VALLEY CHARTER SCHOOL**  
 Changes in Net Position  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Unaudited

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Instruction	\$ 1,827,207	\$ 1,712,522	\$ 1,680,346	\$ 1,133,855	\$ 1,116,415	\$ 1,002,640	\$ 965,967	\$ 900,143	\$ 914,885	\$ 800,602
Administration	676,895	746,471	198,056	-	-	-	-	-	-	-
Support Services	449,000	400,906	829,134	1,628,433	779,428	797,000	1,261,493	1,083,225	948,278	965,026
Unallocated Depreciation	70,490	65,013	62,473	-	-	-	-	-	-	-
Total Governmental Activities Expenses	\$ 3,023,592	\$ 2,924,912	\$ 2,770,009	\$ 2,762,288	\$ 1,895,843	\$ 1,799,640	\$ 2,227,460	\$ 1,983,368	\$ 1,863,163	\$ 1,765,628
Total Charter School Expenses	\$ 3,023,592	\$ 2,924,912	\$ 2,770,009	\$ 2,762,288	\$ 1,895,843	\$ 1,799,640	\$ 2,227,460	\$ 1,983,368	\$ 1,863,163	\$ 1,765,628
<b>Program Revenues</b>										
Governmental Activities:										
Operating Grants and Contributions	\$ 81,328	\$ 89,399	\$ 107,358	\$ 48,958	\$ 53,071	\$ 53,669	\$ 33,200	\$ 43,273	\$ 42,539	\$ 42,836
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	\$ 81,328	\$ 89,399	\$ 107,358	\$ 48,958	\$ 53,071	\$ 53,669	\$ 33,200	\$ 43,273	\$ 42,539	\$ 42,836
Business-Type Activities:										
Child Care	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	-	-	-	-	-	-	-	-	-	-
Total Charter School Program Revenue	\$ 81,328	\$ 89,399	\$ 107,358	\$ 48,958	\$ 53,071	\$ 53,669	\$ 33,200	\$ 43,273	\$ 42,539	\$ 42,836
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (2,942,264)	\$ (2,835,513)	\$ (2,662,651)	\$ (2,713,330)	\$ (1,842,772)	\$ (1,745,971)	\$ (2,194,260)	\$ (1,940,095)	\$ (1,820,624)	\$ (1,722,792)
Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total Charter School Net Expense	\$ (2,942,264)	\$ (2,835,513)	\$ (2,662,651)	\$ (2,713,330)	\$ (1,842,772)	\$ (1,745,971)	\$ (2,194,260)	\$ (1,940,095)	\$ (1,820,624)	\$ (1,722,792)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 1,814,987	\$ 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
Federal and State Aid Not Restricted (Unrestricted Grants and Contributions)	1,676,100	1,356,418	1,249,510	1,061,976	961,319	776,822	787,136	588,550	621,610	588,767
Investment Earnings	-	-	-	-	9	10	62	59	10	10
Miscellaneous Income	24,933	20,127	54,821	11,121	14,706	48,617	20,724	21,514	16,069	21,219
Special Items	-	-	278,547	-	-	-	-	-	-	-
Total Governmental Activities	\$ 3,516,020	\$ 3,134,549	\$ 3,272,640	\$ 2,820,350	\$ 2,534,449	\$ 2,156,563	\$ 2,102,132	\$ 1,785,483	\$ 1,900,938	\$ 1,841,827
<b>Change in Net Position</b>										
Governmental Activities	\$ 573,756	\$ 299,036	\$ 609,989	\$ 107,020	\$ 691,677	\$ 410,592	\$ (92,128)	\$ (154,612)	\$ 80,314	\$ 119,035
Total Charter School	\$ 573,756	\$ 299,036	\$ 609,989	\$ 107,020	\$ 691,677	\$ 410,592	\$ (92,128)	\$ (154,612)	\$ 80,314	\$ 119,035

Source: Annual Comprehensive Financial Report

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Restricted	\$ 31,760	\$ 30,260	\$ 30,260	\$ 30,260	\$ 30,251	\$ 33,013	\$ 34,503	\$ 53,611	\$ 35,315	\$ 30,305
Unassigned	2,289,018	1,955,920	1,566,602	920,830	524,594	312,929	233,926	129,808	255,075	213,153
<b>Total General Fund</b>	<b>\$ 2,320,778</b>	<b>\$ 1,986,180</b>	<b>\$ 1,596,862</b>	<b>\$ 951,090</b>	<b>\$ 554,845</b>	<b>\$ 345,942</b>	<b>\$ 268,429</b>	<b>\$ 183,419</b>	<b>\$ 290,390</b>	<b>\$ 243,458</b>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Special Revenue Fund	13,786	19,120	-	-	-	-	-	-	-	-
Capital projects fund	200	200	200	200	200	200	200	200	200	200
<b>Total All Other Governmental Funds</b>	<b>\$ 13,986</b>	<b>\$ 19,320</b>	<b>\$ 200</b>	<b>\$ 200</b>	<b>\$ 200</b>	<b>\$ 200</b>	<b>\$ 200</b>	<b>\$ 200</b>	<b>\$ 200</b>	<b>\$ 200</b>

**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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenues:</b>										
Local Source (Tax Levy)	1,814,987	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
Student Activities	21,984	17,804	23,901	-	-	-	-	-	-	-
Interest Earnings	949	323	295	-	9	10	62	59	10	10
Intermediate Sources / Miscellaneous	2,000	2,000	2,461	11,753	14,706	48,617	20,745	25,626	16,862	22,880
State Sources	1,656,655	1,580,143	1,308,407	1,061,976	961,319	776,822	787,136	588,550	621,610	588,767
Federal Sources	100,773	65,674	76,625	48,326	53,071	53,689	33,179	39,161	41,746	41,175
Total Revenues	3,597,348	3,223,948	3,100,951	2,869,308	2,587,520	2,210,252	2,135,332	1,828,756	1,943,477	1,884,663
<b>Expenditures:</b>										
Instruction	1,202,619	1,169,717	1,179,361	1,133,855	1,116,415	1,002,640	965,967	900,143	914,885	800,602
Administration	1,397,951	1,340,869	1,208,201	520,440	473,636	394,404	365,820	359,167	328,016	340,758
Support Services	399,037	365,810	326,408	773,819	739,253	615,005	616,530	568,684	543,702	534,411
Capital Outlay	167,338	26,098	20,170	44,949	49,313	120,690	102,005	107,733	109,942	101,129
Total Expenditures	3,166,945	2,902,494	2,734,140	2,473,063	2,378,617	2,132,739	2,050,322	1,935,727	1,896,545	1,776,900
Special Items	-	-	278,847	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	430,403	321,454	645,658	396,245	208,903	77,513	85,010	(106,971)	46,932	107,763
<b>Other Financing Uses:</b>										
Transfers In	-	-	-	-	2,771	1,500	-	-	-	-
Transfers Out	-	-	-	-	(2,771)	(1,500)	-	-	-	-
Total Other Financing Uses	-	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ 430,403	\$ 321,454	\$ 645,658	396,245	208,903	77,513	85,010	(106,971)	46,932	107,763

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,	Interest	Miscellaneous Revenue	Total
2023	\$ 949	\$ 8,767	\$ 9,716
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

**Source: Charter School records**



***OPERATING INFORMATION***

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

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction										
Regular	12.0	12.0	12.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Special Education	6.0	6.0	5.0	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	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>28</b>	<b>28</b>	<b>27</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>

Source: Charter School's Records

**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
2023	128	\$ 2,870,627	\$ 22,427	-3.71%	18	7.11	129.04	118.55	12.27%	91.87%
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%

Source: Charter School's Records

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Charter School Building</b>										
<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	128	119	125	130	130	126	126	117	125	126

Number of Schools at June 30, 2023  
 Elementary School = 1  
 Middle School = 0  
 High School = 0

**Source: Charter School Facilities Office**

**RIDGE AND VALLEY CHARTER SCHOOL**  
Insurance Schedule  
June 30, 2023

	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

	2021 Audit	2022 Audit	2023 Audit	Source
Cash	\$ 1,534,163	\$ 1,737,803	\$ 2,221,494	Audit: Exhibit A-1
Current Assets (include cash)	1,661,753	1,916,869	2,354,912	Audit: Exhibit A-1
Current Liabilities	39,083	14,904	22,544	Audit: Exhibit A-1
Total Expenses	2,754,088	2,859,252	2,879,453	Audit: Exhibit A-2
Change in Net Position	625,710	364,696	689,941	Audit: Exhibit A-2
Final Average Daily Enrollment (exclude PK)*	124.0	115.0	128.00	DOE Final Enrollment Report
March 30 Budgeted Enrollment (exclude PK)	125	119	128	March 30 Charter School Budget
<i>Complete section only if auditee has mortgage/note/bond payable:</i>				
Depreciation Expense	62,473	65,013	70,490	Auditor/Workpapers
Interest Expense	36,660	28,847	27,954	Auditor/Workpapers
Principal Payments - Normal	40,340	24,065	24,958	Auditor/Workpapers
Interest Payments	36,660	24,065	27,954	Auditor/Workpapers

Performance Indicators	2018	2019	2020	3 YR CUM	Calculation*****	Target*****
<b>Near Term Indicators</b>						
1a. Current Ratio (working capital ratio)	42.5	128.6	104.5		Current Assets/Current Liabilities	> 1.1 or between 1.0-1.1 with positive trend
1b. Unrestricted days cash on hand	203	222	282		Cash/(Total Expenses/365)	60 days or 30-60 days with positive trend
1c. Enrollment Variance	99%	97%	100%	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
<b>Sustainability Indicators</b>						
2a*** 3 Year Cumulative Cash Flow	1,170,656	203,640	483,691	1,857,987	Net change in cash flow from prior years	3 yr cum positive with most recent year positive
2b Debt Service Coverage Ratio	9.41	9.53	14.90		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***

**BARRE & COMPANY LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

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**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, 2023, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements and have issued our report thereon November 28, 2023.

***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.


### ***Report on 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  
November 28, 2023

**BARRE & COMPANY LLC**  
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**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, 2023. 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, 2023.

***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  
November 28, 2023

**RIDGE AND VALLEY CHARTER SCHOOL**  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2023

Federal Program Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2022	Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures	Pass-Through To Subrecipients	Adjustments	Repayment Of Prior Years Balances	Accounts Receivable	Balance at June 30, 2023 Unearned Revenue	Due to Grantor
<b>U.S. Department of Education</b>																
<b>Part B - Special Education Programs of the U.S. Department of Education</b>																
<b>Special Education Cluster (IDEA)</b>																
IDEA - Part B Basic Carryover	84-027	84-027A 84-027	H027A02001 H027A2001	IDEA - 23 IDEA - 22	22,925	7/1/22 7/1/21	630/23 630/22	-	22,925 46,393	(22,925) (22,925)	-	-	-	-	-	-
<b>Other Special Revenue Funds:</b>																
ARR - ESSER I	84-425	COVID-19, 84-425J		N/A	5,117	3/13/20	930/23	-	5,117	(6,117)	-	-	-	-	-	-
ARR - ESSER II	84-425	COVID-19, 84-425K		N/A	24,316	3/13/20	930/23	-	24,316	(24,316)	-	-	-	-	-	-
ARR - ESSER III	84-425	COVID-19, 84-425L		N/A	6,970	3/13/20	930/23	-	6,970	(6,970)	-	-	-	-	-	-
ARR - ESSER III	84-425	COVID-19, 84-425M		N/A	10,400	3/13/20	930/23	-	5,150	(10,400)	-	-	-	(5,250)	-	-
ARR - ESSER III	84-425	COVID-19, 84-425N		N/A	31,045	8/1/21	931/22	-	28,641	(77,848)	-	-	-	(7,207)	-	-
Total Other Special Revenue Funds					73,548				70,641	(100,773)				(12,707)		
Total Special Revenue Fund					117,034				117,034	(100,773)				(7,207)		
Total Federal Financial Awards					117,034				117,034	(100,773)				(7,207)		

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, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2022		Caryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balance	Balance at June 30, 2023		MEMO
			From	To	Unearned Revenue (Accounts Receivable)	Due to Grantor					(Accounts Receivable)	Unearned Revenue/ Interfund Payable	
<b>State Department of Education</b>													
<b>General Public Cluster</b>													
Special Education	23-495-034-5120-078	\$ 266,777	7/1/22	6/30/23	\$ -	\$ -	\$ -	\$ 266,777	\$ (266,777)	\$ -	\$ -	\$ -	\$ 266,777
Equalization Aid- State Share	22-495-034-5120-071	81,328	7/1/22	6/30/23	-	-	81,328	(81,328)	-	-	-	-	81,328
Special Education Categorical Aid	22-495-034-5120-069	-	7/1/22	6/30/23	-	-	-	-	-	-	-	-	-
Special Education Aid	23-495-034-5120-089	10,493	7/1/22	6/30/23	-	-	10,493	(10,493)	-	-	-	-	10,493
Security Aid	23-495-034-5120-084	665,088	7/1/22	6/30/23	-	-	665,088	(665,088)	-	-	-	-	665,088
Adjustment Aid	23-495-034-5120-085	56,798	7/1/22	6/30/23	-	-	56,798	(56,798)	-	-	-	-	56,798
Nonpublic Aid	23-100-034-5098-002	56,798	7/1/22	6/30/23	-	-	1,080,464	(1,080,464)	-	-	-	-	1,080,464
Total State Aid-Public Cluster													
TPAF Post-Retirement Medical Contributions	23-495-034-5095-001	93,886	7/1/22	6/30/23	-	-	93,886	(93,886)	-	-	-	-	93,886
On-Behalf TPAF Pension Contributions	23-495-034-5095-006	79,703	7/1/22	6/30/23	-	-	357,392	(357,392)	-	-	-	-	357,392
TPAF Long Term Disability Insurance Premium	23-495-034-5094-004	92,769	7/1/22	6/30/23	-	-	152	(152)	-	-	-	-	152
Reimbursed TPAF - Social Security	23-495-034-5095-002	79,703	7/1/22	6/30/23	-	-	88,205	(92,769)	-	-	(4,564)	-	92,769
Reimbursed TPAF - Social Security	22-495-034-5095-002	79,703	7/1/22	6/30/22	-	-	4,001	(4,001)	-	-	(4,564)	-	92,769
Total Reimbursed TPAF-Social Security Cluster							92,206	(92,769)	-	-	(4,564)	-	92,769
Total General Fund							1,624,120	(1,624,683)	-	-	(4,564)	-	1,624,683
<b>Special Revenue Fund:</b>													
Preschool and Charter School Security	21E00257	8,292	7/1/22	9/30/23	-	-	8,292	(8,292)	-	-	-	-	8,292
Preschool and Charter School Security Carryover	21E00257	-	7/1/22	9/30/23	-	-	11,708	-	-	-	-	-	11,708
SDA Emergent and Capital Maintenance Funds	0	17,020	7/1/22	6/30/23	-	-	17,020	(17,020)	-	-	-	-	17,020
School Climate Change Grant	0	6,660	7/1/22	6/30/23	-	-	6,660	(6,660)	-	-	-	-	6,660
Total Special Revenue Fund							43,680	(31,972)	-	-	-	-	31,972
Total State Financial Assistance Subject to Major Program Determination for State Single Audit							1,624,120	(1,624,683)	-	-	(4,564)	-	1,624,683
Program Determination:													
State Financial Assistance Not Subject to Major Program Determination:													
General Funds (Non-Cash Assistance)													
TPAF Post-Retirement Medical Contributions	23-495-034-5095-001	93,886	7/1/22	6/30/23	-	-	93,886	(93,886)	-	-	-	-	93,886
On-Behalf TPAF Pension Contributions	23-495-034-5095-006	357,392	7/1/22	6/30/23	-	-	357,392	(357,392)	-	-	-	-	357,392
TPAF Long Term Disability Insurance Premium	23-495-034-5094-004	152	7/1/22	6/30/23	-	-	152	(152)	-	-	-	-	152
Total General Funds (Non-Cash Assistance)							451,430	(451,430)	-	-	-	-	451,430
Total State Financial Assistance							1,172,690	(1,173,253)	-	-	(4,564)	-	2,076,119

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**  
Notes to the Schedules of Expenditures  
of Federal Awards and State Financial Assistance  
June 30, 2023

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**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, 2023

**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:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,624,683	\$ 1,624,683
Special Revenue Fund	100,773	33,972	134,745
Total Awards & Financial Assistance	<u>\$ 100,773</u>	<u>\$ 1,658,655</u>	<u>\$ 1,759,428</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, 2023.

**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, 2023. 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, 2023.



**RIDGE AND VALLEY CHARTER SCHOOL**  
Notes to the Schedules of Expenditures  
of Awards and Financial Assistance  
**June 30, 2023**

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**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, 2023**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditors’ report issued on financial statements		<u>Unmodified</u>
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ Yes	<u>  X  </u> No
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	_____ None Reported <u>  X  </u>
Noncompliance material to basic financial statements noted?	_____ Yes	<u>  X  </u> 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?	<u>  X  </u> Yes	_____ No
Internal control over major programs:		
1) Material weakness(es) identified?	_____ Yes	<u>  X  </u> No
2) Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes	_____ None Reported <u>  X  </u>
Type of auditors’ report issued on compliance for major programs		<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with NJ Circular Letter 15-08-OMB, as applicable?	_____ Yes	<u>  X  </u> No

<b>GMIS Number(s)</b>	<b>Name of State Programs</b>
	STATE AID – PUBLIC CLUSTER
<u>23-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>23-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>23-495-034-5120-084</u>	<u>Security Aid</u>
<u>23-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>23-100-034-5068-042</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, 2023**

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***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, 2023**

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**STATUS OF PRIOR-YEAR FINDINGS**

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

No Prior Year Findings