

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

**Financial Statements
with Independent Auditor's Reports Thereon**

June 30, 2023



McCRADY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of Ridgeview Global Studies Academy, Inc. (the "School") offers the following narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2023. Readers are encouraged to use this information in conjunction with information furnished in the School's financial statements. This summary should not be taken as a replacement for the audit, which consists of the basic financial statements and other supplemental information.

FINANCIAL HIGHLIGHTS

- ❖ The School's combined governmental fund balance at June 30, 2023 is approximately \$7 million.
- ❖ For the fiscal year ended June 30, 2023, the School's change in combined fund balances increased by approximately \$1.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to School's basic financial statements. The School's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the School through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the understanding of the financial condition of School.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of the School's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the School's financial status as a whole.

The two government-wide statements report the School's net position and the current year changes. The net position is the difference between the School's total assets and total liabilities. Measuring the net position is one way to evaluate the School's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include the School's basic services. The business-type activities are those services that the School charges for, that are not directly related to the School's mission. For the year ended June 30, 2023, the School had no business-type activities or component units.

Fund Financial Statements

The fund financial statements provide a more detailed look at the School's most significant activities. A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. All of the operations of the School are presented in governmental funds only.

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. The School's basic services are accounted for in the governmental funds. These funds focus on how assets that can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements provide a detailed short-term view of the financial resources available to finance the School's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The School adopts an annual budget for its general and special revenue funds, as required by the Florida Statutes. The budgets are legally adopted by management of the School and its Board. Budgetary comparison schedules have been included as part of the required supplementary information. The budgetary comparison schedules show four columns: 1) the original budget as adopted by the Board, 2) the final budget as amended by the Board, 3) the actual resources, charges and ending balances in the general fund, and 4) the variance between the final budget and the actual resources and charges.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to the full understanding of the information reported in the government-wide and fund financial statements. The notes to the financial statements start on page 16 of this report.

Other Reports

This report also includes the Independent Auditor's Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850, *Audits of Charter Schools and Similar Entities*.

BALANCE SHEET – GOVERNMENTAL FUNDS

Fund Balances

The School's combined fund balances as of June 30, 2023 and 2022 is summarized as follows:

	Governmental Activities		Variance
	2023	2022	
Current and other assets	\$ 8,342,607	\$ 6,404,614	1,937,993
Total assets	<u>8,342,607</u>	<u>6,404,614</u>	<u>1,937,993</u>
Current and other liabilities	<u>1,366,771</u>	<u>794,313</u>	<u>572,458</u>
Total liabilities	<u>1,366,771</u>	<u>794,313</u>	<u>572,458</u>
Fund Balances:			
Nonspendable:			
Other current assets	168,501	-	168,501
Assigned:			
Designated for School-based student activity organizations	125,878	113,106	12,772
Spendable:			
Unassigned	<u>6,681,457</u>	<u>5,497,195</u>	<u>1,184,262</u>
Total fund balances	\$ <u>6,975,836</u>	\$ <u>5,610,301</u>	<u>1,365,535</u>

The change in current assets is primarily due to an increase in cash from operations and amounts due from other agencies. The increase in current liabilities is the result of a payable due to the general fund. The increase in fund balance is a result of the current year increase in cash.

Change in Fund Balances

The School's total change in combined fund balances is approximately \$1.4 in fiscal 2023.

Revenues:	2023	2022	Variance
Federal sources passed through local school district	\$ 3,790,825	\$ 3,090,450	\$ 700,375
State and local sources	12,848,740	11,204,902	1,643,838
Contributions and other revenues	504,330	350,999	153,331
Total revenues	17,143,895	14,646,351	2,497,544
Expenditures:			
Instruction	10,205,669	9,308,201	897,468
Pupil personnel services	429,904	482,484	(52,580)
Instructional media services	140,269	159,582	(19,313)
Instructional staff training	6,146	1,792	4,354
Board	46,995	47,661	(666)
General administration	37,770	36,418	1,352
School administration	1,216,126	1,110,725	105,401
Facilities construction and acquisition	1,308	6,052	(4,744)
Fiscal services	70,483	67,913	2,570
Food services	988,234	878,060	110,174
Central services	6,328	-	6,328
Pupil transportation	538,689	443,714	94,975
Operation of plant	923,615	858,617	64,998
Community services	123,314	74,837	48,477
Debt service:			
Principal	242,120	156,873	85,247
Interest	475,420	474,289	1,131
Capital outlay	325,970	3,998,565	(3,672,595)
Total expenditures	15,778,360	18,105,783	(2,327,423)
Excess (deficiency) of revenues over expenditures	1,365,535	(3,459,432)	4,824,967
Other financing sources:			
Proceeds from issuance of notes payable	-	4,967,413	(4,967,413)
Net changes in fund balances	\$ 1,365,535	\$ 1,507,981	\$ (142,446)

The change in federal sources is due to funding received under the ESSER grant to mitigate the effects of the COVID-19 pandemic. The change in state and local sources is primarily due to the increase in student population.

The changes in instruction, food services, and pupil transportation is a result of the increase in student population. All other functions remained consistent, with minor variances due to normal operations.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

The focus of School's governmental funds is to provide information on near term inflows, outflows, and balances of usable resources. Such information is useful in assessing the School's financing requirements. Specifically, unrestricted fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the School completed the year, its governmental funds reported a combined fund balance of approximately \$7 million. Revenues and expenditures changed overall for the same reasons described above.

General and Special Revenue Fund Budgetary Highlights

During the fiscal year, the School amended its budget once. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available, 2) amendments made to recognize changes in funding amounts, and 3) changes in appropriations that become necessary to maintain services. Actual revenues and expenditures equaled final budgeted revenues and expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2023, the School had invested approximately \$14.7 million in capital assets, net of accumulated depreciation of approximately \$3.6 million.

	<u>Governmental Activities</u>		<u>Increase</u>
	<u>2023</u>	<u>2022</u>	<u>(Decrease)</u>
Land	\$ 1,254,590	\$ 1,254,590	\$ -
Building	14,224,239	13,899,577	324,662
Furniture, fixtures, and equipment	918,695	827,355	91,340
Vehicles	1,837,719	1,837,719	-
Computer software	32,235	32,235	-
Construction in progress	-	90,032	(90,032)
	<u>(3,616,335)</u>	<u>(3,006,467)</u>	<u>(609,868)</u>
Less accumulated depreciation			
Total capital assets	\$ <u>14,651,143</u>	\$ <u>14,935,041</u>	\$ <u>(283,898)</u>

More detailed information about the School's capital assets is presented in Note 4 to the financial statements.

Long-Term Liabilities

As of June 30, 2023, the School has approximately \$16 million long-term debt. For the year ended June 30, 2023, the School made approximately \$242,000 in principal payments and incurred approximately \$475,000 in interest expenses. For more detailed information about the School's long-term debt, see Note 5 to the financial statements.

Additionally, the School has approximately \$8.1 million in pension liability. For more detailed information, see Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Amounts available for appropriation in the general fund are approximately \$14.87 million, an increase of approximately \$2.2 million from 2023 actual amounts, exclusive of revenues from internal funds. The change is due to a budgeted increase in student enrollment.

Budgeted expenditures in the general fund are approximately \$13.7 million, an increase of approximately \$2,390,000 from the 2023 actual amounts, exclusive of other financing sources activities. The change is primarily due to an overall increase in salaries and benefits to accommodate the additional student population.

If these estimates are realized, the School's general fund balance is expected to increase during the fiscal year ending June 30, 2023.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact the School's administrative offices at 1000 Dunson Road, Davenport, Florida 33896.



McCRAZY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors of Ridgeview Global Studies Academy, Inc.,
a Charter School and Component Unit of the District
School Board of Polk County, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ridgeview Global Studies Academy (the 'School'), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the 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, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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, budgetary comparison and pension information on pages 1-6 and 38-39 and 40-41 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2023, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School's internal control over financial reporting and compliance.

The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are not presented and are not a required part of the basic financial statements.

McCrady & Associates, PLLC

Altamonte Springs, Florida
September 27, 2023

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RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

Statement of Net Position

June 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,862,514
Certificates of deposit	717,808
Due from other agency	1,237,996
Other current assets	168,501
Capital assets:	
Land	1,254,590
Building	14,224,239
Furniture, fixtures and equipment	918,695
Vehicles	1,837,719
Computer software	32,235
Less accumulated depreciation	<u>(3,616,335)</u>
Total capital assets, net	<u>14,651,143</u>
Total assets	<u>\$ 21,637,962</u>
DEFERRED OUTFLOW OF RESOURCES	
Amount deferred on pension liability	\$ 3,491,214
LIABILITIES	
Accounts payable and accrued expenses	10,983
Compensated absences payable	377,005
Long-term liabilities:	
Portion due or payable within one year:	
Notes payable	249,295
Portion due or payable after one year:	
Notes payable	15,738,834
Pension liability	<u>8,059,464</u>
Total liabilities	<u>24,435,581</u>
DEFERRED INFLOW OF RESOURCES	
Amount deferred on pension liability	359,296
NET POSITION	
Invested in capital assets, net of related debt	(1,336,986)
Restricted:	
Food services	27,063
Unrestricted	<u>1,644,222</u>
Total net position	<u>\$ 334,299</u>

The accompanying notes to financial statements are an integral part of this statement.

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

Statement of Activities

For the Year Ended June 30, 2023

	Program Specific Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental Activities:						
Instruction	\$ 10,665,759	\$ -	\$ 2,812,883	\$ -	\$ (7,852,876)	\$ (7,852,876)
Pupil personnel services	429,904	-	82,926	-	(346,978)	(346,978)
Instructional media services	140,898	-	-	-	(140,898)	(140,898)
Instructional staff training	6,146	-	5,966	-	(180)	(180)
Board	46,995	-	-	-	(46,995)	(46,995)
General administration	37,770	-	-	-	(37,770)	(37,770)
School administration	1,067,810	-	11,537	-	(1,056,273)	(1,056,273)
Facilities construction and acquisition	378,048	-	-	-	(378,048)	(378,048)
Fiscal services	70,483	-	-	-	(70,483)	(70,483)
Food services	999,074	13,677	877,513	-	(107,884)	(107,884)
Central services	14,208	-	-	-	(14,208)	(14,208)
Pupil transportation	688,446	-	-	-	(688,446)	(688,446)
Operation of plant	935,524	-	-	-	(935,524)	(935,524)
Community services	123,314	200,261	-	-	76,947	76,947
Interest	475,420	-	-	518,398	42,978	42,978
Total primary government	\$ 16,079,799	\$ 213,938	\$ 3,790,825	\$ 518,398	(11,556,638)	(11,556,638)
General revenues:						
State and local sources					12,330,342	12,330,342
Contributions and other revenues					290,392	290,392
Total general revenues					12,620,734	12,620,734
Changes in net position					1,064,096	1,064,096
Net position at beginning of year					(729,797)	(729,797)
Net position at end of year					\$ 334,299	\$ 334,299

The accompanying notes to financial statements are an integral part of this statement.

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

Balance Sheet - Governmental Funds

June 30, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 4,700,157	\$ 162,357	\$ 4,862,514
Certificates of deposit	717,808	-	717,808
Due from other agency	17,502	1,220,494	1,237,996
Other current assets	168,501	-	168,501
Due from special revenue fund	1,355,788	-	1,355,788
Total assets	<u>\$ 6,959,756</u>	<u>\$ 1,382,851</u>	<u>\$ 8,342,607</u>
LIABILITIES			
Accounts payable and accrued expenditures	\$ 10,983	\$ -	\$ 10,983
Due to general fund	-	1,355,788	1,355,788
Total liabilities	<u>10,983</u>	<u>1,355,788</u>	<u>1,366,771</u>
FUND BALANCES			
Nonspendable:			
Other current assets	168,501	-	168,501
Assigned:			
Designated for School-based student activity organizations	125,878	-	125,878
Spendable:			
Unassigned	<u>6,654,394</u>	<u>27,063</u>	<u>6,681,457</u>
Total fund balances	<u>6,948,773</u>	<u>27,063</u>	<u>6,975,836</u>
Total liabilities and fund balances	<u>\$ 6,959,756</u>	<u>\$ 1,382,851</u>	<u>\$ 8,342,607</u>

The accompanying notes to financial statements are an integral part of this statement.

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position**

June 30, 2023

Total fund balances - governmental funds \$ 6,975,836

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets at year end consist of:

Capital assets	18,267,478
Accumulated depreciation	(3,616,335)

Amounts accrued for compensated absences are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. (377,005)

Long-term liabilities, including notes payable and obligations under capital leases, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The long-term liabilities at year-end consisted of:

Notes payable	(15,988,129)
Pension liability	(8,059,464)

Deferred amounts are reported in the Statement of Net Position as deferred outflows or deferred inflows of resources but are not reported in the funds.

3,131,918

Total net position - governmental activities \$ 334,299

The accompanying notes to financial statements are an integral part of this statement.

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

**Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds**

For the Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Federal sources passed through local school district	\$ -	\$ 3,790,825	\$ -	\$ 3,790,825
State and local sources	12,330,342	-	518,398	12,848,740
Contributions and other revenue	490,653	13,677	-	504,330
Total revenues	12,820,995	3,804,502	518,398	17,143,895
EXPENDITURES				
Current:				
Instruction	7,392,786	2,812,883	-	10,205,669
Pupil personnel services	346,978	82,926	-	429,904
Instructional media services	140,269	-	-	140,269
Instructional staff training	180	5,966	-	6,146
Board	46,995	-	-	46,995
General administration	37,770	-	-	37,770
School administration	1,204,589	11,537	-	1,216,126
Facilities construction and acquisition	1,308	-	-	1,308
Fiscal services	70,483	-	-	70,483
Food services	-	988,234	-	988,234
Central services	6,328	-	-	6,328
Pupil transportation	538,689	-	-	538,689
Operation of plant	923,615	-	-	923,615
Community services	123,314	-	-	123,314
Debt service:				
Principal	-	-	242,120	242,120
Interest	-	-	475,420	475,420
Capital outlay	325,970	-	-	325,970
Total expenditures	11,159,274	3,901,546	717,540	15,778,360
Excess (deficiency) of revenues over expenditures	1,661,721	(97,044)	(199,142)	1,365,535
OTHER FINANCING SOURCES (USES)				
Operating transfer in	-	-	199,142	199,142
Operating transfer out	(199,142)	-	-	(199,142)
Total other financing sources (uses)	(199,142)	-	199,142	-
Net changes in fund balances	1,462,579	(97,044)	-	1,365,535
Fund balances at beginning of year	5,486,194	124,107	-	5,610,301
Fund balances at end of year	\$ 6,948,773	\$ 27,063	\$ -	\$ 6,975,836

The accompanying notes to financial statements are an integral part of this statement.

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities**

For the Year Ended June 30, 2023

Net changes in fund balances - total governmental funds **\$ 1,365,535**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amounts incurred in the current period:

Capital outlays	325,970
Depreciation expense	(609,868)

Compensated absences included in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 151,581

Proceeds from the issuance of long-term debt are reported as an other financial source in the governmental funds. However, in the statement of net assets, the amount of funds borrowed is reported as an increase in long-term debt. -

Principal payments on long-term liabilities are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position. 242,120

In the Statement of Activities, some revenues and expenses are recognized that do not provide current financial resources and are not recognized in the governmental funds, such as deferred inflows and outflows of resources. (411,242)

Change in net assets of governmental activities **\$ 1,064,096**

The accompanying notes to financial statements are an integral part of this statement.

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

Note to Financial Statements

For the Year Ended June 30, 2023

1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Ridgeview Global Studies Academy, Inc. (the School) is a not-for-profit corporation organized pursuant to chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act and Section 1002.22, Florida Statutes. The governing body of the School is the not-for-profit corporation Board of Directors, which is composed of five members. Effective July 1, 2001, the School converted from a public school to a charter school.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Polk County Florida, (the School Board). The School is considered a component unit of the School Board and meets the definition of a governmental entity under the Governmental Accounting Standards Board (GASB).

Charter Contract

The current charter expires June 30, 2024 due to high performing school status and may be renewed for a maximum of an additional fifteen years by mutual written agreement between the School and the School Board. Upon the expiration of the charter, the School Board may elect not to renew the charter under grounds specified in the charter. In this case, the School Board is required to notify the School in writing at least 90 days prior to the charter's expiration. However, the School Board may terminate the current charter at any time if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds revert back to the School Board.

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – *Audits for States and Local Governments* and provisions in the Florida Statutes, the School is considered a governmental organization for financial statement reporting purposes.

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the School in a manner similar to that of a private-sector business. The statement of net position and statement of activities are designed to provide financial information about the School as a whole on an accrual basis of accounting. The statement of net position provides information about the School's financial position, its assets and its liabilities, using an economic resources measurement focus.

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The statement of activities presents a comparison between direct expenses and program revenue for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a program or function, therefore, are clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of goods and services offered by the program and grants and contributions restricted for meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

Fund Financial Statements

The governmental fund financial statements report detailed information about the School's most significant funds, not the School as a whole. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School uses fund accounting to ensure and demonstrate compliance with finance related requirements. Certain funds are established by law while others are created by grant agreements. The following are the individual governmental funds reported in the fund financial statements:

- General Fund – the School's primary operating fund that accounts for all financial resources of the school, except those required to be accounted for in another fund.
- Capital Projects Fund – to account for all resources for the acquisition and construction of capital items by the School purchased with capital outlay funds or the proceeds from debt.
- Special Revenue Fund – to account for the proceeds of specific revenue sources restricted or committed to expenditures for a specific purpose.
- Debt Service Fund – to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs.

For the purpose of these statements, the general and special revenue funds are considered major funds. The debt service and capital projects funds are reported as other governmental funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenses/expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses/expenditures are recognized when a liability is incurred, regardless of the timing the related cash flows take place.

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**Notes to Financial Statements
(continued)**

The governmental funds basic financial statements are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available. Revenues are considered to be available when they are collectable within a current period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the acquisition of long-term debt are reported as other financing sources.

Budgetary Basis Accounting

Budgets are prepared using the modified accrual basis of accounting and the governing board must approve all budgets and amendments. During the fiscal year, expenditures were controlled at the object level. Budgets may be amended by resolution of the Board prior to the date of the annual report.

Use of Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in the United States, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates.

Interfund Transfers

The School reports its debt service fund expenditures and capital outlay revenue in other governmental funds. For the year ended June 30, 2023, the general fund transferred approximately \$200,000 to the other governmental funds for the current year debt service payments.

Interfund Receivables and Payables

Activities between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. The general fund has recorded total receivables of approximately \$1,356,000, which is related to amounts paid by the general fund on behalf of the special revenue fund.

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**Notes to Financial Statements
(continued)**

Cash and Cash Equivalents

The School's cash and cash equivalents consist primarily of demand deposits and certificates of deposit with financial institutions.

As State of Florida Statutes and the School's policy require, all deposits be made into and held by financial institutions designated by the treasurer of the State of Florida as qualified public depositories as defined by Chapter 280 of the Florida Statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by the institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the treasurer is defined by the ability to assess members of the pool should the need arise. The School's deposits are held in a qualified public depository. They are covered by the collateral pool as the School has identified itself as a public entity at June 30, 2023.

Capital Assets and Depreciation

The School's capital assets with useful lives of more than one year are stated at historical cost and are reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair value on the date of donation. The School capitalizes assets with a cost of \$1,000 or more. Expenditures of normal maintenance and repair that do not add to the assets value or extend the useful lives are not capitalized. Depreciation is computed using the straight-line method. Estimated useful lives of the assets are as follows:

	<u>Years</u>
Buildings	40
Furniture, fixtures and equipment	3 – 5
Vehicles	5
Computer software	3

Compensated Absences

Compensated absences (i.e. paid absences for employee vacation leave and sick leave) are recorded as an expenditure in the governmental funds when leave is used or when accrued as payable to employees entitled to cash payment in lieu of taking leave. In the government-wide financial statements, compensated absences are recorded as an expense when earned by the employee.

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**Notes to Financial Statements
(continued)**

Pensions

In the government-wide statement of net position, liabilities are recognized for the School's proportionate share of each pension plan's net pension liability. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and additions to/deductions from the FRS's and the HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and the HIS plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The School's retirement plans and related amounts are described in Note 6.

Net Position and Fund Balance Classifications

Government-wide financial statements

The net position is classified and reported in three components:

- Investment in capital assets, net of related debt – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted – consists of amounts with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- Unrestricted – all other amounts that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund financial statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the School's Board of Governance.
- Assigned – fund balance that is intended to be used by the School's management for specific purposes but does not meet the criteria to be classified as restricted or committed.

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**Notes to Financial Statements
(continued)**

- Unassigned – fund balance that is the residual amount for the School’s general fund and includes all spendable amounts not contained in the other classifications.

This statement also clarifies the definition of the Special Revenue Fund to denote it may be used to account for the proceeds of specific revenue sources (other than trusts for individual, private organizations or other governmental agencies or for major capital projects) legally restricted to expenditures for specified purposes.

Order of Fund Balance Spending Policy

The School’s policy is to apply expenditures against nonspendable fund balances, restricted fund balances, committed fund balances, assigned fund balance, and unassigned fund balances at the end of the fiscal year. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including nonspendable amounts). Any remaining fund balance amounts for the non-general funds are to be classified as committed fund balance. It is also possible for the non-general funds to be classified as restricted fund balance. It is possible for the non-general funds to have a negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes exceed the positive fund balance for the non-general fund.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The school has one item that qualifies for reporting in this category which is the deferred amount of pension reported in the government-wide statement of net position.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School has one item that qualifies for reporting in this category which is the deferred amount of pension reported in the government-wide statement of net position. A deferred amount of pension results from the difference in the expected and actual amounts of experience, earnings and contributions. This amount is deferred and amortized over the service life of all employees that are provided with pensions through the pension plan. However, earnings are amortized over 5 years.

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**Notes to Financial Statements
(continued)**

Revenue Sources

Revenues for operations are received primarily from the District School Board of Polk County, Florida pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School reports the number of full-time equivalent (FTE) students and related data to the School District. The School Board receives a 2% administrative fee from the School, which is withheld from the respective FEFP payments. The administrative expense is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances of governmental funds. The administrative fee is calculated on the FEFP revenue up to 250 students. The difference between the actual expense and the expense calculated on total FEFP revenue is restricted for capital outlay expenditures.

Under provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program (FEFP). Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey period. The FDOE may also adjust subsequent fiscal period allocations based on an audit of the School's compliance in determining and reporting FTE and related data. Generally, such adjustments are treated as reductions or additions of revenues in the year when the adjustments are made.

The basic amount of funding through the FEFP under Section 1011.62 is calculated based on (1) unweighted FTE, multiplied by (2) the cost factor for each program multiplied by (3) the base student allocation established by the Florida legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the year ended June 30, 2023, the School reported 1,537 unweighted FTE.

The School received additional funding under other federal and state grants. This assistance is generally received based on applications submitted to various granting agencies. For federal and state grants in which funding is awarded based on incurring eligible expenditures, revenue is recognized as the amount of eligible expenditures have been incurred.

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**Notes to Financial Statements
(continued)**

2 FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States (GAAP) define fair value for an investment generally as the price an organization would receive upon selling the investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. The information available to measure fair value varies depending on the nature of each investment and its market or markets. Accordingly, GAAP recognizes a hierarchy of "inputs" an organization may use in determining or estimating fair value. The inputs are categorized into "levels" that relate to the extent to which an input is objectively observable and the extent to which markets exist for identical or comparable investments. In determining or estimating fair value, an organization is required to maximize the use of observable market data (to the extent available) and minimize the use of unobservable inputs. The hierarchy assigns the highest priority to unadjusted quoted prices in active markets for identical items (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable level 1 or 2 inputs are not available.

The estimated fair value of the School's pension liability and related deferred outflows and inflows determined using Level 3 inputs is based on information provided by the Auditor General. The estimated fair value of the School's pensions and related deferred outflows and inflows using Level 3 inputs is determined by calculating the present value of the future distributions expected to be paid, using published life expectancy tables and discount rates ranging from approximately 2% to 4.3%. There were no changes in valuation techniques during the year.

The carrying values of cash and cash equivalents, cash restricted for long-term purposes, due from other agencies and the note payable do not differ materially from reasonable estimates of fair value, as the terms of such instruments do not vary significantly from the assumptions that would be made in estimating fair value.

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**Notes to Financial Statements
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Estimated fair value of certain assets and (liabilities) measured on a recurring basis at June 30, 2023, are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Deferred outflows related to pension liability	-	-	3,491,214	3,491,214
Pension liability	-	-	(8,059,464)	(8,059,464)
Deferred inflows related to pension liability	-	-	(359,296)	(359,296)
Total	<u>-</u>	<u>-</u>	<u>(4,927,546)</u>	<u>(4,927,546)</u>

3 DUE FROM OTHER AGENCY

Due from another agency included in the accompanying financial statements includes approximately \$1,034,000, \$186,000 and \$18,000 of ESSER, Title I and Title II funds, respectively. Based on the source of these funds, management has evaluated the collectability and an allowance for doubtful accounts is not considered necessary.

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**Notes to Financial Statements
(continued)**

4 CAPITAL ASSETS

Capital assets as of June 30, 2023 were as follows:

	Beginning Balance	Increases	Transfers	Ending Balance
Capital assets:				
Non depreciable assets:				
Land and improvements	\$ 1,254,590	\$ -	\$ -	\$ 1,254,590
Construction in progress	90,032	53,148	(143,180)	-
Depreciable assets:				
Buildings	13,899,577	236,082	88,580	14,224,239
Furniture, fixtures and equipment	827,355	36,740	54,600	918,695
Vehicles	1,837,719	-	-	1,837,719
Computer software	32,235	-	-	32,235
Total capital assets	17,941,508	325,970	-	18,267,478
Accumulated depreciation:				
Buildings	(995,366)	(376,740)	-	(1,372,106)
Furniture, fixture and equipment	(617,316)	(75,959)	-	(693,275)
Vehicles	(1,361,550)	(157,169)	-	(1,518,719)
Computer software	(32,235)	-	-	(32,235)
Total accumulated depreciation	(3,006,467)	(609,868)	-	(3,616,335)
Capital assets, net	\$ 14,935,041	\$ (283,898)	\$ -	\$ 14,651,143
Depreciation expense:				
Instruction			\$ 48,848	
Instructional media services			629	
School administration			3,265	
Facilities			376,740	
Food services			10,840	
Central services			7,880	
Transportation			149,757	
Operation of plant			11,909	
Total governmental activities depreciation expense			\$ 609,868	

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**Notes to Financial Statements
(continued)**

5 LONG-TERM LIABILITIES

Loan Payables

In December 2018, the School obtained two building loans in the amount of \$9,000,000 and \$2,760,000 with a security instrument given to the United States of America acting through the Rural Housing Services or United States Department of Agriculture (USDA). The security interest is held by a local financial institution. The loans bear interest at a fixed rate of 3.25% per annum. Both loans mature in June 2059.

In February 2022, the School obtained a loan in the amount of \$4,993,700 with a security instrument given to the United States of America acting through the Rural Housing Services or United States Department of Agriculture (USDA). The security interest is held by a local financial institution. The loans bear interest at a fixed rate of 2.16% per annum. The loan matures in February 2062.

Future debt service relating to the loans from the USDA to long term building loans. The future minimum payments are as follows as of June 30, 2023:

Year ended June 30,	Principal	Interest	Total
2024	\$ 249,295	\$ 468,243	\$ 717,538
2025	256,687	460,851	717,538
2026	264,305	453,233	717,538
2027	272,157	445,381	717,538
2028	280,250	437,288	717,538
2029-2033	1,531,634	2,056,055	3,587,689
2034-2038	1,774,795	1,812,894	3,587,689
2039-2043	2,057,939	1,529,750	3,587,689
2044-2048	2,387,817	1,199,872	3,587,689
2049-2053	2,772,343	815,346	3,587,689
2054-2058	3,220,795	366,894	3,587,689
2059-2062	920,112	29,521	949,633
	<u>\$ 15,988,129</u>	<u>\$ 10,075,328</u>	<u>\$ 26,063,457</u>

The following schedule provides a summary of changes in long-term debt for the year ended June 30, 2023:

	Balance 6/30/22	Additions	Payments	Balance 6/30/23
Notes and loan payable	<u>\$ 16,230,249</u>	<u>\$ -</u>	<u>\$ (242,120)</u>	<u>\$ 15,988,129</u>

Total interest paid for the School during the year ended June 30, 2023 totaled approximately \$475,000.

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**Notes to Financial Statements
(continued)**

6 RETIREMENT PLANS -

PENSION PLANS

The Florida Department of Management Services, Division of Retirement (the "Division"), is part of the primary government of the state of Florida and is responsible for administering the Florida Retirement System Pension Plan and Other State-Administered Systems (system). For the fiscal year ended June 30, 2023, the division administered two cost-sharing, multiple employer defined benefit plans, one single employer defined benefit plan, two defined contribution plans, a supplemental funding of defined benefit plans for municipal police officers and firefighters, and various general revenue funded pension programs. The division issued a publicly available, audited annual comprehensive financial report (ACFR) on behalf of the system that includes financial statements, notes and required supplementary information for each of the pension plans. Detailed information about the plans is provided in the ACFR, which is available online, or by contacting the division.

Cost-Sharing Defined Benefit Plans

As required by Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), this report includes the allocation of the collective net pension liability and associated pension expense, deferred outflows of resources and deferred inflows of resources for each of the participating employers in the system's cost-sharing, multiple employer defined benefit plans:

- The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS Pension Plan. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under sections 121.053 and 121.122, Florida Statutes, or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.
- The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to section 112.363, Florida Statutes. To be eligible

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(continued)**

to receive a HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

Over 1,000 participating employers are served by the two defined benefit plans. Of these, more than 900 employers, referred to as reporting employers, report payroll and remit contributions to the division for their covered employees and, in some cases, for the covered employees of associated participating employers.

Basis of Accounting

Employers participating in the FRS Pension Plan and HIS Program are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with GASB 68. The Schedules of Employer Allocations and Schedules of Pension Amounts by Employer (pension allocation schedules) and notes to the schedules, along with the system's ACFR, provide employers with the required information for reporting.

The underlying financial information used to prepare the pension allocation schedules is based on the system's records. The financial statements for the cost-sharing defined benefit plans are prepared using the flow of economic resources measurement focus and the accrual basis of accounting and are prepared in accordance with accounting principles generally accepted in the United States. The system's financial statements are available online or by contacting the Division. There have been no significant changes since the publication of the financial statements.

Employer Contributions

Contributions are recognized as revenue in the period for which the contributions are due pursuant to statutory and contractual requirements. Employee contributions required pursuant to section 121.71(3), Florida Statutes, are accounted for by the FRS as employer-paid employee contributions and are treated as employer contributions under 26 U.S.C. s. 414(h)(2) allowing these contributions to be deducted on a pre-tax basis. Pension expense reported in the pension allocation schedules is reduced by these amounts.

Total employer contributions are determined on a uniform basis (blended rate) as required by Part III of Chapter 121, Florida Statutes. Employer contributions reflected in the financial statements and in the pension allocation schedules for the cost-sharing defined benefit plans represent contributions specific to each defined benefit plan and do not equal total blended contributions remitted by the employer.

Contributions

Effective July 1, 2002, the Florida Legislature established a uniform contribution rate system for the FRS, covering both the Pension Plan and the Investment Plan. Effective July 1, 2011, FRS members are required to make employee contributions in addition to employer contributions to establish service credit for work performed in a regularly established position. The total uniform contribution rates by membership class for Fiscal Year 2021-22 are as follows:

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**Notes to Financial Statements
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Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Regular class	3.3%	10.82%
Senior management	4.6%	29.01%
Drop	N/A	18.40%

(A) Employer rates include 1.66% for the Retiree Health Insurance Subsidy, assessment of 0.06% for administration for the FRS Investment Plan and the administration of the MyFRS Financial Guidance Program for both plans, and an unfunded actuarial liability contribution determined by membership class.

Use of Estimates

The preparation of these schedules, and the associated financial statements, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and changes therein, including appropriate disclosures at the date of the financial statements. Actual results could differ from those estimates.

Net Pension Plan’s Fiduciary Net Position

The components of the collective fiduciary’s net position liability of the participating employers for each defined benefit plan for the measurement date of June 30, 2022 are shown below (*in thousands*):

	FRS	HIS
Total pension liability	\$ 217,434,441	\$ 11,126,966
Plan fiduciary net position	(180,226,405)	(535,368)
Net pension liability	\$ 37,208,036	\$ 10,591,598
Plan fiduciary net position as a percentage Of the total pension liability	82.89%	4.81%

The total pension liability for the FRS was determined by the plan’s actuary and reported in the plan’s GASB 67 valuation as of June 30, 2022. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements. Update procedures were not used.

The total pension liability for the HIS was determined by the plan’s actuary and reported in the plan’s GASB 67 valuation as of June 30, 2022. The fiduciary net position used by the actuary to determine the net pension liability (as shown above) was determined on the same basis used by

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**Notes to Financial Statements
(continued)**

the plan. The fiduciary net position is reported in the financial statements and the net pension liability is disclosed in the notes to the financial statements.

Basis of Allocation

At June 30, 2022, the School reported a liability of \$5,801,152 for its proportionate share of the Plan's net pension liability. The School's proportionate share reported in the pension allocation schedules was calculated using accrued retirement contributions related to the reporting periods included in the system's fiscal years ended June 30, 2013, through June 30, 2022, for employers that were members of the FRS and HIS during those fiscal years.

The proportion calculated based on contributions for each of the fiscal years presented in the pension allocation schedules was applied to the net pension liability and other pension amounts applicable to that fiscal year to determine each employer's proportionate share of the liability, deferred outflows of resources, deferred inflows of resources and associated pension expense.

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. The School's proportionate share of the net pension liability was based on the School's 2021-22 fiscal year contributions of all participating members.

Actuarial Methods and Assumptions

The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The Division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuation is performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both the FRS Pension Plan

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

**Notes to Financial Statements
(continued)**

and HIS Program were based on the PUB-2010 base table.

The following changes in actuarial assumptions occurred in 2022:

- FRS: The long-term expected rate of return decreased from 6.80% to 6.70%.
- HIS: The demographic assumptions for the Special Risk class were updated to reflect plan changes due to HB5007, HB689, and SB838.
- HIS: The election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience.
- HIS: The municipal bond rate used to determine total pension liability was increased from 2.16% to 3.54%.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2022.

School's Proportionate Share of FRS Net Pension Liability			School's Proportionate Share of HIS Net Pension Liability		
1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
5.70%	6.70%	7.70%	2.54%	3.54%	4.54%
\$2,159,985	\$1,248,957	\$487,229	\$629,154	\$549,920	\$484,356

The School's proportions are as follows:

	<u>FRS</u>	<u>HIS</u>
June 30, 2022	.01559%	.02132%
June 30, 2021	.01418%	.01970%
Change	<u>-.00141%</u>	<u>-.00162%</u>

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
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**Notes to Financial Statements
(continued)**

Pension Expense and Deferred Outflow / Inflow of Resources

In accordance with GASB 68, paragraphs 54 and 71, changes in the School’s proportionate share of the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
- Changes of assumptions or other inputs are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).
- Changes in proportion and differences between contributions and proportionate share of contributions amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Differences between expected and actual earnings on pension plan investments – amortized over five years.

Employer contributions to the pension plans from the School’s employers are not included in collective pension expense; however, employee contributions are used to reduce pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2022, was 5.5 years for FRS and 6.4 years for HIS.

At June 30, 2022, the School reported deferred outflows of resources and deferred inflow of resources related to the pensions from the following sources:

	FRS	
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 275,521	\$ -
Changes of assumptions	714,436	-
Net difference between projected and actual investment earnings	389,049	-

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

**Notes to Financial Statements
(continued)**

Employer-specific amounts due to changes in employer proportion	711,921	-
School FRS contributions subsequent to the measurement date	<u>743,237</u>	<u>-</u>
Total	\$ <u>2,834,164</u>	\$ <u>-</u>

<u>Description</u>	<u>HIS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 68,545	\$ 9,937
Changes of assumptions	129,448	349,359
Net difference between projected and actual investment earnings	3,270	-
Employer-specific amounts due to changes in employer proportion	329,670	-
School FRS contributions subsequent to the measurement date	<u>126,117</u>	<u>-</u>
Total	\$ <u>657,050</u>	\$ <u>359,296</u>

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

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**Notes to Financial Statements
(continued)**

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the subsequent reporting period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Measurement period ending June 30,	FRS Expense	HIS Expense
2023	\$ 505,658	\$ 41,104
2024	190,809	22,165
2025	(170,763)	10,135
2026	1,485,773	22,433
2027	79,450	52,070
Thereafter	-	23,730
Total	<u>\$ 2,090,927</u>	<u>\$ 171,637</u>

Additional Financial and Actuarial Information

Additional audited financial information supporting the Schedules of Employer Allocations and the Schedules of Pension Amounts by Employer is located in the Florida Retirement System Pension Plan and Other State-Administered Systems ACFR for the fiscal year ended June 30, 2022. The system's ACFR and the actuarial valuation reports referenced herein are available online at: http://www.dms.myflorida.com/workforce_operations/retirement/publications.

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

**Notes to Financial Statements
(continued)**

7 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES

The following is a schedule of state and local revenue sources:

District School Board of Polk County, Florida:	
Florida Education Finance Program	\$ 7,220,435
Class size reduction	1,472,443
Discretionary tax equalization	544,428
Discretionary millage funds	547,381
Transportation	555,256
ESE guaranteed allocation	499,529
Supplemental academic instruction	384,960
Capital outlay	518,398
Teacher salary increase allocation	377,261
School recognition fund	273,408
Instructional materials	128,868
Safe school	92,771
Funds compression	90,069
Reading allocation	78,877
Lead teachers	31,395
Prior year adjustments	(5,488)
Other state revenue	22,000
Proration to funds available	13,112
Perkins grant	3,637
Total	<u>\$ 12,848,740</u>

The administrative fee paid to the School Board during the year ended June 30, 2023 totaled approximately \$37,800, which is reflected as a general administration expense/expenditure in the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances of governmental funds.

8 RISK MANAGEMENT PROGRAM

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property coverage are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not historically exceeded commercial coverage.

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

**Notes to Financial Statements
(continued)**

9 COMMITMENTS AND CONTINGENT LIABILITIES

Grants

The School participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable as year end may be impaired.

In the opinion of the School, there are no significant contingent liabilities related to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Legal Matters

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. Management believes the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

10 CAMPUS FACILITIES

The title to the school building and facilities and other capital assets acquired prior to July 1, 2001 remain with the School Board. Florida Statutes provide that the use of the school building and facilities be furnished to charter schools on the same basis as made available to other public schools in the district. No rental or leasing fee may be charged by the district school board to the charter school or to the parents and teachers who organize the charter school.

In management's opinion, the value of facilities utilized by the School are significant; therefore, any substantial changes in Florida Statutes related to facilities used by conversion schools could have a material effect on the School's operations.

11 INCOME TAXES

The School qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is therefore, exempt from income taxes. Accordingly, no tax provision has been made in the accompanying financial statements. Additionally, no uncertain tax positions have been made requiring disclosure in the related notes to the financial statements. The School's income tax returns for the past three tax years are subject to examination by tax authorities, and may change upon examination.

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

**Notes to Financial Statements
(continued)**

12 SUBSEQUENT EVENTS

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 27, 2023, which is the date the financial statements were available to be issued.

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
State and local sources	\$ 11,903,777	\$ 12,330,342	\$ 12,330,342	\$ -
Contributions and other revenue	5,000	490,653	490,653	-
Total revenues	11,908,777	12,820,995	12,820,995	-
EXPENDITURES				
Current:				
Instruction	7,485,465	7,392,786	7,392,786	-
Pupil personnel services	342,275	346,978	346,978	-
Instructional media services	150,040	140,269	140,269	-
Instructional staff training	5,000	180	180	-
Board	45,000	46,995	46,995	-
General administration	38,000	37,770	37,770	-
School administration	1,229,126	1,204,589	1,204,589	-
Facilities construction and acquisition	-	1,308	1,308	-
Fiscal services	75,000	70,483	70,483	-
Food services	65,572	-	-	-
Central services	-	6,328	6,328	-
Pupil transportation	490,849	538,689	538,689	-
Operation of plant	930,700	923,615	923,615	-
Community services	-	123,314	123,314	-
Capital outlay	20,000	325,970	325,970	-
Total expenditures	10,877,027	11,159,274	11,159,274	-
Excess (deficiency) of revenues over expenditures	1,031,750	1,661,721	1,661,721	-
OTHER FINANCING SOURCES (USES)				
Proceeds from notes payable	-	-	-	-
Operating transfer out	(164,640)	(199,142)	(199,142)	-
Total other financing sources	(164,640)	(199,142)	(199,142)	-
Net changes in fund balances	867,110	1,462,579	1,462,579	-
Fund balances at beginning of year	5,486,194	5,486,194	5,486,194	-
Fund balances at end of year	\$ 6,353,304	\$ 6,948,773	\$ 6,948,773	\$ -

See report of independent auditors.

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

Budgetary Comparison Schedule - Special Revenue Fund

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Federal sources	\$ -	\$ 3,790,825	\$ 3,790,825	\$ -
Other revenue	-	13,677	13,677	-
Total revenues	-	3,804,502	3,804,502	-
EXPENDITURES				
Current:				
Instruction	-	2,812,883	2,812,883	-
Pupil personnel services	-	82,926	82,926	-
Instructional staff training	-	5,966	5,966	-
School administration	-	11,537	11,537	-
Food services	-	988,234	988,234	-
Total expenditures	-	3,901,546	3,901,546	-
Excess (deficiency) of revenues over expenditures	-	(97,044)	(97,044)	-
Fund balances at beginning of year	124,107	124,107	124,107	-
Fund balances at end of year	<u>\$ 124,107</u>	<u>\$ 27,063</u>	<u>\$ 27,063</u>	<u>\$ -</u>

See report of independent auditors.

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

Required Supplementary Information

Schedule of the School's Proportionate Share of the Net Pension Liability-
Florida Retirement System Pension Plan

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School's proportion of the FRS net pension liability (asset)	0.0156%	0.0142%	0.0129%	0.0126%	0.0123%	0.0108%	0.0097%	0.0102%	0.0098%
School's proportionate share of the FRS net pension liability (asset)	\$ 5,801,152	\$ 1,071,746	\$ 5,580,472	\$ 4,327,641	\$ 3,692,807	\$ 3,187,776	\$ 2,437,687	\$ 1,314,304	\$ 600,315
School's covered-employee payroll	\$ 8,697,681	\$ 7,813,818	\$ 7,357,596	\$ 6,569,038	\$ 6,420,216	\$ 5,289,325	\$ 5,184,255	\$ 4,545,017	\$ 4,227,518
School's proportionate share if the FRS net pension liability (asset) as a percentage of its covered-employee payroll	67%	14%	76%	66%	58%	60%	47%	29%	14%
FRS Plan fiduciary net position as a percentage of the total pension liability	82.9%	96.4%	78.9%	82.6%	84.3%	83.9%	84.9%	92.0%	96.1%

Schedule of School Contributions
Florida Retirement System Pension Plan

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required FRS contribution	\$ 687,933	\$ 687,933	\$ 548,060	\$ 436,626	\$ 389,644	\$ 349,403	\$ 235,432	\$ 235,432	\$ 248,089
FRS contribution in relation to the contractually required FRS contribution	(687,933)	(687,933)	(548,060)	(436,626)	(389,644)	(349,403)	(235,432)	(235,432)	(248,089)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered employee payroll	\$ 8,697,681	\$ 7,813,818	\$ 7,357,596	\$ 6,569,038	\$ 6,420,216	\$ 5,289,325	\$ 5,184,255	\$ 4,545,017	\$ 4,227,518
FRS contribution as a percentage of covered-employee payroll	7.9%	8.8%	7.4%	6.6%	6.1%	6.6%	4.5%	5.2%	5.9%

See Independent Auditor's Report

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**A Charter School and Component Unit of the
District School Board of Polk County, Florida**

Schedule of the School's Proportionate Share of the Net Pension Liability-
Health Insurance Subsidy Pension Plan

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School's proportion of the HIS net pension liability (asset)	0.0213%	0.0197%	0.0193%	0.0188%	0.0183%	0.0164%	0.0127%	0.0139%	0.0139%
School's proportionate share of the HIS net pension liability (asset)	\$ 2,258,312	\$ 2,417,679	\$ 2,350,428	\$ 2,105,624	\$ 1,938,330	\$ 1,749,206	\$ 1,715,878	\$ 1,417,842	\$ 1,282,936
School's covered-employee payroll	\$ 8,697,681	\$ 7,813,818	\$ 7,357,596	\$ 6,569,038	\$ 6,420,216	\$ 5,289,325	\$ 5,184,255	\$ 4,545,017	\$ 4,227,518
School's proportionate share if the HIS net pension liability (asset) as a percentage of its covered-employee payroll	26%	31%	32%	32%	30%	33%	33%	31%	30%
HIS Plan fiduciary net position as a percentage of the total pension liability	4.8%	3.6%	3.0%	2.6%	2.2%	1.6%	1.0%	0.5%	1.0%

Schedule of School Contributions
Health Insurance Subsidy Pension Plan

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required HIS contribution	\$ 121,253	\$ 121,253	\$ 116,576	\$ 112,080	\$ 104,498	\$ 99,315	\$ 75,464	\$ 75,464	\$ 53,144
HIS contribution in relation to the contractually required HIS contribution	(121,253)	(121,253)	(116,576)	(112,080)	(104,498)	(99,315)	(75,464)	(75,464)	(53,144)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered-employee payroll	\$ 8,697,681	\$ 7,813,818	\$ 7,357,596	\$ 6,569,038	\$ 6,420,216	\$ 5,289,325	\$ 5,184,255	\$ 4,545,017	\$ 4,227,518
HIS contribution as a percentage of covered employee payroll	1.4%	1.6%	1.6%	1.7%	1.6%	1.9%	1.5%	1.7%	1.1%

See Independent Auditor's Report



McCRAZY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's 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**

To the Board of Directors of Ridgeview Global Studies Academy, Inc.
A Charter School and Component Unit of the District
School Board of Polk County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Ridgeview Global Studies Academy (the "School"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 27, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of

laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McCrary & Associates, PLLC

Altamonte Springs, Florida
September 27, 2023

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**Additional Information Required by
Rules of the Auditor General,
Chapter 10.850, *Audits of Charter Schools
and Similar Entities***



McCRAZY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

**Management Letter as Required by Rules of the Florida Auditor General,
Chapter 10.850, Florida Statutes, *Charter School Audits***

To the Board of Directors of Ridgeview Global Studies Academy, Inc.
a Charter School and Component Unit
of the District School Board of Polk County, Florida

Report on the Financial Statements

We have audited the financial statements of Ridgeview Global Studies Academy (the "School") as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated September 27, 2023.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, if applicable, which is dated, September 27, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations in the prior year audit report.

Official Title

Section 10.854(1)(e)5. Rules of the Auditor General, requires the name or official title of the entity be disclosed in this management letter. The official title of the entity is Ridgeview Global Studies Academy. The School code is 0441.

Financial Condition and Management

Sections 10.854(1)(e)2., and 10.855(11). Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to

monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note such findings nor did the school or management represent such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, and the District School Board of Polk County and is not intended to be and should not be used by anyone other than these specified parties.

McCrary & Associates, PLLC

Altamonte Springs, Florida
September 27, 2023

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