

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, 2021



McCRADY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

	<u>Page</u>
Management’s Discussion and Analysis	1 – 6
Independent Auditor’s Report	7 – 9
Basic Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Balance Sheet – Governmental Funds	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Notes to Financial Statements	16 – 36
Required Supplementary Information:	
Budgetary Comparison Schedule – General Fund	37
Budgetary Comparison Schedule – Special Revenue Fund	38
Required Supplementary Information – Pension Liability	39 – 40
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	41 – 42
Schedule of Expenditures of Federal Awards and Notes thereto	43 - 44
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	45 - 46
Schedule of Findings and Questioned Costs – Federal Awards Programs	47 - 48
Additional Information Required by Rules of the Florida Auditor General, Chapter 10.850, <i>Audits of Charter Schools and Similar Entities:</i>	
Management Letter	49 – 51

**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, 2021. 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 Governmental fund balance at June 30, 2021 is approximately \$4.1 million.
- ❖ For the fiscal year ended June 30, 2021, the School's expenditures exceeded revenues by approximately \$376,000, exclusive of other financing sources.

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, 2021, 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 15 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, 2021 and 2020 is summarized as follows:

	Governmental Activities		Variance
	2021	2020	
Current and other assets	\$ 4,589,376	\$ 2,879,913	1,709,463
Total assets	<u>4,589,376</u>	<u>2,879,913</u>	<u>1,709,463</u>
Current and other liabilities	<u>487,056</u>	<u>199,237</u>	<u>287,819</u>
Total liabilities	<u>487,056</u>	<u>199,237</u>	<u>287,819</u>
Fund Balances:			
Nonspendable:			
Other current assets	5,968	28,770	(22,802)
Assigned:			
Designated for School-based student activity organizations	76,888	95,981	(19,093)
Spendable:			
Unassigned	<u>4,019,464</u>	<u>2,555,925</u>	<u>1,463,539</u>
Total fund balances	\$ <u>4,102,320</u>	\$ <u>2,680,676</u>	<u>1,421,644</u>

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

Change in Fund Balances

The School's total expenditures exceeded total revenues by approximately \$376,000 in fiscal 2021—see table below.

Revenues:	2021	2020	Variance
Federal sources passed through local school district	\$ 1,314,569	\$ 810,356	\$ 504,213
State and local sources	11,054,400	10,186,589	867,811
Contributions and other revenues	195,575	380,875	(185,300)
Total revenues	12,564,544	11,377,820	1,186,724
Expenditures:			
Instruction	8,205,550	7,383,410	822,140
Pupil personnel services	318,967	430,694	(111,727)
Instructional media services	154,706	146,399	8,307
Instructional staff training	9,331	28,428	(19,097)
Board	46,527	19,650	26,877
General administration	37,366	35,516	1,850
School administration	980,200	853,085	127,115
Facilities construction and acquisition	102,692	12,039	90,653
Fiscal services	63,264	64,283	(1,019)
Food services	544,551	708,978	(164,427)
Central services	-	791	(791)
Pupil transportation	382,346	355,735	26,611
Operation of plant	712,683	715,727	(3,044)
Community services	77,839	146,827	(68,988)
Debt service:			
Principal	151,778	185,095	(33,317)
Interest	384,580	384,452	128
Capital outlay	768,193	258,089	510,104
Total expenditures	12,940,573	11,729,198	1,211,375
Excess (deficiency) of revenues over expenditures	(376,029)	(351,378)	(24,651)
Other financing sources:			
Proceeds from issuance of notes payable	1,797,673	-	1,797,673
Net changes in fund balances	\$ 1,421,644	\$ (351,378)	\$ 1,773,022

The change in federal sources is due to funding received under the CARES 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 School reported 1,450 students at year end, an increase of approximately 7% from prior year.

The changes in instruction and school administration is a result of additional personnel, as a result of the increase in student population. The decrease in pupil personnel services, community services and food services is a result appears to be related to the COVID pandemic. 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 \$4.1 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 one time. 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.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2021, the School had invested approximately \$11.4 million in capital assets, net of accumulated depreciation of approximately \$2.5 million.

	Governmental Activities		Increase (Decrease)
	2021	2020	
Land	\$ 1,254,590	\$ 1,254,590	\$ -
Building	9,581,845	9,581,845	-
Furniture, fixtures, and equipment	649,247	639,713	9,534
Vehicles	1,520,157	1,513,157	7,000
Computer software	32,235	32,235	-
Construction in progress	904,869	153,210	751,659
Less accumulated depreciation	<u>(2,500,188)</u>	<u>(2,101,868)</u>	<u>(398,250)</u>
Total capital assets	\$ <u>11,442,825</u>	\$ <u>11,072,882</u>	\$ <u>768,193</u>

This year's major capital asset additions included the following:

- Construction in progress - \$751,659
- Bus - \$7,000

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, 2021, the School has approximately \$13.2 million long-term debt. For the year ended June 30, 2021, the School made approximately \$152,000 in principal payments and incurred approximately \$385,000 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 \$7.9 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 \$11.55 million, an increase of approximately \$500,000 from 2021 actual amounts, exclusive of revenues from internal funds. The change is due to a budgeted 7% increase in student enrollment the current year.

Budgeted expenditures in the general fund are approximately \$11.7 million, an increase of approximately \$1,280,000 from the 2021 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 decrease during the fiscal year ending June 30, 2021.

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining aggregate fund information of Ridgeview Global Studies Academy, Inc. (the "School"), a charter school and component unit of the District School Board of Polk County, Florida, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

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

Auditor's Responsibility

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

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

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

Opinions

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, 2021, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension liability on pages 1-6 and 37-38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied to the audit of the financial statements and certain additional procedures including comparing and reconciling such information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2021, 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

McCrary & Associates, PLLC

Altamonte Springs, Florida
September 26, 2021

107 Water Oak Lane | Altamonte Springs, FL 32714
Office 407-960-4429 ■ admin@mccraryandassociates.com
www.mccraryandassociates.com

Members of American Institute of Certified Public Accountants and Florida Institute of Certified Public Accountants

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, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,075,954
Due from other agency	181,926
Other current assets	5,968
Capital assets:	
Land	1,254,590
Building	9,581,845
Furniture, fixtures and equipment	649,247
Vehicles	1,520,157
Computer software	32,235
Construction in progress	904,869
Less accumulated depreciation	<u>(2,500,118)</u>
Total capital assets, net	<u>11,442,825</u>
Total assets	<u>\$ 15,706,673</u>
DEFERRED OUTFLOW OF RESOURCES	
Amount deferred on pension liability	\$ 3,180,279
LIABILITIES	
Accounts payable and accrued expenses	161,528
Compensated absences payable	579,878
Long-term liabilities:	
Portion due or payable within one year:	
Notes payable	1,954,540
Portion due or payable after one year:	
Notes payable	11,262,842
Pension liability	<u>7,930,900</u>
Total liabilities	<u>21,889,688</u>
DEFERRED INFLOW OF RESOURCES	
Amount deferred on pension liability	154,545
NET POSITION	
Invested in capital assets, net of related debt	(1,774,557)
Restricted:	
Food services	131,041
Unrestricted	<u>(1,513,765)</u>
Total net position	<u>\$ (3,157,281)</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, 2021

	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	\$ 9,149,296	\$ -	\$ 611,293	\$ -	\$ (8,538,003)	\$ (8,538,003)
Pupil personnel services	330,423	-	-	-	(330,423)	(330,423)
Instructional media services	145,049	-	-	-	(145,049)	(145,049)
Instructional staff training	9,331	-	7,611	-	(1,720)	(1,720)
Board	46,527	-	-	-	(46,527)	(46,527)
General administration	37,366	-	-	-	(37,366)	(37,366)
School administration	974,678	-	37,665	-	(937,013)	(937,013)
Facilities construction and acquisition	342,236	-	-	-	(342,236)	(342,236)
Fiscal services	63,264	-	-	-	(63,264)	(63,264)
Food services	555,623	2,708	644,114	-	91,199	91,199
Central services	1,108	-	-	-	(1,108)	(1,108)
Pupil transportation	485,816	-	-	-	(485,816)	(485,816)
Operation of plant	733,570	-	13,886	-	(719,684)	(719,684)
Community services	77,839	81,569	-	-	3,730	3,730
Interest	384,580	-	-	206,829	(177,751)	(177,751)
Total primary government	\$ 13,336,706	\$ 84,277	\$ 1,314,569	\$ 206,829	(11,731,031)	(11,731,031)
General revenues:						
State and local sources					10,847,571	10,847,571
Contributions and other revenues					111,298	111,298
Total general revenues					10,958,869	10,958,869
Changes in net position					(772,162)	(772,162)
Net position at beginning of year					(2,385,119)	(2,385,119)
Net position at end of year					\$ (3,157,281)	\$ (3,157,281)

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, 2021

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,761,381	\$ 314,573	\$ 4,075,954
Due from other agency	54,281	127,645	181,926
Other current assets	5,968	-	5,968
Due from special revenue fund	325,528	-	325,528
Total assets	<u>\$ 4,147,158</u>	<u>\$ 442,218</u>	<u>\$ 4,589,376</u>
LIABILITIES			
Accounts payable and accrued expenditures	\$ 161,528	\$ -	\$ 161,528
Due to general fund	-	325,528	325,528
Total liabilities	<u>161,528</u>	<u>325,528</u>	<u>487,056</u>
FUND BALANCES			
Nonspendable:			
Other current assets	5,968	-	5,968
Assigned:			
Designated for School-based student activity organizations	76,888	-	76,888
Spendable:			
Unassigned	3,902,774	131,041	4,019,464
Total fund balances	<u>3,985,630</u>	<u>131,041</u>	<u>4,102,320</u>
Total liabilities and fund balances	<u>\$ 4,147,158</u>	<u>\$ 456,569</u>	<u>\$ 4,589,376</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, 2021

Total fund balances - governmental funds \$ 4,102,320

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	13,942,943
Accumulated depreciation	(2,500,118)

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. (579,878)

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	(13,217,382)
Pension liability	(7,930,900)

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.

3,025,734

Total net position - governmental activities \$ (3,157,281)

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, 2021

	General Fund	Capital Projects Fund	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Federal sources passed through					
local school district	\$ -	\$ -	\$ 1,314,569	\$ -	\$ 1,314,569
State and local sources	10,847,571	-	-	206,829	11,054,400
Contributions and other revenue	192,867	-	2,708	-	195,575
	<u>11,040,438</u>	<u>-</u>	<u>1,317,277</u>	<u>206,829</u>	<u>12,564,544</u>
EXPENDITURES					
Current:					
Instruction	7,594,257	-	611,293	-	8,205,550
Pupil personnel services	318,967	-	-	-	318,967
Instructional media services	154,706	-	-	-	154,706
Instructional staff training	1,720	-	7,611	-	9,331
Board	46,527	-	-	-	46,527
General administration	37,366	-	-	-	37,366
School administration	942,535	-	37,665	-	980,200
Facilities construction and acquisition	102,692	-	-	-	102,692
Fiscal services	63,264	-	-	-	63,264
Food services	-	-	544,551	-	544,551
Central services	-	-	-	-	-
Pupil transportation	382,346	-	-	-	382,346
Operation of plant	698,797	-	13,886	-	712,683
Community services	77,839	-	-	-	77,839
Debt service:					
Principal	-	-	-	151,778	151,778
Interest	-	-	-	384,580	384,580
Capital outlay	768,193	-	-	-	768,193
	<u>11,189,209</u>	<u>-</u>	<u>1,215,006</u>	<u>536,358</u>	<u>12,940,573</u>
Excess (deficiency) of revenues over expenditures	(148,771)	-	102,271	(329,529)	(376,029)
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of notes payable	1,797,673	-	-	-	1,797,673
Operating transfer in	-	-	-	329,529	329,529
Operating transfer out	(329,529)	-	-	-	(329,529)
	<u>1,468,144</u>	<u>-</u>	<u>-</u>	<u>329,529</u>	<u>1,797,673</u>
Net changes in fund balances	1,319,373	-	102,271	-	1,421,644
Fund balances at beginning of year	2,651,906	-	28,770	-	2,680,676
Fund balances at end of year	<u>\$ 3,971,279</u>	<u>\$ -</u>	<u>\$ 131,041</u>	<u>\$ -</u>	<u>\$ 4,102,320</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 Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities**

For the Year Ended June 30, 2021

Net changes in fund balances - total governmental funds **\$ 1,421,644**

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	768,193
Depreciation expense	(398,250)

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. (51,291)

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. (1,797,673)

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. 151,778

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. (866,563)

Change in net assets of governmental activities **\$ (772,162)**

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, 2021

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.

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)**

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, capital projects and special revenue funds are considered major funds. The debt service fund is 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.

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)**

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. The School considers revenues to be available if they are collected within 60 days after the end of the current fiscal year. 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, 2021, the general fund transferred approximately \$330,000 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 \$326,000, which are related to amounts paid by the general fund on behalf of the special revenue fund.

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)**

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, 2021.

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.

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)**

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.

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)**

- 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.

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)**

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, 2021, the School reported 1,450 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.

Recently Issued Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities, which provides additional clarity and improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Fiduciary activities include the cumulative effect of any changes adopted to conform to the provisions of this guidance would be reported as a restatement of beginning net position and fund balance. The School did not identify fiduciary activities that would materially affect financial statements for this reporting period. The effective implementation date is June 30, 2021.

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)**

In June 2017, the GASB issued Statement No. 87, Leases. This pronouncement requires recognition and reporting of certain lease assets and liabilities for leases that previously were classified as operating leases. Under this pronouncement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, thereby enhancing the relevance and consistency of information about a school's leasing activities. The cumulative effect of any changes implemented to conform to this pronouncement would be reported as a restatement of beginning net position and fund balance. The School is currently evaluating the effect that implementation of the new standard will have on its financial statements. The effective implementation date is June 30, 2021.

In June 2018, the GASB issued Statement No. 89, Capitalized Interest. GASB would now require interest costs incurred during the construction period to be recognized as an expense in the period in which the cost is incurred under the economic resource measurement focus. The effective implementation date is June 30, 2021.

GASB issued in May 2020, Statement No 95, Postponement of the Effective Dates of Certain Authoritative Guidance, due to the ramifications of the Pandemic this pronouncement was effective immediately upon issuance. The School will continue to evaluate these pronouncements with their current situation.

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.

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)**

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.

Estimated fair value of certain assets and (liabilities) measured on a recurring basis at June 30, 2021, are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Deferred outflows related to pension liability	-	-	3,180,279	3,180,279
Pension liability	-	-	(7,930,900)	(7,930,900)
Deferred inflows related to pension liability	-	-	<u>(154,545)</u>	<u>(154,545)</u>
Total	<u>-</u>	<u>-</u>	<u>(4,905,166)</u>	<u>(4,905,166)</u>

3 DUE FROM OTHER AGENCY

Due from another agency included in the accompanying financial statements includes approximately \$16,000, \$31,000, \$80,000 and \$54,000 of Title II, capital outlay reimbursements, food services and elementary and secondary school emergency relief funds from the School Board, respectively. Based on the source of these funds, management has evaluated the collectability and an allowance for doubtful accounts is not considered necessary.

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)**

4 CAPITAL ASSETS

Capital assets as of June 30, 2021 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets:				
Non depreciable assets:				
Land and improvements	\$ 1,254,590	\$ -	\$ -	\$ 1,254,590
Construction in progress	153,210	751,659	-	904,869
Depreciable assets:				
Buildings	9,581,845	-	-	9,581,845
Furniture, fixtures and equipment	639,713	9,534	-	649,247
Vehicles	1,513,157	7,000	-	1,520,157
Computer software	32,235	-	-	32,235
Total capital assets	<u>13,174,750</u>	<u>768,193</u>	<u>-</u>	<u>13,942,943</u>
Accumulated depreciation:				
Buildings	(459,126)	(239,544)	-	(698,670)
Furniture, fixture and equipment	(498,055)	(47,170)	-	(545,225)
Vehicles	(1,112,452)	(111,536)	-	(1,223,988)
Computer software	(32,235)	-	-	(32,235)
Total accumulated depreciation	<u>(2,101,868)</u>	<u>(398,250)</u>	<u>-</u>	<u>(2,500,188)</u>
Capital assets, net	<u>\$ 11,072,882</u>	<u>\$ 369,943</u>	<u>\$ -</u>	<u>\$ 11,442,825</u>
Depreciation expense:				
Instruction			\$ 40,100	
Instructional media services			629	
School administration			3,265	
Facilities			239,544	
Food services			922	
Central services			1,108	
Transportation			103,470	
Operation of plant			9,212	
Total governmental activities depreciation expense			<u>\$ 398,250</u>	

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)**

5 LONG-TERM LIABILITIES

Payroll Protection Program

In February, 2021, the School entered into a note payable with South State Bank as lender in the amount of \$1,797,673 plus interest. The School received this loan pursuant to the Paycheck Protection Program under the Coronavirus Aid, Relief and Economic Security Act (CARES) which is funded by the Small Business Administration. The School anticipates using the proceeds for eligible expenses and, therefore, expects all of the loan will be forgiven.

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.

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, 2021:

Year ended June 30,	Principal	Interest	Total
2022	\$ 156,867	\$ 374,049	\$ 530,916
2023	162,116	368,800	530,916
2024	167,541	363,375	530,916
2025	173,148	357,768	530,916
2026	178,942	351,974	530,916
2027-2031	988,641	1,665,939	2,654,580
2032-2036	1,165,505	1,489,075	2,654,580
2037-2041	1,374,010	1,280,570	2,654,580
2042-2046	1,619,817	1,034,763	2,654,580
2047-2051	1,909,596	744,984	2,654,580
2052-2056	2,251,217	403,363	2,654,580
2057-2059	1,272,309	54,981	1,327,290
	<u>\$ 11,419,709</u>	<u>\$ 8,489,641</u>	<u>\$ 19,909,350</u>

The following schedule provides a summary of changes in long-term debt for the year ended June 30, 2021:

	Balance 6/30/20	Additions	Payments	Balance 6/30/21
Notes and loan payable	<u>\$ 11,571,487</u>	<u>\$ -</u>	<u>\$ (151,778)</u>	<u>\$ 11,419,709</u>

Total interest paid for the School during the year ended June 30, 2021 totaled approximately \$379,000.

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)**

6 RETIREMENT PLANS

The Florida Department of Management Services, Division of Retirement (“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”). The School participates in two defined benefit plans administered by the Division. The Division issued a publicly available, audited comprehensive annual financial report (CAFR) 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 CAFR, 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 nonintegrated 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, 2020, 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 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.

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)**

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 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.

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 CAFR for the fiscal year ended June 30, 2020. The system's CAFR and the actuarial valuation reports referenced herein are available online at: http://www.dms.myflorida.com/workforce_operations/retirement/publications

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.

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)**

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 2020-21 are as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Regular class	3%	10.00%
Senior management	3%	27.29%
Drop	N/A	16.98%

(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.

Net Pension Liability

The components of the collective net position liability of the participating employers for each defined benefit plan for the measurement date of June 30, 2020 are shown below (in thousands):

	FRS	HIS
Total pension liability	\$ 204,909,739	\$ 12,588,098
Plan fiduciary net position	(161,568,265)	(378,261)
Net pension liability	\$ 43,341,474	\$ 12,209,837
Plan fiduciary net position as a percentage Of the total pension liability	78.85%	3.00%

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, 2020. 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 GASB67 valuation as of June 30, 2020. 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.

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)**

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 6.80%. 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 2.210% 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 and HIS Program were based on the PUB-2010 base table.

The following changes in actuarial assumptions occurred in 2020:

- FRS: The long-term expected rate of return was decreased from 6.90% to 6.80%.
- HIS: The municipal bond rate used to determine total pension liability was decreased from 3.50% to 2.21%, and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

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)**

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, 2020.

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
5.80%	6.80%	7.80%	1.21%	2.21%	3.21%
\$8,911,077	\$5,580,472	\$2,798,737	\$2,716,990	\$2,350,428	\$2,050,398

Basis of Allocation

At June 30, 2021, the School reported a liability of \$5,580,472 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, 2020, 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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The School's proportionate share of the net pension liability was based on the School's 2019-20 fiscal year contributions of all participating members.

The School's proportions are as follows:

	FRS	HIS
June 30, 2020	0.01287%	0.01925%
June 30, 2019	0.01256%	0.01881%
Change	-0.00031%	-0.00044%

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)**

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 – 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, 2020, was 5.9 years for FRS and 7.2 years for HIS.

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)**

At June 30, 2020, the School reported deferred outflows of resources and deferred inflow of resources related to the pensions from the following sources:

<u>Description</u>	FRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 213,576	\$ -
Changes of assumptions	1,010,243	-
Net difference between projected and actual investment earnings	332,267	-
Employer-specific amounts due to changes in employer proportion	316,099	16,064
School FRS contributions subsequent to the measurement date	548,060	-
Total	\$ 2,420,245	\$ 16,064

<u>Description</u>	HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 96,147	\$ 1,813
Changes of assumptions	252,738	136,668
Net difference between projected and actual investment earnings	1,877	-
Employer-specific amounts due to changes in employer proportion	292,696	-
School FRS contributions subsequent to the measurement date	116,576	-
Total	\$ 760,034	\$ 138,481

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)**

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
2020	\$ 383,502	\$ 139,756
2021	595,724	103,668
2022	506,363	28,328
2023	302,706	65,779
2024	68,827	89,568
Thereafter	<u>-</u>	<u>77,878</u>
Total	<u>\$ 1,856,122</u>	<u>\$ 504,977</u>

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	\$ 6,369,152
Class size reduction	1,561,829
Discretionary tax equalization	431,536
Discretionary millage funds	429,832
Transportation	404,304
ESE guaranteed allocation	395,098
Supplemental academic instruction	372,988
Additional allocation	306,866
Teacher salary increase allocation	232,906
Capital Outlay	206,829
Instructional materials	110,271
Safe school	79,074
Funds compression	62,549
Reading allocation	59,839
Lead teachers	26,918
Prior year adjustments	2,369
Digital classroom allocation	1,740
Other State Revenue	<u>300</u>
Total	<u>\$ 11,054,400</u>

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)**

The administrative fee paid to the School Board during the year ended June 30, 2021 totaled approximately \$37,400, 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.

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.

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)**

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.

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 26, 2021, which is the date the financial statements were available to be issued.

Management continues to evaluate the ongoing impact of the COVID-19 pandemic on the industry. The School has concluded this it is reasonably possible that the ongoing pandemic could have a negative impact on its financial position and results of operations, however, any possible impact is not readily determinable as of the date of these financial statements. The School has not recognized any provisions for possible ongoing impact in these financial statements.

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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
State and local sources	\$ 10,602,214	\$ 10,847,571	\$ 10,847,571	\$ -
Contributions and other revenue	50,000	192,867	192,867	-
Total revenues	10,652,214	11,040,438	11,040,438	-
EXPENDITURES				
Current:				
Instruction	7,599,496	7,594,257	7,594,257	-
Pupil personnel services	318,846	318,967	318,967	-
Instructional media services	158,703	154,706	154,706	-
Instructional staff training	10,000	1,720	1,720	-
Board	22,000	46,527	46,527	-
General administration	36,000	37,366	37,366	-
School administration	906,728	942,535	942,535	-
Facilities construction and acquisition	-	102,692	102,692	-
Fiscal services	70,000	63,264	63,264	-
Food services	-	-	-	-
Central services	-	-	-	-
Pupil transportation	394,500	382,346	382,346	-
Operation of plant	753,494	698,797	698,797	-
Community services	-	77,839	77,839	-
Total expenditures	10,269,767	10,421,016	10,421,016	-
Excess (deficiency) of revenues over expenditures	382,447	619,422	619,422	-
OTHER FINANCING SOURCES (USES)				
Proceeds from notes payable	-	1,797,673	1,797,673	-
Operating transfer out	(290,916)	(569,547)	(569,547)	-
Total other financing sources	(290,916)	1,228,126	1,228,126	-
Net changes in fund balances	91,531	1,847,548	1,847,548	-
Fund balances at beginning of year	2,651,906	2,651,906	2,651,906	-
Fund balances at end of year	\$ 2,743,437	\$ 4,499,454	\$ 4,499,454	\$ -

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, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Federal sources	\$ 1,314,569	\$ 1,314,569	\$ 1,314,569	\$ -
Other revenue	2,708	2,708	2,708	-
Total revenues	<u>1,317,277</u>	<u>1,317,277</u>	<u>1,317,277</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	611,293	611,293	611,293	-
Pupil personnel services	-	-	-	-
Instructional staff training	7,611	7,611	7,611	-
Food services	544,551	544,551	544,551	-
Total expenditures	<u>1,163,455</u>	<u>1,163,455</u>	<u>1,163,455</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>153,822</u>	<u>153,822</u>	<u>153,822</u>	<u>-</u>
Fund balances at beginning of year	<u>28,770</u>	<u>28,770</u>	<u>28,770</u>	<u>-</u>
Fund balances at end of year	<u>\$ 182,592</u>	<u>\$ 182,592</u>	<u>\$ 182,592</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

	2020	2019	2018	2017	2016	2015	2014
School's proportion of the FRS net pension liability (asset)	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)	\$ 5,580,472	\$ 4,327,641	\$ 3,692,807	\$ 3,187,776	\$ 2,437,687	\$ 1,314,304	\$ 600,315
School's covered-employee payroll	\$ 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	76%	66%	58%	60%	47%	29%	14%
FRS Plan fiduciary net position as a percentage of the total pension liability	78.9%	82.6%	84.3%	83.9%	84.9%	92.0%	96.1%

Schedule of School Contributions
Florida Retirement System Pension Plan

	2020	2019	2018	2017	2016	2015	2014
Contractually required FRS contribution	\$ 548,060	\$ 436,626	\$ 389,644	\$ 349,403	\$ 235,432	\$ 235,432	\$ 248,089
FRS contribution in relation to the contractually required FRS contribution	(548,060)	(436,626)	(389,644)	(349,403)	(235,432)	(235,432)	(248,089)
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered employee payroll	\$ 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	7.4%	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

	2020	2019	2018	2017	2016	2015	2014
School's proportion of the HIS net pension liability (asset)	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)	\$ 2,350,428	\$ 2,105,624	\$ 1,938,330	\$ 1,749,206	\$ 1,715,878	\$ 1,417,842	\$ 1,282,936
School's covered-employee payroll	\$ 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	32%	32%	30%	33%	33%	31%	30%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.0%	2.6%	2.2%	1.6%	1.0%	0.5%	1.0%

Schedule of School Contributions
Health Insurance Subsidy Pension Plan

	2020	2019	2018	2017	2016	2015	2014
Contractually required HIS contribution	\$ 116,576	\$ 112,080	\$ 104,498	\$ 99,315	\$ 75,464	\$ 75,464	\$ 53,144
HIS contribution in relation to the contractually required HIS contribution	(116,576)	(112,080)	(104,498)	(99,315)	(75,464)	(75,464)	(53,144)
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered-employee payroll	\$ 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	1.6%	1.7%	1.6%	1.9%	1.5%	1.7%	1.1%

See Independent Auditor's Report



McCRAZY & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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 the financial statements of the governmental activities, each major fund, and the remaining aggregate fund information of Ridgeview Global Studies Academy, Inc. (the "School"), a charter school and component unit of the District School Board of Polk County, Florida, as of and for the year ended June 30, 2021, 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 26, 2021.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 26, 2021

107 Water Oak Lane | Altamonte Springs, FL 32714
Office 407-960-4429 ■ admin@mccraryandassociates.com
www.mccraryandassociates.com

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

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

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2021

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Grant Period	Expenditures
United States Department of Agriculture / Rural Development Program / Community Facilities loans and Grants	10.766	7/1/1-6/30/20	<u>\$11,419,709</u>
United States Department of Agriculture / Florida Department of Agriculture / Polk County School District / School Lunch program	10.555	7/1/20-6/30/21	\$ 487,364
United States Department of Agriculture / Florida Department of Agriculture / Polk County School District / Summer Food Service program	10.559	7/1/20-6/30/21	6,295
United States Department of Agriculture / Florida Department of Agriculture / Polk County School District / School Breakfast program Total Food Program Cluster	10.553	7/1/20-6/30/21	<u>111,455</u> <u>605,114</u>
United States Department of Agriculture / Florida Department of Agriculture / Polk County School District / Commodity Supplemental Food Program	10.565	7/1/20-6/30/21	39,000
United States Department of Education / Florida Department of Education / Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act / Elementary and Secondary Emergency Relief (ESSER)	84.010	7/1/20-6/30/21	378,965
United States Department of Education / Florida Department of Education / Polk County School District / Special Education Grants to States (IDEA, Part B)	84.027	7/1/20-6/30/21	246,214
United States Department of Education / Florida Department of Education / Polk County School District / Improving Teacher Quality Grant (Title II) Total Federal Award Expenditures	84.367	7/1/20-6/30/21	<u>45,276</u> <u>\$ 1,314,569</u>

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

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

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2021

Note 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the School under Federal Government programs for the year ended June 30, 2021. The information in this schedule has been presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a select portion of the operations of the School, it is not intended to and does not present the net position, or statement of activities of the School.

Note 2 Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 Federal Loan or Loan Guarantee

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance) also prescribes the ending balances of these loans at the end of the audit period as well as total federal expenditures. The total outstanding balance at June 30, 2021 was \$11,419,709. As stated in the notes to the financial statement there were no current year expenditures or additions to the loan. Therefore, the ending balance on the loan is required to be disclosed in the Notes to the SEFA and is included as such.

Note 4 DE MINIMIS INDIRECT COST RATE

The auditee used actual costs and did not elect to use the 10% indirect cost rate.



**Independent Auditor's Report on Compliance for each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

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 Compliance for Each Major Federal Program

We have audited the Ridgeview Global Studies Academy Inc.'s (the "School") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2021. The School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the School, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

Report on Internal Control over Compliance

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

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

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

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

McCrary & Associates, PLLC

Altamonte Springs, Florida
September 26, 2021

107 Water Oak Lane | Altamonte Springs, FL 32714
Office 407-960-4429 ■ admin@mccradyandassociates.com
www.mccradyandassociates.com

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial statements

Type of Auditor’s Report Issued Unmodified

Internal Control over Financial Reporting:

- Material Weakness Identified? No
- Significant deficiency identified that are not considered to be material weaknesses None noted

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material Weakness Identified? No
- Significant deficiency identified that are not considered to be material weaknesses None noted

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

Any audit findings that are required to be reported in accordance with CFR 200.516 (a)? No

Identification of Major Program:

<u>CFDA Number</u>	<u>Grant Period</u>	<u>Name of Federal Program</u>
10.766	7/1/20 – 6/30/21	Community Facilities Loans and Grants
10.555	7/1/20 – 6/30/21	School Lunch program
84.010	7/1/20 – 6/30/21	Elementary and Secondary Emergency Relief(ESSER)

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

Auditee qualified as a low risk auditee? Yes

RIDGEVIEW GLOBAL STUDIES ACADEMY, INC.

**Schedule of Findings and Questioned Costs
(Continued)**

Section II – Financial Statement Audit Findings

None

Section III – Federal Program Audit Findings

None

Summary Schedule of Prior Audit Findings

There were no prior audit findings

**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
the District School Board of Polk County, Florida

Report on the Financial Statements

We have audited the financial statements of Ridgeview Global Studies Academy, Inc., (the “School”) as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated September 26, 2021.

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 26, 2021, 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 made in the preceding annual financial 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, Inc. 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 any 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 Polk County School Board and is not intended to be and should not be used by anyone other than these specified parties.

McCrady & Associates, PLLC

Altamonte Springs, Florida
September 26, 2021

107 Water Oak Lane | Altamonte Springs, FL 32714
Office 407-960-4429 ■ admin@mccradyandassociates.com
www.mccradyandassociates.com