

**BRIDGEPREP ACADEMY OF COLLIER CHARTER  
SCHOOL  
COLLIER, FLORIDA**

(A CHARTER SCHOOL UNDER BRIDGEPREP  
ACADEMY, INC.)

BASIC FINANCIAL STATEMENTS, INDEPENDENT  
AUDITOR'S REPORT AND SUPPLEMENTAL  
INFORMATION

JUNE 30, 2022

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL**  
**BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION**  
**JUNE 30, 2022**

TABLE OF CONTENTS

	PAGES
General Information.....	1
<b>BASIC FINANCIAL STATEMENTS</b>	
Independent Auditor’s Report.....	2-4
Management’s Discussion and Analysis (not covered by Independent Auditor’s Report).....	5-10
<b>Basic Financial Statements</b>	
<i>Government-wide Financial Statement:</i>	
Statement of Net Position.....	11
Statement of Activities.....	12
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds.....	13
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position.....	14
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	16
<i>Notes to Basic Financial Statements</i> .....	17-25
<b>Required Supplemental Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – General Fund.....	26
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Special Revenue Fund.....	27
<i>Notes to Required Supplemental Information</i> .....	28
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	29-30
Management Letter.....	31-32

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL**  
(A Charter School Under Bridgeprep Academy, Inc.)

3161 Santa Barbara Blvd.  
Naples, FL 34116  
(239) 747-1016

**2021-2022**

**BOARD OF DIRECTORS**

Mr. Ronald Marcelo, Chair  
Mr. Luis Necuze, Treasurer  
Mr. Lou LoFranco, Director  
Ms. Yeneir Rodriguez-Padron, Secretary

**SCHOOL ADMINISTRATION**

Mr, Kenneth Feria, Principal



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Bridgeprep Academy of Collier Charter School  
Naples, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bridgeprep Academy of Collier Charter School (the "School"), a charter School under Bridgeprep Academy, Inc., as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2022, 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.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 10 and budgetary comparison information on pages 27 through 29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who

considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Matters**

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School as of June 30, 2022, and the respective changes in financial position or the year then ended, and is not intended to be a complete presentation of Bridgeprep Academy, Inc. These financial statements do not purport to and do not present fairly the financial position of Bridgeprep Academy, Inc. as of June 30, 2022 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2022 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
August 25, 2022

**Management's Discussion and Analysis**  
Bridgeprep Academy of Collier Charter School  
June 30, 2022

The corporate officers of Bridgeprep Academy of Collier Charter School (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2022.

**FINANCIAL HIGHLIGHTS**

1. At year-end, the School had current assets of \$323,371.
2. The School's fund balance increased by \$9,203 and its fund balance at the end of the year was \$188,905.

*Overview of the Financial Statements*

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2022 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

*Government-Wide Financial Statements*

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event resulting in the change occurs, without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 11-12 of this report.

*Fund Financial Statements*

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School, like other state and local governments, uses fund accounting to ensure and report compliance with finance-related legal requirements. All of the funds of the School are governmental funds.

*Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources, which are available at the end of the fiscal year. Such information may be used to evaluate a government’s requirements for near-term financing.

Prior to the start of the School’s fiscal year, the Board of the School adopts an annual budget for all of its governmental funds, if applicable. A budgetary comparison statement has been provided for the School’s governmental funds to demonstrate compliance with the School’s budget. The basic governmental fund financial statements can be found on pages 13 - 16 of this report.

*Notes to Financial Statements*

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 17 - 25 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, over time net position may serve as a useful indicator of a school’s financial position. A summary of the School’s net position as of June 30, 2022 and 2021 follows:

<b>Assets</b>	2022	2021
Cash and cash equivalents	\$ 108,987	\$ 333,146
Due from governmental agencies and accounts receivable	214,384	-
Deposits receivable and other assets	6,725	6,725
Right-to-use asset	8,282,314	-
Capital assets, net	127,390	139,745
Total Assets	\$ 8,739,800	\$ 479,616
<b>Liabilities and Net Position</b>		
Accounts and wages payable and accrued liabilities	\$ 141,191	\$ 160,169
Right-to-use liability	8,441,089	-
Long-term debt	224,762	81,326
Total Liabilities	8,807,042	241,495
Invested in capital assets, net of related debt	(106,147)	58,419
Unrestricted	38,905	179,702
Total Net Position	(67,242)	238,121
Total Liabilities and Net Position	\$ 8,739,800	\$ 479,616

The fiscal year June 30, 2022 was the School’s fourth full year of operations. At June 30, 2022, the School’s total assets were \$8,739,800 and total liabilities were \$8,807,042. At June 30, 2022, the School reported a deficit in total net position of (\$67,242). Due to the implementation of the new lease standard



GASB 87 (see Note 7), the School recorded the right-to-use lease asset and liability and recorded an additional \$158,772 in amortization of lease expense. If this amount was added back the total net position at June 30, 2022 would have been a positive \$91,530.

A summary and analysis of the School’s revenues and expenses for the years ended June 30, 2022 and 2021 follows:

<b>REVENUES</b>	2022	2021
Program Revenues		
Federal passed through local	\$ 164,754	\$ 136,184
National School Lunch Program	63,001	55,009
Capital Outlay Funding	118,178	119,812
Charges for services	69,114	46,715
General Revenues		
FEFP nonspecific revenues	2,105,717	2,395,793
Fundraising and other revenue	126,969	184,063
Total Revenues	\$ 2,647,733	\$ 2,937,576
 <b>EXPENSES</b>		
Instructional services	\$ 1,242,373	\$ 1,249,180
Instructional support services	12,817	15,525
Instructional staff training services	2,500	1,000
General administration	377,706	411,642
School administration	257,661	235,311
Food services	76,864	67,983
Fiscal services	6,195	11,225
Operation of plant	373,762	585,661
Maintenance of plant	91,882	107,816
Community services	19,656	13,463
Interest expense	491,680	8,114
Total Expenses	\$ 2,953,096	\$ 2,706,920
Change in Net Position	(305,363)	230,656
 <b>Net Position at Beginning of Year</b>	 238,121	 7,465
<b>Deficit in Net Position at End of Year</b>	<b>\$ (67,242)</b>	<b>\$ 238,121</b>

The School’s total revenues for the year ended June 30, 2022 were \$2,647,733, while its total expenses were \$2,953,096 for a net decrease of \$305,363. This was the School’s fourth full year of operations. The School’s enrollment for the year was approximately 232. Revenues decreased mainly due to the executive order in fiscal 2021 that allowed schools to be paid at pre-pandemic levels. In the current fiscal year, enrollments were adjusted to reflect the correct amount of FTE students. In addition, due to

the implementation of the new lease standard, the School recorded an additional expense of \$158,772, which was the excess of amortization and interest expense over actual lease payments made during the year. Adding back this excess would have put the School in a positive net position of \$91,530.

This was the School's fourth full year of operations. The School's enrollment for the year was approximately 232. The enrollment decreased slightly from the prior year, which resulted in a decrease in budget. The School improved significantly on its academic performance improving from a D school to a C school for the 2021-2022 school year. It was able to obtain this by maintaining its investment to curriculum and instruction even though there was a slight drop in enrollment.

### **ACCOMPLISHMENTS**

The School has just completed its 4th year of operations. During the school year, the enrollment for the School increased from approximately 215 to 232 for the 2021-2022 fiscal year. The School's enrollment for the 2022-2023 school year has sustained their enrollment at 230. We believe the consistent growth pattern has stayed at par due to the COVID pandemic, however not having a loss in enrollment has been a positive outlook for the School's board. In addition, the entire campus has been equipped to meet the rigor of today's technology demands for instruction. This contributed to many start-up costs for new equipment. The School has been able to fund these academic investments through its award of the CSP Implementation Grant and ESSER I awarded State funding. The school has a large minority population and a Free and Reduced Lunch ratio of approximately 74%, yet missed receiving Title I funding by a minimal amount. The board, together with their Executive Instructional Team and site administration, will be implementing an effective instructional recovery program with its new resources to ensure instructional gains for all of the School's students. Even though the School did not qualify to receive additional funding from Title I for the 2021-2022 fiscal year, the School is part of a system accredited management company. This honor will allow the School to receive capital outlay funding. Because of these initiatives, the school demonstrated great academic improvements during the 2021-2022 academic school year improving from a D to high C. The school will continue this momentum and its academic growth to serve their community.

### **SCHOOL LOCATION**

The School operates in the Naples area, located at 3161 Santa Barbara Blvd., Naples, FL, 34116.

### **CAPITAL IMPROVEMENT REQUIREMENT**

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

### **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **GOVERNMENTAL FUNDS**

The focus of the School's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the fiscal year, the School's governmental funds had a net change in fund balance of \$9,203 and reported a combined fund balance at year-end of \$188,905.

## CAPITAL ASSETS

The School's investment in capital assets, as of June 30, 2022, amounts to \$127,390 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures, and equipment.

## LONG-TERM LIABILITIES

The School has financed certain equipment through capital leases totaling \$204,737 at various interest rates. The School made principal repayments of \$41,123 during the year and the outstanding balance at June 30, 2022 was \$74,762.

## GOVERNMENTAL FUND BUDGET ANALYSIS

Prior to the start of the School's fiscal year, the Board of the School adopted an annual budget. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the School's budget.

	All Governmental Funds		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 2,249,269	\$ 2,105,717	\$ 2,105,717
Federal passed through local	52,000	164,754	164,754
Federal lunch program	55,000	63,001	63,001
State capital outlay funding	119,812	118,178	118,178
Charges for services and other income	150,000	196,083	196,083
<b>TOTAL REVENUES</b>	<b>2,626,081</b>	<b>2,647,733</b>	<b>2,647,733</b>
<b>EXPENDITURES</b>			
Instruction	\$ 1,150,000	\$ 1,187,591	\$ 1,187,591
Instructional support services	15,000	12,817	12,817
Instructional staff training services	-	2,500	2,500
General administrative	377,000	377,706	377,706
School administration	235,000	257,661	257,661
Fiscal services	20,000	6,195	6,195
Food services	55,000	76,864	76,864
Community services	10,000	19,656	19,656
Capital outlay	-	42,427	42,427
Operation of plant	555,000	173,408	173,408
Maintenance of plant	75,000	91,882	91,882
Debt service	120,000	574,382	574,382
<b>TOTAL EXPENDITURES</b>	<b>2,612,000</b>	<b>2,823,089</b>	<b>2,823,089</b>
Net change in fund balance	14,081	(175,356)	(175,356)
Other financing sources	-	184,559	184,559
Net change in fund balance	<b>\$ 14,081</b>	<b>\$ 9,203</b>	<b>\$ 9,203</b>

The School's initial budget was projected at a lower enrollment. Actual revenues and expenditures were in line with the budget.

**REQUESTS FOR INFORMATION**

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Mr. Juan Carlos Quintana of S.M.A.R.T. Management, LLC located at 9875 SW 72<sup>nd</sup> Street, Miami, Florida 33173.

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL**  
**STATEMENT OF NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 108,987
Due from other agencies	111,738
Accounts receivable	<u>102,646</u>
<b>TOTAL CURRENT ASSETS</b>	<b>323,371</b>
Capital assets, depreciable	315,338
Less accumulated depreciation	<u>(187,948)</u>
<b>Total capital assets, net</b>	<b>127,390</b>
Deposit receivable and other assets	6,725
Right-to-use operating lease asset, net	<u>8,282,314</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 8,739,800</u></b>
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 18,716
Accrued wages payable	122,475
Obligations under capital lease-current portion	47,657
Loan payable - current portion	27,876
Right-to-use lease liability - current portion	<u>188,937</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>405,661</b>
Loan payable - long-term portion	122,124
Obligations under capital lease- long-term portion	27,105
Right-to-use operating lease liability - long-term portion	<u>8,252,152</u>
<b>TOTAL LIABILITIES</b>	<b>8,807,042</b>
<b>NET POSITION</b>	
Net investment in capital and right-to-use assets	(106,147)
Unrestricted	<u>38,905</u>
<b>TOTAL NET POSITION</b>	<b><u>(67,242)</u></b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 8,739,800</u></b>

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

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

<b>Functions</b>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Instruction	\$ 1,242,373	\$ -	164,754	\$ -	\$ (1,077,619)
Instructional support services	12,817	-	-	-	(12,817)
Instructional staff training services	2,500	-	-	-	(2,500)
General administrative	377,706	-	-	-	(377,706)
School administration	257,661	-	-	-	(257,661)
Fiscal services	6,195	-	-	-	(6,195)
Food services	76,864	5,652	63,001	-	(8,211)
Operation of plant	373,762	19,850	-	41,579	(312,333)
Maintenance of plant	91,882	-	-	-	(91,882)
Community services	19,656	43,612	-	-	23,956
Interest expense	491,680	-	-	76,599	(415,081)
<b>Total Governmental Activities</b>	<b>\$ 2,953,096</b>	<b>\$ 69,114</b>	<b>\$ 227,755</b>	<b>\$ 118,178</b>	<b>\$ (2,538,049)</b>
<b>GENERAL REVENUES:</b>					
					2,105,717
					126,969
					<u>2,232,686</u>
					Change in Net Position (305,363)
					NET POSITION - BEGINNING <u>238,121</u>
					DEFICIT IN NET POSITION - ENDING <u>\$ (67,242)</u>

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

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL**  
**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund	Special Revenue Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 82,182	\$ 26,805	\$ 108,987
Due from other agencies	-	111,738	111,738
Accounts receivable	102,646	-	102,646
Deposit receivable and other assets	6,725	-	6,725
Due from funds	138,543	-	138,543
<b>TOTAL ASSETS</b>	<b>\$ 330,096</b>	<b>\$ 138,543</b>	<b>\$ 468,639</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 18,716	-	\$ 18,716
Accrued wages payable	122,475	-	122,475
Due to funds	-	138,543	138,543
<b>TOTAL LIABILITIES</b>	<b>141,191</b>	<b>138,543</b>	<b>279,734</b>
<b>FUND BALANCE</b>			
Nonspendable			
Deposit receivable and other assets	6,725	-	6,725
Unassigned	182,180	-	182,180
<b>TOTAL FUND BALANCE</b>	<b>188,905</b>	<b>-</b>	<b>188,905</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 330,096</b>	<b>\$ 138,543</b>	<b>\$ 468,639</b>

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

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT  
OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2022**

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Total Fund Balance - Governmental Funds \$ 188,905

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

Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the fund.

Capital assets	315,338
Accumulated depreciation	(187,948)

Right-to-use assets and liabilities used in governmental activities are not financial resources or obligations and therefore are not reported

Right-to-use asset	8,282,314
Right-to-use liability	(8,441,089)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Loan payable	(150,000)
Obligations under capital lease	(74,762)

Total Deficit in Net Position - Governmental Activities	\$ (67,242)
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The accompanying notes are an integral part of this financial statement.



**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	General Funds	Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>				
State passed through local	\$ 2,105,717	\$ -	\$ -	\$ 2,105,717
Federal lunch program	-	-	63,001	63,001
Federal passed through local	-	-	164,754	164,754
State capital outlay funding	-	118,178	-	118,178
Charges for services	63,462	-	5,652	69,114
Other income	126,969	-	-	126,969
<b>TOTAL REVENUES</b>	<b>\$ 2,296,148</b>	<b>\$ 118,178</b>	<b>\$ 233,407</b>	<b>\$ 2,647,733</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	\$ 1,022,837	\$ -	\$ 164,754	\$ 1,187,591
Instructional support services	12,817	-	-	12,817
Instructional staff training services	2,500	-	-	2,500
General administrative	377,706	-	-	377,706
School administration	257,661	-	-	257,661
Fiscal services	6,195	-	-	6,195
Food services	8,211	-	68,653	76,864
Operation of plant	173,408	-	-	173,408
Maintenance of plant	91,882	-	-	91,882
Community services	19,656	-	-	19,656
<b>Capital Outlay:</b>				
Other capital outlay	42,427	-	-	42,427
Right-to-use asset (building)	-	8,482,668	-	8,482,668
<b>Debt service:</b>				
Redemption of principal	41,123	41,579	-	82,702
Interest	415,081	76,599	-	491,680
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,471,504</b>	<b>\$ 8,600,846</b>	<b>\$ 233,407</b>	<b>\$ 11,305,757</b>
Excess of expenditures over revenues	(175,356)	(8,482,668)	-	(8,658,024)
<b>Other Financing Sources</b>				
Proceeds from financing	184,559	-	-	184,559
Increase in right-to-use liability	-	8,482,668	-	8,482,668
<b>Total Other Financing Sources</b>	<b>184,559</b>	<b>8,482,668</b>	<b>-</b>	<b>8,667,227</b>
Net change in fund balance	9,203	-	-	9,203
Fund balance at beginning of year	179,702	-	-	179,702
Fund balance at end of year	<u>\$ 188,905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 188,905</u>

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

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

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Change in Fund Balance - Governmental Funds \$ 9,203

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 as  
depreciation expense.

Capital outlays	42,427
Depreciation expense	(54,782)

In the statement of activities, amortization of the right-to-use  
asset is reported as an expense over the estimated life of the  
lease, however, in the governmental funds report it is not  
included as an expense.

Amortization expense	(200,354)
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The proceeds from loans, right-to-use and captial leases  
provide current financial resources to governmental funds,  
but increases long-term liabilities in the statement of net  
assets. Repayment of advance principal is an expenditure in  
the governmental funds, but the repayment reduces long-term  
liabilities in the statement of net assets.

Proceeds	(184,559)
Repayments of principal	82,702

Change in Net Position of Governmental Activities	\$ (305,363)
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The accompanying notes are an integral part of this financial statement.

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 – ORGANIZATION AND OPERATIONS**

**Reporting Entity**

Bridgeprep Academy of Collier Charter School (the “School”) is a charter school sponsored by the School Board of Collier County, Florida (the “District”). The School’s charter is held by Bridgeprep Academy, Inc., a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors, which is comprised of four members and has determined that no component unit exists that would require inclusion in the School’s financial statements.

The general operating authority of Bridgeprep Academy of Collier Charter School (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 Collier County, Florida. The current charter is effective until June 30, 2024. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case the School Board is required to notify the School in writing at least 90 days prior to the School’s expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The charter may be renewed annually by mutual agreement.

These financial statements are for the year ended June 30, 2022, when approximately 232 students were enrolled in grades Kindergarten through 5<sup>th</sup> grade.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The School’s accounting policies conform to accounting principles generally accepted in the United States applicable to state and local governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

**Government-wide and Fund Financial Statements**

*Government-wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities, as the School does not engage in any business type activities. These statements do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

*Fund Financial Statements*

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Major individual governmental funds, namely, the general, special revenue, and capital project funds are reported as separate columns in the fund financial statements:

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund – is the School’s primary operating fund. The General Fund accounts for all financial resources not accounted for and reported in another fund.

Special Revenue Fund – used to account for the proceeds of specific revenue sources such as federal funding and federal lunch program that are restricted or committed to expenditure for specific purposes other than debt service and capital projects. Also, accounts for the School’s Internal Fund, which is used to administer monies collected in connection with student athletics, class and club activities.

Capital Projects Fund – accounts for state and local capital outlay as authorized by Charter School Capital Outlay, Section 1013.62, Florida Statutes mainly for capital outlay including construction or lease of school facilities, capital equipment and additions to existing schools.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The financial statements of Bridgeprep Academy of Collier Charter School, (the “School”) are prepared in accordance with generally accepted accounting principles (GAAP). The School’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidelines*.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 “*Accounting and Financial Reporting for Non-Exchange Transactions*.” On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

**Budgetary Basis Accounting**

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g. instructional, pupil personnel services and school administration). Any revisions to the annual budget are approved by the Board.

Cash and Cash Equivalents

The School’s cash is considered to be cash on hand and demand deposits, with original maturities of three months or less.

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inter-Fund Transfers

Inter-fund receivables/payables (“Due from/to) are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

Due from Other Agencies

Due from other agency consists of amounts due from other governmental units for revenues from federal, federal through state, state, or other sources.

Accounts receivable

Accounts receivable consists of after-school care fees and other contributions pending to be collected. Any bad debts are expensed in the subsequent period when they are determined to be uncollectible.

Capital Assets, Depreciation and Amortization

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$750 on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture and equipment	5 Years
Computer equipment and software	7 Years
Building and improvements	39 Years

Compensated Absences

The School grants a specific number of days for sick/personal leave. Full-time employees are eligible for one day per month to up to ten days of active work during the ten-month period (a “benefit year”). In the event that available time is not used by the end of the benefit year, employees may “rollover” all unused days for use in future benefit years. There is an opportunity to “cash out” unused sick days; however, the employees may only cash out if they have used three days or less of their sick leave in that benefit year. Employees may not cash out more than ten days per school year and are required to always maintain a minimum of twenty-one unused days. The cash value is eighty percent of their current daily rate. There is no termination payment for accumulated unused sick days.

GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for compensated days available to be used in future benefit years.

The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Fund Net Position

Government-wide fund net position are divided into three components:

- Net investment in capital assets and right-to-use assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. This also includes the right-to-use asset net of the right-to-use liability. The net investment in capital assets for the year ending June 30, 2022, was (\$106,147).
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors, laws, or regulations of other governments less related liabilities and deferred inflows of resources. The restricted net position for the year ending June 30, 2022 was \$0.
- Unrestricted – all other net position is reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Non-spendable – 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). At June 30, 2022, the School had \$6,725 in non-spendable fund balance.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2022, there is no restricted fund balance.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School’s Board of Directors. At June 30, 2022, there is no committed fund balance.
- Assigned – fund balance classification are intended to be used by the School’s management for specific purposes but do not meet the criteria to be classified as restricted or committed. At June 30, 2022, there is no assigned fund balance.
- Unassigned – fund balance is the residual classification for the School’s general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending Policy

The School’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance at the end of the fiscal year by adjusting journal entries. First, non-spendable fund balances are determined. Then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then, any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund. As of June 30, 2022, there are no minimum fund balance requirements for any of the School’s funds.

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Collier County (the "School Board") 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 will report the number of full-time equivalent (FTE) students and related data to the School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. In addition, the School receives an annual allocation of charter school capital outlay funds for leasing of School facilities.

The School may also receive federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expensed. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Income Taxes

Bridgeprep Academy, Inc. qualifies as a tax-exempt organization under the Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through August 25, 2022, which is the date the financial statements were available to be issued.

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 3 – CAPITAL ASSETS**

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2022:

	Balance			Balance June 30, 2022
	July 1, 2021	Additions	Deletions	
Capital Assets				
Audiovisual materials and computer software	\$ -	\$ 31,677	\$ -	\$ 31,677
Leasehold improvements	-	10,750	-	10,750
Furniture and equipment	272,911	-	-	272,911
Total Capital Assets	<u>\$ 272,911</u>	<u>\$ 42,427</u>	<u>\$ -</u>	<u>\$ 315,338</u>
Less Accumulated Depreciation				
Audiovisual materials and computer software	\$ -	\$ -	\$ -	\$ -
Leasehold improvements	-	(200)	-	(200)
Furniture and equipment	(133,166)	(54,582)	-	(187,748)
Total Accumulated Depreciation	<u>(133,166)</u>	<u>(54,782)</u>	<u>-</u>	<u>(187,948)</u>
Capital Assets, net	<u>\$ 139,745</u>	<u>\$ (12,355)</u>	<u>\$ -</u>	<u>\$ 127,390</u>

Depreciation expense for the year ended June 30, 2022, was \$54,782, which was allocated to instructional services.

**NOTE 4 – RIGHT-OF-USE ASSET**

The following schedule provides changes in other assets:

	Balance			Balance June 30, 2022
	July 1, 2021	Additions	Deletions	
Right-to-use lease asset	\$ -	\$ 8,482,668	\$ -	\$ 8,482,668
Accumulated amortization	-	(200,354)	-	(200,354)
Total	<u>\$ -</u>	<u>\$ 8,282,314</u>	<u>\$ -</u>	<u>\$ 8,282,314</u>

Amortization expense for the year ended June 30, 2022, was \$200,354, which was allocated to operation of plant.

**NOTE 5 – EDUCATION SERVICE AND SUPPORT PROVIDER**

The School entered into an agreement with S.M.A.R.T. Management LLC to provide professional management and consulting services to the School. In its capacity, as the education service and support provider, S.M.A.R.T. Management LLC manages the finances and operations and makes recommendations to the School's independent board of directors, which make the final determinations regarding policies and contracts.

In providing these services to the School, officers of S.M.A.R.T. Management LLC may not serve as members of the Board of Directors of the School. The agreement began on July 1, 2018 and is in effect through June 30, 2023 with an option to renew. Either party with 90 days' notice can terminate the contract. The contract calls for a fee between 8% and 10% of full time equivalent (FTE) revenues based on the School's enrollment plus a fee of \$500 a month related to aftercare support services. During the year-ended June 30, 2022, the School was charged 10% of total FTE revenues and paid \$214,943 in management fees.



**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 6 – LOAN PAYABLE**

At June 30, 2022, the School received a loan payable of \$150,000 from Bridgeprep Academy, Inc. The balance at June 30, 2022 was \$150,000 and bears interest at prime plus .25% (5.75% at June 30, 2022). The loan is to be repaid in monthly payments of interest and principal and matures on August 1, 2026. The following schedule provides a summary changes for the year ended June 30, 2022:

	Balance July 1, 2021	Proceeds	Payments	Balance June 30, 2022
Loan Payable	\$ -	\$ 150,000	\$ -	\$ 150,000
	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ 150,000</u>

Future maturities are as follows:

<u>Year Ended</u>	<u>Principal</u>
2023	\$ 27,876
2024	36,197
2025	38,334
2026	40,597
2027	6,996
	<u>\$ 150,000</u>

**NOTE 7 – COMMITMENTS, CONTINGENCIES AND CONCENTRATIONS**

The School entered into a lease agreement to lease its school facilities. The first payment commenced on September 1, 2018. The term of this agreement is for twenty-five years and ends June 30, 2043. For the year ended June 30, 2022, the amount paid by the School for the use of the facilities was \$527,679. On July 1, 2021, the School implemented GASB Statement No. 87 *Leases*, and as a result recorded a lease right of use asset and liability in these financial statements. The School used the rate on the loan payable of prime plus .25% (5.75%) to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability as of July 1, 2021. The interest expense was \$486,097 and the amortization of right-to-use was \$200,354 for the year ended June 30, 2022.

Annual requirements to amortize this lease liability and related interest are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2023	\$ 188,937	\$ 480,435	\$ 669,372	
2024	\$ 226,657	\$ 468,587	\$ 695,244	
2025	\$ 240,039	\$ 455,205	\$ 695,244	
2026	\$ 254,210	\$ 441,034	\$ 695,244	
2027	\$ 269,219	\$ 426,025	\$ 695,244	
2028-2032	\$ 1,604,133	\$ 1,872,087	\$ 3,476,220	(Total for 5 Year Period)
2033-2037	\$ 2,136,988	\$ 1,339,232	\$ 3,476,220	(Total for 5 Year Period)
2038-2042	\$ 2,846,842	\$ 629,378	\$ 3,476,220	(Total for 5 Year Period)
2043	\$ 674,064	\$ 21,180	\$ 695,244	
	<u>\$ 8,441,089</u>	<u>\$ 6,133,163</u>	<u>\$ 14,574,252</u>	

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 7 – COMMITMENTS, CONTINGENCIES AND CONCENTRATIONS (Continued)**

Changes in long-term right to use liability during the year are as follows:

	Balance July 1, 2021	Increase	Decrease	Balance June 30, 2022
Right-to-use liability	\$ -	\$8,482,668	\$ 41,579	\$ 8,441,089
	<u>\$ -</u>	<u>\$8,482,668</u>	<u>\$ 41,579</u>	<u>\$ 8,441,089</u>

During the year ended June 30, 2022, the School received a technology fee contribution from the landlord in the amount of \$100,000, which has been included in miscellaneous revenue and other income in the accompany statement of activities and statement of revenues, expenditures and changes in fund balance, respectively.

**NOTE 8 – CAPITAL LEASE OBLIGATIONS**

The School leases equipment under two separate capital leases expiring June 2023. As of June 30, 2022, the leased equipment is reflected at a total cost of \$204,737, is included in furniture, fixtures, and equipment, and has a related accumulated depreciation of \$125,033. The leases require monthly payments of principal and interest totaling \$3,071 at interest rates between 7% and 10% per annum.

Future minimum payments under capital leases as of June 30, 2022 are as follows:

	Year Ended June 30,.
2023	\$ 52,386
2024	15,475
2025	13,371
2026	664
Total minimum lease payments	<u>81,896</u>
Interest	<u>(7,134)</u>
Present value of net minimum lease payments	74,762
Obligations under capital lease- current portion	<u>(47,657)</u>
Obligations under capital lease- long-term portion	<u>\$ 27,105</u>

The following schedule provides a summary of changes in the loan for the year ended June 30, 2022:

	Balance July 1, 2021	Amount Financed	Payments	Balance June 30, 2022
Capital lease payable	\$ 81,326	\$ 34,559	\$ 41,123	\$ 74,762
	<u>\$ 81,326</u>	<u>\$ 34,559</u>	<u>\$ 41,123</u>	<u>\$ 74,762</u>

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 9 – INTERFUND BALANCES**

Interfund balance in governmental funds as of June 30, 2022 consist of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Due to General Fund from Special Revenues Fund for NSLP	\$ 38,023	\$ (38,023)
Due to General Fund from Special Revenues Fund for ESSER	100,500	(100,500)
Total Due from/(Due to) Funds	<u>\$ 138,523</u>	<u>\$ (138,523)</u>

**NOTE 10 – DEPOSITS POLICY AND CREDIT RISK**

It is the School’s policy to maintain its cash and cash equivalents in one financial institution. As of June 30, 2022, the School’s deposits consisted of cash balances of \$140,045. Deposits at FDIC-insured financial institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Bridgeprep Academy, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of Bridgeprep Academy, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2022, bank balances in potential excess of FDIC coverage was \$0.

**NOTE 11 – GRANTS**

In the normal course of operations, the School receives grant funds from various federal, state, and local agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not reflected in these financial statements.

**NOTE 12 – RISK MANAGEMENT**

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors, omissions, and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage in the past. In addition, there were no reductions in insurance coverage from those in the prior year. The School does not sponsor a public entity risk pool and has had no settlements that have exceeded their insurance coverage.

REQUIRED SUPPLEMENTAL INFORMATION

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET  
AND ACTUAL –GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 2,249,269	\$ 2,105,717	\$ 2,105,717
Charges for services and other income	150,000	190,431	190,431
<b>TOTAL REVENUES</b>	<b>2,399,269</b>	<b>2,296,148</b>	<b>2,296,148</b>
<b>EXPENDITURES</b>			
Instruction	1,098,000	1,022,837	1,022,837
Instructional support services	15,000	12,817	12,817
Instructional staff training services	-	2,500	2,500
General administrative	377,000	377,706	377,706
School administration	235,000	257,661	257,661
Fiscal services	20,000	6,195	6,195
Food services	-	8,211	8,211
Community services	10,000	19,656	19,656
Operation of plant	435,188	173,408	173,408
Maintenance of plant	75,000	91,882	91,882
Other capital outlay	-	42,427	42,427
Debt service	120,000	456,204	456,204
<b>TOTAL EXPENDITURES</b>	<b>2,385,188</b>	<b>2,471,504</b>	<b>2,471,504</b>
Change in fund balance before other financing sources	14,081	(175,356)	(175,356)
Other financing sources, net	-	184,559	184,559
<b>Net change in fund balance</b>	<b>\$ 14,081</b>	<b>\$ 9,203</b>	<b>\$ 9,203</b>

See accompanying note to the required supplemental information.

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET  
AND ACTUAL – SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2022**

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	Special Revenue Funds		
	Original Budget	Final Budget	Actual
REVENUES			
Federal passed through local	\$ 52,000	\$ 164,754	\$ 164,754
Federal lunch program	55,000	63,001	63,001
Charges for services and other income	-	5,652	5,652
TOTAL REVENUE	<u>107,000</u>	<u>233,407</u>	<u>233,407</u>
EXPENDITURES			
Instructional services	52,000	164,754	164,754
Food services	55,000	68,653	68,653
TOTAL EXPENDITURES	<u>107,000</u>	<u>233,407</u>	<u>233,407</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to the required supplemental information.

**BRIDGEPREP ACADEMY OF COLLIER CHARTER SCHOOL  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2022**

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NOTE A – BUDGETARY INFORMATION

Budgetary basis of accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2022 has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general and special revenue funds for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).



INDEPENDENT AUDITOR'S REPORT ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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Board of Directors of  
Bridgeprep Academy of Collier Charter School  
Naples, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Bridgeprep Academy of Collier Charter School (the "School"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 25, 2022.

### 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 the School's internal control.

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

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

A handwritten signature in black ink that reads "Verdy-De Amari-Trujillo-Alvarez". The signature is written in a cursive style and is positioned above a light gray rectangular background.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
August 25, 2022



## MANAGEMENT LETTER

Board of Directors of  
Bridgeprep Academy of Collier Charter School  
Naples, Florida

### Report on the Financial Statements

We have audited the financial statements of Bridgeprep Academy of Collier Charter School (the "School"), as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated August 25, 2022.

### Auditor's Responsibility

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; 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, which is dated August 25, 2022, 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 and 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 and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity and the school code assigned by the Florida Department of Education of the school is Bridgeprep Academy of Collier Charter School and #119037.

### **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 it. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2022 is not deteriorating.

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 us to communicate 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 have 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 the School Board of Collier County, Florida, and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
August 25, 2022