

**BRIDGEPREP ACADEMY INTERAMERICAN**  
MIAMI, FLORIDA  
(A CHARTER SCHOOL UNDER BRIDGEPREP  
ACADEMY, INC.)

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

JUNE 30, 2022

**BRIDGEPREP ACADEMY INTERAMERICAN**  
**BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION**  
**JUNE 30, 2022**

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**BRIDGEPREP ACADEMY INTERAMERICAN**  
(A Charter School Under Bridgeprep Academy, Inc.)

621 Beacom Blvd.  
Miami, FL 33135  
(305) 643-4833

**2021-2022**

**BOARD OF DIRECTORS**

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

**SCHOOL ADMINISTRATION**

Mr. Guillermo M. Gonzalez, Principal



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Bridgeprep Academy Interamerican Charter School  
Miami, Florida

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bridgeprep Academy Interamerican 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 Bridgeprep Academy Interamerican, 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 Opinion

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 and budgetary comparison information 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 September 15, 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 Academy’s internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 15, 2022

**Management’s Discussion and Analysis**  
Bridgeprep Academy Interamerican  
June 30, 2022

The corporate officers of Bridgeprep Academy Interamerican 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. The assets of the School at June 30, 2022 were \$1,057,139.
2. At year-end, the School had current assets of \$305,944.
3. The School had an increase in fund balance of \$82,846 and had an ending fund balance of \$135,241 at June 30, 2022.

*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 plus deferred outflows of resources and liabilities plus deferred inflows of resources. The difference 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 assets 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 10-11 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. 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 12-15 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 16-23 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>  | <u>2022</u>         | <u>2021</u>       |
|--|---------------------|-------------------|
| Cash and cash equivalents                              | \$ 272,382          | \$ 258,381        |
| Due from governmental agencies and accounts receivable | 33,562              | 22,827            |
| Deposits receivable and other assets                   | 9,600               | 67,864            |
| Capital and right to use assets, net                   | 741,595             | -                 |
| Total Assets   | <u>\$ 1,057,139</u> | <u>\$ 349,072</u> |
| <b>Liabilities and Net Position</b>                    |                     |                   |
| Accounts and wages payable and accrued liabilities     | \$ 180,303          | \$ 296,677        |
| Note payable   | 298,396             | 15,213            |
| Right to use liability                                 | 674,057             | -                 |
| Total Liabilities                                      | <u>1,152,756</u>    | <u>311,890</u>    |
| Net investment in capital assets                       | 19,142              | -                 |
| Unrestricted   | <u>(114,759)</u>    | <u>37,182</u>     |
| Total Net Position                                     | <u>(95,617)</u>     | <u>37,182</u>     |
| Total Liabilities and Net Position                     | <u>\$ 1,057,139</u> | <u>\$ 349,072</u> |

At June 30, 2022, the School's total assets were \$1,057,139 and total liabilities were \$1,152,756. At June 30, 2022, the School reported a deficit in net position of \$95,617. Due to the implementation of the new lease standard GASB 87 *Leases*, the School recorded the right-to-use lease asset and liability and recorded an additional \$127,621 in amortization expense (a non-cash expense). If this amount was added back the total net position at June 30, 2022 would have been a positive \$32,004.

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

| <b>REVENUES</b>                              | <u>2022</u>        | <u>2021</u>      |
|--|--------------------|------------------|
| Program Revenues                             |                    |                  |
| Federal passed through state                 | \$ 241,695         | \$ 127,857       |
| Capital outlay funding                       | 123,298            | 95,188           |
| National School Lunch Program                | 75,353             | 40,288           |
| Charges for services                         | 41,012             | 31,863           |
| General Revenues                             |                    |                  |
| FEFP nonspecific revenues                    | 1,474,549          | 1,500,542        |
| Fundraising and other revenue                | 21,686             | 23,677           |
| Total Revenues                               | <u>1,977,593</u>   | <u>1,819,415</u> |
| <br>   |                    |                  |
| <b>EXPENSES</b>                              |                    |                  |
| Instructional services                       | 1,056,384          | 965,713          |
| Instructional support services               | 13,930             | 8,591            |
| Instructional media services                 | 1,500              | 1,500            |
| Instructional staff training services        | 1,550              | 1,000            |
| General administration                       | 258,324            | 247,940          |
| Board  | 6,782              | 12,475           |
| School administration                        | 325,535            | 293,622          |
| Food services                                | 76,498             | 62,284           |
| Operation of plant                           | 255,144            | 241,644          |
| Maintenance of plant                         | 34,951             | 56,130           |
| Community services                           | 42,518             | 32,366           |
| Interest expense                             | 37,276             | 2,006            |
| Total Expenses                               | <u>2,110,392</u>   | <u>1,925,271</u> |
| Change in Net Position                       | (132,799)          | (105,856)        |
| <br>   |                    |                  |
| <b>Net Position at Beginning of Year</b>     | <u>37,182</u>      | <u>143,038</u>   |
| <b>Net Position (deficit) at End of Year</b> | <u>\$ (95,617)</u> | <u>\$ 37,182</u> |

The School’s total revenues for the year ended June 30, 2022, were \$1,977,593 while its total expenses were \$2,110,392 for a net decrease of \$132,799. The School’s enrollment was maintained at approximately 180 students. The School was able to keep costs at a minimal increase for the 2021-2022 fiscal year while having a higher enrollment. The School increased its instructional expenses in order to ensure the best outcome for the students attending the School. The result for this campus was an “A” rating for the 2021-2022 school year. The School opted-in to receive an “A” grade for the second consecutive year to become a High Performing Charter School. Revenues increased by \$158,178 due to increase in federal grant revenues Title I and Elementary & Secondary School Emergency Relief funds (ESSER) and increase in funding from the National School Lunch Program and after-care services due to the return of students from the COVID pandemic.

In the current fiscal year, enrollments were adjusted to reflect the correct amount of FTE students, which was the reason for the decrease in FEFP revenues. In addition, due to the implementation of the new lease standard, the School recorded an additional expense of \$25,318, which was the excess of amortization and interest expense over actual lease payments made during the year.

### **ACCOMPLISHMENTS**

The School has just completed its tenth year of operations. This year, the School is expected to remain an “A” grade. The campus was selected for audit by FDOE and final results should be received shortly. This result was due to their academic focus from their curriculum support staff, teachers, administrative team, and the continued implementation of their resources available at school. The school was also renewed under a High Performing Status and received a 15 year contract from the sponsor.

The School is excited that the school year of operations ended great and that it is able to continue to offer an outstanding academic program to our community despite the COVID-19 Pandemic. With the approval of our School’s board, the School will continue to receive support from our Curriculum Support staff as needed since the campus will continue to have an existing trained master teacher to support the School.

### **SCHOOL LOCATION**

The School operates in the Miami area located at 621 Beacom Blvd., Miami, FL 33135.

### **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 reported a increase in its fund balance of \$82,846 and a combined ending fund balance of \$135,241 at June 30, 2022.

### **CAPITAL AND RIGHT TO USE ASSETS**

The School’s investment in capital and right to use assets, as of June 30, 2022, amounts to \$741,595 (net of accumulated depreciation and amortization). This investment in capital assets includes leasehold improvements, fixtures, furniture and equipment, audio visual materials, and computer software. The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required. In addition, this amount includes a right to use asset of \$648,739, net of accumulated amortization due to the implementation of GASB 87 *Leases*.

## GENERAL 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<br>Budget     | Final Budget     | Actual           |
| <b>REVENUES</b>  |                        |                  |                  |
| State passed through local                                       | \$ 1,437,302           | \$ 1,474,549     | \$ 1,474,549     |
| State capital outlay funding                                     | 95,188                 | 123,298          | 123,298          |
| Federal passed through state                                     | 90,000                 | 241,695          | 241,695          |
| Federal lunch program  | 60,000                 | 75,353           | 75,353           |
| Charges for services and other grants                            | 40,000                 | 41,012           | 41,012           |
| Other income   | 17,000                 | 21,686           | 21,686           |
| <b>TOTAL REVENUES</b>  | <b>1,739,490</b>       | <b>1,977,593</b> | <b>1,977,593</b> |
| <b>EXPENDITURES</b>  |                        |                  |                  |
| Instruction  | 849,929                | 1,054,123        | 1,054,123        |
| Instructional support services                                   | 7,500                  | 13,930           | 13,930           |
| Instruction media services                                       | 1,500                  | 1,500            | 1,500            |
| Instructional staff training services                            | 1,000                  | 1,550            | 1,550            |
| General administrative   | 208,409                | 258,324          | 258,324          |
| Board  | 8,000                  | 6,782            | 6,782            |
| School administration  | 288,984                | 325,535          | 325,535          |
| Facilities acquisition and construction and other capital outlay | -                      | 95,117           | 95,117           |
| Food services  | 60,000                 | 76,498           | 76,498           |
| Community services   | -                      | 42,518           | 42,518           |
| Operation of plant   | 242,915                | 127,523          | 127,523          |
| Maintenance of plant   | 60,000                 | 34,951           | 34,951           |
| Debt service   | -                      | 152,474          | 152,474          |
| <b>TOTAL EXPENDITURES</b>  | <b>1,728,237</b>       | <b>2,190,825</b> | <b>2,190,825</b> |
| Change in fund balance before other financing sources            | 11,253                 | (213,232)        | (213,232)        |
| Other financing sources  | -                      | 296,078          | 296,078          |
| <b>Net change in fund balance</b>                                | <b>\$ 11,253</b>       | <b>\$ 82,846</b> | <b>\$ 82,846</b> |

Actual revenues were in line with budgeted amounts. Actual instructional expenses were greater than budgeted due to the School's commitment to improve the grade of the School and to assist its students.

## 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 S.W. 72<sup>nd</sup> Street, Miami, Florida 33173.

**BRIDGEPREP ACADEMY INTERAMERICAN  
STATEMENT OF NET POSITION  
JUNE 30, 2022**

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|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>ASSETS</b>                               |                                    |
| <b>CURRENT ASSETS</b>                       |                                    |
| Cash and cash equivalents                   | \$ 272,382                         |
| Accounts receivable                         | 3,912                              |
| Due from governmental agencies              | 29,650                             |
| <b>TOTAL CURRENT ASSETS</b>                 | <u>305,944</u>                     |
| <br>  |                                    |
| <b>CAPITAL AND RIGHT TO USE ASSETS, NET</b> | 741,595                            |
| <br>  |                                    |
| Deposit receivable and other assets         | <u>9,600</u>                       |
| <br>  |                                    |
| <b>TOTAL ASSETS</b>                         | <u><u>\$ 1,057,139</u></u>         |
| <br><b>LIABILITIES AND NET POSITION</b>     |                                    |
| <b>LIABILITIES</b>                          |                                    |
| Accounts payable and accrued liabilities    | \$ 14,100                          |
| Accrued wages payable                       | 166,203                            |
| Note payable - current                      | 65,699                             |
| Right to use liability - current            | 108,749                            |
| <b>TOTAL CURRENT LIABILITIES</b>            | <u>354,751</u>                     |
| <br>  |                                    |
| Right to use liability - long term portion  | 565,308                            |
| Note payable - long term portion            | 232,697                            |
| <b>TOTAL LIABILITIES</b>                    | <u>1,152,756</u>                   |
| <br>  |                                    |
| <b>NET POSITION</b>                         |                                    |
| Net investment in capital assets            | 19,142                             |
| Deficit in Unrestricted                     | <u>(114,759)</u>                   |
| <b>TOTAL DEFICIT IN NET POSITION</b>        | <u>(95,617)</u>                    |
| <br>  |                                    |
| <b>TOTAL LIABILITIES AND NET POSITION</b>   | <u><u>\$ 1,057,139</u></u>         |

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

**BRIDGEPREP ACADEMY INTERAMERICAN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

| Functions                            | Expenses            | Program Revenues        |  |  | Net (Expense)<br>Revenue<br>and Changes<br>in Net Position |
|--------------------------------------|---------------------|-------------------------|--|--|--|
|                                      |                     | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |  |
| <b>Governmental Activities:</b>      |                     |                         |  |  |  |
| Instruction                          | \$ 1,056,384        | \$ -                    | \$ 156,488                               | \$ -                                   | \$ (899,896)   |
| Instructional support services       | 13,930              | -                       | 1,905                                    | -                                      | (12,025)   |
| Instruction media services           | 1,500               | -                       | -  | -                                      | (1,500)  |
| Instructional staff training service | 1,550               | -                       | -  | -                                      | (1,550)  |
| General administrative               | 258,324             | -                       | -  | -                                      | (258,324)  |
| Board                                | 6,782               | -                       | -  | -                                      | (6,782)  |
| School administration                | 325,535             | -                       | -  | -                                      | (325,535)  |
| Food services                        | 76,498              | 3,637                   | 75,353                                   | -                                      | 2,492  |
| Operation of plant                   | 255,144             | -                       | -  | 123,298                                | (131,846)  |
| Maintenance of plant                 | 34,951              | -                       | 83,302                                   | -                                      | 48,351   |
| Community services                   | 42,518              | 37,375                  | -  | -                                      | (5,143)  |
| Interest expense                     | 37,276              | -                       | -  | -                                      | (37,276)   |
| <b>Total Governmental Activities</b> | <b>\$ 2,110,392</b> | <b>\$ 41,012</b>        | <b>\$ 317,048</b>                        | <b>\$ 123,298</b>                      | <b>\$ (1,629,034)</b>                                      |
| GENERAL REVENUES:                    |                     |                         |  |  |  |
|                                      |                     |                         |  |  | \$ 1,474,549   |
|                                      |                     |                         |  |  | 21,686   |
|                                      |                     |                         |  |  | <u>1,496,235</u>   |
|                                      |                     |                         |  |  | (132,799)  |
|                                      |                     |                         |  |  | <u>37,182</u>  |
|                                      |                     |                         |  |  | <u>\$ (95,617)</u>   |

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

**BRIDGEPREP ACADEMY INTERAMERICAN  
BALANCE SHEET – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

|   | General Fund      | Special<br>Revenue Fund | Total<br>Governmental<br>Funds |
|---|-------------------|-------------------------|--------------------------------|
| <b>ASSETS</b>                             |                   |                         |                                |
| Cash and cash equivalents                 | \$ 269,944        | \$ 2,438                | \$ 272,382                     |
| Accounts receivable                       | 3,912             | -                       | 3,912                          |
| Due from governmental agencies            | 13,000            | 16,650                  | 29,650                         |
| Deposit receivable and other assets       | 9,600             | -                       | 9,600                          |
| Due from funds                            | 19,088            | -                       | 19,088                         |
| <b>TOTAL ASSETS</b>                       | <b>\$ 315,544</b> | <b>\$ 19,088</b>        | <b>\$ 334,632</b>              |
| <b>LIABILITIES AND FUND BALANCES</b>      |                   |                         |                                |
| <b>LIABILITIES</b>                        |                   |                         |                                |
| Accounts payable and accrued liabilities  | \$ 14,100         | \$ -                    | \$ 14,100                      |
| Accrued wages payable                     | 166,203           | -                       | 166,203                        |
| Due to funds                              | -                 | 19,088                  | 19,088                         |
| <b>TOTAL LIABILITIES</b>                  | <b>180,303</b>    | <b>19,088</b>           | <b>199,391</b>                 |
| <b>FUND BALANCE</b>                       |                   |                         |                                |
| Nonspendable                              |                   |                         |                                |
| Deposit receivable and other assets       | 9,600             | -                       | 9,600                          |
| Unassigned                                | 125,641           | -                       | 125,641                        |
| <b>TOTAL FUND BALANCE</b>                 | <b>135,241</b>    | <b>-</b>                | <b>135,241</b>                 |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <b>\$ 315,544</b> | <b>\$ 19,088</b>        | <b>\$ 334,632</b>              |

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

**BRIDGEPREP ACADEMY INTERAMERICAN  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT  
OF NET POSTION  
FOR THE YEAR ENDED JUNE 30, 2022**

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|   |   |                 |
|---|---|-----------------|
| Total Fund Balance - Governmental Funds   | \$  | 135,241         |
| <p>Capital and right to use assets, net of accumulated depreciation and amortization, used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</p>                                   |   |                 |
|   | Capital and right to use assets           | 1,113,439       |
|   | Accumulated depreciation and amortization | (371,844)       |
| <p>Financed obligations used in governmental funds are not financial resources and, therefore, are not reported in the fund liabilities. The total financed obligations, both current and long-term, are reported in the statement of net position.</p> |   |                 |
|   | Note payable                              | (250,000)       |
|   | Right to use liability                    | (674,057)       |
|   | Obligations under financed equipment      | (48,396)        |
| Total Deficit in Net Position - Governmental Activities   | <u>\$</u>                                 | <u>(95,617)</u> |

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

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

|                                       | General Fund      | Special<br>Revenue Fund | Capital<br>Projects Fund | Total<br>Governmental<br>Funds |
|---------------------------------------|-------------------|-------------------------|--------------------------|--------------------------------|
| <b>REVENUES</b>                       |                   |                         |                          |                                |
| State passed through local            | \$ 1,474,549      | \$ -                    | \$ -                     | \$ 1,474,549                   |
| State capital outlay funding          | -                 | -                       | 123,298                  | 123,298                        |
| Federal passed through state          | -                 | 241,695                 | -                        | 241,695                        |
| Federal lunch program                 | -                 | 75,353                  | -                        | 75,353                         |
| Charges for services                  | 37,375            | 3,637                   | -                        | 41,012                         |
| Other income                          | 21,686            | -                       | -                        | 21,686                         |
| <b>TOTAL REVENUES</b>                 | <b>1,533,610</b>  | <b>320,685</b>          | <b>123,298</b>           | <b>1,977,593</b>               |
| <b>EXPENDITURES</b>                   |                   |                         |                          |                                |
| <b>Current:</b>                       |                   |                         |                          |                                |
| Instruction                           | 897,635           | 156,488                 | -                        | 1,054,123                      |
| Instructional support services        | 12,025            | 1,905                   | -                        | 13,930                         |
| Instruction media services            | 1,500             | -                       | -                        | 1,500                          |
| Instructional staff training services | 1,550             | -                       | -                        | 1,550                          |
| General administrative                | 258,324           | -                       | -                        | 258,324                        |
| Board                                 | 6,782             | -                       | -                        | 6,782                          |
| School administration                 | 325,535           | -                       | -                        | 325,535                        |
| Food services                         | -                 | 76,498                  | -                        | 76,498                         |
| Operation of plant                    | 4,225             | -                       | 123,298                  | 127,523                        |
| Maintenance of plant                  | 32,459            | 2,492                   | -                        | 34,951                         |
| Community services                    | 42,518            | -                       | -                        | 42,518                         |
| <b>Capital Outlay:</b>                |                   |                         |                          |                                |
| Other capital outlay                  | 11,815            | 83,302                  | -                        | 95,117                         |
| Right to use asset                    | -                 | -                       | 776,360                  | 776,360                        |
| <b>Debt Service:</b>                  |                   |                         |                          |                                |
| Redemption of principal               | 115,198           | -                       | -                        | 115,198                        |
| Interest                              | 37,276            | -                       | -                        | 37,276                         |
| <b>TOTAL EXPENDITURES</b>             | <b>1,746,842</b>  | <b>320,685</b>          | <b>899,658</b>           | <b>2,967,185</b>               |
| Excess of expenditures over revenues  | (213,232)         | -                       | (776,360)                | (989,592)                      |
| <b>OTHER FINANCING SOURCES</b>        |                   |                         |                          |                                |
| Increase in right to use liability    | -                 | -                       | 776,360                  | 776,360                        |
| Proceeds from long-term financing     | 296,078           | -                       | -                        | 296,078                        |
| <b>Total other financing sources</b>  | <b>296,078</b>    | <b>-</b>                | <b>776,360</b>           | <b>1,072,438</b>               |
| <b>NET CHANGE IN FUND BALANCE</b>     | <b>82,846</b>     | <b>-</b>                | <b>-</b>                 | <b>82,846</b>                  |
| Fund balance at beginning of year     | 52,395            | -                       | -                        | 52,395                         |
| <b>Fund balance at end of year</b>    | <b>\$ 135,241</b> | <b>\$ -</b>             | <b>\$ -</b>              | <b>\$ 135,241</b>              |

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

**BRIDGEPREP ACADEMY INTERAMERICAN  
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 | \$ | 82,846 |
|---|----|--------|

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      | 95,117  |
| Depreciation expense | (2,261) |

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 | (127,621) |
|----------------------|-----------|

Governmental funds report financed obligations proceeds as financing sources, while repayment is reported as expenditures. However, in the statement of activities, the financed obligations increases liabilities and does not affect the statement of activities and repayment of principal reduces the obligations.

|                                      |           |
|--------------------------------------|-----------|
| Proceeds from financed note payables | (296,078) |
| Repayments of principal              | 115,198   |

|   |           |                  |
|---|-----------|------------------|
| Change in Net Position of Governmental Activities | <u>\$</u> | <u>(132,799)</u> |
|---|-----------|------------------|

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

**BRIDGEPREP ACADEMY INTERAMERICAN  
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 Interamerican Charter School, (the “School”) is a charter school sponsored by the School Board of Miami-Dade 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 five members and they have determined that no component unit exists that would require inclusion in the School’s financial statements.

The general operating authority of Bridgeprep Academy Interamerican 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 Miami-Dade County, Florida. The current charter is effective until June 30, 2022. 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 for up to an additional 10 years by mutual agreement.

These financial statements are for the year ended June 30, 2022, when approximately 180 students were enrolled in Kindergarten through 8<sup>th</sup> grade.

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

**Basis of Presentation**

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes under standards set by the Governmental Accounting Standards Board (“GASB”).

**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. 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 INTERAMERICAN  
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. It accounts for all financial resources not accounted for and reported in another fund.

Capital Projects Fund – used to account for financial resources used for the acquisition or construction of major capital facilities and for the proceeds and related expenditures of charter school capital outlay funding.

Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects.

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

The financial statements of Bridgeprep Academy Interamerican 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.

Accounts receivable

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

**BRIDGEPREP ACADEMY INTERAMERICAN  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 of 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 absences 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.

Government-wide Fund Net Assets

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

- Net investment in capital 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. The net investment in capital assets for the year ending June 30, 2022 was \$19,142.
- Restricted net assets – consists of net assets with constraints placed on their use either by external groups such as creditors, grantors, contributors or 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, including amounts due from other charter schools.

**BRIDGEPREP ACADEMY INTERAMERICAN  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Balances

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

- 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). At June 30, 2022, the School had \$9,600 in nonspendable 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, or 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.

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Miami-Dade 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.

**BRIDGEPREP ACADEMY INTERAMERICAN  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 September 15, 2022, which is the date the financial statements were available to be issued.

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<br>7/1/2022 | Additions         | Reclassifications<br>/Retirements | Balance<br>6/30/2022 |
|--|---------------------|-------------------|-----------------------------------|----------------------|
| Capital Assets                               |                     |                   |                                   |                      |
| Building and fixed equipment                 | \$ 6,753            | \$ 92,302         | \$ -                              | \$ 99,055            |
| Audio visual materials and computer software | 148,493             | -                 | -                                 | 148,493              |
| Furniture and equipment                      | 86,716              | 2,815             | -                                 | 89,531               |
| Total Capital Assets                         | <u>241,962</u>      | <u>95,117</u>     | <u>-</u>                          | <u>337,079</u>       |
| Less Accumulated Depreciation                |                     |                   |                                   |                      |
| Building and fixed equipment                 | (6,753)             | (2,056)           | -                                 | (8,809)              |
| Audio visual materials and computer software | (148,493)           | -                 | -                                 | (148,493)            |
| Furniture and equipment                      | (86,716)            | (205)             | -                                 | (86,921)             |
| Total Accumulated Depreciation               | <u>(241,962)</u>    | <u>(2,261)</u>    | <u>-</u>                          | <u>(244,223)</u>     |
| Capital Assets, net                          | <u>-</u>            | <u>92,856</u>     | <u>-</u>                          | <u>92,856</u>        |
| Lease Assets                                 |                     |                   |                                   |                      |
| Right to use lease asset                     | -                   | 776,360           | -                                 | 776,360              |
| Accumulated amortization                     | -                   | (127,621)         | -                                 | (127,621)            |
| Total right to use assets, net               | <u>-</u>            | <u>648,739</u>    | <u>-</u>                          | <u>648,739</u>       |
| Total capital and right to use assets, net   | <u>\$ -</u>         | <u>\$ 741,595</u> | <u>\$ -</u>                       | <u>\$ 741,595</u>    |

Depreciation expense for the year ended June 30, 2022 amounted to \$2,261 which was allocated to instructional services. Amortization expense of the right to use lease assets of \$127,621 was allocated to operation of plant.

**BRIDGEPREP ACADEMY INTERAMERICAN  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 4 – NOTE AND LOAN PAYABLE/FINANCED EQUIPMENT**

The School financed equipment under separate notes expiring through July 2024. The notes require monthly payments of principal and interest totaling \$2,260 at interest rates between 7.88%-10.042% per annum.

The following is a summary of changes in financed note payables for the year ended June 30, 2022:

|                        | Balance<br>July 1, 2021 | Additions        | Repayments         | Balance<br>June 30, 2022 |
|------------------------|-------------------------|------------------|--------------------|--------------------------|
| Financed note payables | \$ 15,213               | \$ 46,078        | \$ (12,895)        | \$ 48,396                |
|                        | <u>\$ 15,213</u>        | <u>\$ 46,078</u> | <u>\$ (12,895)</u> | <u>\$ 48,396</u>         |

In addition, at June 30, 2022, the School received a loan payable of \$250,000 from Bridgeprep Academy, Inc. (a related party). The balance at June 30, 2022 was \$250,000 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 is a summary of changes in loan payables for the year ended June 30, 2022:

|              | Balance<br>July 1, 2021 | Additions         | Repayments  | Balance<br>June 30, 2022 |
|--------------|-------------------------|-------------------|-------------|--------------------------|
| Loan payable | \$ -                    | \$ 250,000        | \$ -        | \$ 250,000               |
|              | <u>\$ -</u>             | <u>\$ 250,000</u> | <u>\$ -</u> | <u>\$ 250,000</u>        |

Future minimum payments under the loans and note payables as of June 30, 2022 are as follows:

| <u>Year Ended June 30,</u> |                   |
|----------------------------|-------------------|
| 2023                       | \$ 65,699         |
| 2024                       | 76,399            |
| 2025                       | 77,467            |
| 2026                       | 67,663            |
| 2027                       | 11,168            |
| Total                      | <u>\$ 298,396</u> |

**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 management company, 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 management 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, 2011 and is in effect until July 1, 2022. The contract calls for a management fee of 4% of full time equivalent (FTE) revenues for the year ended June 30, 2022. In addition, the School pays \$500 a month for the management of the After Care program. During the year-ended June 30, 2022, the School incurred management fees of \$145,741.

**BRIDGEPREP ACADEMY INTERAMERICAN  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

The School entered into a lease agreement in July 2011 to lease facilities. The School has an option to renew this lease for two additional five-year terms expiring August 1, 2028. For the year ended June 30, 2022, the monthly lease payment was \$11,060. Each year the rent will be adjusted based upon the percentage increase in the Consumer Price Index (CPI) over the prior year, not to exceed a maximum increase in annual rent in excess of 3% over the preceding year.

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 for the facility lease. The School used an interest rate of 5.75% based on the average incremental borrowing rate of the Organization to discount the annual lease payments and recognize the intangible right to use this asset and the lease liability as of July 1, 2021. The interest expense was \$35,826 and the amortization of the right-to-use asset was \$127,621 for the year ended June 30, 2022.

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

| <u>Year Ended</u> | <u>Principal</u>  | <u>Interest</u>   | <u>Total</u>      |
|-------------------|-------------------|-------------------|-------------------|
| 2023              | \$ 108,749        | \$ 35,931         | \$ 144,680        |
| 2024              | \$ 119,619        | \$ 29,395         | \$ 149,014        |
| 2025              | \$ 131,277        | \$ 22,213         | \$ 153,490        |
| 2026              | \$ 143,760        | \$ 14,339         | \$ 158,099        |
| 2027              | \$ 157,115        | \$ 5,725          | \$ 162,840        |
| 2028              | \$ 13,537         | \$ 65             | \$ 13,602         |
|                   | <u>\$ 674,057</u> | <u>\$ 107,668</u> | <u>\$ 781,725</u> |

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

|                        | <u>Balance<br/>July 1, 2021</u> | <u>Increase</u>   | <u>Decrease</u>   | <u>Balance<br/>June 30, 2022</u> |
|------------------------|---------------------------------|-------------------|-------------------|----------------------------------|
| Right to use liability | \$ -                            | \$ 776,360        | \$ 102,303        | \$ 674,057                       |
|                        | <u>\$ -</u>                     | <u>\$ 776,360</u> | <u>\$ 102,303</u> | <u>\$ 674,057</u>                |

**NOTE 7 – 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 \$289,018. 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 8 – 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.

**BRIDGEPREP ACADEMY INTERAMERICAN  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 9 – RISK MANAGEMENT**

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and 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.

**NOTE 10- INTERFUND BALANCES**

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

|   | <u>General Fund</u> | <u>Special Revenue<br/>Fund</u> |
|---|---------------------|---------------------------------|
| Due from (to) general fund from special revenue fund for NSLP | <u>\$ 19,088</u>    | <u>\$ (19,088)</u>              |

**NOTE 11 – DEFINED CONTRIBUTION RETIREMENT PLAN**

The School’s personnel, which are leased through ADP TotalSource Group, Inc., are eligible to participate in a defined contribution 401(k) plan sponsored by their payroll company, ADP TotalSource Group, Inc., covering employees who meet certain age and tenure requirements. Beginning in the 2015-2016 School year, under the ADP TotalSource Retirement Savings Plan (the “Plan”), the School provides a match of 25% of the employee’s contribution up to 4% of the employee’s compensation. The School made \$1,536 of contributions to the Plan for the year ended June 30, 2022.

REQUIRED SUPPLEMENTAL INFORMATION

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

|  | General Fund       |                  |                  |
|--|--------------------|------------------|------------------|
|  | Original<br>Budget | Final Budget     | Actual           |
| REVENUES   |                    |                  |                  |
| State passed through local                                       | \$ 1,437,302       | \$ 1,474,549     | \$ 1,474,549     |
| Charges for services   | 40,000             | 37,375           | 37,375           |
| Other income   | 17,000             | 21,686           | 21,686           |
| TOTAL REVENUES   | <u>1,494,302</u>   | <u>1,533,610</u> | <u>1,533,610</u> |
| EXPENDITURES   |                    |                  |                  |
| Instruction  | 759,929            | 897,635          | 897,635          |
| Instructional support services                                   | 7,500              | 12,025           | 12,025           |
| Instruction media services                                       | 1,500              | 1,500            | 1,500            |
| Instructional staff training services                            | 1,000              | 1,550            | 1,550            |
| General administrative   | 208,409            | 258,324          | 258,324          |
| Board  | 8,000              | 6,782            | 6,782            |
| School administration  | 288,984            | 325,535          | 325,535          |
| Facilities acquisition and construction and other capital outlay | -                  | 11,815           | 11,815           |
| Community services   | -                  | 42,518           | 42,518           |
| Operation of plant   | 147,727            | 4,225            | 4,225            |
| Maintenance of plant   | 60,000             | 32,459           | 32,459           |
| Debt service   | -                  | 152,474          | 152,474          |
| TOTAL EXPENDITURES   | <u>1,483,049</u>   | <u>1,746,842</u> | <u>1,746,842</u> |
| Change in fund balance before other financing sources            | 11,253             | (213,232)        | (213,232)        |
| Other financing sources  | -                  | 296,078          | 296,078          |
| Net change in fund balance                                       | <u>\$ 11,253</u>   | <u>\$ 82,846</u> | <u>\$ 82,846</u> |

See accompanying note to the required supplemental information.

**BRIDGEPREP ACADEMY INTERAMERICAN  
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         |
| <b>REVENUES</b>                |                       |                |                |
| Federal passed through state   | \$ 90,000             | \$ 241,695     | \$ 241,695     |
| Charges for services           | -                     | 3,637          | 3,637          |
| Federal lunch program          | 60,000                | 75,353         | 75,353         |
| <b>TOTAL REVENUE</b>           | <u>150,000</u>        | <u>320,685</u> | <u>320,685</u> |
| <b>EXPENDITURES</b>            |                       |                |                |
| Instructional services         | 90,000                | 156,488        | 156,488        |
| Instructional support services | -                     | 1,905          | 1,905          |
| Food services                  | 60,000                | 76,498         | 76,498         |
| Capital outlay                 | -                     | 83,302         | 83,302         |
| Maintenance of plant           | -                     | 2,492          | 2,492          |
| <b>TOTAL EXPENDITURES</b>      | <u>150,000</u>        | <u>320,685</u> | <u>320,685</u> |
| <br>                           |                       |                |                |
| Net change in fund balance     | <u>\$ -</u>           | <u>\$ -</u>    | <u>\$ -</u>    |

See accompanying note to the required supplemental information.

**BRIDGEPREP ACADEMY INTERAMERICAN  
NOTE 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 Interamerican  
Miami, 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 Interamerican 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 September 15, 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 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 15, 2022



## MANAGEMENT LETTER

Board of Directors of  
Bridgeprep Academy Interamerican  
Miami, Florida

### Report on the Financial Statements

We have audited the financial statements of Bridgeprep Academy Interamerican Charter School (the "School"), as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated September 15, 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 September 15, 2022, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.854(1)(e)5., 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 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 Interamerican Charter School and #135020.

## **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 the same. 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 Miami-Dade 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  
September 15, 2022