

**GREENTREE PREPARATORY
CHARTER SCHOOL**
SOUTHWEST RANCHES, FLORIDA
(A COMPONENT UNIT OF THE SCHOOL BOARD
OF BROWARD COUNTY, FLORIDA)

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

JUNE 30, 2022

GREENTREE PREPARATORY CHARTER SCHOOL
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2022

TABLE OF CONTENTS

	PAGES
General Information.....	1
BASIC FINANCIAL STATEMENTS	
Independent Auditor’s Report.....	2-4
Management’s Discussion and Analysis (not covered by Independent Auditor’s Report).....	5-9
Basic Financial Statements	
<i>Government-wide Financial Statement:</i>	
Statement of Net Position.....	10
Statement of Activities.....	11
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds.....	12
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position.....	13
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds.....	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	15
<i>Notes to Basic Financial Statements</i>	16-23
Required Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – General Fund.....	24
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Special Revenue Fund.....	25
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>	26-27
Management Letter.....	28-29

GREENTREE PREPARATORY CHARTER SCHOOL
(A Charter School Under Greentree Preparatory Charter School, Inc.)
6301 SW 160 Ave.
Southwest Ranches, FL 33331
(954) 780-8733

2021-2022

BOARD OF DIRECTORS

Mr. Daniel Miret, Chair
Ms. Maria Romero, Treasurer
Mrs. Jennifer Roque, Secretary
Ms. Damarys Perdigon
Ms. Anna Baez
Ms. Mabel Ribe
Mr. Rick Ribe

SCHOOL ADMINISTRATION

Ms. Elizabeth Gonzalez, Director of Operations
Mrs. Rosa Pou, Principal (2021-2022)



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Greentree Preparatory Charter School, Inc.
Southwest Ranches, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greentree Preparatory Charter School, Inc. (the "School"), a charter school under Greentree Preparatory Charter School, 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 Greentree Preparatory Charter School, Inc., 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 Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2022 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

A handwritten signature in black ink that reads "Verdy-DeKumar Trujillo-Alvarez". The signature is written in a cursive style with some capital letters.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2022

Management’s Discussion and Analysis
Greentree Preparatory Charter School, Inc.
June 30, 2022

The corporate officers of Greentree Preparatory 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 \$318,624.
2. At year-end, the School’s combined ending fund balance totaled \$176,082.

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 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 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 its general and special revenue fund. 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 basic 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. This is the School's seventh year of operations. A summary of the School's net position as of June 30, 2022 and 2021 follows:

Assets	2022	2021
Cash	\$ 218,091	\$ 437,785
Due from other agencies	100,533	-
Prepaid expenses	-	28,000
Capital and right-of-use assets, net	3,871,699	14,418
Total Assets	\$4,190,323	\$ 480,203
Liabilities and Net Position		
Accounts and wages payable and accrued liabilities	\$ 142,542	\$ 81,381
Right-of-use liability	3,908,398	-
Notes payable	149,900	296,722
Total Liabilities	4,200,840	378,103
Net investment in capital and right-of-use assets	(183,004)	14,418
Unrestricted	172,487	87,682
Total Net Position (Deficit)	(10,517)	102,100
Total Liabilities and Net Position	\$4,190,323	\$ 480,203

At June 30, 2022, the School's total assets were \$4,190,323 and total liabilities were \$4,200,840. At June 30, 2022, the School reported a negative total net position of \$10,517.

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

REVENUES	<u>2022</u>	<u>2021</u>
Program Revenues		
State capital outlay funding	\$ 135,406	\$ 109,047
Federal and state grants	110,589	47,211
General Revenues		
FEFP nonspecific revenue	1,891,606	1,396,190
Fundraising and other revenue	326,469	31,989
Total Revenues	<u>\$2,464,070</u>	<u>\$1,584,437</u>
EXPENSES		
Instruction	\$ 1,173,749	\$ 780,331
Board	14,932	10,194
General administrative	66,373	50,657
School administration	457,915	215,118
Food services	23,791	3,207
Student transportation services	2,282	-
Operation of plant	526,971	455,927
Maintenance of plant	88,981	39,379
Administrative technology services	36,963	12,791
Interest expense	184,730	-
Total Expenses	<u>\$2,576,687</u>	<u>\$1,567,604</u>
Change in Net Position	(112,617)	16,833
Net Position at Beginning of Year	<u>102,100</u>	<u>85,267</u>
Net Position (Deficit) at End of Year	<u>\$ (10,517)</u>	<u>\$ 102,100</u>

The School's revenues increased by \$879,633. The School's expenses increased by \$1,009,083. The School had a decrease in its net position of \$112,617 for the year. Due to the implementation of GASB No. 87, Leases, the School recorded an additional expense of \$344,579, which was the excess of amortization and interest expense over the actual lease payments made during the year. Adding back this excess would have put the School's change in net position to a positive \$231,962.

ACCOMPLISHMENTS

During the 2021-22 school year Greentree Preparatory Charter saw an increase in enrollment due to the strong academic program the school offered during the Covid-19 on campus closure. In 2021, students returned from home to on campus learning, and parents were grateful that GTP's staff wanted to be in school and work with the students. The school continued to maintain COVID 19 protocols and students and staff had the choice or wearing a mask throughout the day. Most did at the beginning of the year, but as the months progressed and COVID was better understood in the medical community, the number decreased. The school named a new Principal and a new Director of Governance and Compliance.

ACCOMPLISHMENTS (continued)

GTP's student population grew to over 225 students and the school opened one month prior to the local county public schools to ensure students could return to some type of normal environment from the last months of the previous school year. There was an increase with the number of teachers that were hired, and all were compensated with a minimum salary rate of \$47,500 or more depending on credentials and experience. Unfortunately, we had to find funds to help pay those increased salaries because the funding to cover that expense did not arrive on time.

The school organized some fundraisers, but it became difficult because there were still concerns relating to COVID. Students were excited to return to on campus learning, and teachers saw the difference and the positive impact this had in their everyday lives. In the fall, students were shy and quiet and some quite introverted, but within a few short months of being back in the classroom and engaging with their peers, teachers saw a positive difference in their students who gained their vibrant personalities back.

Academically, all the students exceeded the school's expectations in 2021-22 school year. All third grade students passed the FSA and All the 7th grade students passed the CIVICS EOC with the majority of them getting a score of 4's and 5's.

GTP is grateful for the many families that trust and support the school and for their involvement throughout the year. The School will continue to strive for excellence and give the students the opportunity to be challenged and receive an education which teaches *Beyond the Standards*.

As Greentree Prep continues to grow and parents continue to share the school's mission and philosophy, students continue to enroll. For the next school year, the school may have over 300 students. The school will increase square footage and gain more classrooms and more teachers for the 22-23 school year. Greentree Prep will also be celebrating its first year as a complete K-8 facility, having their first 8th grade graduating class to date.

SCHOOL LOCATION

The School currently operates at 6301 SW 160 Ave, Southwest Ranches, FL 33331.

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 combined ending fund balance of \$176,082. The fund balance unassigned and available for spending at the School's discretion is \$176,082.

CAPITAL AND RIGHT-OF-USE ASSETS

The School's investment in capital assets, as of June 30, 2022 amounts to \$52,610 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures and computer equipment. The school has no outstanding debt associated to capital assets. The School's investment in right-of-use assets relate to facility usage and totaled \$3,819,089 as of June 30, 2022 (net of accumulated amortization). The related right-of-use liability totaled \$3,908,398 at June 30, 2022.

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 Funds		
	Original Budget	Final Budget	Actual
REVENUES			
State capital outlay funding	\$ 121,440	\$ 135,406	\$ 135,406
State passed through local school sources	1,758,005	1,891,606	1,891,606
Federal sources	-	110,589	110,589
Charges and other revenue	155,000	179,647	179,647
TOTAL REVENUES	<u>\$ 2,034,445</u>	<u>\$ 2,317,248</u>	<u>\$ 2,317,248</u>
EXPENDITURES			
Instruction	\$ 835,724	\$ 1,172,046	\$ 1,172,046
Board	10,000	14,932	14,932
General administration	60,567	66,373	66,373
School administration	421,515	443,072	443,072
Food services	11,000	23,791	23,791
Student transportation services	5,000	2,282	2,282
Operation of plant	610,471	182,392	182,392
Maintenance of plant	54,500	88,981	88,981
Administrative technology services	15,000	36,963	36,963
Other capital outlay	10,500	54,738	54,738
Right-of-use asset	-	4,163,668	4,163,668
Principal payments- right-if-use liability	-	255,270	255,270
Interest expense- right-of-use liability	-	184,730	184,730
TOTAL EXPENDITURES	<u>2,034,277</u>	<u>6,689,238</u>	<u>6,689,238</u>
Excess (deficiency) of revenues over expenditures	<u>168</u>	<u>(4,371,990)</u>	<u>(4,371,990)</u>
Other Financing Sources	<u>-</u>	<u>4,163,668</u>	<u>4,163,668</u>
Net change in fund balance	<u>\$ 168</u>	<u>\$ (208,322)</u>	<u>\$ (208,322)</u>

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 Ms. Elizabeth Gonzalez, Director of Operations, at 6301 SW 160 Ave, Southwest Ranches, FL 33331.

GREENTREE PREPARATORY CHARTER SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 218,091
Due from other agencies	100,533
TOTAL CURRENT ASSETS	<u>318,624</u>
Capital assets, net	52,610
Right-of-use assets, net	<u>3,819,089</u>
TOTAL ASSETS	<u><u>\$ 4,190,323</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable and accrued liabilities	48,244
Accrued wages payable	94,298
Notes payable - current portion	3,595
TOTAL CURRENT LIABILITIES	<u>146,137</u>
Notes payable - long-term portion	146,305
Right-of-use liability	3,908,398
TOTAL LIABILITIES	<u>4,200,840</u>
NET POSITION	
Net investment in capital and right-of-use assets	(183,004)
Unrestricted	172,487
TOTAL NET POSITION (DEFICIT)	<u>(10,517)</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 4,190,323</u></u>

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

**GREENTREE PREPARATORY CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,173,749	\$ -	\$ 110,589	\$ -	\$ (1,063,160)
Board	14,932	-	-	-	(14,932)
General administration	66,373	-	-	-	(66,373)
School administration	457,915	-	-	-	(457,915)
Food services	23,791	-	-	-	(23,791)
Student transportation services	2,282	-	-	-	(2,282)
Operation of plant	526,971	-	-	135,406	(391,565)
Maintenance of plant	88,981	-	-	-	(88,981)
Administrative technology services	36,963	-	-	-	(36,963)
Interest expense	184,730	-	-	-	(184,730)
Total Governmental Activities	\$ 2,576,687	\$ -	\$ 110,589	\$ 135,406	\$ (2,330,692)

GENERAL REVENUES:

Government grants not restricted to specific programs	\$ 1,891,606
Fundraising and other revenue	326,469
Total general revenues	<u>2,218,075</u>

Change in Net Position (112,617)

NET POSITION - BEGINNING 102,100

NET POSITION (DEFICIT) - ENDING \$ (10,517)

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

**GREENTREE PREPARATORY CHARTER SCHOOL
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 218,091	\$ -	\$ 218,091
Due from other agencies	-	100,533	100,533
Prepaid expenses	-	-	-
Due from fund	100,533	-	100,533
TOTAL ASSETS	\$ 318,624	\$ 100,533	\$ 419,157
LIABILITIES			
Accounts payable and accrued liabilities	\$ 48,244	\$ -	\$ 48,244
Accrued wages payable	94,298	-	94,298
Due to other agencies	-	100,533	100,533
TOTAL LIABILITIES	142,542	100,533	243,075
FUND BALANCE			
Unassigned	176,082	-	176,082
TOTAL FUND BALANCE	176,082	-	176,082
TOTAL LIABILITIES AND FUND BALANCE	\$ 318,624	\$ 100,533	\$ 419,157

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

**GREENTREE PREPARATORY CHARTER SCHOOL
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT
OF NET POSITION
JUNE 30, 2022**

Total Fund Balance - Governmental Funds \$ 176,082

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

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

Capital assets	143,211
Accumulated depreciation	(90,601)

Right-of-use assets and liabilities used in governmental activities are not financial resources and, therefore, are not reported in the fund.

Right-of-use asset, net	3,819,089
Right-of-use liability	(3,908,398)

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

Long term payable	(149,900)
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Total Net Position - Governmental Activities	\$ (10,517)
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The accompanying notes are an integral part of this financial statement.

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

	General Fund	Non-Major Governmental funds	Special Revenue Fund	Total Governmental Funds
REVENUES				
State capital outlay funding	\$ -	\$ 135,406	\$ -	\$ 135,406
State passed through local school sources	1,891,606	-	-	1,891,606
Federal sources	-	-	110,589	110,589
Charges and other revenue	-	-	179,647	179,647
TOTAL REVENUES	\$ 1,891,606	\$ 135,406	\$ 290,236	\$ 2,317,248
EXPENDITURES				
Current:				
Instruction	\$ 881,810	\$ -	\$ 290,236	\$ 1,172,046
Board	14,932	-	-	14,932
General administration	66,373	-	-	66,373
School administration	443,072	-	-	443,072
Food services	23,791	-	-	23,791
Student transportation services	2,282	-	-	2,282
Operation of plant	182,392	-	-	182,392
Maintenance of plant	88,981	-	-	88,981
Administrative technology services	36,963	-	-	36,963
Capital Outlay:				
Other capital outlay	54,738	-	-	54,738
Right-of-use asset	-	4,163,668	-	4,163,668
Debt service:				
Principal payments- right-if-use liability	119,864	135,406	-	255,270
Interest expense- right-of-use liability	184,730	-	-	184,730
TOTAL EXPENDITURES	2,099,928	4,299,074	290,236	6,689,238
Excess (deficiency) of revenues over expenditures	(208,322)	(4,163,668)	-	(4,371,990)
OTHER FINANCING SOURCES				
Increase in right-of-use liability	-	4,163,668	-	4,163,668
TOTAL OTHER FINANCING SOURCES	-	4,163,668	-	4,163,668
Net change in fund balance	(208,322)	-	-	(208,322)
Fund balance at beginning of year	384,404	-	-	384,404
Fund balance at end of year	<u>\$ 176,082</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,082</u>

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

**GREENTREE PREPARATORY 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**

Change in Fund Balance - Governmental Funds \$ (208,322)

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	54,738
Depreciation expense	(16,546)

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.

Redemption of principal	255,270
Forgiveness of debt	146,822

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	(344,579)
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Change in Net Position of Governmental Activities	\$ (112,617)
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The accompanying notes are an integral part of this financial statement.

**GREENTREE PREPARATORY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Greentree Preparatory Charter School (the “School”) is a charter school sponsored by the School Board of Broward County, Florida (the “District”) and is a component unit of the District. The School’s charter is held by Greentree Preparatory Charter School, 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 seven members.

The general operating authority of Greentree Preparatory 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 Broward County, Florida (the “School Board”). The current charter is effective until June 30, 2033. 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 pursuant to Section 1002.33(7)(b)(1), Florida Statutes, for such duration as may be established by mutual written agreement of the School and the School Board.

These financial statements are for the year ended June 30, 2022, when 225 students were enrolled in grades Kindergarten through 7th 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 Government Auditing 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.

**GREENTREE PREPARATORY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 fund, and the special revenue and capital project funds (if any) are reported as separate columns in the fund financial statements:

General Fund – is the School’s primary operating fund. It 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 that are restricted or committed to expenditure for specific purposes other than debt service and capital projects.

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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of Greentree Preparatory 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

Budgets are presented on 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). 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.

**GREENTREE PREPARATORY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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	3-5 Years
Computer equipment and software	3-5 Years
Building improvements	3-5 Years

Compensated Absences

The School grants a specific number of days of sick/personal leave. Full-time employees are eligible for sick leave of up to .66 days per month to up to eight 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 sick days for use in future benefit years. The School also provides one personal leave day to eligible full-time employees. Unused personal leave is not eligible to be rolled over as part of the sick leave incentive. Employees may not “cash out” unused sick or personal days. Unused sick or personal days will not be paid to employees upon termination.

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 and right-of-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. The net investment in capital assets for the year ending June 30, 2022 was a negative \$183,004.
- 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.

**GREENTREE PREPARATORY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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, there is no 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, 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 Broward 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.

**GREENTREE PREPARATORY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Greentree Preparatory Charter School, 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 30, 2022, which is the date the financial statements were available to be issued.

NOTE 3 – CAPITAL ASSETS AND RIGHT-OF-USE 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, 2021	Additions	Deletions	June 30, 2021
Capital Assets				
Improvements other than buildings	\$ 66,420	\$ -	\$ -	\$ 66,420
Furniture and equipment	8,234	54,738	-	62,972
Audio visual materials and computer software	13,819	-	-	13,819
Total Capital Assets	<u>88,473</u>	<u>54,738</u>	<u>-</u>	<u>143,211</u>
Less Accumulated Depreciation				
Improvements other than buildings	(53,453)	(12,715)	-	(66,168)
Furniture and equipment	(8,234)	(2,128)	-	(10,362)
Audio visual materials and computer software	(12,368)	(1,703)	-	(14,071)
Total Accumulated Depreciation	<u>(74,055)</u>	<u>(16,546)</u>	<u>-</u>	<u>(90,601)</u>
Capital Assets, net	<u>\$ 14,418</u>	<u>\$ 38,192</u>	<u>\$ -</u>	<u>\$ 52,610</u>

Depreciation expense for the year ended June 30, 2022 was \$16,546, of which \$1,703 was allocated to instruction and \$14,843 was allocated to instruction in the statement of activities.

**GREENTREE PREPARATORY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 3 – CAPITAL ASSETS AND RIGHT-OF-USE ASSETS (continued)

Changes in right-of-use assets, related to the School facility were as follows for the period ended June 30, 2022:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
Right-of-use Asset	\$ -	\$ 4,163,668	\$ -	\$ 4,163,668
Total Capital Assets	-	4,163,668	-	4,163,668
Less Accumulated Amortization:				
Right-of-use Asset	-	(344,579)	-	(344,579)
Total Accumulated Amortization	-	(344,579)	-	(344,579)
Right-of-use asset, net	\$ -	\$ 3,819,089	\$ -	\$ 3,819,089

Amortization expense for the year ended June 30, 2022 totaled \$344,579 and was allocated to operation of plant.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

The School entered into a lease agreement for their facilities expiring July 2022, which was subsequently renewed through July 2023. The lease requires monthly lease payments of \$37,000 through July 2022 and \$38,350 through July 2023. The Director of Operations is the owner of the company that leases these facilities to the School (See Note 5). Rent expense for the use of facilities was \$440,000 for the year ended June 30, 2022 and is included in operation of plant.

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, based on the current required lease payments. The School used an interest rate of 5% based on the average incremental borrowing rate of the School to discount the annual lease payments and recognize the intangible right to use this asset and the lease liability as of June 30, 2033. The interest expense was \$184,730 and the amortization of the right-to-use asset was \$344,579 for the year ended June 30, 2022.

Future minimum payments for the lease are as follows:

Fiscal Year End	Principal	Interest	Total	
2023	\$ 269,520	\$ 189,330	\$ 458,850	
2024	284,722	175,478	460,200	
2025	299,289	160,911	460,200	
2026	314,601	145,599	460,200	
2027	330,697	129,503	460,200	
2028-2032	1,925,261	375,739	2,301,000	(Total for 5 Year Period)
2033-2034	484,308	14,243	498,551	(Total for 2 Year Period)
	<u>\$ 3,908,398</u>	<u>\$ 1,190,803</u>	<u>\$ 5,099,201</u>	

**GREENTREE PREPARATORY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 4 – COMMITMENTS AND CONTINGENCIES (continued)
Changes in long-term right-of-use liability during the year are as follows:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
Right-of-use Liability	\$ -	\$ 4,163,668	\$ (255,270)	\$ 3,908,398
Total right-of-use liability	<u>\$ -</u>	<u>\$ 4,163,668</u>	<u>\$ (255,270)</u>	<u>\$ 3,908,398</u>

NOTE 5 – RELATED PARTIES

A former board member of the School is the current Director of Operations. The Director of Operations is the owner of the company that leases facilities to the School (See Note 4). The Director of Operations is paid a salary for the services provided to the School, which include management, human resources, and other administrative services. This amount totaled \$60,000 for the year ended June 30, 2022, and is included in school administration.

In addition, as of June 30, 2022, the School owed the Director of Operations \$1,052 for expenses paid during the year on behalf of the School, which are included in accounts payable.

NOTE 6 – NOTES PAYABLE

On August 27, 2021, the School entered into an Economic Injury Disaster Loan agreement for \$150,000 with the U.S Small Business Administration (“SBA”) under Section 7(b) of the Small Business Act, as amended. The loan calls for monthly installment payments, including principal and interest, of \$641 beginning twelve (12) months from the date of the loan. Interest will accrue at the rate of 2.75% per annum and will accrue only on funds advanced from the date of each advance. The balance of principal and interest will be payable thirty (30) years from the date of the loan, in August 2050. As of the date of these financial statements, the School has received advances totaling \$149,900.

On March 8, 2021, the School received a second loan proceeds of \$146,822 through the Paycheck Protection Program (“PPP”). The loan proceeds are to be used for payroll, rent, utilities and interest expense. The loan matures in March 2026 and bears annual interest at 1.00%. The loan is payable monthly with a deferral of payments for the first ten months of the date of the loan. During the year, the School applied for forgiveness for the loan, which was forgiven during the year ended June 30, 2022. Accordingly, the forgiveness of the School’s loan is recorded as a gain in the statement of activities in the fiscal year end June 30, 2022.

The following schedule provides a summary of changes in notes payables for the year ended June 30, 2022.

	Balance July 1, 2021	Borrowings	Repayments	Forgiveness	Balance June 30, 2022
Note payable - SBA	\$ 149,900		\$ -	\$ -	\$ 149,900
Note payable - PPP	146,822		-	(146,822)	-
	<u>\$ 296,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (146,822)</u>	<u>\$ 149,900</u>

**GREENTREE PREPARATORY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 6 – NOTES PAYABLE (continued)

Future minimum payments are estimated as follows:

<u>Year Ended June 30,</u>		
2023	\$	3,595
2024		3,695
2025		3,798
2026		3,904
2027		4,013
2028-2033		26,535
2034-2039		31,289
2040-2045		36,895
2046-2050		36,176
Total	\$	<u>149,900</u>

NOTE 7 – INTER-FUND BALANCES

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. Inter-fund balances in governmental funds of June 30, 2022 consist of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Due to General Fund from Special Revenue Fund for ESSER	\$ 100,533	\$ (100,533)
Total due from (due to)	<u>\$ 100,533</u>	<u>\$ (100,533)</u>

NOTE 8 – DEPOSITS POLICY AND CREDIT RISK

It is the School’s policy to maintain its cash and cash equivalents in major banks and in high grade investments. Deposits at Federal Depository Insurance Corporation (FDIC) insured financial institutions are insured up to \$250,000 per depositor, per financial institution. As of June 30, 2022, the bank balance of the School’s operating cash deposit accounts in excess of the FDIC limit totaled \$223,412.

NOTE 9 – 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 10 – 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.

REQUIRED SUPPLEMENTAL INFORMATION

**GREENTREE PREPARATORY 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
REVENUES			
State passed through local school sources	\$ 1,758,005	\$ 1,891,606	\$ 1,891,606
TOTAL REVENUES	<u>1,758,005</u>	<u>1,891,606</u>	<u>1,891,606</u>
EXPENDITURES			
Instruction	680,724	881,810	881,810
Board	10,000	14,932	14,932
General administrative	60,567	66,373	66,373
School administration	421,515	443,072	443,072
Food services	11,000	23,791	23,791
Student transportation services	5,000	2,282	2,282
Operation of plant	610,471	182,392	182,392
Maintenance of plant	54,500	88,981	88,981
Administrative technology services	15,000	36,963	36,963
Other capital outlay	10,500	54,738	54,738
Principal payments- right-if-use liability	-	119,864	119,864
Interest expense	-	184,730	184,730
TOTAL EXPENDITURES	<u>\$ 1,879,277</u>	<u>\$ 2,099,928</u>	<u>\$ 2,099,928</u>
 Net change in fund balance	 <u>\$ (121,272)</u>	 <u>\$ (208,322)</u>	 <u>\$ (208,322)</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

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

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal sources	\$ -	\$ 110,589	\$ 110,589
Charges and other revenue	155,000	179,647	179,647
TOTAL REVENUES	<u>155,000</u>	<u>290,236</u>	<u>290,236</u>
EXPENDITURES			
Instruction	155,000	290,236	290,236
TOTAL EXPENDITURES	<u>155,000</u>	<u>290,236</u>	<u>290,236</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.



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*

Board of Directors of
Greentree Preparatory Charter School, Inc.
Southwest Ranches, 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, each major fund, and the aggregate remaining fund balance of Greentree Preparatory Charter School, Inc. (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 28, 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.

A handwritten signature in black ink that reads "Verdy-DeKmar-Tryllo-Alvarz". The signature is written in a cursive style and is centered on the page.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2022



MANAGEMENT LETTER

Board of Directors of
Greentree Preparatory Charter School, Inc.
Southwest Ranches, Florida

Report on the Financial Statements

We have audited the financial statements of Greentree Preparatory Charter School, Inc. (the “School”), a non-major component unit of the District School Board of Broward County, Florida, as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated September 30, 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 28, 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 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 Greentree Preparatory Charter School and #065130.

Financial Condition and Management

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. 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 website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website 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 Broward 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 30, 2022