

**BRIDGEPREP ACADEMY OF DUVAL CHARTER
SCHOOL**
DUVAL, FLORIDA
(A CHARTER SCHOOL UNDER BRIDGEPREP
ACADEMY, INC.)

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

JUNE 30, 2023

BRIDGEPREP ACADEMY OF DUVAL CHARTER SCHOOL
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2023

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BRIDGEPREP ACADEMY OF DUVAL CHARTER SCHOOL
(A Charter School Under Bridgeprep Charter Academy of Duval, Inc.)

6400 Atlantic Blvd.
Jacksonville, FL 33578
(904) 694-2660

2022-2023

BOARD OF DIRECTORS

Mr. Tom Sutterfield, Chair
Mr. Chris Snowden, Secretary
Mr. Lou LoFranco, Vice Chair
Ms. Enid Weisman, Treasurer
Ms. Leah Burton, Member
Ms. Connie Arnold, Member

SCHOOL ADMINISTRATION

Ms. Jamie Griffin, Principal



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bridgeprep Academy of Duval Charter School
Duval, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bridgeprep Academy of Duval Charter School (the "School"), a charter School under Bridgeprep Academy, Inc., as of and for the year ended June 30, 2023, and the related notes to 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, and the aggregate remaining fund information of Bridgeprep Academy of Duval Charter School, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, 2023, 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, 2023 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 30, 2023 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 30, 2023

Management’s Discussion and Analysis
Bridgeprep Academy of Duval Charter School
June 30, 2023

The corporate officers of Bridgeprep Academy of Duval Charter School (the “School”) have prepared this narrative overview and analysis of the School’s financial activities for the fiscal year ended June 30, 2023.

FINANCIAL HIGHLIGHTS

1. At year-end, the School had current assets of \$1,364,192.
2. The School’s fund balance decreased by \$858,923 and its fund balance at the end of the year was a positive \$1,181,301.

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, 2023 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 financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

Notes to Financial Statements

The notes to 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 financial statements can be found on pages 17-24 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, 2023 and 2022 follows:

Assets	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,028,275	\$ 1,798,491
Due from governmental agencies and accounts receivable	335,917	525,766
Deposits receivable and other assets	8,706	8,706
Capital assets, net	<u>22,201,535</u>	<u>23,120,310</u>
Total Assets	<u>\$ 23,574,433</u>	<u>\$ 25,453,273</u>
Liabilities and Net Position		
Accounts and wages payable and accrued liabilities	\$ 191,597	\$ 292,739
Long-term debt	<u>23,798,723</u>	<u>24,119,643</u>
Total Liabilities	23,990,320	24,412,382
Invested in capital assets, net of related debt	(1,597,188)	(999,333)
Restricted	43,705	29,608
Unrestricted	<u>1,137,596</u>	<u>2,010,616</u>
Total Net Position	<u>(415,887)</u>	<u>1,040,891</u>
Total Liabilities and Net Position	<u>\$ 23,574,433</u>	<u>\$ 25,453,273</u>

The fiscal year June 30, 2023 was the School's sixth full year of operations. At June 30, 2023, the School's total assets were \$23,574,433 and total liabilities were \$23,990,320. At June 30, 2023, the School reported a total negative in net position of \$415,887.

Due to the implementation of the new lease standard GASB 87 *Leases*, the School recorded the right-to-use lease asset and liability of \$24,143,981 and has recorded approximately an additional \$2,019,758 in amortization expense (a non-cash expense). If this amount would be added back the total net position at June 30, 2023 would have been a positive \$1,603,871.

A summary and analysis of the School's revenues and expenses for the year ended June 30, 2023 and 2022 as follows:

REVENUES	2023	2022
Program Revenues		
Federal passed through local	\$ 1,296,099	\$ 635,835
National School Lunch Program	242,106	208,798
Capital Outlay Funding	-	711,521
Charges for services	172,399	88,659
General Revenues		
FEFP nonspecific revenues	4,063,946	3,833,616
Fundraising and other revenue	140,000	-
Total Revenues	\$ 5,914,550	\$ 5,478,429
 EXPENSES		
Instructional services	\$ 2,370,616	\$ 2,383,376
Instructional support services	49,043	69,449
Instructional staff training services	19,743	17,735
General administration	585,166	586,002
School administration	705,744	463,312
Food services	234,801	178,471
Board	12,669	6,687
Operation of plant	2,900,638	2,745,402
Maintenance of plant	333,415	315,536
Community services	41,607	27,846
Extracurricular activities	109,397	8,857
Interest expense	8,489	5,545
Total Expenses	\$ 7,371,328	\$ 6,808,218
Change in Net Position	(1,456,778)	(1,329,789)
 Net Position (Deficit) at Beginning of Year	1,040,891	2,370,680
Net Position (Deficit) at End of Year	\$ (415,887)	\$ 1,040,891

The School's total revenues for the year ended June 30, 2023 were \$5,914,550 while its total expenses were \$7,371,328 for a net decrease of \$1,456,778.

The School increased revenues through federal grant revenues of Elementary & Secondary School Emergency Relief funds (ESSER) and increases in funding from the National School Lunch Program.

Finally, due to the implementation of the new lease standard, the School recorded an additional expense of approximately \$936,216, which was the excess of amortization and interest expense over actual lease payments made during the year which negatively affects the change in net position.

SCHOOL LOCATION

The School operates in the Duval area located at 6400 Atlantic Blvd., Jacksonville, FL 33578.

CAPITAL IMPROVEMENT REQUIREMENT

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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

GOVERNMENTAL FUNDS

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

At the end of the fiscal year, the School's governmental funds had a net decrease in fund balance of \$858,923 and reported a combined fund balance at year-end of \$1,181,301.

CAPITAL AND RIGHT-TO-USE ASSETS

The School's investment in capital and right-to-use assets, as of June 30, 2022, amounts to \$22,201,535 (net of accumulated depreciation and amortization). This investment in capital assets includes leasehold improvements, furniture, fixtures and equipment and audio-visual materials and computer software. Due to the implementation of GASB 87 *Leases*, the above amount includes a right-to-use asset of \$21,729,583, net of accumulated amortization.

LONG-TERM LIABILITIES

The School entered into various note payable agreements to finance the purchase of equipment. The outstanding balance at June 30, 2023 was \$49,382.

GOVERNMENTAL FUND BUDGET ANALYSIS

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

	All Governmental Funds		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 3,389,640	\$ 4,063,946	\$ 4,063,946
Federal passed through local	275,000	1,296,099	1,296,099
Federal lunch program	133,000	242,106	242,106
State capital outlay funding	245,889	-	-
Charges for services and other income	35,000	312,399	312,399
TOTAL REVENUES	4,078,529	5,914,550	5,914,550
EXPENDITURES			
Instruction	\$ 2,025,273	\$ 2,314,812	\$ 2,314,812
Instructional support services	172,918	49,043	49,043
Instructional staff training services	-	19,743	19,743
School board	13,250	12,669	12,669
General administrative	351,874	585,166	585,166
School administration	338,046	705,744	705,744
Fiscal services	1,500	348,443	348,443
Food services	140,229	234,801	234,801
Community services	15,000	41,607	41,607
Operation of plant	811,291	1,689,224	1,689,224
Maintenance of plant	85,000	333,415	333,415
Administrative technology services	10,000	109,397	109,397
Debt service	62,971	329,409	329,409
TOTAL EXPENDITURES	4,027,352	6,773,473	6,773,473
Net change in fund balance	51,177	(858,923)	(858,923)
Other financing sources	-	-	-
Net change in fund balance	<u>\$ 51,177</u>	<u>\$ (858,923)</u>	<u>\$ (858,923)</u>

The general, special revenue and capital outlay fund budgets for the year ending June 30, 2023, were developed based on the School's anticipated revenues and expenditures and the expected student population for the school year. Over the course of the year, the School revised its budgets for all funds and the final budgets were equal to the actual expenditures. Refer to the budgetary comparison schedules on pages 25-27 for additional information.

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. Wyatt Truscheit of S.M.A.R.T. Management, LLC at 9875 S.W. 72nd Street, Miami, Florida 33173.

BRIDGEPREP ACADEMY OF DUVAL CHARTER SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2023

Governmental
Activities

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	1,028,275
Due from other agencies		303,156
Accounts receivable		32,761
TOTAL CURRENT ASSETS		1,364,192

CAPITAL AND RIGHT TO USE ASSETS, NET

22,201,535

Deposit receivable and other assets

8,706

TOTAL ASSETS

\$ 23,574,433

LIABILITIES AND NET POSITION

LIABILITIES

Accounts payable and accrued liabilities	\$	1,930
Accrued wages payable		189,667
Note payable-current portion		27,813
Right to use liability - current portion		581,344
TOTAL CURRENT LIABILITIES		800,754

Note payable- long-term portion

21,569

Right to use liability - long-term portion

23,167,997

TOTAL LIABILITIES

23,990,320

NET POSITION

Net investment in capital assets		(1,597,188)
Restricted		43,705
Deficit in unrestricted		1,137,596
TOTAL NET POSITION		(415,887)

TOTAL LIABILITIES AND NET POSITION

\$ 23,574,433

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

BRIDGEPREP ACADEMY OF DUVAL CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

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	2,370,616	\$ -	1,290,192	\$ -	\$ (1,080,424)
Instructional support services	49,043	-	-	-	(49,043)
Instructional staff training services	19,743	-	-	-	(19,743)
General administrative	585,166	-	-	-	(585,166)
School administration	705,744	-	-	-	(705,744)
Food services	234,801	6,792	242,106	-	14,097
Board	12,669	-	-	-	(12,669)
Operation of plant	2,900,638	-	5,907	-	(2,894,731)
Maintenance of plant	333,415	-	-	-	(333,415)
Community services	41,607	60,035	-	-	18,428
Extracurricular activities	109,397	105,572	-	-	(3,825)
Interest expense	8,489	-	-	-	(8,489)
Total Governmental Activities	\$ 7,371,328	\$ 172,399	\$ 1,538,205	\$ -	\$ (5,660,724)

GENERAL REVENUES:

Government grants not restricted to specific programs	4,063,946
Miscellaneous revenue	140,000
Total general revenues	<u>4,203,946</u>

Change in Net Position (1,456,778)

NET POSITION - BEGINNING 1,040,891

NET POSITION (DEFICIT) - ENDING \$ (415,887)

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

BRIDGEPREP ACADEMY OF DUVAL CHARTER SCHOOL
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 984,570	\$ 43,705	\$ 1,028,275
Due from other agencies	-	303,156	303,156
Accounts receivable	32,761	-	32,761
Due from internal funds	303,156	-	303,156
Deposit receivable and other assets	8,706	-	8,706
TOTAL ASSETS	\$ 1,329,193	\$ 346,861	\$ 1,676,054
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 1,930	\$ -	\$ 1,930
Accrued wages payable	189,667	-	189,667
Due to internal funds	-	303,156	303,156
TOTAL LIABILITIES	191,597	303,156	494,753
FUND BALANCE			
Nonspendable			
Deposit receivable and other assets	8,706	-	8,706
Restricted	-	43,705	43,705
Unassigned	1,128,890	-	1,128,890
TOTAL FUND BALANCE	1,137,596	43,705	1,181,301
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,329,193	\$ 346,861	\$ 1,676,054

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

**BRIDGEPREP ACADEMY OF DUVAL CHARTER SCHOOL
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT
OF NET POSITION
JUNE 30, 2023**

Total Fund Balance - Governmental Funds \$ 1,181,301

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

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

Capital assets	645,190
Accumulated depreciation	(173,238)

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

Right to use asset, net	21,729,583
Right to use liability	(23,749,341)

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

Note payable	(49,382)
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Total Net Position - Governmental Activities	\$ (415,887)
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The accompanying notes are an integral part of this financial statement.

BRIDGEPREP ACADEMY OF DUVAL CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
REVENUES				
State passed through local	\$ 4,063,946	\$ -	\$ -	\$ 4,063,946
Federal lunch program	-	-	242,106	242,106
Federal passed through local	-	-	1,296,099	1,296,099
Charges for services	60,035	-	112,364	172,399
Other income	140,000	-	-	140,000
TOTAL REVENUES	\$ 4,263,981	\$ -	\$ 1,650,569	\$ 5,914,550
EXPENDITURES				
Current:				
Instruction	\$ 1,373,063	\$ -	\$ 941,749	\$ 2,314,812
Instructional support services	49,043	-	-	49,043
Instructional staff training services	19,743	-	-	19,743
General administrative	585,166	-	-	585,166
School administration	705,744	-	-	705,744
Board	12,669	-	-	12,669
Food services	-	-	234,801	234,801
Operation of plant	1,683,317	-	5,907	1,689,224
Maintenance of plant	333,415	-	-	333,415
Community services	41,607	-	-	41,607
Extracurricular activities	3,825	-	105,572	109,397
Capital Outlay:				
Other capital outlay	-	-	348,443	348,443
Debt service:				
Redemption of principal	320,920	-	-	320,920
Interest	8,489	-	-	8,489
TOTAL EXPENDITURES	5,137,001	-	1,636,472	6,773,473
Excess of revenues over expenditures	(873,020)	-	14,097	(858,923)
Other Financing Sources				
Proceeds from note payables	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net change in fund balance	(873,020)	-	14,097	(858,923)
Fund balance at beginning of year	2,010,616	-	29,608	2,040,224
Fund balance at end of year	<u>\$ 1,137,596</u>	<u>\$ -</u>	<u>\$ 43,705</u>	<u>\$ 1,181,301</u>

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

**BRIDGEPREP ACADEMY OF DUVAL 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, 2023**

Change in Fund Balance - Governmental Funds \$ (858,923)

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	348,443
Depreciation expense	(60,019)

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	(1,207,199)
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The proceeds from loans and captial leases provide current financial resources to governmental funds, but increases long-term liabilities in the statement of net assets. Repayment of advance principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Proceeds	-
Repayments of principal	320,920

Change in Net Position of Governmental Activities	\$ (1,456,778)
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The accompanying notes are an integral part of this financial statement.

**BRIDGEPREP ACADEMY OF DUVAL CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Bridgeprep Academy of Duval Charter School (the “School”) is a charter school sponsored by the School Board of Duval 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.

The general operating authority of Bridgeprep Academy of Duval 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 Duval 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 annually by mutual agreement.

These financial statements are for the year ended June 30, 2023, when 550 students were enrolled in grades Kindergarten through 8th 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 OF DUVAL CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects. Also includes funds raised and earned by the various clubs and activities that are part of the School.

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 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.

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.

BRIDGEPREP ACADEMY OF DUVAL CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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

Compensated Absences

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

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

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

Government-wide Fund Net Position

Government-wide fund net position 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, 2023, was a negative \$1,597,188.
- 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, 2023 was \$43,705.
- Unrestricted – all other net position is reported in this category.

BRIDGEPREP ACADEMY OF DUVAL CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Balances

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

- Non-spendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). At June 30, 2023, the School had \$8,706 in non-spendable fund balance.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2023, there is restricted fund balance of \$43,705.
- 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, 2023, 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, 2023, 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, 2023, 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 Duval 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 OF DUVAL CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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.

New Accounting Standards Adopted

In fiscal year 2023, the School adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government users. This Statement is effective immediately for reporting periods beginning after June 15, 2022. These changes were incorporated in the School's 2023 financial statements and had no effect.

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 30, 2023, 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, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital Assets				
Building improvements	\$ 164,394	\$ -	\$ -	\$ 164,394
Furniture and equipment	132,353	348,443	-	480,796
Total Capital Assets	<u>296,747</u>	<u>348,443</u>	<u>-</u>	<u>645,190</u>
Less Accumulated Depreciation				
Building improvements	(3,995)	(4,215)	-	(8,210)
Furniture and equipment	(109,224)	(55,804)	-	(165,028)
Total Accumulated Depreciation	<u>(113,219)</u>	<u>(60,019)</u>	<u>-</u>	<u>(173,238)</u>
Capital Assets, net	<u>183,528</u>	<u>288,424</u>	<u>-</u>	<u>471,952</u>
Lease Assets				
Right-to-use lease asset	24,143,981	-	-	24,143,981
Accumulated amortization	(1,207,199)	(1,207,199)	-	(2,414,398)
Total leased assets, net	<u>22,936,782</u>	<u>(1,207,199)</u>	<u>-</u>	<u>21,729,583</u>
Total capital and right-to-use assets, net	<u>\$ 23,120,310</u>	<u>\$ (918,775)</u>	<u>\$ -</u>	<u>\$ 22,201,535</u>

Depreciation expense for the year ended June 30, 2023, was \$60,019, which was allocated to instruction. Amortization expense of \$1,207,199 for the year ended June 30, 2023 was allocated to operation of plant.

BRIDGEPREP ACADEMY OF DUVAL CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 – 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 School’s education service and support provider, S.M.A.R.T. Management LLC manages the finances and operations and makes recommendations to the School’s independent board of directors which make the final determinations regarding policies and contracts.

In providing 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, 2017 and is in effect through June 30, 2022 with an option to renew. The contract was renewed for an additional five years. The contract can be terminated by either party with 90 days’ notice. The contract calls for a management fee between 8% and 10% of full time equivalent (FTE) revenues based on the School’s enrollment. During the year-ended June 30, 2023, the School incurred management fees of \$385,201.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

The School entered into a lease agreement which was subsequently amended in August 2017 to lease facilities. The first payment commenced on September 1, 2017. The term of this agreement ends June 30, 2023. The term will automatically renew for an additional five years unless a written termination notice is given in advance. For the year ended June 30, 2023, the School would pay a monthly rent amount of \$141,000. The School will pay a base rent per student between \$1,100 and \$1,270 through June 30, 2023. In subsequent years, the rent per student will not exceed \$1,270 unless the number of students exceeds 1,000 due to the addition of grades 9 – 12.

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 School 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 \$1,374,428 and the amortization of the right-to-use asset was \$1,207,199 for the year ended June 30, 2023.

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

Year Ended	Principal	Interest	Total	
2024	\$ 581,344	\$ 1,350,425	\$ 1,931,769	
2025	828,185	1,310,560	2,138,745	
2026	877,080	1,261,664	2,138,744	
2027	928,863	1,209,881	2,138,744	
2028	983,703	1,155,041	2,138,744	
2029-2033	5,861,367	4,832,355	10,693,722	(Five year period)
2034-2038	7,808,370	2,885,353	10,693,723	(Five year period)
2039-2041	5,880,429	535,804	6,416,233	(Three year period)
	<u>\$ 23,749,341</u>	<u>\$ 14,541,083</u>	<u>\$ 38,290,424</u>	

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

	Balance July 1, 2022	Increase	Decrease	Balance June 30, 2023
Right-to-use liability	\$ 24,030,715	\$ -	\$ 281,374	\$ 23,749,341
	<u>\$ 24,030,715</u>	<u>\$ -</u>	<u>\$ 281,374</u>	<u>\$ 23,749,341</u>

BRIDGEPREP ACADEMY OF DUVAL CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 6 – NOTE PAYABLE

The School has financed certain equipment under separate notes expiring July 2025. The notes require monthly payments of principal and interest totaling \$6,726 at interest rates between 7% and 10% per annum.

Future minimum payments under note payables as of June 30, 2023 are as follows:

<u>Year Ended June 30,</u>	
2024	\$ 27,813
2025	<u>21,569</u>
Total	<u><u>\$ 49,382</u></u>

The following schedule provides a summary of changes in the loan for the year ended June 30, 2023:

	<u>Balance</u>			<u>Balance</u>
	July 1, 2022	<u>Amount Financed</u>	<u>Payments</u>	June 30, 2023
Note payable	\$ 88,928	\$ -	\$ (39,546)	\$ 49,382
	<u>\$ 88,928</u>	<u>\$ -</u>	<u>\$ (39,546)</u>	<u>\$ 49,382</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. 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, 2023, bank balances in potential excess of FDIC coverage was approximately \$622,914.

NOTE 8 – INTERFUND BALANCES

Interfund balances in governmental funds as of June 30, 2023 consist of the following:

	<u>General</u>	<u>Special</u>
	Fund	Revenue
	<u>Fund</u>	<u>Fund</u>
Due from (to) General Fund from Special Revenue Fund for NSLP & ESSER	<u>\$ 303,156</u>	<u>\$(303,156)</u>

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.

**BRIDGEPREP ACADEMY OF DUVAL CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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

BRIDGEPREP ACADEMY OF DUVAL CHARTER SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET
AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 3,389,640	\$ 4,063,946	\$ 4,063,946
Charges for services and other income	35,000	200,035	200,035
TOTAL REVENUES	3,424,640	4,263,981	4,263,981
EXPENDITURES			
Instruction	\$ 1,750,273	\$ 1,373,063	\$ 1,373,063
Instructional support services	172,918	49,043	49,043
Instructional staff training services	-	19,743	19,743
School board	13,250	12,669	12,669
General administrative	351,874	585,166	585,166
School administration	338,046	705,744	705,744
Fiscal services	1,500	-	-
Food services	7,229	-	-
Community services	15,000	41,607	41,607
Operation of plant	565,402	1,683,317	1,683,317
Maintenance of plant	85,000	333,415	333,415
Administrative technology services	10,000	3,825	3,825
Debt service	62,971	329,409	329,409
TOTAL EXPENDITURES	\$ 3,373,463	\$ 5,137,001	\$ 5,137,001
Change in fund balance before other financing sources	51,177	(873,020)	(873,020)
Other financing sources	-	-	-
Net change in fund balance	\$ 51,177	\$ (873,020)	\$ (873,020)

See accompanying note to the required supplemental information.

**BRIDGEPREP ACADEMY OF DUVAL CHARTER SCHOOL
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET
AND ACTUAL – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds		
	Original Budget	Final Budget	Actual
REVENUES			
Federal passed through local	\$ 275,000	\$ 1,296,099	\$ 1,296,099
Charges for services	-	112,364	112,364
Federal lunch program	133,000	242,106	242,106
TOTAL REVENUE	<u>\$ 408,000</u>	<u>\$ 1,650,569</u>	<u>\$ 1,650,569</u>
EXPENDITURES			
Instructional services	\$ 275,000	\$ 941,749	\$ 941,749
Facilities acquisition & other capital outlay	-	348,443	348,443
Operation of plant	-	5,907	5,907
Food services	133,000	234,801	234,801
Extracurricular activities	-	105,572	105,572
Maintenance of plant	-	-	-
TOTAL EXPENDITURES	<u>\$ 408,000</u>	<u>\$ 1,636,472</u>	<u>\$ 1,636,472</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 14,097</u>	<u>\$ 14,097</u>

See accompanying note to the required supplemental information.

**BRIDGEPREP ACADEMY OF DUVAL CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023, 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. 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*

Armando Aburto, C.P.A.
Jorge Albeirus, C.P.A.
Viviana Bruno, C.P.A.
Lisset I. Cascudo, C.P.A.
Michelle del Sol, C.F.E., C.P.A.
Elizabeth Jarvis, C.P.A.
Cristy C. Rubio, C.P.A.
Pedro L. Silva, C.P.A.
Michael Vildosola, C.P.A.

Board of Directors of
Bridgeprep Academy of Duval Charter School
Duval, 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 aggregate remaining fund information of Bridgeprep Academy of Duval Charter School (the "School"), as of and for the year ended June 30, 2023, and the related notes to financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 30, 2023.

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.

Coral Gables, Florida
September 30, 2023



CERTIFIED PUBLIC ACCOUNTANTS



MANAGEMENT LETTER

Board of Directors of
Bridgeprep Academy of Duval Charter School
Duval, Florida

Report on the Financial Statements

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

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 Government Auditing Standards. Disclosures in that report, which is dated September 30, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity and the school code assigned by the Florida Department of Education is Bridgeprep Academy of Duval Charter School and #165611.

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, 2023 is not deteriorating. In connection with our audit, we did not have any such recommendations.

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 Duval 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, 2023