

**BRIDGEPREP ACADEMY OF POLK CHARTER
SCHOOL**
DAVENPORT, FLORIDA
(A Charter School under Bridgeprep Academy of
Tampa, Inc.)

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

JUNE 30, 2023

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

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

2045 Florence Villa Grove Rd
Davenport, FL 33897
(863) 216-8323

2022-2023

BOARD OF DIRECTORS

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

SCHOOL ADMINISTRATION

Ms. Charnis Irvine, Principal



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bridgeprep Academy of Polk Charter School
Davenport, Florida

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.

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bridgeprep Academy of Polk Charter School (the "School"), a charter school under Bridgeprep Academy of Tampa, Inc., as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bridgeprep Academy of Polk 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 of Tampa, Inc. These financial statements do not purport to and do not present fairly the financial position of Bridgeprep Academy of Tampa, 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 28, 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 28, 2023

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

The corporate officers of Bridgeprep Academy of Polk 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. In the first year of the School’s operations the School had a positive change in fund balance of \$733,148 and ending fund balance of \$1,215,974 at June 30, 2023.

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

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the School’s finances, in a manner similar to a private-sector business.

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

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

The government-wide financial statements can be found on pages 10 – 11 of this report.

Fund Financial Statements

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

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

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

Prior to the start of the School’s fiscal year, the Board of the School adopts an annual budget for 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 the financial statements can be found on pages 16 – 23 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time, net position may serve as a useful indicator of a school’s financial position. A summary of the School’s net position as of June 30, 2023 is as follows:

Assets	<u>2023</u>
Cash and cash equivalents	\$ 1,271,939
Accounts receivable	46,320
Deposits receivable	8,000
Capital and right of use assets, net	<u>23,133,178</u>
Total Assets	<u><u>\$ 24,459,437</u></u>
Liabilities and Net Position	
Accounts and wages payable and accrued liabilities	\$ 110,285
Long-term debt	<u>24,842,304</u>
Total Liabilities	24,952,589
Net investment in capital assets	(1,227,163)
Restricted	27,815
Unrestricted	<u>706,196</u>
Total Net Position	<u>(493,152)</u>
Total Liabilities and Net Position	<u><u>\$ 24,459,437</u></u>

At June 30, 2023, the School’s total assets were \$24,459,437 and total liabilities were \$24,952,589 with an ending net position of a negative \$493,152 due to the implementation of the new lease standard GASB 87 (see Note 7), the School recorded the right-to-use lease asset and liability and recorded an additional \$1,288,855 in excess amortization of lease expense (a non-cash expense).

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

REVENUES	<u>2023</u>
Program Revenues	
Federal passed through local	\$ -
National School Lunch Program	35,825
State capital outlay funding	210,245
Charges for services	115,428
General Revenues	
FEFP nonspecific revenues	4,623,890
Fundraising and other revenue	-
Total Revenues	<u>\$ 4,985,388</u>
EXPENSES	
Instruction	\$ 1,862,340
Instructional staff training services	3,000
General administration	667,419
School administration	606,640
Food services	103,177
School board	541
Operation of plant	2,040,116
Maintenance of plant	106,656
Community services	35,240
Extracurricular activities	20,837
Interest expense	15,400
Total Expenses	<u>\$ 5,461,366</u>
Change in Net Position	(475,978)
Net Position at Beginning of Year	<u>(17,174)</u>
Net Position at End of Year	<u>\$ (493,152)</u>

The School's total revenues for the year ended June 30, 2023 were \$4,985,388, while its total expenses were \$5,461,366, for a net decrease of \$475,978. Due to the implementation of the new lease standard, the School recorded an additional expense of approximately \$1,288,855, which was the excess of amortization and interest expense over actual lease payments made during the year.

SCHOOL LOCATION

The School operates in the Davenport area located at 2045 Florence Villa Grove Road, Davenport, FL 33897.

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 located at 9875 SW 72nd Street, Miami, Florida 33173.

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 net increase in its fund balance of \$733,148 for the fiscal year ending June 30, 2023, however, the School reported a combined ending positive fund balance of \$1,215,974.

CAPITAL AND RIGHT OF USE ASSETS

The School's investment in capital and right to use assets, as of June 30, 2023, amounts to \$23,133,178 (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 \$22,857,577, net of accumulated amortization.

RIGHT OF USE LIABILITY

Due to the implementation of GASB 87 *Leases*, the School has recorded a right of use liability and at June 30, 2023, the liability was \$24,146,432.

GENERAL FUND BUDGET ANALYSIS

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

	All Governmental Funds		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 3,582,124	\$ 4,623,890	\$ 4,623,890
National school lunch program	100,000	35,825	35,825
State capital outlay funding	-	210,245	210,245
Charges for services	100,000	115,428	115,428
TOTAL REVENUES	3,782,124	4,985,388	4,985,388
EXPENDITURES			
Instruction	1,835,299	1,852,326	1,852,326
Instructional support services	74,795	-	-
Instructional staff training services	-	3,000	3,000
Board	30,000	-	-
General administrative - other	590,995	667,419	667,419
School administration	306,158	606,640	606,640
Other capital outlay	-	285,615	285,615
Food services	100,000	103,177	103,177
Fiscal services	-	541	541
Operation of plant	841,083	1,251,924	1,251,924
Maintenance of plant	75,000	106,656	106,656
Community services - childcare programs	25,000	35,240	35,240
Extracurricular activities	-	20,837	20,837
Debt service	148,630	66,663	66,663
TOTAL EXPENDITURES	4,026,960	5,000,038	5,000,038
Change in fund balance before other financing sources	(244,836)	(14,650)	(14,650)
Other financing sources	247,135	747,798	747,798
Net change in fund balance	<u>\$ 2,299</u>	<u>\$ 733,148</u>	<u>\$ 733,148</u>

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

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,271,939
Due from other agencies	46,320
TOTAL CURRENT ASSETS	<u>1,318,259</u>
CAPITAL AND RIGHT OF USE ASSETS, NET	
Deposit receivable and other assets	8,000
TOTAL ASSETS	<u>\$ 24,459,437</u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 7,515
Accrued wages payable	102,770
Equipment note payable - current portion	45,092
TOTAL CURRENT LIABILITIES	<u>155,377</u>
Right of use liability - long-term portion	24,146,432
Equipment note payable - long-term portion	168,817
Note payable - long-term portion	481,963
TOTAL LIABILITIES	<u>24,952,589</u>
NET POSITION	
Net investment in capital assets	(1,227,163)
Restricted net assets	27,815
Unrestricted	706,196
TOTAL NET POSITION	<u>(493,152)</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 24,459,437</u>

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

BRIDGEPREP ACADEMY OF POLK 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	\$1,862,340	\$ -	\$ -	\$ -	\$ (1,862,340)
Instructional staff training services	3,000	-	-	-	(3,000)
General administrative - other	667,419	-	-	-	(667,419)
School administration	606,640	-	-	-	(606,640)
Food services	103,177	6,328	35,825	-	(61,024)
Fiscal services	541	-	-	-	(541)
Operation of plant	2,040,116	-	-	210,245	(1,829,871)
Maintenance of plant	106,656	-	-	-	(106,656)
Community services - childcare programs	35,240	60,448	-	-	25,208
Extracurricular activities	20,837	48,652	-	-	27,815
Interest expense	15,400	-	-	-	(15,400)
Total Governmental Activities	\$5,461,366	\$ 115,428	\$ 35,825	\$ 210,245	\$ (5,099,868)

GENERAL REVENUES:

Government grants not restricted to specific programs	4,623,890
Contributions and other income	-
Total general revenues	4,623,890
Change in Net Position	(475,978)
NET POSITION (DEFICIT) - BEGINNING	(17,174)
NET POSITION - ENDING	\$ (493,152)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 1,244,124	\$ 27,815	\$ 1,271,939
Due from other agencies	46,320	-	46,320
Deposit receivable and other assets	8,000	-	8,000
TOTAL ASSETS	<u>\$ 1,298,444</u>	<u>\$ 27,815</u>	<u>\$ 1,326,259</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued liabilities	\$ 7,515	\$ -	\$ 7,515
Accrued wages payable	102,770	-	102,770
TOTAL LIABILITIES	<u>110,285</u>	<u>-</u>	<u>110,285</u>
FUND BALANCE			
Nonspendable			
Deposit receivable and other assets	8,000	-	8,000
Restricted	-	27,815	27,815
Unassigned	1,180,159	-	1,180,159
TOTAL FUND BALANCE	<u>1,188,159</u>	<u>27,815</u>	<u>1,215,974</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,298,444</u>	<u>\$ 27,815</u>	<u>\$ 1,326,259</u>

The accompanying notes are an integral of this financial statement.

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

Total Fund Balance - Governmental Funds \$ 1,215,974

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	285,615
Accumulated depreciation	(10,014)

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

Right of use asset	22,857,577
Right of use liability	(24,146,432)

Advances from other charter schools and other
long-term liabilities are not due and payable in the
current period and, therefore, are not reported in
the funds.

Note payables	(695,872)
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Total Net Position - Governmental Activities	\$ (493,152)
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The accompanying notes are an integral part of this financial statement

BRIDGEPREP ACADEMY OF POLK 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	\$ 4,623,890	\$ -	\$ -	\$ 4,623,890
National school lunch program	-	-	35,825	35,825
State capital outlay funding	-	210,245	-	210,245
Charges for services	60,448	-	54,980	115,428
TOTAL REVENUES	\$ 4,684,338	\$ 210,245	\$ 90,805	\$ 4,985,388
EXPENDITURES				
Current:				
Instruction	\$ 1,852,326	\$ -	\$ -	\$ 1,852,326
Instructional staff training services	3,000	-	-	3,000
General administrative - other	667,419	-	-	667,419
School administration	606,640	-	-	606,640
Food services	61,024	-	42,153	103,177
Fiscal services	541	-	-	541
Operation of plant	1,041,679	210,245	-	1,251,924
Maintenance of plant	106,656	-	-	106,656
Community services - childcare programs	35,240	-	-	35,240
Extracurricular activities	-	-	20,837	20,837
Capital Outlay:				
Other capital outlay	285,615	-	-	285,615
Debt service:				
Redemption of principal	51,263	-	-	51,263
Interest expense	15,400	-	-	15,400
TOTAL EXPENDITURES	\$ 4,726,803	\$ 210,245	\$ 62,990	\$ 5,000,038
Excess (deficit) of revenues over expenditures	(42,465)	-	27,815	(14,650)
Other Financing Sources				
Increase from right of use asset	(23,645,769)	-	-	(23,645,769)
Increase from right of use liability and note payable	24,393,567	-	-	24,393,567
Total Other Financing Sources	747,798	-	-	747,798
Net change in fund balance	705,333	-	27,815	733,148
Fund balance at beginning of year	482,826	-	-	482,826
Fund balance at end of year	\$ 1,188,159	\$ -	\$ 27,815	\$ 1,215,974

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

**BRIDGEPREP ACADEMY OF POLK 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 \$ 733,148

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	285,615
Depreciation expense	(10,014)
Excess rent expense	(1,288,855)

The proceeds from advances 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 from loan	(247,135)
Redemption of principal	51,263

Change in Net Position of Governmental Activities	\$ (475,978)
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The accompanying notes are an integral part of this financial statement.

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

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Bridgeprep Academy of Polk Charter School (the “School”) is a charter school sponsored by the School Board of Polk County, Florida (the “District”). The School’s charter is held by Bridgeprep Academy of Tampa, 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 not-for-profit corporation Board of Directors which is comprised of six members.

The general operating authority of Bridgeprep Academy of Polk 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 Polk County, Florida (the “School Board”). The current charter is effective until June 30, 2027. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case the School Board is required to notify the School in writing at least 90 days prior to the School’s expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The charter may be renewed for up to an additional 15 years by mutual agreement.

These financial statements are for the year ended June 30, 2023, when over 624 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.

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

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, special revenue and capital project funds 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 Bridgeprep Academy of Polk 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.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts receivable

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

Due from Other Agencies

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

Capital Assets, Depreciation and Amortization

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

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

Compensated Absences

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

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

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

Government-wide Fund Net Assets

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

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The net investment in capital assets for the year ending June 30, 2023 was a negative \$1,227,163.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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 \$27,815.
- Unrestricted – all other net position is reported in this category.

Governmental Fund Balances

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

- 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, 2023, the School had \$8,000 in nonspendable fund balance.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2023, there was \$27,815 in 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, 2023, there was no committed fund balance.
- Assigned – fund balance classification is intended to be used by the School’s management for specific purposes but does not meet the criteria to be classified as restricted or committed. At June 30, 2023, there was 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, and 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 Polk County (the “School Board”) pursuant to the funding provisions included in the School's charter. The basic amount of funding through the FEFP under section 1011.62 is the product of (1) the School’s unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2., Florida Statutes. For the 2022-2023 school year the School reported 624.47 un-weighted FTE.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of the FTE audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC)
- Teacher certificates and other certification documentation (Rule 6A-1.0503, FAC)
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC)
- Evaluation and planning documents for weighted programs (Section 1011.62(1)(e), FS, and Rule 6A-6.03411, FAC)

In addition, the School receives an annual allocation of charter school capital outlay funds for leasing of School facilities.

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

Income Taxes

The School is a division of a nonprofit corporation. The School 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 28, 2023, which is the date the financial statements were available to be issued.

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

NOTE 3 – CAPITAL 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, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital Assets				
Furniture and equipment	\$ -	\$ 285,615	\$ -	\$ 285,615
Total Capital Assets	<u>-</u>	<u>285,615</u>	<u>-</u>	<u>285,615</u>
Less Accumulated Depreciation				
Furniture and equipment	-	(10,014)	-	(10,014)
Total Accumulated Depreciation	<u>-</u>	<u>(10,014)</u>	<u>-</u>	<u>(10,014)</u>
Capital Assets, net	<u>-</u>	<u>275,601</u>	<u>-</u>	<u>275,601</u>
Right to use assets				
Right-to-use lease asset	-	23,645,769	-	23,645,769
Accumulated amortization	-	(788,192)	-	(788,192)
Total leased assets, net	<u>-</u>	<u>22,857,577</u>	<u>-</u>	<u>22,857,577</u>
Total capital and right to use assets, net	<u>\$ -</u>	<u>\$ 23,133,178</u>	<u>\$ -</u>	<u>\$ 23,133,178</u>

Depreciation expense for the year ended June 30, 2023 was \$10,014, which were allocated to instruction. Amortization expense of \$788,192 was allocated to operation of plant 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 polices 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, 2022, and it is a five year agreement with an option to renew. The contract can be terminated by either party with 60 days notice. The contract calls for a management fee between 8 to 10% of full time equivalent (FTE) revenues based on the School’s enrollment in addition to \$500 per month for after-care services. The management fee percentage for the year ending June 30, 2023 was 10% of total FEFP funding of \$4,398,352 plus \$500 per month for after-care services. During the year-ended June 30, 2023, the School incurred management fees of \$293,663.

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

NOTE 5 – COMMITMENTS AND CONTINGENCIES

The School entered into a lease agreement in September 2022 to lease facilities and it expires in August 2047. For the year ended June 30, 2023, the base rent was \$75,000 per month. For the year ended June 30, 2023, the amount paid by the School for the use of the facilities and services was \$575,000.

On July 1, 2022, the School implemented GASB Statement No. 87 *Leases*, and as a result recorded a lease right of use asset and liability in these financial statements. The School used the rate on the loan payable of prime plus .25% (5.75%) to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability as of September 1, 2022. The interest expense was \$1,250,633 and the amortization of right-to-use was \$788,192 for the year ended June 30, 2023.

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

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ -	\$ 1,384,063	\$ 1,384,063
2025	-	1,397,664	1,397,664
2026	100,175	1,399,825	1,500,000
2027	152,516	1,392,484	1,545,000
2028	209,346	1,382,010	1,591,356
2029-2033	2,078,541	6,623,619	8,702,160
2034-2038	4,372,614	5,715,570	10,088,184
2039-2043	7,684,148	4,010,824	11,694,972
2043-2047	9,549,092	1,230,718	10,779,810
	<u>\$24,146,432</u>	<u>\$ 24,536,777</u>	<u>\$ 48,683,209</u>

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

	<u>Balance</u>		<u>Balance</u>
	<u>July 1, 2022</u>	<u>Increase</u>	<u>June 30, 2023</u>
Right to use liability	\$ -	\$24,146,432	\$ 24,146,432
	\$ -	\$24,146,432	\$ 24,146,432

NOTE 6 – NOTE PAYABLE

On May 16, 2022, the School received a loan payable of \$500,000 from Bridgeprep Academy, Inc. The balance at June 30, 2023 was \$481,963 and bears interest at prime plus .25% (5.75% at June 30, 2023). The loan is to be repaid in monthly payments of interest and principal and matures on August 1, 2026. During the year, the loan was converted to non-interest bearing and can be repaid at any time through the maturity date of August 1, 2026. The entire balance has been included in long-term liabilities on the statement of financial position. In addition, the School leases equipment under a capital lease expiring October 2027. The lease require monthly payments of principal and interest totaling \$4,863, at interest rates of 6.76% per annum.

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

NOTE 6 – NOTE PAYABLE (Continued)

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

<u>Year Ended June 30,</u>	
2024	\$ 45,092
2025	48,340
2026	507,424
2027	<u>95,016</u>
Total	<u>\$695,872</u>

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

	<u>Balance</u> <u>July 1, 2022</u>	<u>Amount Financed</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2023</u>
Note payable	\$ 500,000	\$ -	\$ 18,037	\$ 481,963
	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 18,037</u>	<u>\$ 481,963</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 of Tampa, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of Bridgeprep Academy of Tampa, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage.

NOTE 8 – GRANTS

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

NOTE 9 – RISK MANAGEMENT

The School is exposed to various risks of loss related to torts, thefts, 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 POLK 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	\$ 3,582,124	\$ 4,623,890	\$ 4,623,890
Charges for services	100,000	60,448	60,448
TOTAL REVENUES	<u>3,682,124</u>	<u>4,684,338</u>	<u>4,684,338</u>
EXPENDITURES			
Instruction	1,835,299	1,852,326	1,852,326
Instructional support services	74,795	-	-
Instructional media services	-	-	-
Instructional staff training services	-	3,000	3,000
Board	30,000	-	-
General administrative - other	590,995	667,419	667,419
School administration	306,158	606,640	606,640
Food services	-	61,024	61,024
Fiscal services	-	541	541
Operation of plant	841,083	1,041,679	1,041,679
Maintenance of plant	75,000	106,656	106,656
Community services - childcare programs	25,000	35,240	35,240
Other capital outlay	-	285,615	285,615
Debt service:	148,630	66,663	66,663
TOTAL EXPENDITURES	<u>3,926,960</u>	<u>4,726,803</u>	<u>4,726,803</u>
Change in fund balance before other financing sources	(244,836)	(42,465)	(42,465)
Other financing sources	<u>247,135</u>	<u>747,798</u>	<u>747,798</u>
Net change in fund balance	<u>\$ 2,299</u>	<u>\$ 705,333</u>	<u>\$ 705,333</u>

See accompanying note to the required supplemental information.

**BRIDGEPREP ACADEMY OF POLK 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			
National school lunch program	\$ 100,000	\$ 35,825	\$ 35,825
Charges for services	-	54,980	54,980
TOTAL REVENUE	<u>100,000</u>	<u>90,805</u>	<u>90,805</u>
EXPENDITURES			
Extracurricular activities	-	20,837	20,837
Food services	100,000	42,153	42,153
TOTAL EXPENDITURES	<u>100,000</u>	<u>62,990</u>	<u>62,990</u>
Other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 27,815</u>	<u>\$ 27,815</u>

See accompanying note to the required supplemental information.

**BRIDGEPREP ACADEMY OF POLK 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*

Board of Directors of
Bridgeprep Academy of Polk Charter School
Davenport, 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 information of Bridgeprep Academy of Polk Charter School (the "School"), as of and for the year ended June 30, 2023, 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, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 28, 2023



MANAGEMENT LETTER

Board of Directors of
Bridgeprep Academy of Polk Charter School
Davenport, Florida

Report on the Financial Statements

We have audited the financial statements of Bridgeprep Academy of Polk Charter School (the “School”), as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated September 28, 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 Accordance with Government Auditing Standards. Disclosures in that report, which is dated September 28, 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 or recommendations made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the School code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity is Bridgeprep Academy of Polk Charter School, #538009.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, requires us to apply appropriate procedures and communicate whether or not Bridgeprep Academy of Polk Charter 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 them. The financial condition assessment procedures applied in connection with our audit, have led 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 that we report 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 that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not 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 Bridgeprep Academy of Tampa, Inc., 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 28, 2023