

**BRIDGEPREP ACADEMY OF POLK CHARTER  
SCHOOL**

DAVENPORT, FLORIDA  
(A Charter School under Bridgeprep Academy, Inc.)

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

JUNE 30, 2025

**BRIDGEPREP ACADEMY OF POLK CHARTER SCHOOL**  
**BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION**  
**JUNE 30, 2025**

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

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

**2024-2025**

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COLLABORATIVE FAMILY  
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## INDEPENDENT AUDITOR'S REPORT

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

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Bridgeprep Academy of Polk Charter School (the "School"), a charter school under Bridgeprep Academy, Inc., as of and for the year ended June 30, 2025 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 and each major fund of Bridgeprep Academy of Polk Charter School, as of June 30, 2025, 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 (GAAS) and the standards applicable to financial audits contained in the Government Auditing Standards (GAS), issued by the Comptroller of the United States. 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 and Government 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, 2025, 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, 2025 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 23, 2025, 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 the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

*García Santa María De Armas Trujillo, PLLC*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 23, 2025

**Management’s Discussion and Analysis**  
Bridgeprep Academy of Polk Charter School  
June 30, 2025

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, 2025.

**FINANCIAL HIGHLIGHTS**

1. The School had a fund balance of \$1,028,719 at June 30, 2025.
2. The School has current assets of \$1,312,124 at June 30, 2025.

*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, 2025 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 – 25 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, over time, net position may serve as a useful indicator of a school’s financial position. A summary of the School’s net position as of June 30, 2025 and 2024 is as follows:

<b>Assets</b>	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 1,150,020	\$ 1,152,588
Accounts receivable	44,012	43,985
Prepaid expenses and other assets	118,092	13,206
Deposits receivable	8,000	8,000
Capital and right of use assets, net	21,326,314	22,120,873
Total Assets	<u>\$ 22,646,438</u>	<u>\$ 23,338,652</u>
<b>Liabilities and Net Position</b>		
Accounts and wages payable and accrued liabilities	\$ 269,411	\$ 213,700
Other liabilities	22,449	148,726
Right of use liability	24,515,212	24,317,548
Long-term debt	1,120,772	615,295
Total Liabilities	<u>25,927,844</u>	<u>25,295,269</u>
Net investment in capital assets	(3,487,060)	(2,365,491)
Unrestricted	205,654	408,874
Total Net Position	<u>(3,281,406)</u>	<u>(1,956,617)</u>
Total Liabilities and Net Position	<u>\$ 22,646,438</u>	<u>\$ 23,338,652</u>

At June 30, 2025, the School’s total assets were \$22,646,438 and total liabilities were \$25,927,844 with an ending net position of a negative \$3,281,406 due to the implementation of the new lease standard GASB 87 (see Note 5), the School recorded the right-to-use lease asset and liability and has recorded an additional \$3,549,297 in excess amortization of lease expense (a non-cash expense).

If this amount was added back to the net position at June 30, 2025, the School would have a positive \$267,891. A summary and analysis of the School's revenues and expenses for the years ended June 30, 2025 and 2024 is as follows:

<b>REVENUES</b>	<u>2025</u>	<u>2024</u>
Program Revenues		
Operating grants and contributions	\$ 141,671	\$ 34,614
Federal Lunch Program	418,156	38,110
Capital grants and contributions	372,000	329,384
Charges for services	111,421	285,049
General Revenues		
Local sources (FTE and nonspecific revenues)	4,891,798	4,325,280
Total Revenues	<u>\$ 5,935,046</u>	<u>\$ 5,012,437</u>
 <b>EXPENSES</b>		
Instruction	\$ 2,076,351	\$ 1,724,855
Instructional support services	296,032	127,818
Instructional staff training services	12,644	32,533
Instruction related technology	90,592	140,696
Board	87,979	39,683
General administration	100,198	98,327
School administration	594,936	673,840
Fiscal services	569,640	691,987
Food services	389,768	109,308
Central services	37,255	49,555
Operation of plant	1,372,003	1,139,887
Maintenance of plant	86,168	80,927
Community services	51,833	57,014
Extracurricular activities	28,971	59,821
Interest expense	1,465,465	1,449,651
Total Expenses	<u>\$ 7,259,835</u>	<u>\$ 6,475,902</u>
Change in Net Position	(1,324,789)	(1,463,465)
 <b>Net Position (Deficit) at Beginning of Year</b>	<u>(1,956,617)</u>	<u>(493,152)</u>
<b>Net Position (Deficit) at End of Year</b>	<u>\$ (3,281,406)</u>	<u>\$ (1,956,617)</u>

The School's total revenues for the year ended June 30, 2025 were \$5,935,046, while its total expenses were \$7,261,586, for a net decrease of \$1,326,540. Due to the implementation of the new lease standard, the School recorded an additional expense of approximately \$1,143,495, 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 72<sup>nd</sup> 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 \$173,366 for the fiscal year ending June 30, 2025, however, the School reported a combined ending positive fund balance of \$1,028,719.

## **CAPITAL AND RIGHT OF USE ASSETS**

The School's investment in capital and right to use assets, as of June 30, 2025, amounts to \$21,326,314 (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 \$20,965,915, 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, 2025, the liability was \$24,515,212.

## 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
<b>REVENUES</b>			
State passed through local	\$ 5,514,088	\$ 4,999,040	\$ 4,891,798
Federal passed through local	72,922	97,938	141,671
National school lunch program	701,268	455,354	418,156
State capital outlay funding	403,821	372,036	372,000
Charges for services	-	-	111,421
<b>TOTAL REVENUES</b>	<b>6,692,099</b>	<b>5,924,368</b>	<b>5,935,046</b>
<b>EXPENDITURES</b>			
Instruction	\$ 2,480,631	\$ 2,170,060	\$ 1,986,912
Instructional support services	75,196	250,018	296,032
Instructional staff training services	19,120	17,335	12,644
Instruction related technology	73,426	97,896	90,592
Board	22,357	33,901	87,979
General administrative	98,155	100,198	100,198
School administration	754,933	704,769	590,929
Fiscal services	620,992	481,440	569,640
Food services	701,268	455,354	389,768
Central services	90,588	75,910	37,255
Operation of plant	1,501,363	1,595,184	1,626,172
Maintenance of plant	98,580	47,951	86,168
Community services	46,850	52,105	51,833
Extracurricular activities	-	-	28,971
Debt service	98,398	102,342	231,606
<b>TOTAL EXPENDITURES</b>	<b>\$ 6,681,857</b>	<b>\$ 6,184,463</b>	<b>\$ 6,418,566</b>
Change in fund balance before other financing sources	\$ 10,242	\$ (260,095)	\$ (483,520)
Other financing sources	-	425,019	656,886
<b>Net change in fund balance</b>	<b>\$ 10,242</b>	<b>\$ 164,924</b>	<b>\$ 173,366</b>

**BRIDGEPREP ACADEMY OF POLK CHARTER SCHOOL**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 1,150,020
Due from other agencies	44,012
Prepaid expenses	118,092
<b>TOTAL CURRENT ASSETS</b>	<u>1,312,124</u>
<b>CAPITAL AND RIGHT OF USE ASSETS, NET</b>	21,326,314
Deposit receivable and other assets	8,000
<b>TOTAL ASSETS</b>	<u><u>\$ 22,646,438</u></u>
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 11,750
Accrued wages payable	257,661
Other liabilities	9,598
Compensated absences	12,851
Note payable - current portion	65,612
Equipment note payable - current portion	118,881
Right of use liability - current portion	100,175
<b>TOTAL CURRENT LIABILITIES</b>	<u>576,528</u>
Right of use liability - long-term portion	24,415,037
Equipment note payable - long-term portion	179,281
Due to Bridgeprep, Inc.	437,415
Note payable - long-term portion	319,583
<b>TOTAL LIABILITIES</b>	<u><u>25,927,844</u></u>
<b>NET POSITION</b>	
Net investment in capital assets	(3,487,060)
Deficit in unrestricted	205,654
<b>TOTAL NET POSITION (DEFICIT)</b>	<u><u>(3,281,406)</u></u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 22,646,438</u></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, 2025**

<b>Functions</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
<b>Governmental Activities:</b>					
Instruction	2,076,351	\$ -	141,671	\$ -	\$ (1,934,680)
Instructional support services	296,032	-	-	-	(296,032)
Instructional staff training services	12,644	-	-	-	(12,644)
Instruction related technology	90,592	-	-	-	(90,592)
Board	87,979	-	-	-	(87,979)
General administrative	100,198	-	-	-	(100,198)
School administration	594,936	-	-	-	(594,936)
Fiscal services	569,640	-	-	-	(569,640)
Food services	389,768	-	418,156	-	28,388
Central services	37,255	-	-	-	(37,255)
Operation of plant	1,372,003	-	-	372,000	(1,000,003)
Maintenance of plant	86,168	-	-	-	(86,168)
Community services	51,833	55,885	-	-	4,052
Extracurricular activities	28,971	55,536	-	-	26,565
Interest expense	1,465,465	-	-	-	(1,465,465)
<b>Total Governmental Activities</b>	<b>\$7,259,835</b>	<b>\$ 111,421</b>	<b>\$ 559,827</b>	<b>\$ 372,000</b>	<b>\$ (6,216,587)</b>

**GENERAL REVENUES:**

State and local sources	4,891,798
Other income	-
Total general revenues	<u>4,891,798</u>
Change in Net Position	(1,324,789)
NET POSITION (DEFICIT) - BEGINNING	<u>(1,956,617)</u>
NET POSITION (DEFICIT) - ENDING	<u><u>\$ (3,281,406)</u></u>

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

**BRIDGEPREP ACADEMY OF POLK CHARTER SCHOOL**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

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	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,150,020	\$ -	\$ 1,150,020
Due from other agencies	35,278	8,734	44,012
Prepaid expenses	118,092	-	118,092
Deposit receivable and other assets	8,000	-	8,000
Due from funds	8,734	-	8,734
<b>TOTAL ASSETS</b>	<b><u>\$ 1,320,124</u></b>	<b><u>\$ 8,734</u></b>	<b><u>\$ 1,328,858</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 11,750	\$ -	\$ 11,750
Accrued wages payable	257,661	-	257,661
Other liabilities	21,994	-	21,994
Due to funds	-	8,734	8,734
<b>TOTAL LIABILITIES</b>	<b><u>291,405</u></b>	<b><u>8,734</u></b>	<b><u>300,139</u></b>
<b>FUND BALANCE</b>			
Nonspendable			
Deposit receivable and other assets	126,092	-	126,092
Unassigned	902,627	-	902,627
<b>TOTAL FUND BALANCE</b>	<b><u>1,028,719</u></b>	<b><u>-</u></b>	<b><u>1,028,719</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 1,320,124</u></b>	<b><u>\$ 8,734</u></b>	<b><u>\$ 1,328,858</u></b>

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, 2025**

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Total Fund Balance - Governmental Funds \$ 1,028,719

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	517,482
Accumulated depreciation	(157,083)

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	20,965,915
Right of use liability	(24,515,212)

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

Compensated absences	(12,851)
Due to Bridgeprep, Inc.	(425,019)
Note payables	(683,357)

Total Net Position - Governmental Activities	\$ (3,281,406)
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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, 2025**

	General Fund	Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>				
State passed through local	\$ 4,891,798	\$ -	\$ -	\$ 4,891,798
Federal passed through local	-	-	141,671	141,671
National school lunch program	-	-	418,156	418,156
State capital outlay funding	-	372,000	-	372,000
Charges for services	55,885	-	55,536	111,421
<b>TOTAL REVENUES</b>	<b>\$ 4,947,683</b>	<b>\$ 372,000</b>	<b>\$ 615,363</b>	<b>\$ 5,935,046</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	\$ 1,818,676	\$ -	\$ 168,236	\$ 1,986,912
Instructional support services	296,032	-	-	296,032
Instructional staff training services	12,644	-	-	12,644
Instruction related technology	90,592	-	-	90,592
Board	87,979	-	-	87,979
General administrative	100,198	-	-	100,198
School administration	590,929	-	-	590,929
Fiscal services	569,640	-	-	569,640
Food services	-	-	389,768	389,768
Central services	37,255	-	-	37,255
Operation of plant	1,225,784	372,000	28,388	1,626,172
Maintenance of plant	86,168	-	-	86,168
Community services	51,833	-	-	51,833
Extracurricular activities	-	-	28,971	28,971
<b>Capital Outlay:</b>				
Other capital outlay	231,867	-	-	231,867
<b>Debt service:</b>				
Redemption of principal	163,805	-	-	163,805
Interest expense	67,801	-	-	67,801
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,431,203</b>	<b>\$ 372,000</b>	<b>\$ 615,363</b>	<b>\$ 6,418,566</b>
Excess (deficit) of revenues over expenditures	(483,520)	-	-	(483,520)
<b>Other Financing Sources</b>				
Increase from right of use liability and note payable	231,867	-	-	231,867
Increase from note payable	425,019	-	-	425,019
<b>Total Other Financing Sources</b>	<b>656,886</b>	<b>-</b>	<b>-</b>	<b>656,886</b>
Net change in fund balance	173,366	-	-	173,366
Fund balance at beginning of year	855,353	-	-	855,353
Fund balance at end of year	<b>\$ 1,028,719</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,028,719</b>

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, 2025**

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Change in Fund Balance - Governmental Funds \$ 173,366

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	231,867
Depreciation expense	(80,595)
Amortization expense	(945,831)

In the statement of activities, the change in compensated absences is reported as an expense, however, in the governmental funds report it is not included as an expense.

Change in compensated absences	(12,851)
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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.

Increase in right of use liability	(197,664)
Increase in due to Bridgeprep, Inc.	(425,019)
Proceeds from financing equipment	(231,867)
Redemption of principal	163,805

Change in Net Position of Governmental Activities	\$ (1,324,789)
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**BRIDGEPREP ACADEMY OF POLK CHARTER SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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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, 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, 2025, when over 590 students were enrolled in grades Kindergarten through 8<sup>th</sup> grade.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation**

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes under standards set by the 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, 2025**

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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, 2025**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Due from Other Agencies

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

Capital Assets, Depreciation and Amortization

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The School capitalization levels are \$1,000 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

Employees of the School are entitled to paid time off (PTO) in accordance with the School's personnel policies and applicable state regulations. PTO also includes sick leave and personal days. Any PTO which has been accrued over the school year, but has not been used, will be rolled over into the next school year. Unused PTO will not be paid out at the end of the year or upon separation from the School. In accordance with GASB Statement No. 101, *Compensated Absences*, the School recognizes a liability for leave when:

1. The leave is attributable to services already rendered by employees;
2. The leave accumulates and can be carried forward to future reporting periods;
3. It is more likely than not that the leave will be used for time off, paid in cash, or settled through other non-cash means.

The liability for compensated absences is measured using employees' pay rates in effect at the financial statement date. In the government-wide financial statements, compensated absences are reported as liabilities and expensed as incurred. In the governmental fund financial statements, the liability is recognized only for amounts that have matured as of the fiscal year end.

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, 2025 was a negative \$3,487,060.

**BRIDGEPREP ACADEMY OF POLK CHARTER SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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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, 2025 was \$0.
- Unrestricted – all other net position is reported in this category.

Governmental Fund Balances

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

- 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, 2025, the School had \$126,092 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, 2025, there was \$0 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, 2025, 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, 2025, 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, 2025, 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 2024-2025, school year the School reported 600.59 un-weighted FTE.

**BRIDGEPREP ACADEMY OF POLK CHARTER SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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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.

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 23, 2025, which is the date the financial statements were available to be issued.

Adopted Accounting Pronouncements

Implementation of GASB Statement No. 101, Compensated Absences: In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, Compensated Absences (GASB 101). This Statement establishes a single model for recognizing and measuring compensated absences. The provisions of GASB 101 are effective for reporting periods beginning after December 15, 2023. The School implemented GASB 101 for the fiscal year ended June 30, 2025. Refer to Note 8 for the related disclosures and financial statement effects.

**BRIDGEPREP ACADEMY OF POLK CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adopted Accounting Pronouncements

Implementation of GASB Statement No. 102, Certain Risk Disclosures: In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, Certain Risk Disclosures (GASB 102). This Statement requires disclosure of risks from concentrations and constraints that could significantly affect a government's ability to provide services or meet obligations as they come due. The provisions of GASB 102 are effective for reporting periods beginning after June 15, 2024. The School implemented GASB 102 for the fiscal year ended June 30, 2025. The implementation of the standard had no impact on the School's financial position, fund balance or changes in financial position and fund balance. See Note 12 for applicable disclosures.

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, 2025:

	Balance			Balance
	July 1, 2024	Additions	Deletions	June 30, 2025
Capital Assets				
Furniture and equipment	\$ 285,615	\$ 231,867	\$ -	\$ 517,482
Total Capital Assets	<u>285,615</u>	<u>231,867</u>	<u>-</u>	<u>517,482</u>
Less Accumulated Depreciation				
Furniture and equipment	(76,488)	(80,595)	-	(157,083)
Total Accumulated Depreciation	<u>(76,488)</u>	<u>(80,595)</u>	<u>-</u>	<u>(157,083)</u>
Capital Assets, net	<u>209,127</u>	<u>151,272</u>	<u>-</u>	<u>360,399</u>
Right to use assets				
Right-to-use lease asset	23,645,769	-	-	23,645,769
Accumulated amortization	(1,734,023)	(945,831)	-	(2,679,854)
Total leased assets, net	<u>21,911,746</u>	<u>(945,831)</u>	<u>-</u>	<u>20,965,915</u>
Total capital and right to use assets, net	<u>\$ 22,120,873</u>	<u>\$ (794,559)</u>	<u>\$ -</u>	<u>\$ 21,326,314</u>

Depreciation expense for the year ended June 30, 2025 was \$80,595, which were allocated to instruction. Amortization expense of \$945,831 was allocated to operation of plant for the year ended June 30, 2025.

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.

**BRIDGEPREP ACADEMY OF POLK CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 4 – EDUCATION SERVICE AND SUPPORT PROVIDER (Continued)

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 of 10% of full time equivalent (FTE) revenues based on the School's enrollment. The management fee percentage for the year ending June 30, 2025 was 10% of total FEFP funding of \$4,814,223. During the year-ended June 30, 2025, the School incurred management fees of \$480,547.

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, 2025, the base rent was \$83,108 per month through December then it increased to \$105,308 for the remainder of the year. For the year ended June 30, 2025, the amount paid by the School for the use of the facilities and services was \$1,130,496.

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 \$1,397,664 and the amortization of right-to-use was \$945,831 for the year ended June 30, 2025.

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>
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	270,955	1,368,137	1,639,092
2030	337,687	1,350,581	1,688,268
2031-2035	2,893,877	6,338,239	9,232,116
2036-2040	5,556,459	5,146,101	10,702,560
2041-2045	9,374,433	3,032,751	12,407,184
2046-2048	5,619,764	344,922	5,964,686
	<u>\$ 24,515,212</u>	<u>\$ 21,755,050</u>	<u>\$ 46,270,262</u>

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

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2024</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2025</u>
Right to use liability	\$ 24,317,548	\$ 197,664	\$ -	\$ 24,515,212
	<u>\$ 24,317,548</u>	<u>\$ 197,664</u>	<u>\$ -</u>	<u>\$ 24,515,212</u>

Subsequent to year end, the School entered into a new lease agreement with a new landlord commencing August 1, 2025, which will result in the recognition of a new right-of-use asset and corresponding lease liability in the subsequent fiscal year.

**BRIDGEPREP ACADEMY OF POLK CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**NOTE 6 – NOTE PAYABLES**

On May 16, 2022, the School received a loan payable of \$500,000 from Bridgeprep Academy, Inc. The balance at June 30, 2025 was \$385,195 and bears interest at prime plus .25% (8.50% at June 30, 2025). The loan is to be repaid in monthly payments of interest and principal and matures on July 2030.

The following schedule provides a summary of changes on the loan for the year ended June 30, 2025:

	Balance July 1, 2024	Amount Financed	Payments	Balance June 30, 2025
Note payable	\$ 446,479	\$ -	\$ 61,284	\$ 385,195
	<u>\$ 446,479</u>	<u>\$ -</u>	<u>\$ 61,284</u>	<u>\$ 385,195</u>

In addition, The School financed equipment under a note payable expiring in September 2030. The note payables require monthly payments of principal and interest totaling \$13,759 at interest rates between 3% and 9% per annum. The following is a summary of changes in note payables for the year ended June 30, 2025:

	Balance July 1, 2024	Amount Financed	Payments	Balance June 30, 2025
Equipment note payable	\$ 168,816	\$ 231,867	\$ 102,521	\$ 298,162
	<u>\$ 168,816</u>	<u>\$ 231,867</u>	<u>\$ 102,521</u>	<u>\$ 298,162</u>

Future minimum payments under the note payables as of June 30, 2025 are as follows:

Year Ended June 30,	
2026	\$ 184,493
2027	196,963
2028	110,616
2029	96,248
2030	95,037
Total	<u>\$ 683,357</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.

**BRIDGEPREP ACADEMY OF POLK CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**NOTE 8 – COMPENSATED ABSENCES**

Changes in compensated absences during the year are as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due within One year
Compensated Absences	\$ -	\$ 12,851	\$ -	\$ 12,851	\$ 12,851
	<u>\$ -</u>	<u>\$ 12,851</u>	<u>\$ -</u>	<u>\$ 12,851</u>	<u>\$ 12,851</u>

**NOTE 9 – INTERFUND BALANCES**

Interfund balance in governmental funds as of June 30, 2025, consist of the following:

	General Fund	Special Revenue Fund
Due from (to) General Fund from Special Revenues for Title I	\$ 8,734	\$ (8,734)
	<u>\$ 8,734</u>	<u>\$ (8,734)</u>

**NOTE 10 – DUE TO BRIDGEPREP ACADEMY, INC.**

On November 30, 2024, the School, in conjunction with several schools under common control (collectively known as “Lenders”) entered into a loan agreement (“BPA Inc. Loan Program”) with another group of schools under common control (collectively known as “Borrowers”) to support operational and capital funding needs among the Borrowers. Under the terms of the BPA Inc. Loan Program, the Lenders have advanced funds, recorded as loan receivables, to the Borrowers, recorded as loans payable. The BPA Inc. Loan Program amounts bear interest at a fixed annual rate of 5%, requires repayment of the entire outstanding principal and any accrued interest on or before February 28, 2028, with no prepayment penalty. Amounts owed to Lenders are reported as Loan Payable – Related Party in the accompanying statement of net position, while amounts owed from Borrowers are reported as Loan Receivable – Related Party. As the BPA Inc. Loan Program is a related party arrangement with schools governed by the same corporate entity, the portion of the receivable and payable balances, are reported in the stand-alone financial statements of the individual schools. Management believes the terms of the BPA Inc. Loan Program are consistent with arms-length borrowing arrangements.

The following schedule provides a summary of changes in loans payable for the year ended June 30, 2025:

	Balance July 1, 2024	Amount loaned	Interest earned	Reductions	Balance June 30, 2025
Due to Bridgeprep, Inc.	\$ -	\$ 425,019	\$ 12,396	\$ -	\$ 437,415
	<u>\$ -</u>	<u>\$ 425,019</u>	<u>\$ 12,396</u>	<u>\$ -</u>	<u>\$ 437,415</u>

Maturities of all long-term debt are as follows:

Year Ended	Principal
2026	\$ -
2027	-
2028	437,415
	<u>\$ 437,415</u>

**BRIDGEPREP ACADEMY OF POLK CHARTER SCHOOL  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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**NOTE 11 – DEFINED CONTRIBUTION RETIREMENT PLAN**

The School's personnel, which are leased through ADP TotalSource Group, Inc. are eligible to participate in a defined contribution 401(k) plan sponsored by ADP TotalSource Group, Inc., covering employees who meet certain age and tenure requirements. Beginning in the 2015-2016 School year, under the ADP TotalSource Retirement Savings Plan (the "Plan"), the School provides a match of 25% of the employee's contribution up to 4% of the employee's eligible compensation. The School made \$823 in contributions to the Plan for the year ended June 30, 2025.

**NOTE 12 – CERTAIN RISK DISCLOSURES**

The School receives the majority of its operating revenue from per-pupil funding provided by the District, based on the number of full-time equivalent (FTE) students enrolled. Changes in enrollment levels or modifications to the State of Florida's funding formula or allocation procedures could affect the School's ability to provide educational services or meet financial obligations. The School also 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.

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

The School leases its educational facility from a landlord as noted in Note 5 under a long term lease agreement. Relocation to another suitable facility within the School's geographic service area could be difficult in the event of nonrenewal or termination of the lease.

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, 2025**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
State passed through local	\$ 5,514,088	\$ 4,999,040	\$ 4,891,798
Charges for services	-	-	55,885
<b>TOTAL REVENUES</b>	<u>5,514,088</u>	<u>4,999,040</u>	<u>4,947,683</u>
<b>EXPENDITURES</b>			
Instruction	2,407,709	2,072,122	1,818,676
Instructional support services	75,196	250,018	296,032
Instructional staff training services	19,120	17,335	12,644
Instruction related technology	73,426	97,896	90,592
Board	22,357	33,901	87,979
General administrative	98,155	100,198	100,198
School administration	754,933	704,769	590,929
Fiscal services	620,992	481,440	569,640
Central services	90,588	75,910	37,255
Operation of plant	1,097,542	1,223,148	1,225,784
Maintenance of plant	98,580	47,951	86,168
Community services	46,850	52,105	51,833
Other capital outlay	-	-	231,867
Debt service	98,398	102,342	231,606
<b>TOTAL EXPENDITURES</b>	<u>5,503,846</u>	<u>5,259,135</u>	<u>5,431,203</u>
Change in fund balance before other financing sources	10,242	(260,095)	(483,520)
Other financing sources	-	425,019	656,886
<b>Net change in fund balance</b>	<u>\$ 10,242</u>	<u>\$ 164,924</u>	<u>\$ 173,366</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, 2025**

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	Special Revenue Funds		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Federal lunch program	\$ 701,268	\$ 455,354	\$ 418,156
Federal through State and Local	72,922	97,938	141,671
Charges for services	-	-	55,536
<b>TOTAL REVENUE</b>	<b>774,190</b>	<b>553,292</b>	<b>615,363</b>
<b>EXPENDITURES</b>			
Instructional services	72,922	97,938	168,236
Operation of plant	-	-	28,388
Food services	701,268	455,354	389,768
Extracurricular activities	-	-	28,971
<b>TOTAL EXPENDITURES</b>	<b>774,190</b>	<b>553,292</b>	<b>615,363</b>
Other financing sources	-	-	-
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2025**

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NOTE A – BUDGETARY INFORMATION

Budgetary Basis of Accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2025, 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).



PAUL A. GARCIA, CPA/CFF,CVA  
ERIC E. SANTA MARÍA, CPA/ABV/CFF, CAA  
PEDRO M. DE ARMAS, CPA  
ALEX M. TRUJILLO, CPA

PRINCIPAL  
ILIANA M. LARCADA, CFE  
MONIQUE BUSTAMANTE, CPA

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
NATIONAL ASSOCIATION OF  
CERTIFIED VALUATION ANALYSTS  
COLLABORATIVE FAMILY  
LAW INSTITUTE

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

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Board of Directors of  
Bridgeprep Academy of 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, and each major fund, of Bridgeprep Academy of Polk Charter School (the "School"), as of and for the year ended June 30, 2025, 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 23, 2025.

**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) as a basis for designing 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 School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*García Santa María De Armas Trujillo, PLLC*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 23, 2025



PAUL A. GARCIA, CPA/CFF,CVA  
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## 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, 2025, and have issued our report thereon dated September 23, 2025.

### 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 23, 2025, 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 that 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, 2025 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 fraud, waste 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, Inc., and is not intended to be and should not be used by anyone other than these specified parties.

*García Santa María De Armas Trujillo, PLLC*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 23, 2025