

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
KISSIMMEE, FLORIDA  
(A CHARTER SCHOOL UNDER BRIDGEPREP  
ACADEMY, INC.)

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

JUNE 30, 2025

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION**  
**JUNE 30, 2025**

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**BRIDGEPREP ACADEMY OF ST. CLOUD**  
(A Charter School Under Bridgeprep Academy, Inc.)

3691 Canoe Creek Road.  
St. Cloud, FL 34772  
(407) 250-8968

**2024-2025**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Bridgeprep Academy of St. Cloud  
St. Cloud, Florida

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Bridgeprep Academy of St. Cloud (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 the School, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standard applicable to financial audits contained in the Government Auditing Standards (GAS), issued by the Comptroller General 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 and Government 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 16, 2025 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 16, 2025

**Management’s Discussion and Analysis**  
Bridgeprep Academy of St. Cloud  
June 30, 2025

The corporate officers of Bridgeprep Academy of St. Cloud (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 total current assets at June 30, 2025, of \$783,833.
2. The School had an increase in fund balance for the year ended June 30, 2025 of \$270,192.

*Overview of the Financial Statements*

This discussion and analysis is 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 and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

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

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

*Fund Financial Statements*

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

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

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

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for all of its governmental funds, if applicable. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 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 - 24 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

<b>Assets</b>	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 783,300	\$ 215,069
Due from governmental agencies and accounts receivable	533	223,238
Deposits receivable and other assets	152,603	30,439
Capital and right to use assets, net	<u>15,568,862</u>	<u>16,231,281</u>
Total Assets	<u>\$ 16,505,298</u>	<u>\$ 16,700,027</u>
<b>Liabilities and Net Position</b>		
Accounts and wages payable and accrued liabilities	\$ 1,348,141	\$ 1,138,820
Advances to Education Service Provider	20,500	20,500
Right of use liability	16,371,316	16,720,713
Long-term debt	<u>1,102,907</u>	<u>768,025</u>
Total Liabilities	18,842,864	18,648,058
Invested in capital assets, net of related debt	(958,378)	(515,415)
Restricted	-	16,083
Deficit in unrestricted	<u>(1,379,188)</u>	<u>(1,448,699)</u>
Total Net Position (Deficit)	<u>(2,337,566)</u>	<u>(1,948,031)</u>
Total Liabilities and Net Position	<u>\$ 16,505,298</u>	<u>\$ 16,700,027</u>

The fiscal year June 30, 2025 was the School's fourth year of school operations. At June 30, 2025, the School's total assets were \$16,505,298 and total liabilities were \$18,842,864. At June 30, 2025, the School reported a negative total net position of \$2,337,566. Due to the lease standard GASB 87 *Leases*, the School recorded the right-to-use lease asset and liability and has recorded a net difference of \$407,582 in additional amortization. Similar to depreciation, this is a non-cash expense and if added back would increase the net position to a deficit of \$1,929,984.

A summary and analysis of the School's revenues and expenses for the year ended June 30, 2025 and 2024 follows:

<b>REVENUES</b>	<u>2025</u>	<u>2024</u>
Program Revenues		
Operating grants and contributions	\$ 199,441	\$ 300,530
Capital grants and contributions	555,039	431,840
Charges for services	214,776	216,798
General Revenues		
Local sources (FTE and other nonspecific)	5,790,052	5,164,784
Total Revenues	<u>\$ 6,759,308</u>	<u>\$ 6,113,952</u>
 <b>EXPENSES</b>		
Instructional services	\$ 2,619,201	\$ 2,404,062
Instructional support services	216,572	94,911
Instructional staff training services	18,411	38,916
Instructional related technology	123,256	106,634
Board	103,087	40,538
General administration	95,647	95,328
School administration	569,733	763,907
Fiscal services	716,182	664,843
Food services	200,616	150,793
Central services	34,020	19,519
Operation of plant	1,201,043	-
Maintenance of plant	141,957	97,386
Community services	6,105	29,835
Extracurricular activities	95,230	111,563
Interest expense	1,007,783	960,515
Total Expenses	<u>\$ 7,148,843</u>	<u>\$ 5,578,750</u>
Change in Net Position	(389,535)	535,202
 <b>Net Position (Deficit) at Beginning of Year</b>	 <u>(1,948,031)</u>	 <u>(2,483,233)</u>
<b>Net Position (Deficit) at End of Year</b>	<u>\$ (2,337,566)</u>	<u>\$ (1,948,031)</u>

The School's total revenues for the year ended June 30, 2025 were \$6,759,308, while its total expenses were \$7,148,843 for a net decrease of \$389,535. The School's current enrollment increased from 663 to 719 students in the current year.

Due to the lease standard GASB 87 *Leases*, the School recorded an additional expense of approximately \$407,582, which was the excess of amortization and interest expense over actual lease payments made during the year which added to the net position deficit at June 30, 2025. If this amount was added back, the total net position change at June 30, 2025 would have been a positive \$18,047.

### **SCHOOL LOCATION**

The School operates in the Kissimmee area located at 3691 Canoe Creek Road in St. Cloud, FL 34772.

### **CAPITAL IMPROVEMENT REQUIREMENT**

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

### **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND**

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

### **GOVERNMENTAL FUNDS**

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

At the end of the fiscal year, the School's governmental funds had a decrease in fund balance of \$270,192 and reported a combined negative fund balance at year-end of \$399,882.

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

Due to the implementation of GASB 87 *Leases*, the School has recorded a right to use asset for the lease of its facilities of \$15,265,753 net with accumulated amortization and a right-to-use liability of \$16,371,316. The School's total investment in capital and right to use assets, as of June 30, 2025, amounts to \$15,568,862 (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.

### **LONG-TERM LIABILITIES**

The School has entered into note payable agreements to finance certain equipment. In addition, the School obtained loans from Bridgeprep Academy, Inc. of \$825,000 in 2023 and \$291,430 in 2025. These loan and note payable expire at various dates through July 2030. Total balances at June 30, 2025 of all loan and note payables was \$1,102,907.

### **REQUESTS FOR INFORMATION**

This financial report is intended to provide a general overview of the finances of the School. Requests for additional information may be addressed to Mr. Wyatt Truscheit of S.M.A.R.T. Management, LLC at 9875 S.W. 72<sup>nd</sup> Street, Miami, Florida 33173.

## GOVERNMENTAL FUND BUDGET ANALYSIS

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

	All Governmental Funds		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local and other local	\$ 6,520,176	\$ 5,792,264	\$ 5,790,052
Federal sources	536,962	210,233	199,441
State capital outlay funding	518,552	555,082	555,039
Charges for services and other income	444,739	194,735	214,776
<b>TOTAL REVENUES</b>	<b>\$ 8,020,429</b>	<b>\$ 6,752,314</b>	<b>\$ 6,759,308</b>
<b>EXPENDITURES</b>			
Instruction	\$ 3,277,351	\$ 2,822,866	\$ 2,495,175
Instructional support services	84,091	128,371	215,929
Instructional staff training services	19,017	13,573	18,411
Instructional related technology	95,070	110,282	123,256
Board	23,081	39,219	103,087
General administration	97,562	94,552	95,647
School administration	882,326	609,330	563,262
Fiscal services	762,298	599,853	716,182
Food services	893,853	204,038	200,616
Central services	100,739	79,663	34,020
Operation of plant	1,470,067	1,760,766	1,390,755
Maintenance of plant	107,184	102,505	141,957
Community services	3,047	1,504	6,105
Capital outlay	11,429	-	205,377
Extracurricular activities	-	-	95,230
Debt service	183,323	147,916	580,914
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,010,438</b>	<b>\$ 6,714,438</b>	<b>\$ 6,985,923</b>
Net change in fund balance	9,991	37,876	(226,615)
Other financing sources	-	291,430	496,807
Net change in fund balance	<b>\$ 9,991</b>	<b>\$ 329,306</b>	<b>\$ 270,192</b>

The general, special revenue and capital outlay fund budgets for the year ending June 30, 2025, were developed based on the School's anticipated revenues and expenditures and the expected student population for the school year. Refer to the budgetary comparison schedules on pages 24-25 for additional information.

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**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	\$ 783,300
Due from other agencies	533
<b>TOTAL CURRENT ASSETS</b>	<u>783,833</u>
<b>CAPITAL AND RIGHT TO USE ASSETS, NET</b>	15,568,862
Deposit receivable and other assets	<u>152,603</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 16,505,298</u></u>
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 231,985
Accrued wages payable	312,520
Compensated absences, current portion	20,323
Right to use liability, current portion	442,882
Loans payable - related party, current portion	101,698
Financed note payable, current portion	58,664
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,168,072</u>
Advances to Education Service Provider	20,500
Accrued liabilities, long-term portion	783,313
Right to use liability, long-term portion	15,928,434
Loans payable - related party, long-term	845,285
Financed note payable, long-term portion	97,260
<b>TOTAL LIABILITIES</b>	<u>18,842,864</u>
<b>NET POSITION</b>	
Net investment in capital and right to use assets	(958,378)
Deficit in unrestricted	(1,379,188)
<b>TOTAL NET POSITION (DEFICIT)</b>	<u>(2,337,566)</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 16,505,298</u></u>

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

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Instruction	\$2,619,201	\$ -	\$ 59,281	\$ -	\$ (2,559,920)
Instructional support services	216,572	-	-	-	(216,572)
Instructional staff training services	18,411	-	-	-	(18,411)
Instructional related technology	123,256	-	-	-	(123,256)
Board	103,087	-	-	-	(103,087)
General administration	95,647	-	-	-	(95,647)
School administration	569,733	-	-	-	(569,733)
Fiscal services	716,182	-	-	-	(716,182)
Food services	200,616	42,916	140,160	-	(17,540)
Central services	34,020	-	-	-	(34,020)
Operation of plant	1,201,043	-	-	555,039	(646,004)
Maintenance of plant	141,957	-	-	-	(141,957)
Community services	6,105	26,629	-	-	20,524
Extracurricular activities	95,230	145,231	-	-	50,001
Interest expense	1,007,783	-	-	-	(1,007,783)
<b>Total Governmental Activities</b>	<b>\$7,148,843</b>	<b>\$ 214,776</b>	<b>\$ 199,441</b>	<b>\$ 555,039</b>	<b>\$ (6,179,587)</b>

GENERAL REVENUES:

State and local sources	<u>\$ 5,790,052</u>
Total general revenues	5,790,052

Change in Net Position (389,535)

NET POSITION (DEFICIT) - BEGINNING (1,948,031)

NET POSITION (DEFICIT) - ENDING \$ (2,337,566)

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

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2025**

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	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 783,300	\$ -	\$ 783,300
Due from other agencies	533	-	533
Deposit receivable and other assets	152,603	-	152,603
<b>TOTAL ASSETS</b>	<u>\$ 936,436</u>	<u>\$ -</u>	<u>\$ 936,436</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 1,023,798	\$ -	\$ 1,023,798
Accrued wages payable	312,520	-	312,520
<b>TOTAL LIABILITIES</b>	<u>1,336,318</u>	<u>-</u>	<u>1,336,318</u>
<b>FUND BALANCE</b>			
Nonspendable			
Deposit receivable and other assets	152,603	-	152,603
Deficit in unassigned	(552,485)	-	(552,485)
<b>TOTAL FUND BALANCE (DEFICIT)</b>	<u>(399,882)</u>	<u>-</u>	<u>(399,882)</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 936,436</u>	<u>\$ -</u>	<u>\$ 936,436</u>

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

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT**  
**OF NET POSTION**  
**JUNE 30, 2025**

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Total Fund Balance (deficit) - Governmental Funds \$ (399,882)

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	579,967
Accumulated depreciation	(276,858)

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

Right to use asset, net	15,265,753
Right to use liability	(16,371,316)

Financial obligations used in governmental funds are not financial resources and, therefore, are not reported in the fund liabilities. The total obligations, both current and long-term, are reported in the statement of net position.

Compensated absences	(20,323)
Financed note payable	(155,924)
Loans payable	(938,483)
Advances from Education Service Provider	(20,500)

Total Net Position (deficit) - Governmental Activities \$ (2,337,566)

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

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**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 and other local	\$ 5,790,052	\$ -	\$ -	\$ 5,790,052
Federal sources	-	-	59,281	59,281
Federal lunch program	-	-	140,160	140,160
State capital outlay funding	-	555,039	-	555,039
Charges for services	26,629	-	188,147	214,776
<b>TOTAL REVENUES</b>	<b>\$ 5,816,681</b>	<b>\$ 555,039</b>	<b>\$ 387,588</b>	<b>\$ 6,759,308</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instruction	\$ 2,369,810	\$ -	\$ 125,365	\$ 2,495,175
Instructional support services	215,929	-	-	215,929
Instructional staff training services	18,411	-	-	18,411
Instructional related technology	123,256	-	-	123,256
Board	103,087	-	-	103,087
General administration	95,647	-	-	95,647
School administration	563,262	-	-	563,262
Fiscal services	716,182	-	-	716,182
Food services	17,540	-	183,076	200,616
Central services	34,020	-	-	34,020
Operation of plant	835,716	555,039	-	1,390,755
Maintenance of plant	141,957	-	-	141,957
Community services	6,105	-	-	6,105
Extracurricular activities	-	-	95,230	95,230
<b>Capital outlay:</b>				
Other capital outlay	205,377	-	-	205,377
<b>Debt service:</b>				
Redemption of principal	170,425	-	-	170,425
Reduction of right-to-use liability	349,397	-	-	349,397
Interest	61,092	-	-	61,092
<b>TOTAL EXPENDITURES</b>	<b>\$ 6,027,213</b>	<b>\$ 555,039</b>	<b>\$ 403,671</b>	<b>6,985,923</b>
Excess of expenditures over revenues	(210,532)	-	(16,083)	(226,615)
<b>Other Financing Sources</b>				
Proceeds from Financing	496,807	-	-	496,807
<b>Total Other Financing Sources</b>	<b>496,807</b>	<b>-</b>	<b>-</b>	<b>496,807</b>
Net change in fund balance	286,275	-	(16,083)	270,192
Fund balance (deficit) at beginning of year	(686,157)	-	16,083	(670,074)
Fund balance (deficit) at end of year	<b>\$ (399,882)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (399,882)</b>

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

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**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 \$ 270,192

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	205,377
Depreciation expense	(110,817)

In the statement of activities, amortization of the right-to-use asset is reported as an expense over the estimated life of the lease, however, in the governmental funds report it is not included as an expense.

Amortization expense	(756,979)
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The proceeds from loans and captial leases provide current financial resources to governmental funds, but increases long-term liabilities in the statement of net assets. Repayment of advance principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Loan	(496,807)
Reduction of right-to-use liability	349,397
Repayments of principal	170,425

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 liability for compensated absences	(20,323)
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Change in Net Position of Governmental Activities	\$ (389,535)
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The accompanying notes are an integral part of this financial statement.

**BRIDGEPREP ACADEMY OF ST. CLOUD  
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 St. Cloud (the “School”) is a charter school sponsored by the School Board of Osceola County, Florida (the “District”). The School’s charter is held by Bridgeprep Academy, Inc., a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors which is comprised of six members.

The general operating authority of Bridgeprep Academy of St. Cloud (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 Osceola County, Florida. The current charter is effective until June 30, 2026. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case the School Board is required to notify the School in writing at least 90 days prior to the School’s expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The charter may be renewed annually by mutual agreement.

These financial statements are for the year ended June 30, 2025, when approximately 719 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 Governmental Accounting Standards Board (“GASB”).

**Government-wide and Fund Financial Statements**

*Government-wide Financial Statements*

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the School as a whole. Both statements report only governmental activities as the School does not engage in any business type activities. These statements do not include fiduciary funds.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

*Fund Financial Statements*

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Major individual governmental funds, namely, the general, special revenue and capital project funds are reported as separate columns in the fund financial statements:

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 St. Cloud, (the “School”) are prepared in accordance with generally accepted accounting principles (GAAP). The School’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidelines*.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification Section 1600.111 and Section N50 “*Accounting and Financial Reporting for Non-Exchange Transactions*.” On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

**Budgetary Basis Accounting**

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay). Any revisions to the annual budget are approved by the Board.

Cash and Cash Equivalents

The School’s cash is considered to be cash on hand and demand deposits, with original maturities of three months or less.

Due from Other Agencies

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

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets, Depreciation and Amortization

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

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

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The net investment in capital and right to use assets for the year ending June 30, 2025, was a negative \$958,378.
- 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.

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Balances

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

- Non-spendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). At June 30, 2025, the School had \$152,603 in non-spendable fund balance.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2025, there is \$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 is no committed fund balance.
- Assigned – fund balance classification are intended to be used by the School’s management for specific purposes but do not meet the criteria to be classified as restricted or committed. At June 30, 2025, there is no assigned fund balance.
- Unassigned – fund balance is the residual classification for the School’s general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending Policy

The School’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance at the end of the fiscal year by adjusting journal entries. First non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund. As of June 30, 2025, there are no minimum fund balance requirements for any of the School’s funds.

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.

Income Taxes

Bridgeprep Academy, Inc. qualifies as a tax exempt organization under the Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Osceola County (the "School Board") pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the School Board. Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. In addition, the School receives an annual allocation of charter school capital outlay funds for leasing of School facilities.

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

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 16, 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 9 for the related disclosures and financial statement effects.

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 10 for applicable disclosures.

NOTE 3 – DEPOSITS POLICY AND CREDIT RISK

It is the School's policy to maintain its cash and cash equivalents in one financial institution. Deposits at FDIC-insured financial institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Bridgeprep Academy, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of Bridgeprep Academy, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2025, bank balances in potential excess of FDIC coverage was \$612,553.

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 4 – CAPITAL 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 July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital Assets				
Audiovisual materials and computer software	\$ 310,935	\$ 143,907	\$ -	\$ 454,842
Furniture and equipment	63,655	61,470	-	125,125
Total Capital Assets	<u>374,590</u>	<u>205,377</u>	<u>-</u>	<u>579,967</u>
Less Accumulated Depreciation				
Audiovisual materials and computer software	(133,467)	(87,341)	-	(220,808)
Furniture and equipment	(32,574)	(23,476)	-	(56,050)
Total Accumulated Depreciation	<u>(166,041)</u>	<u>(110,817)</u>	<u>-</u>	<u>(276,858)</u>
Capital Assets, net	<u>208,549</u>	<u>94,560</u>	<u>-</u>	<u>303,109</u>
Right to use assets				
Right-to-use lease asset	16,779,711	-	-	16,779,711
Accumulated amortization	(756,979)	(756,979)	-	(1,513,958)
Total leased assets, net	<u>16,022,732</u>	<u>(756,979)</u>	<u>-</u>	<u>15,265,753</u>
Total capital and right to use assets, net	<u>\$ 16,231,281</u>	<u>\$ (662,419)</u>	<u>\$ -</u>	<u>\$ 15,568,862</u>

Depreciation expense for the year ended June 30, 2025 was \$110,817, which was allocated to instructional services. In addition, amortization expense of \$756,979 was allocated to operation of plant.

**NOTE 5 – EDUCATION SERVICE AND SUPPORT PROVIDER**

The School entered into an agreement with S.M.A.R.T. Management LLC to provide professional management and consulting services to the School. In its capacity, as the 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, 2021, and is in effect through June 30, 2027 with an option to renew. The contract can be terminated by either party with 90 days’ notice. The contract calls for a management fee between 4% and 10% of full time equivalent (FTE) revenues based on the School’s enrollment. During the year-ended June 30, 2025, the School incurred management fees of 10% or \$610,552. At June 30, 2025 management fees from prior year were due to S.M.A.R.T. Management LLC and totaled \$783,313. These amounts are not due currently and are included as accrued liabilities, long-term on the statement of net position. In addition, the School had long-term advances due to S.M.A.R.T. Management LLC of \$20,500 at June 30, 2025.

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

The School, through Bridgeprep Academy, Inc., entered into a lease agreement to lease its school facilities. The first payment commenced on September 1, 2021 and ends August 31, 2045. The lease has an option to renew unless a written termination notice is given in advance. For the year ended June 30, 2025, the School paid a monthly rent amount of approximately \$108,007. For the year ended June 30, 2025, the amount paid by the School for the use of the facilities was \$1,296,088.

On July 1, 2021, the School implemented GASB Statement No. 87 *Leases*, and as a result recorded a lease right of use asset and liability in these financial statements for the facility lease. The School used an interest rate of 5.75% based on the average incremental borrowing rate of the Organization to discount the annual lease payments and recognize the intangible right to use this asset and the lease liability as of September 1, 2021. The interest expense was \$946,691 and the amortization of the right-to-use asset was \$756,979 for the year ended June 30, 2025.

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

Year Ended	Principal	Interest	Total	
2026	\$ 442,882	\$ 922,118	\$ 1,365,000	
2027	469,030	895,970	1,365,000	
2028	496,721	868,279	1,365,000	
2029	526,047	838,953	1,365,000	
2030	557,105	807,895	1,365,000	
2031-2035	3,319,495	3,505,505	6,825,000	(Total for 5 Year Period)
2036-2040	4,422,151	2,402,849	6,825,000	(Total for 5 Year Period)
2041-2045	5,891,081	933,919	6,825,000	(Total for 5 Year Period)
2046	246,804	1,082	247,886	(Total for 1 Year Period)
	<u>\$16,371,316</u>	<u>\$11,176,570</u>	<u>\$27,547,886</u>	

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

	Balance July 1, 2024	Increase	Decrease	Balance June 30, 2025
Right to use liability	<u>\$ 16,720,713</u>	<u>\$ -</u>	<u>\$ 349,397</u>	<u>\$16,371,316</u>
	<u>\$ 16,720,713</u>	<u>\$ -</u>	<u>\$ 349,397</u>	<u>\$16,371,316</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.

**NOTE 7 – FINANCED NOTES AND LOANS PAYABLE**

Financed Notes Payable

The School has entered into note payable agreements to finance certain equipment. The terms of the agreement consist of monthly payments of principal and interest of varying amounts through July 2029. The loans bear interest at a fixed rates between 9.74% and 18.63%.

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 7 – FINANCED NOTE AND LOANS PAYABLE (Continued)

Financed Notes Payable

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

	Balance July 1, 2024	Amount Financed	Payments	Balance June 30, 2025
Financed notes payable	\$ 25,983	\$ 205,377	\$ 75,436	\$ 155,924
	<u>\$ 25,983</u>	<u>\$ 205,377</u>	<u>\$ 75,436</u>	<u>\$ 155,924</u>

Loans Payable – Related Party

The School received a loan payable of \$775,000 from Bridgeprep Academy, Inc on June 30, 2022. The School received an additional \$50,000 in connection with this loan in 2023. The balance at June 30, 2025 was \$647,053 and bears interest at prime plus .25% (8.50% at June 30, 2025). The loan is to be repaid in monthly payments of principal and interest and matures on July 12, 2030.

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	Proceeds	Interest Accrued	Payments	Balance June 30, 2025
Loan payable BPA Inc. 2022-2023	\$ 742,042	\$ -	\$ -	\$ 94,989	\$ 647,053
Loan payable BPA Inc. Loan Program	-	291,430	8,500	-	299,930
	<u>\$ 742,042</u>	<u>\$ 291,430</u>	<u>\$ 8,500</u>	<u>\$ 94,989</u>	<u>\$ 946,983</u>

Maturities of all long-term debt are as follows:

<u>Year Ended June 30</u>	
2026	\$ 160,362
2027	171,068
2028	435,580
2029	139,447
2030	40,526
Total	<u>\$ 946,983</u>

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**NOTE 8 – OTHER LIABILITY**

The School receives substantially all its funding from the state through the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. During the year ended June 30, 2025, the FDOE had not revised the fourth quarter calculation for FEFP. The School has estimated a potential liability at June 30, 2025, as a contingency if they are required to return the funding back to the District. The liability at June 30, 2025 was estimated at \$116,235 at June 30, 2025 and is included in accounts payable and accrued liabilities.

**NOTE 9 – COMPENSATED ABSENCES**

Changes in compensated absences during the year are as follows:

	Balance		Balance	Due within
	July 1, 2024	Net Change	June 30, 2025	One year
Compensated absences	\$ -	\$ 20,323	\$ 20,323	\$ 20,323
	<u>\$ -</u>	<u>\$ 20,323</u>	<u>\$ 20,323</u>	<u>\$ 20,323</u>

**NOTE 10 – 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 6 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 ST. CLOUD**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL – GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local and other local	\$ 6,520,176	\$ 5,792,264	\$ 5,790,052
Charges for services and other income	-	-	26,629
<b>TOTAL REVENUES</b>	<b>6,520,176</b>	<b>5,792,264</b>	<b>5,816,681</b>
<b>EXPENDITURES</b>			
Instruction	\$ 2,740,389	\$ 2,612,633	\$ 2,369,810
Instructional support services	84,091	128,371	215,929
Instructional staff training services	19,017	13,573	18,411
Instructional related technology	95,070	110,282	123,256
Board	23,081	39,219	103,087
General administration	97,562	94,552	95,647
School administration	882,326	609,330	563,262
Capital outlay	-	-	-
Fiscal services	762,298	599,853	716,182
Food services	449,114	9,303	17,540
Central services	100,739	79,663	34,020
Operation of plant	951,515	1,205,684	835,716
Maintenance of plant	107,184	102,505	141,957
Community services	3,047	1,504	6,105
Other capital outlay	11,429		205,377
Extracurricular activities	-	-	-
Debt service	183,323	147,916	580,914
<b>TOTAL EXPENDITURES</b>	<b>\$ 6,510,185</b>	<b>\$ 5,754,388</b>	<b>\$ 6,027,213</b>
Change in fund balance before other financing sources	9,991	37,876	(210,532)
Other financing sources	-	291,430	496,807
<b>Net change in fund balance</b>	<b>\$ 9,991</b>	<b>\$ 329,306</b>	<b>\$ 286,275</b>

See accompanying note to the required supplemental information.

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**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
REVENUES			
Federal sources	\$ 536,962	\$ 210,233	\$ 199,441
Charges for services and other income	444,739	194,735	188,147
TOTAL REVENUE	<u>\$ 981,701</u>	<u>\$ 404,968</u>	<u>\$ 387,588</u>
EXPENDITURES			
Instruction	\$ 536,962	\$ 210,233	\$ 125,365
Extracurricular activities	-	-	95,230
Food services	444,739	194,735	183,076
TOTAL EXPENDITURES	<u>981,701</u>	<u>404,968</u>	<u>403,671</u>
Other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,083)</u>

See accompanying note to the required supplemental information.

**BRIDGEPREP ACADEMY OF ST. CLOUD**  
**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).



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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 St. Cloud  
Kissimmee, 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 St. Cloud (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 16, 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **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.

*García Santa María De Armas Trujillo, PLLC*

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 16, 2025



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MANAGEMENT LETTER

Board of Directors of
Bridgeprep Academy of St. Cloud
Kissimmee, Florida

Report on the Financial Statements

We have audited the financial statements of Bridgeprep Academy of St. Cloud (the "School"), as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated September 16, 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 16, 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. Corrections have been made to address the findings and recommendations in the preceding financial report, except as noted in the tabulation below.

Table with 3 columns: Current Year, 2023-24 FY, 2022-23 FY. Row 1: 2025-1, 2024-1, 2023-1

## **Official Title**

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity and the school code assigned by the Florida Department of Education of the school is Bridgeprep Academy of St. Cloud and #490131.

## **Financial Condition and Management**

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financials condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2025 is not deteriorating. However, the following was noted that we would like to bring to the attention of the governing board of the School.

### **2025-001: Total fund balance deficit and deficit in net position**

#### **Observation**

Pursuant to Sections 218.39(5), Florida Statutes, the auditor must notify each member of the governing body for which a fund balance deficit in total or for that portion of a fund balance not classified as restricted, committed, or nonspendable, or a total or unrestricted net assets deficit, as reported on the fund financial statements of entities required to report under governmental financial reporting standards or on the basic financial statements of entities required to report under non-for-profit financial reporting standards, for which sufficient resources of the local government entity, charter school, charter technician career center, or district school board, as reported on the fund financial statements, are not available to cover the deficit.

#### **Condition**

The School had a total deficit in fund balance of \$399,882 at June 30, 2025.

#### **Cause**

The 2025 school year was the School's fourth year of operations. The School has had significant start-up costs the first two years in order to get the School property set up from an infrastructure and technology basis.

#### **Recommendation**

The School needs to increase enrollment and continue to properly budget its expected expenditures and revenues for the following school year so that it can continue to improve its financial position.

### **Effect**

The School had a total deficit in fund balance of \$399,882 at June 30, 2025.

### **Management response**

The Government-Wide financial statements show a deficit in change in net position of (\$389,535) during June 30, 2025. Incorporating the non-cash impact of the adoption of the right to use change in accounting for leases affected the net position by approximately \$757,000 during the year ended June 30, 2025. Without this adoption the change in net position would have been a positive \$367,444. The governmental fund change in fund balance was an increase of \$270,192, decreasing the deficit in fund balance from (\$670,074) to (\$399,882) at June 30, 2025. Although a deficit at year end, the School improved approximately \$350,000 in its change in fund balance compared to prior year.

The School is focusing on growing the School and enrollment and keeping costs steady and is anticipating an improvement to its net position and fund balance for the 2025-2026 fiscal year. The School projects an increase of students from 719 to over 800 for the new school year. The School maintains a 41 days of cash on hand at year end. This allows the School to sustain operations and navigate any unforeseen financial challenge. The School approved the 2025-2026 fiscal year budget projects a 6% of revenues net change in fund balance and a projected fund balance of approximately \$142,000.

In addition, to assist the School's current ratio, management has deferred management fees of approximately \$783,000 to long-term and due once the School has excess cash flow and a positive fund balance. Finally, the prior landlord sold the property, subsequent to year end, and with the new lease the School anticipates a savings of approximately \$117,000 in the first year and over an estimated \$29 million approximately in savings over the life of the lease.

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.

Based on these additional funding sources and implementation of additional academic resources the School is projected to continue its path to improve financially and academic performance.

### **Transparency**

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

### **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, and the School Board of Osceola County, Florida, 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 16, 2025