

BRIDGEPREP ACADEMY CHARTER SCHOOL
MIAMI, FLORIDA
(A COMPONENT UNIT OF THE SCHOOL BOARD
OF MIAMI-DADE COUNTY, FLORIDA)

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

JUNE 30, 2019

BRIDGEPREP ACADEMY CHARTER SCHOOL
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2019

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

10700 Southwest 56th Street
Miami, FL 33165
(305)271-3109

2018-2019

BOARD OF DIRECTORS

Mr. Luis Necuze, Chair
Ms. Yeneir Rodriguez-Padron, Treasurer
Dr. Lou LoFranco, Secretary
Mr. Ronald Marcelo, Director

SCHOOL ADMINISTRATION

Ms. Yvette Rodriguez, Principal
Ms. Maria Rodriguez, Assistant Principal



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bridgeprep Academy Charter School
Miami, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of Bridgeprep Academy Charter School (the "School"), a charter school under Bridgeprep Academy, Inc., and a component unit of the District School Board of Miami-Dade County, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2019, 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.

Other Matters

As described in Note 1, the accompanying financial statements referred to above present only the financial position of Bridgeprep Academy Charter School as of June 30, 2019, and the respective changes in financial position for the year then ended, and it 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, 2019 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 9 and budgetary comparison information on pages 24 through 27 be presented to supplement the basic financial statements. Such information, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2019 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Verdepin DeArmas Trujillo".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 13, 2019

Management's Discussion and Analysis
Bridgeprep Academy Charter School
June 30, 2019

The corporate officers of Bridgeprep Academy Charter School (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2019.

FINANCIAL HIGHLIGHTS

1. The assets of the School exceeded its liabilities at June 30, 2019 by \$431,470 (net position).
2. At year-end, the School had current assets of \$296,110 and its net position decreased by \$333,439.
3. The Schools fund balance decreased by \$527,941 and its fund balance at the end of the year is \$73,917.

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, 2019 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. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 12 - 15 of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 16 - 23 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of a school's financial position. A summary of the School's net position as of June 30, 2019 and 2018 follows:

Assets	2019	2018
Cash and cash equivalents	\$ 263,143	\$ 809,300
Due from other agencies	32,967	11,762
Deposits receivable and other assets	103,527	104,443
Capital assets, net	1,021,911	209,304
Total Assets	\$ 1,421,548	\$ 1,134,809
Liabilities and Net Position		
Accounts and wages payable and accrued liabilities	\$ 325,720	\$ 323,647
Obligations under capital lease	664,358	46,253
Total Liabilities	990,078	\$ 369,900
Net investment in capital assets	357,553	163,051
Unrestricted	73,917	601,858
Total Net Position	\$ 431,470	\$ 764,909
Total Liabilities and Net Position	\$ 1,421,548	\$ 1,134,809

At June 30, 2019, the School's total assets were \$1,421,548 and total liabilities were \$990,078 and reported a total net position of \$431,470. The School financed the construction of modular facilities on the campus during the year. This resulted in an increase of approximately \$900,000 to capital assets and an increase of approximately \$600,000 to liabilities at June 30, 2019.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2019 and 2018 follows:

REVENUES	2019	2018
Program Revenues		
Revenue from state sources	\$ 137,784	\$ 112,243
Capital outlay funding	308,200	279,845
Charges for services	61,123	39,188
General Revenues		
FEFP nonspecific revenue	4,506,105	4,109,664
Fundraising & other revenue	48,715	74,527
Total Revenues	<u>\$ 5,061,927</u>	<u>\$ 4,615,467</u>
EXPENSES		
Instruction	\$ 2,394,668	\$ 1,972,032
Instructional support services	12,654	9,764
Instructional media services	5,650	9,307
Instructional staff training services	2,489	1,230
General administrative	741,034	849,104
Board	15,638	10,000
School administration	901,053	561,087
Facilities acquisition & construction	2,720	6,780
Fiscal services	253	6,092
Food services	176,491	154,100
Operation of plant	699,268	664,885
Maintenance of plant	168,576	132,473
Community services	28,763	24,902
Interest expense	57,668	1,734
Depreciation	188,441	114,059
Total Expenses	<u>\$ 5,395,366</u>	<u>\$ 4,517,549</u>
Change in Net Position	(333,439)	97,918
Net Position at Beginning of Year	764,909	666,991
Net Position at End of Year	<u>\$ 431,470</u>	<u>\$ 764,909</u>

The School's total revenues for the year ended June 30, 2019 were \$5,061,927 while its total expenses were \$5,395,366 for a net decrease of \$333,439. The School financed the purchase of their modular building with 10 extra classrooms and a new indoor cafeteria. The School was able to negotiate a land lease with the landlord and acquire the asset of the modular building. There were initial startup cost for zoning, architecture, modular deposit and modular installation. The total for this variable startup investment was approximately \$900,000. The School was not able to fully capitalize on the new space as it still had a year remaining on their satellite Middle School lease agreement with "The Rock" Church lease. It is expected that now without the added rent expense to "The Rock" as well as the reduction of support personnel for a separate campus, the school will stabilize and fully maximize its financial position with its program in one location.

ACCOMPLISHMENTS

The acquisition of their new middle school building has allowed for the 6th to 8th grade levels to experience academic and social experiences that will prepare students for the High School years at their home location. Being able to once again have the entire K-8 program in one location will allow maximizing school expenses as well as providing the families of Bridgeprep Academy a holistic experience throughout 9 years. The school is expected to adequately emphasize their instructional program in one location and not require travel from campus to campus for support.

SCHOOL LOCATION

The School operates in the Miami area located at 10700 Southwest 56 Street, Miami, FL 33165.

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 reported a combined fund balance of \$73,917 and had a decrease in fund balance of \$527,941 for the year ended June 30, 2019.

CAPITAL ASSETS

The School's investment in capital assets, as of June 30, 2019, amounts to \$1,021,911 (net of accumulated depreciation). This investment in capital assets includes leasehold improvements, furniture, fixtures and equipment and audio visual materials and computer software.

GOVERNMENTAL FUND BUDGET ANALYSIS

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

	All Governmental Funds		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 4,085,577	\$ 4,085,577	\$ 4,506,105
State capital outlay funding	112,809	112,809	308,200
Federal lunch program	67,950	67,950	137,784
Charges for services	32,310	32,310	61,123
Other income	-	-	48,715
TOTAL REVENUES	<u>\$ 4,298,646</u>	<u>\$ 4,298,646</u>	<u>\$ 5,061,927</u>
EXPENDITURES			
Instruction	\$ 2,000,869	\$ 2,000,869	\$ 2,394,668
Instructional support services	15,000	15,000	12,654
Instructional media services	-	-	5,650
Instructional staff training services	-	-	2,489
General administrative	579,920	579,920	741,034
Board	10,000	10,000	15,638
School administration	378,408	378,408	901,053
Facilities acquisition & construction	155,157	155,157	1,003,768
Fiscal services	3,414	3,414	253
Food services	67,950	67,950	176,491
Operation of plant	819,977	819,977	699,268
Maintenance of plant	23,002	23,002	168,576
Community services	-	-	28,763
Debt service	-	-	167,497
TOTAL EXPENDITURES	<u>\$ 4,053,697</u>	<u>\$ 4,053,697</u>	<u>\$ 6,317,802</u>
Excess of revenues over expenditures	244,949	244,949	(1,255,875)
Other financing sources	<u>-</u>	<u>-</u>	<u>727,934</u>
Net change in fund balance	<u>\$ 244,949</u>	<u>\$ 244,949</u>	<u>\$ (527,941)</u>

Actual expenditures were significantly higher than budgeted due to the construction of the modular on the property of approximately \$900,000.

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. Juan Carlos Quintana of S.M.A.R.T. Management, LLC located at 9875 SW 72nd Street, Miami, Florida 33173.

BRIDGEPREP ACADEMY CHARTER SCHOOL
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 263,143
Due from other agencies	32,967
TOTAL CURRENT ASSETS	296,110
CAPITAL ASSETS	
Improvements other than buildings	956,548
Less accumulated depreciation	(71,097)
Buildings and fixed equipment	21,834
Less accumulated depreciation	(73,319)
Furniture and equipment	495,564
Less accumulated depreciation	(350,252)
Audio visual materials & computer software	211,496
Less accumulated depreciation	(168,863)
Total capital assets, net	1,021,911
Deposit receivable and other assets	103,527
TOTAL ASSETS	\$ 1,421,548
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 353
Accrued wages payable	325,367
Obligations under capital lease- current portion	121,990
TOTAL CURRENT LIABILITIES	447,710
Obligations under capital lease- long-term portion	542,368
TOTAL LIABILITIES	990,078
NET POSITION	
Invested in capital assets, net of related debt	357,553
Unrestricted	73,917
TOTAL NET POSITION	431,470
TOTAL LIABILITIES AND NET POSITION	\$ 1,421,548

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

BRIDGEPREP ACADEMY CHARTER SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 2,394,668	\$ -	\$ -	\$ -	\$ (2,394,668)
Instructional support services	12,654	-	-	-	(12,654)
Instructional media services	5,650	-	-	-	(5,650)
Instructional staff training services	2,489	-	-	-	(2,489)
General administrative	741,034	-	-	-	(741,034)
Board	15,638	-	-	-	(15,638)
School administration	901,053	-	-	-	(901,053)
Facilities acquisition & construction	2,720	-	-	-	(2,720)
Fiscal services	253	-	-	-	(253)
Food services	176,491	32,234	137,784	-	(6,473)
Operation of plant	699,268	-	-	308,200	(391,068)
Maintenance of plant	168,576	-	-	-	(168,576)
Community services	28,763	28,889	-	-	126
Interest expense	57,668	-	-	-	(57,668)
Depreciation expense	188,441	-	-	-	(188,441)
Total Governmental Activities	\$ 5,395,366	\$ 61,123	\$ 137,784	\$ 308,200	\$ (4,888,259)

GENERAL REVENUES:

Government grants not restricted to specific programs	4,506,105
Fundraising and other revenue	48,715
Total general revenues	<u>4,554,820</u>

Change in Net Position (333,439)

NET POSITION - BEGINNING 764,909

NET POSITION - ENDING \$ 431,470

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

BRIDGEPREP ACADEMY CHARTER SCHOOL
BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>Governmental Fund</u>
ASSETS	
Cash and cash equivalents	\$ 263,143
Due from other agencies	32,967
Deposit receivable and other assets	<u>103,527</u>
TOTAL ASSETS	<u><u>\$ 399,637</u></u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable and accrued liabilities	\$ 353
Accrued wages payable	<u>325,367</u>
TOTAL LIABILITIES	<u>325,720</u>
FUND BALANCE	
Nonspendable	
Deposit receivable and other assets	103,527
Unassigned	<u>(29,610)</u>
TOTAL FUND BALANCE	<u><u>73,917</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 399,637</u></u>

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

BRIDGEPREP ACADEMY CHARTER SCHOOL**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION****JUNE 30, 2019**

Total Fund Balance - Governmental Funds \$ 73,917

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

Capital assets	1,685,442
Accumulated depreciation	(663,531)

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

Obligations under capital lease	(664,358)
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Total Net Position - Governmental Activities	<u><u>\$ 431,470</u></u>
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The accompanying notes are an integral part of this financial statement.

BRIDGEPREP ACADEMY CHARTER SCHOOL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Funds	Capital Projects Fund	Special Revenue Fund	Total Governmental
REVENUES				
State passed through local	\$ 4,506,105	\$ -	\$ -	\$ 4,506,105
State capital outlay funding	-	308,200	-	308,200
Federal lunch program	-	-	137,784	137,784
Charges for services	61,123	-	-	61,123
Other income	48,715	-	-	48,715
TOTAL REVENUES	4,615,943	308,200	137,784	5,061,927
EXPENDITURES				
Current:				
Instruction	2,394,668	-	-	2,394,668
Instructional support services	12,654	-	-	12,654
Instructional media services	5,650	-	-	5,650
Instructional staff training services	2,489	-	-	2,489
General administrative	741,034	-	-	741,034
Board	15,638	-	-	15,638
School administration	901,053	-	-	901,053
Facilities acquisition & construction	2,720	-	-	2,720
Fiscal services	253	-	-	253
Food services	64,248	-	112,243	176,491
Operation of plant	391,068	308,200	-	699,268
Maintenance of plant	168,576	-	-	168,576
Community services	28,763	-	-	28,763
Capital Outlay:				
Other capital outlay	1,001,048	-	-	1,001,048
Debt Service:				
Redemption of principal	109,829	-	-	109,829
Interest	57,668	-	-	57,668
TOTAL EXPENDITURES	5,897,359	308,200	112,243	6,317,802
 Excess of expenditures over revenues	 (1,281,416)	 -	 25,541	 (1,255,875)
OTHER FINANCING SOURCES				
Proceeds from capital lease obligation	727,934	-	-	727,934
Total other financing sources	727,934	-	-	727,934
 NET CHANGE IN FUND BALANCE	 (553,482)	 -	 25,541	 (527,941)
 Fund balance at beginning of year	 601,858	 -	 -	 601,858
 Fund balance at end of year	 <u>\$ 48,376</u>	 <u>\$ -</u>	 <u>\$ 25,541</u>	 <u>\$ 73,917</u>

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

BRIDGEPREP ACADEMY 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, 2019

Change in Fund Balance - Governmental Funds	\$	(527,941)
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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	1,001,048
Depreciation expense	(188,441)

Governmental funds report capital lease obligations proceeds as financing sources, while repayment is reported as expenditures. However, in the statement of activities, the capital lease obligations increases liabilities and does not affect the statement of activities and repayment of principal reduces the obligations.

Proceeds from capital lease obligation	(727,934)
Repayments of principal	109,829

Change in Net Position of Governmental Activities	<u>\$</u>	<u>(333,439)</u>
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The accompanying notes are an integral part of this financial statement.

**BRIDGEPREP ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Bridgeprep Academy Charter School, (the “School”) is a charter school sponsored by the School Board of Miami-Dade County, Florida (the “District”) and is a component unit of the District. The School’s charter is held by Bridgeprep Academy, Inc., a not-for-profit corporation, organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Board of Directors which is comprised of five members.

The general operating authority of Bridgeprep Academy 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 Miami-Dade County, Florida. The current charter is effective until June 30, 2025. 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, 2019, when 632 students were enrolled in grades Kindergarten through 8th grade.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants Audit and Accounting Guide – Audits per State and Local Governments and provisions of Florida Statutes, the School is presented as a governmental organization for financial statement reporting purposes under standards set by the Governmental Accounting Standards Board (“GASB”).

Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

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

**BRIDGEPREP ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

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.

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.

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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of Bridgeprep Academy 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 CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts receivable

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

Due from Other Agencies

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

Capital Assets, Depreciation and Amortization

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

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

Compensated Absences

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

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

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

BRIDGEPREP ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Fund Net Position

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

- Net investment in capital assets – consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources. The net investment in capital assets for the year ending June 30, 2019, was \$357,553.
- 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, 2019 was \$0.
- Unrestricted – all other net position is reported in this category, including amounts due from affiliates and charter schools.

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, 2019, the School had \$103,527 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, 2019, there is no restricted fund balance.
- Committed – fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. At June 30, 2019, 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, 2019, 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, 2019, there are no minimum fund balance requirements for any of the School's funds.

**BRIDGEPREP ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Sources

Revenues for operations will be received primarily from the District School Board of Miami-Dade 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.

Income Taxes

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

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 13, 2019, which is the date the financial statements were available to be issued.

BRIDGEPREP ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 3 – CAPITAL ASSETS

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2019:

	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
Capital Assets				
Improvements other than building	\$ 51,710	\$ 904,838	\$ -	\$ 956,548
Building & fixed equipment	21,834	-	-	21,834
Furniture & equipment	369,354	126,210	-	495,564
Audio visual materials & computer software	211,496	-	-	211,496
Construction in progress	30,000	-	(30,000)	-
Total Capital Assets	<u>\$ 684,394</u>	<u>\$ 1,031,048</u>	<u>\$ (30,000)</u>	<u>\$ 1,685,442</u>
Less Accumulated Depreciation				
Improvements other than building	\$ (41,807)	\$ (29,290)	\$ -	\$ (71,097)
Building & fixed equipment	(19,774)	(53,545)	-	(73,319)
Furniture & equipment	(291,908)	(58,344)	-	(350,252)
Audio visual materials & computer software	(121,601)	(47,262)	-	(168,863)
Total Accumulated Depreciation	<u>\$ (475,090)</u>	<u>\$ (188,441)</u>	<u>\$ -</u>	<u>\$ (663,531)</u>
Capital Assets, net	<u>\$ 209,304</u>	<u>\$ 842,607</u>	<u>\$ (30,000)</u>	<u>\$ 1,021,911</u>

Depreciation expense for the year ended June 30, 2019, amounted to \$188,441, of which \$105,606 was allocated to regular instruction and \$82,835 was allocated to operation of plant.

NOTE 4 – CAPITAL LEASE OBLIGATIONS

The School leases equipment and mobile modulars under capital leases expiring through 2024. As of June 30, 2019, the leased buildings and equipment are reflected at a cost of \$779,558 and related accumulated depreciation of \$91,857. The lease requires monthly payments of principal and interest amounting to \$15,356, at interest rates between 7.174% and 10.585 per annum.

Future minimum payments under the capital lease as of June 30, 2019 are as follows:

	Year Ended June 30,
2020	\$ 184,281
2021	177,619
2022	164,297
2023	164,297
2024	148,841
Total minimum lease payments:	<u>839,335</u>
Interest	<u>(174,977)</u>
Present value of net minimum lease payments	664,358
Obligations under capital lease- current portion	<u>(121,990)</u>
Obligations under capital lease- long-term portion	<u>\$ 542,368</u>

BRIDGEPREP ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 4 – CAPITAL LEASE OBLIGATIONS (Continued)

The following is a summary of changes in long-term debt for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Payments	Balance June 30, 2019
Obligations under capital lease	\$ 46,253	\$ 727,934	\$ 109,829	\$ 664,358
	<u>\$ 46,253</u>	<u>\$ 727,934</u>	<u>\$ 109,829</u>	<u>\$ 664,358</u>

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, S.M.A.R.T. Management LLC manages the finances and operations and makes recommendations to the School's independent board of directors which make the final determinations regarding policies and contracts.

In providing 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, 2010 and is in effect through June 30, 2020. The contract calls for a management fee equal to 10% of full time equivalent (FTE) revenue for the year ended June 30, 2019. In addition, the School pays \$500 a month for the management of the After Care program. During the year-ended June 30, 2019, the School incurred management fees of \$448,078. At June 30, 2019, the School had no amounts owed to the management company.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

The School entered into a lease agreement in April 2010 to lease facilities. The first payment commenced on September 1, 2010 and requires monthly lease payments of \$26,637 for the year ended June 30, 2019 and an additional annual payment of \$350 per student exceeding 408. The term of this agreement ends July 31, 2026.

In August 2016, the School entered into an additional lease of facilities located at a separate location. The lease has an initial term of 5 years through August 2021 and has one additional renewal term of five years if all parties agree. During the year ended June 30, 2019, the lease required monthly payments of \$950 per student to be determined by the student roster located in the facility. This lease was terminated on June 30, 2019.

For the year ended June 30, 2019, the amount paid by the School for the use of the facilities and services was \$540,576. Estimated future minimum lease payments are as follows:

<u>Year Ended June 30</u>	
2020	\$ 338,285
2021	348,434
2022	358,887
2023	369,653
2024	412,549
2025-2026 (2 years)	<u>798,032</u>
Total	<u>\$ 2,625,840</u>

**BRIDGEPREP ACADEMY CHARTER SCHOOL
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 7 – DEPOSITS POLICY AND CREDIT RISK

It is the School's policy to maintain its cash and cash equivalents in one financial institution. Deposits at FDIC-insured financial institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Bridgeprep Academy, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of Bridgeprep Academy, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2019, bank balances in potential excess of FDIC coverage was \$297,327.

NOTE 8 – GRANTS

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

NOTE 9 – RISK MANAGEMENT

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

NOTE 10 – 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 \$1,338 in contributions to the Plan for the year ended June 30, 2019.

REQUIRED SUPPLEMENTAL INFORMATION

BRIDGEPREP ACADEMY CHARTER SCHOOL
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND**
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 4,085,577	\$ 4,085,577	\$ 4,506,105
Charges for services	32,310	32,310	61,123
Other income	-	-	48,715
TOTAL REVENUES	\$ 4,117,887	\$ 4,117,887	\$ 4,615,943
EXPENDITURES			
Instruction	\$ 2,000,869	\$ 2,000,869	\$ 2,394,668
Instructional support services	15,000	15,000	12,654
Instructional media services	-	-	5,650
Instructional staff training services	-	-	2,489
General administrative	579,920	579,920	741,034
Board	10,000	10,000	15,638
School administration	378,408	378,408	901,053
Facilities acquisition & construction	155,157	155,157	1,003,768
Fiscal services	3,414	3,414	253
Food services	-	-	64,248
Operation of plant	707,168	707,168	391,068
Maintenance of plant	23,002	23,002	168,576
Community services	-	-	28,763
Debt service	-	-	167,497
TOTAL EXPENDITURES	\$ 3,872,938	\$ 3,872,938	\$ 5,897,359
Change in fund balance before other financing sources	244,949	244,949	(1,281,416)
Other financing sources	-	-	727,934
Net change in fund balance	\$ 244,949	\$ 244,949	\$ (553,482)

See accompanying note to the required supplemental information.

BRIDGEPREP ACADEMY CHARTER SCHOOL**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
SPECIAL REVENUE FUND****FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal lunch program	\$ 67,950	\$ 67,950	\$ 137,784
TOTAL REVENUES	<u>\$ 67,950</u>	<u>\$ 67,950</u>	<u>\$ 137,784</u>
EXPENDITURES			
Food services	67,950	67,950	112,243
TOTAL EXPENDITURES	<u>\$ 67,950</u>	<u>\$ 67,950</u>	<u>\$ 112,243</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,541</u>

See accompanying note to the required supplemental information.

BRIDGEPREP ACADEMY CHARTER SCHOOL**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND****FOR THE YEAR ENDED JUNE 30, 2019**

	Capital Projects Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State capital outlay funding	\$ 112,809	\$ 112,809	\$ 308,200
TOTAL REVENUES	<u>\$ 112,809</u>	<u>\$ 112,809</u>	<u>\$ 308,200</u>
EXPENDITURES			
Operation of plant	\$ 112,809	\$ 112,809	\$ 308,200
TOTAL EXPENDITURES	<u>\$ 112,809</u>	<u>\$ 112,809</u>	<u>\$ 308,200</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying note to the required supplemental information.

BRIDGEPREP ACADEMY CHARTER SCHOOL
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

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, 2019, 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, capital project, 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).



Verdeja • De Armas • Trujillo

Certified Public Accountants and Advisors

Manny Alvarez, C.P.A.
Monique Bustamante, C.P.A.
Pedro M. De Armas, C.P.A.
Eric E. Santa Maria, C.P.A.
Alejandro M. Trujillo, C.P.A.
Octavio A. Verdeja, C.P.A.
Tab Verdeja, C.P.A.

Michelle del Sol, C.P.A.
Tommy Trujillo, C.P.A.
Javier Verdeja, C.P.A.

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

Board of Directors of
Bridgeprep Academy Charter School
Miami, 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 Charter School (the "School"), as of and for the year ended June 30, 2019, 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 13, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 13, 2019



MANAGEMENT LETTER

Board of Directors of
Bridgeprep Academy Charter School
Miami, Florida

Report on the Financial Statements

We have audited the financial statements of Bridgeprep Academy Charter School (the “School”), a non-major component unit of the District School Board of Miami-Dade County, Florida, as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated September 13, 2019.

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 13, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity and the school code assigned by the Florida Department of Education of the school is Bridgeprep Academy Charter School and #132003.

Financial Condition and Management

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2019 is not deteriorating.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintains on its 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 Miami-Dade County, Florida, and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 13, 2019