

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

**BASIC FINANCIAL STATEMENTS, INDEPENDENT  
AUDITORS' REPORT AND SUPPLEMENTAL  
INFORMATION**

**JUNE 30, 2012**

**BRIDGEPOINT ACADEMY OF GREATER MIAMI CHARTER SCHOOL**  
**BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION**  
JUNE 30, 2012

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**BRIDGEPOINT ACADEMY OF GREATER MIAMI CHARTER SCHOOL**  
(A Charter School Under Bridgepoint Academy, Inc.)

137 NE 19<sup>th</sup> Street,  
Miami, FL 33132  
(786) 477-4372

2011-2012

**BOARD OF DIRECTORS**

Ms. Yeneir Rodriguez-Padron, Chair  
Dr. Lidia M. Steel  
Ms. Grace Zaldivar  
Dr. Ricardo Padron, Secretary  
Mr. Armando De La Vega, Treasurer

**SCHOOL ADMINISTRATION**

Ms. Maria Cedeno, Principal

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Bridgepoint Academy of Greater Miami Charter School  
Miami, Florida

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Bridgepoint Academy of Greater Miami Charter School, (the “School”) a component unit of the District School Board of Miami-Dade County, as of and for the year ended June 30, 2012, which collectively comprise the School’s basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the School’s management. Our responsibility is to express an opinion on these basic 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of Bridgepoint Academy of Greater Miami Charter School, a component unit of the District School Board of Miami-Dade County, Florida, as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2012, 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, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 8 and pages 22 and 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Auditing 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.

A handwritten signature in blue ink, reading "Veredija & De Almas". The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 4, 2012

**Management's Discussion and Analysis**  
Bridgepoint Academy of Greater Miami Charter School  
June 30, 2012

The corporate officers of Bridgepoint Academy of Greater Miami Charter School (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2012.

**FINANCIAL HIGHLIGHTS**

1. The liabilities of the School exceeded its assets at June 30, 2012 by \$129,872 (deficit).
2. At year-end, the School had current assets on hand of \$73,850.
3. The School had an excess of expenses over revenues of \$126,628 during its first full year of operations.

*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, 2012 are presented under GASB 34. 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 Assets* presents information on all of the School's assets and liabilities. The difference between the two is reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event resulting in the change occurs, without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 9 – 10 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. *Government Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

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

Prior to the start of the School's fiscal year, the Board of the School adopts an annual budget for its general and special revenue fund. A budgetary comparison statement has been provided for the School's governmental funds to demonstrate compliance with the School's budget. The basic governmental fund financial statements can be found on pages 11 – 14 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 basic financial statements can be found on pages 15 – 21 of this report.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, over time net assets may serve over time as a useful indicator of a school's financial position. In the case of the School, liabilities exceeded its assets by \$129,872 (deficit) at the close of the fiscal year, its first full year of operations. A summary of the School's net assets as of June 30, 2012 follows:

<b>Assets</b>		2012
Cash		\$ 67,455
Due from other agencies		6,395
Deposits receivable		37,000
Capital assets, net		112,682
Total Assets		<u>\$ 223,532</u>
<b>Liabilities and Net Assets (Deficit)</b>		
Accounts and wages payable and accrued liabilities		\$ 161,771
Due to other agencies		120,758
Due to Bridgepoint Academy, Inc.		70,875
Total Liabilities		<u>353,404</u>
Invested in capital assets, net of related debt		41,807
Unrestricted		(171,679)
Total Net Assets (Deficit)		<u>(129,872)</u>
Total Liabilities and Net Assets (Deficit)		<u>\$ 223,532</u>

At June 30, 2012, the School's total assets were approximately \$223,000 and total liabilities were approximately \$377,000. The School had minor expenses in the 2011 fiscal year, however, the fiscal year ended June 30, 2012 was the first full year of operations. At June 30, 2012, the School reported a deficit in total net assets of approximately \$130,000. Due to the School's first full year of operations, the School had to update the facilities to get them ready for the school year and approximately \$113,000 of fixed assets were capitalized. The School's liabilities primarily consisted of amounts due to the management company for advances made to the School to help the School's cash flow at June 30, 2012.

A summary and analysis of the School's revenues and expenses for the year ended June 30, 2012 follows:

<b>REVENUES</b>	<u>2012</u>
Program Revenues	
Federal lunch program	\$ 25,404
Charges for services	30,609
General Revenues	
Grants & contributions	1,311,289
Fundraising & other revenue	38,774
Total Revenues	<u>\$ 1,406,076</u>
 <b>EXPENSES</b>	
Instruction	\$ 698,140
Instructional support services	1,723
Instructional media services	716
Instructional staff training services	268
General administrative	276,317
School administration	212,232
Facilities acquisition & construction	556
Fiscal services	3,841
Food services	68,268
Pupil transportation services	1,550
Operation of plant	230,994
Maintenance of plant	15,127
Interest expense	731
Unallocated depreciation	22,241
Total Expenses	<u>\$ 1,532,704</u>
 Change in Net Assets	(126,628)
 <b>Net assets (deficit) at Beginning of Year</b>	<u>(3,244)</u>
<b>Net Assets (Deficit) at End of Year</b>	<u>\$ (129,872)</u>

The School's total revenues for the year ended June 30, 2012, were approximately \$1,406,000 while its total expenses were approximately \$1,533,000 for a net decrease of approximately \$127,000. This was the School's first full year of operations. Although enrollment for the 2011-12 school year increased throughout the year to 230 students, the School only received FEFP funding based on 217 students. As a result, funding was less than what was originally budgeted by the School to cover expenses.

For the 2012-13 fiscal year, the School expects to be in a better financial position due to increased funding from FEFP state funding due to the increased enrollment from 217 students to 290. This should result in an additional \$438,000 of state funding for the School. In addition, the School, during the 2011-12 fiscal year had approximately \$80,000 of start-up expenses such as textbook purchases, furniture, equipment, supplies and other repairs that were as a result of the opening of the School for its first school year. These are one-time expenses that will not occur in the 2012-13 fiscal year.

The School expects to re-pay all amounts due to other agencies and to be in a better financial position at the end of the 2012-13 fiscal year.

## **ACCOMPLISHMENTS**

During 2011-2012, the School completed its 1<sup>st</sup> year of operations. The School served over 230 students throughout the year and is projected to have approximately 290 students for the 2012-2013 school year. The increase is due to a high retention rate and a steady growth of satisfied parent referrals.

The School met or exceeded the district's averages on the high performance sections of the FCAT. However, the School had a large portion of students from the private sector with no prior FCAT scores. Because of this, the School did not have sufficient data to demonstrate gains in certain sections of the FCAT and therefore did not receive a letter grade for the first year of the School.

The School has a competitive athletics program which received district awards and placements in soccer, baseball and cheerleading. The School together with its local sponsors fundraised and improved their sports field. The campus was able to build an artificial turf multi-use field for soccer and football, a rubber surfaced basketball court and an innovative tire obstacle course.

Even though the School was not a recipient of the Start Up and Implementation State Grant, it has placed a fundraising plan to incorporate increased technology. The School has established a “parents of the round table” philosophy to incorporate and increase its fundraising efforts. Throughout this program it is projected that every classroom at the conclusion of the 2012-2013 school year will have Promethean Interactive Board and three more desktop stations. This has become a priority of the school board, administration and parents alike.

During its first full year of operations, the school was completely wired to have internet access from every classroom as well as wireless access throughout the building. This is the goal of all Brigepoint Academy Schools as it will allow for their academic program to continue competing with the ever changing improvements in today’s technology.

## **SCHOOL LOCATION**

The School operates in the Miami area located at 137 NE 19<sup>th</sup> Street, Miami, FL 33132.

## **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 ending fund balance deficit of \$171,679 and a deficit of \$168,435 for its first full year of school operations.

## **CAPITAL ASSETS**

The School’s investment in capital assets, as of June 30, 2012, amounts to \$112,682 (net of accumulated depreciation). This investment in capital assets includes leasehold improvements, fixtures, furniture and equipment and audio visual materials and computer software.

## LONG-TERM LIABILITIES

The School was advanced \$75,000 during the year by Bridgepoint Academy, Inc. The advance bears interest at June 30, 2012, at 6.0% and matures in March 2015. The balance at June 30, 2012, was \$70,875. The School made principal repayments of \$4,125 for the year ended June 30, 2012.

## 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 Funds		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 1,404,840	\$ 1,404,840	\$ 1,311,289
Federal lunch program	-	-	25,404
Charges for services	-	-	30,609
Other income	-	-	38,774
TOTAL REVENUES	<u>\$ 1,404,840</u>	<u>\$ 1,404,840</u>	<u>\$ 1,406,076</u>
EXPENDITURES			
Instruction	\$ 685,206	\$ 685,206	\$ 698,140
Instructional support services	1,500	1,500	1,723
Instructional media services	2,148	2,148	716
Instruction & curriculum development	12,500	12,500	-
Instructional staff training services	12,500	12,500	268
School board	15,000	15,000	-
General administrative	140,484	140,484	276,317
School administration	200,200	200,200	212,232
Facilities acquisition & construction	249,600	249,600	135,479
Fiscal services	18,500	18,500	3,841
Food services	15,000	15,000	68,268
Pupil transportation services	150	150	1,550
Operation of plant	-	-	230,994
Maintenance of plant	21,733	21,733	15,127
Community service	7,985	7,985	-
Debt service	-	-	4,856
TOTAL EXPENDITURES	<u>\$ 1,382,506</u>	<u>\$ 1,382,506</u>	<u>\$ 1,649,511</u>
Change in fund balance before other financing sources	22,334	22,334	(243,435)
Other financing sources	<u>-</u>	<u>-</u>	<u>75,000</u>
Net change in fund balance	<u>\$ 22,334</u>	<u>\$ 22,334</u>	<u>\$ (168,435)</u>

## 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 7990 Southwest 117<sup>th</sup> Avenue #210, Miami, Florida 33183.

**BRIDGEPOINT ACADEMY OF GREATER MIAMI CHARTER SCHOOL**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

	Governmental Activities
	2012
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 67,455
Due from other agencies	6,395
<b>TOTAL CURRENT ASSETS</b>	<b>73,850</b>
<b>CAPITAL ASSETS, NET</b>	
Improvements other than buildings	21,525
Less accumulated depreciation	(1,986)
Building and fixtures	23,417
Less accumulated depreciation	(4,844)
Furniture and equipment	75,410
Less accumulated depreciation	(13,244)
Audio visual materials & computer software	14,571
Less accumulated depreciation	(2,167)
<b>Total capital assets, net</b>	<b>112,682</b>
Deposit receivable and other assets	37,000
<b>TOTAL ASSETS</b>	<b>\$ 223,532</b>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 46,582
Wages payable	115,189
Due to other agencies	120,758
Due to Bridgepoint Academy, Inc. - current portion	23,625
<b>TOTAL LIABILITIES</b>	<b>306,154</b>
Due to Bridgepoint Academy, Inc. - long term portion	47,250
<b>NET ASSETS (DEFICIT)</b>	
Invested in capital assets, net of related debt	41,807
Unrestricted	(171,679)
<b>TOTAL NET ASSETS (DEFICIT)</b>	<b>(129,872)</b>
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ 223,532</b>

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

**BRIDGEPOINT ACADEMY OF GREATER MIAMI CHARTER SCHOOL**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

2012					
Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Instruction	\$ 698,140	\$ -	\$ -	\$ -	\$ (698,140)
Instructional support services	1,723	-	-	-	(1,723)
Instructional media services	716	-	-	-	(716)
Instructional staff training services	268	-	-	-	(268)
General administrative	276,317	-	-	-	(276,317)
School administration	212,232	-	-	-	(212,232)
Facilities acquisition & construction	556	-	-	-	(556)
Fiscal services	3,841	-	-	-	(3,841)
Food services	68,268	30,609	25,404	-	(12,255)
Pupil transportation services	1,550	-	-	-	(1,550)
Operation of plant	230,994	-	-	-	(230,994)
Maintenance of plant	15,127	-	-	-	(15,127)
Interest expense	731	-	-	-	(731)
Unallocated depreciation expense	22,241	-	-	-	(22,241)
<b>Total Governmental Activities</b>	<b>\$ 1,532,704</b>	<b>\$ 30,609</b>	<b>\$ 25,404</b>	<b>\$ -</b>	<b>\$ (1,476,691)</b>

**GENERAL REVENUES:**

Government grants not restricted to specific programs	\$ 1,311,289
Fundraising and other revenue	38,774
Total general revenues	<u>1,350,063</u>
Change in Net Assets	(126,628)
NET ASSETS (DEFICIT) - BEGINNING	<u>(3,244)</u>
NET ASSETS (DEFICIT) - ENDING	<u>\$ (129,872)</u>

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

**BRIDGEPOINT ACADEMY OF GREATER MIAMI CHARTER SCHOOL**  
**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

	2012
	<u>Governmental Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 67,455
Due from other agencies	6,395
Deposit receivable and other assets	37,000
<b>TOTAL ASSETS</b>	<u><u>\$ 110,850</u></u>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 46,582
Wages payable	115,189
Due to other agencies	120,758
<b>TOTAL LIABILITIES</b>	<u>282,529</u>
<b>FUND BALANCE (DEFICIT)</b>	
Nonspendable	
Deposit receivable and other assets	37,000
Deficit in unassigned	<u>(208,679)</u>
<b>TOTAL FUND BALANCE (DEFICIT)</b>	<u>(171,679)</u>
<b>TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)</b>	<u><u>\$ 110,850</u></u>

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



**BRIDGEPOINT ACADEMY OF GREATER MIAMI CHARTER SCHOOL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	2012		
	General Fund	Special Revenue Fund	Total Governmental Funds
<b>REVENUES</b>			
State passed through local	\$ 1,311,289	\$ -	\$ 1,311,289
Federal lunch program	-	25,404	25,404
Charges for services and other grants	-	30,609	30,609
Other income	38,774	-	38,774
<b>TOTAL REVENUES</b>	<u>\$ 1,350,063</u>	<u>\$ 56,013</u>	<u>\$ 1,406,076</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	\$ 698,140	\$ -	\$ 698,140
Instructional support services	1,723	-	1,723
Instructional media services	716	-	716
Instructional staff training services	268	-	268
General administrative	276,317	-	276,317
School administration	212,232	-	212,232
Facilities acquisition & construction	556	-	556
Fiscal services	3,841	-	3,841
Food services	12,255	56,013	68,268
Pupil transportation services	1,550	-	1,550
Operation of plant	230,994	-	230,994
Maintenance of plant	15,127	-	15,127
Capital Outlay:			
Facilities acquisition & construction	134,923	-	134,923
Debt Service:			
Redemption of principal	4,125	-	4,125
Interest	731	-	731
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,593,498</u>	<u>\$ 56,013</u>	<u>\$ 1,649,511</u>
Excess of expenditures over revenues	<u>\$ (243,435)</u>	<u>\$ -</u>	<u>\$ (243,435)</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from long-term financing	75,000	-	75,000
Total other financing sources	75,000	-	75,000
Net change in fund balance	(168,435)	-	(168,435)
Fund balance (deficit) at beginning of year	(3,396)	-	(3,396)
Fund balance (deficit) at end of year	<u>\$ (171,831)</u>	<u>\$ -</u>	<u>\$ (171,831)</u>

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

**BRIDGEPOINT ACADEMY OF GREATER MIAMI 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, 2012**

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Change in Fund Balance - Governmental Funds \$ (168,435)

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. This is the amount by which capital outlays of \$134,923 exceeded depreciation of \$22,241. 112,682

The proceeds from debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds of \$75,000 exceeded repayments of \$4,125 in the current period. (70,875)

Change in Net Assets of Governmental Activities \$ (126,628)

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

**BRIDGEPOINT ACADEMY OF GREATER MIAMI CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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**NOTE 1 – ORGANIZATION AND OPERATIONS**

**Reporting Entity**

Bridgepoint Academy of Greater Miami Charter School, (the “School”) a component unit of the School Board of Miami-Dade County, Florida is sponsored by its charter-holder, Bridgepoint 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 Bridgepoint Academy of Greater Miami 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 “School Board”). The current charter is effective until June 30, 2015. 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 10 years by mutual agreement.

These financial statements are for the year ended June 30, 2012, when 230 students were enrolled in grades Kindergarten through 5<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.

**Government-wide and Fund Financial Statements**

*Government-wide Financial Statements*

The government-wide financial statements include the statement of net assets 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.

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:

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

**BRIDGEPOINT ACADEMY OF GREATER MIAMI CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 Bridgepoint of Greater Miami 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) pronouncements. The government-wide financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

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. 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).

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.

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.

**BRIDGEPOINT ACADEMY OF GREATER MIAMI CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Due from Other Agencies

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

Capital Assets, Depreciation and Amortization

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

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

Compensated Absences

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

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

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

Government-wide Fund Net Assets

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

- Invested in capital assets, net of related debt – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- 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. There were no restricted net assets for the years ending June 30, 2012.
- Unrestricted – all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**BRIDGEPOINT ACADEMY OF GREATER MIAMI CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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, 2012, the School had \$37,000 in nonspendable fund balance.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 2012, 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, 2012, 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, 2012, 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, 2012, there are no minimum fund balance requirements for any of the School's funds.

Revenue Sources

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

**BRIDGEPOINT ACADEMY OF GREATER MIAMI CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income Taxes

The School is a division of a nonprofit corporation. The School qualifies as a tax exempt organization under the Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Use of Estimates

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

Subsequent Events

The School has evaluated subsequent events and transactions for potential recognition or disclosure through September 4, 2012, which is the date the financial statements were available to be issued.

**NOTE 3 – CAPITAL ASSETS**

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2012:

	Balance 7/1/2011	Additions	Deletions	Balance 6/30/2012
<b>Capital Assets</b>				
Improvements other than buildings	\$ -	\$ 21,525	\$ -	\$ 21,525
Building and fixtures	-	23,417	-	23,417
Furniture and equipment	-	75,410	-	75,410
Audio visual materials & computer software	-	14,571	-	14,571
Total Capital Assets	<u>\$ -</u>	<u>\$ 134,923</u>	<u>\$ -</u>	<u>\$ 134,923</u>
<b>Less Accumulated Depreciation</b>				
Improvements other than buildings	\$ -	\$ (1,986)	\$ -	\$ (1,986)
Building and fixtures	-	(4,844)	-	(4,844)
Furniture and equipment	-	(13,244)	-	(13,244)
Audio visual materials & computer software	-	(2,167)	-	(2,167)
Total Accumulated Depreciation	<u>\$ -</u>	<u>\$ (22,241)</u>	<u>\$ -</u>	<u>\$ (22,241)</u>
Capital Assets, net	<u>\$ -</u>	<u>\$ 112,682</u>	<u>\$ -</u>	<u>\$ 112,682</u>

Depreciation expense for the year ended June 30, 2012 was \$22,241.

**NOTE 4 – TRANSACTIONS WITH MANAGEMENT COMPANY**

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 management company, 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.

**BRIDGEPOINT ACADEMY OF GREATER MIAMI CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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**NOTE 4 – TRANSACTIONS WITH MANAGEMENT COMPANY (Continued)**

In providing management services to the School, officers of the management company may not serve as members of the Board of Directors of the School. The agreement began on July 1, 2010 and it is a five year agreement with a School option to renew. The contract calls for a management fee equal to 10% of full time equivalent (FTE) revenues. During the year-ended June 30, 2012, the School incurred management fees of \$131,110. At June 30, 2012, the School had a payable to the management company for \$13,116.

For the year ended June 30, 2012, the School was advanced amounts by the management company and its owners to help pay for certain expenses. The amount of \$97,833 is due at June 30, 2012 to the management company for advances made during the year and is included on the Statement of Net Assets under Due to Other Agencies.

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

The School entered into a lease agreement in January 2011 to lease facilities. The first payment commenced on September 1, 2011 and requires monthly lease payments of \$18,500 for the fiscal year ended June 30, 2012 and with annual base rent increases of the greater of 5% or CPI for the year. For the year ended June 30, 2012, the amount paid by the School for the use of the facilities and services was \$203,350. The term of this agreement ends August 31, 2016, and has an option for two 5 year renewals.

<u>Year Ended June 30</u>	
2013	\$ 233,100
2014	244,755
2015	256,993
2016	269,842
2017	23,611
Total	<u><u>\$ 1,028,301</u></u>

**NOTE 6 – DUE TO BRIDGEPOINT ACADEMY INC**

The School, as described in Note 1, is sponsored by its charter-holder, Bridgepoint Academy, Inc., a not-for-profit corporation. In March 2012, Bridgepoint Academy, Inc. obtained an unsecured line of credit loan from a financial institution in the amount of \$100,000. The amount can be drawn by Bridgepoint Academy, Inc. at anytime. The line of credit bears interest at the financial institution's prime rate. At June 30, 2012, the interest rate was 6.0% and matures in March 2015. The line of credit requires a minimum monthly payment equal to the sum of 1/36<sup>th</sup> of the unpaid principal and interest accrued at the end of the month.

In March 2012, Bridgepoint Academy, Inc. advanced \$75,000 to the School. The School reimburses Bridgepoint Academy, Inc. under the same terms. This amount has been included under due to Bridgepoint Academy, Inc. in the Statement of Net Assets. The balance at June 30, 2012 was \$70,875. Maturities at June 30, 2012 are as follows:

<u>Year Ended June 30</u>	
2013	\$ 23,625
2014	23,625
2015	23,625
Total	<u><u>\$ 70,875</u></u>

**BRIDGEPOINT ACADEMY OF GREATER MIAMI CHARTER SCHOOL**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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**NOTE 7 – RELATED PARTIES**

The School is sponsored by its charter-holder Bridgepoint Academy, Inc. which also sponsors two other charter schools: Bridgepoint Academy Charter School and Bridgepoint Academy of Village Green. At times during the year these schools may advance funds to each other. During the year ended June 30, 2012, the School was advanced \$38,054 by these other charter schools. Of this amount, the School paid back \$27,128. The balance due to these other charter schools at June 30, 2012 was \$10,925 and is included in Due to Other Agencies in the Statement of Net Assets.

In addition, Bridgepoint Academy, Inc. advanced the School \$75,000 during the year. (See Note 6)

**NOTE 8 – DEPOSITS POLICY AND CREDIT RISK**

It is the School's policy to maintain its cash and cash equivalents in major banks and in high grade investments.

As of June 30, 2012, the carrying amount of the School's operating cash deposit accounts was \$67,455 and the bank balance totaled \$80,820. As of June 30, 2012, balances held in financial institutions did not exceed the Federal Depository Insurance Corporation (FDIC) limit.

**NOTE 9 – GRANTS**

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

**NOTE 10 – OPERATIONS**

For the year ended June 30, 2012, the School's expenses exceeded its revenues by \$126,628 as indicated in the Statement of Activities. In addition, the School has a deficit in net assets of \$129,872. This was the School's first full year of operations and as indicated in the management, discussion and analysis section of this report, the School has detailed a plan on improving the School's financial position.

## REQUIRED SUPPLEMENTAL INFORMATION

**BRIDGEPOINT ACADEMY OF GREATER MIAMI CHARTER SCHOOL**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 1,404,840	\$ 1,404,840	\$ 1,311,289
Other income	-	-	38,774
<b>TOTAL REVENUES</b>	<u>\$ 1,404,840</u>	<u>\$ 1,404,840</u>	<u>\$ 1,350,063</u>
<b>EXPENDITURES</b>			
Instruction	\$ 685,206	\$ 685,206	\$ 698,140
Instructional support services	1,500	1,500	1,723
Instructional media services	2,148	2,148	716
Instruction & curriculum development	12,500	12,500	-
Instructional staff training services	12,500	12,500	268
School board	15,000	15,000	-
General administrative	140,484	140,484	276,317
School administration	200,200	200,200	212,232
Facilities acquisition & construction	249,600	249,600	135,479
Fiscal services	18,500	18,500	3,841
Food services	15,000	15,000	12,255
Pupil transportation services	150	150	1,550
Operation of plant	-	-	230,994
Maintenance of plant	21,733	21,733	15,127
Community services	7,985	7,985	-
Debt service	-	-	4,856
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,382,506</u>	<u>\$ 1,382,506</u>	<u>\$ 1,593,498</u>
Change in fund balance before other financing sources	22,334	22,334	(243,435)
Other financing sources	<u>-</u>	<u>-</u>	<u>75,000</u>
Net change in fund balance	<u>\$ 22,334</u>	<u>\$ 22,334</u>	<u>\$ (168,435)</u>

See accompanying note to the required supplemental information.

**BRIDGEPOINT ACADEMY OF GREATER MIAMI CHARTER SCHOOL**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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	Special Revenue Funds		
	Original Budget	Final Budget	Actual
REVENUES			
Federal lunch program	\$ -	\$ -	\$ 25,404
Charges for other services	-	-	30,609
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,013</u>
EXPENDITURES			
Food services	\$ -	\$ -	\$ 56,013
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,013</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.

**BRIDGEPOINT ACADEMY OF GREATER MIAMI CHARTER SCHOOL**  
**NOTE TO REQUIRED SUPPLEMENTAL INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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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, 2012 has been amended according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general and special revenue funds for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).

INDEPENDENT AUDITORS' 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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YESUE CASTRO, C.P.A.  
VIVIAN M. GANT, C.P.A.  
MARIA C. PEREZ-ABREU, C.P.A.  
RICHARD F. PUERTO, C.P.A.  
OCTAVIO F. VERDEJA, C.P.A.

Board of Directors of  
Bridgepoint Academy of Greater Miami Charter School  
Miami, Florida

We have audited the basic financial statements of the governmental activities and each major fund of Bridgepoint Academy of Greater Miami Charter School (the "School"), a component unit of the District School Board of Miami-Dade County, as of and for the year ended June 30, 2012, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 4, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

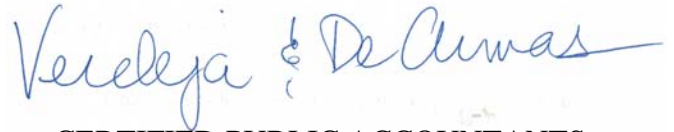
*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency or combination 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of 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*.

This report is intended solely for the information and use of Bridgepoint Academies, Charter School Inc.'s management, Board of Directors, others within the entity, the District School Board of Miami-Dade County, federal and state awarding agencies, the State of Florida Office of the Auditor General and other pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink, reading "Veredija & De Almas".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 4, 2012

## MANAGEMENT LETTER

Board of Directors of  
Bridgepoint Academy of Greater Miami Charter School  
Miami, Florida

We have audited the financial statements of the governmental activities and each major fund of Bridgepoint Academy of Greater Miami Charter School (the "School"), a non-major component unit of the District School Board of Miami-Dade County, as of and for the year ended June 30, 2012, and have issued our report thereon dated September 4, 2012.

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. We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in those reports, which are dated September 4, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, *Rules of the Auditor General*, which governs the conduct of charter school and similar entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- 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. This was the School's first audit and therefore there were no previous findings.
- Section 10.854(1)(e) 3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
- Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address violations of contracts or grant agreements, or abuse, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

- Section 10.854(1)(e)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statement, considering both quantitative and qualitative factors: (1) violations of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.854(1)(e)6., Rules of the Auditor General, requires the name or official title of the school. The official title of the school is Bridgepoint of Greater Miami Charter School.
- Section 10.854(1)(e)2., Rules of the Auditor General, requires a statement be included as to whether or not the school has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that Bridgepoint of Greater Miami Charter School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.854(1)(e)7.a. and 10.855(10), Rules of the Auditor General, we applied financial condition assessment procedures as of June 30, 2012, which included calculation and analysis of certain financial indicators we considered relevant to the School. Our financial condition assessment procedures did not include the use of benchmarks. 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 management. This was the School's first full year of operations and therefore we could not apply such procedures. See Management, Discussion and Analysis on pages 4-8.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of Bridgepoint Academy of Greater Miami Charter School's management, Board of Directors, others within the entity, the District School Board of Miami-Dade County, and the State of Florida Office of the Auditor General, and other regulatory agencies 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 4, 2012