

**BRIDGEPREP ACADEMY OF RIVERVIEW  
CHARTER SCHOOL  
RIVERVIEW, FLORIDA  
(A COMPONENT UNIT OF THE SCHOOL BOARD  
OF HILLSBOROUGH COUNTY, FLORIDA)**

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

**JUNE 30, 2019**

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

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

6309 S. US Highway 301  
Riverview, FL 33578  
(813) 405-1770

**2018-2019**

**BOARD OF DIRECTORS**

Ms. Yeneir Rodriguez-Padron, Chair  
Ms. Connie Arnold, Secretary  
Mr. Lou Lofranco, Treasurer  
Mr. Dipa Shah, Director

**SCHOOL ADMINISTRATION**

Mr. Marvin D. Pitts, Principal



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 AUDITORS' REPORT

Board of Directors  
Bridgeprep Academy of Riverview Charter School  
Riverview, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of Bridgeprep Academy of Riverview Charter School (the "School"), a charter school under Bridgeprep Charter Academy of Tampa, Inc., and a component unit of the District School Board of Hillsborough 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 of Riverview 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 of Tampa, Inc. These financial statements do not purport to and do not present fairly the financial position of Bridgeprep Academy of Tampa, Inc. as of June 30, 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 23 through 25 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 non-major 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 non-major 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 28, 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 dark ink, reading "Verdeja DeArmas Trujillo". The signature is written in a cursive style with a horizontal line above the last name.

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 28, 2019

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

The corporate officers of Bridgeprep Academy of Riverview 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 School had an increase in its net position of \$796,213 for the year ended June 30, 2019 and had an ending net position \$948,828.
2. At year-end, the School had current assets of \$651,972.
3. The School had an increase in fund balance of \$710,244 and had a fund balance at the end of the year was \$428,283.

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

#### *Notes to Financial Statements*

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

The notes to the financial statements can be found on pages 16 - 22 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:

<b>Assets</b>	<b>2019</b>	<b>2018</b>
Cash and cash equivalents	\$ 536,461	\$ 63,861
Due from governmental agencies & accounts receivable	18,133	2,754
Deposits receivable and other assets	165,613	68,235
Capital assets, net	580,172	553,259
<b>Total Assets</b>	<b>\$ 1,300,379</b>	<b>\$ 688,109</b>
<b>Liabilities and Net Position</b>		
Accounts and wages payable and accrued liabilities	\$ 291,924	\$ 416,811
Long-term debt	59,627	118,683
<b>Total Liabilities</b>	<b>351,551</b>	<b>535,494</b>
Invested in capital assets, net of related debt	520,545	434,576
Unrestricted (Deficit)	428,283	(281,961)
<b>Total Net Position</b>	<b>948,828</b>	<b>152,615</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 1,300,379</b>	<b>\$ 688,109</b>

The fiscal year June 30, 2019 was the School's second year of operations. At June 30, 2019, the School's total assets were \$1,300,379 and total liabilities were \$351,551. At June 30, 2019, the School reported a total net position of \$948,828.

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

<b>REVENUES</b>	<u>2019</u>	<u>2018</u>
Program Revenues		
Federal passed through local	\$ 466,325	\$ 355,595
Capital Outlay Funding	431,906	208,878
Charges for services	231,175	196,361
General Revenues		
FEFP nonspecific revenues	6,172,749	4,307,283
Fundraising & other revenue	54,968	63,777
Total Revenues	<u>\$ 7,357,123</u>	<u>\$ 5,131,894</u>
 <b>EXPENSES</b>		
Instructional services	\$ 2,869,248	\$ 2,196,806
Instructional support services	91,116	49,161
Instructional staff training services	1,590	2,806
General administrative - District Admin Fee	86,165	85,149
General administrative - management fee	492,964	430,368
General administrative - other	204,425	278,453
School administration	994,542	632,563
Facilities acquisition & construction - rent	1,221,667	782,076
Food services	74,073	65,321
Board	7,050	44,611
Operation of plant	166,570	144,366
Maintenance of plant	105,960	43,322
Community services	76,264	58,222
Interest expense	8,527	10,097
Depreciation	160,749	119,522
Total Expenses	<u>\$ 6,560,910</u>	<u>\$ 4,942,843</u>
 Change in Net Position	796,213	189,051
 <b>Net Position (Deficit) at Beginning of Year</b>	<u>152,615</u>	<u>(36,436)</u>
<b>Net Position at End of Year</b>	<u>\$ 948,828</u>	<u>\$ 152,615</u>

The School's total revenues for the year ended June 30, 2019 were \$7,357,123 while its total expenses were \$6,560,910 for a net increase of 796,213. This was the School's second full year of operations. The School's revenues and expenses increased due to increased enrollment.

## **ACCOMPLISHMENTS**

The School has just completed its second year of operations. The School has increased its enrollment from 885 students in 2018-2019 to approximately 1,115 students for the 2019-2020 school year. The School was also the recipient of the State's CSP grant in the award amount of \$550,000 total. Therefore, the School purchased instructional projectors, computers, laptops, and printers to allow the students the use of the online programs available at the School.

In addition, the entire campus has been equipped to meet the rigor of today's technology demands. This contributed to many start-up costs for the new equipment. The School has been able to finance this equipment through capital leases. For the 2018-2019 school year the School received a C grade, however providing an educational home to children from over 30 different schools. This year we will have the ability to increase the proficiency rate due to many being with our innovative model for their 2nd year.

The School services a high level of free and reduced lunch student population. Due to this extensive level of poverty, the School qualified to receive additional funding from Title I. The School is also part of a system accredited education service provider. This honor allows the School to receive capital outlay dollars towards operations, which will allow for a financial supplement towards capital expenses.

## **SCHOOL LOCATION**

The School operates in the Riverview area located at 6309 S. US Highway 301, Riverview, FL, 33578.

## **CAPITAL IMPROVEMENT REQUIREMENT**

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

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

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

## **GOVERNMENTAL FUNDS**

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

At the end of the fiscal year, the School's governmental funds had net increase in fund balance of \$710,244 and reported a combined fund balance at year-end of \$428,283.

## **CAPITAL ASSETS**

The School's investment in capital assets, as of June 30, 2019, amounts to \$580,172 (net of accumulated depreciation). This investment in capital assets includes leasehold improvements, furniture, fixtures and equipment and audio visual materials and computer software.

## LONG-TERM LIABILITIES

The School financed certain equipment through capital leases totaling \$165,771 at various interest rates. The School made principal repayments of \$59,056 during the year and the outstanding balance at June 30, 2019 was \$59,627.

## 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	\$ 6,144,042	\$ 6,172,749	\$ 6,172,749
Federal passed through local	-	466,325	466,325
State capital outlay funding	252,520	431,906	431,906
Charges for services and other income	250,000	286,143	286,143
TOTAL REVENUES	6,646,562	7,357,123	7,357,123
EXPENDITURES			
Instruction	\$ 2,695,200	\$ 2,869,248	\$ 2,869,248
Instructional support services	55,000	91,116	91,116
Instructional staff training services	-	1,590	1,590
School board	10,000	7,050	7,050
General administrative - district admin fee	85,334	86,165	86,165
General administrative - management fee	491,500	492,964	492,964
General administrative - other	250,000	204,425	204,425
School administration	550,000	994,542	994,542
Facilities acquisition & construction - rent	1,280,000	1,221,667	1,221,667
Fiscal services	5,000	187,662	187,662
Food services	55,000	74,073	74,073
Community services	55,000	76,264	76,264
Operation of plant	140,000	166,570	166,570
Maintenance of plant	100,000	105,960	105,960
Debt service	62,500	67,583	67,583
TOTAL EXPENDITURES	5,834,534	6,646,879	6,646,879
Net change in fund balance	\$ 812,028	\$ 710,244	\$ 710,244

The general, special revenue and capital outlay fund budgets for the year ending June 30, 2019, were developed based on the School's anticipated revenues and expenditures and the expected student population for the school year. Over the course of the year, the School revised its budgets for all funds and the final budgets were equal to the actual expenditures. Refer to the budgetary comparison schedules on pages 24-27 for additional information.

## 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 at 9875 S.W. 72<sup>nd</sup> Street, Miami, Florida 33173.

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

	Governmental Activities
<hr/>	
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 536,461
Due from other agencies	17,556
Accounts receivable	577
Prepaid expenses	97,378
<b>TOTAL CURRENT ASSETS</b>	<hr/> 651,972
<b>CAPITAL ASSETS, NET</b>	
Audiovisual materials and computer software	203,153
Less accumulated depreciation	(69,934)
Furniture and equipment	657,290
Less accumulated depreciation	(210,337)
<b>Total capital assets, net</b>	<hr/> 580,172
Deposit receivable and other assets	68,235
<b>TOTAL ASSETS</b>	<hr/> <hr/> \$ 1,300,379
 <b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 5,829
Accrued wages payable	286,095
Obligations under capital lease-current portion	54,431
<b>TOTAL CURRENT LIABILITIES</b>	<hr/> 346,355
Obligations under capital lease- long-term portion	5,196
<b>TOTAL LIABILITIES</b>	<hr/> 351,551
<b>NET POSITION</b>	
Net investment in capital assets	520,545
Unrestricted	428,283
<b>TOTAL NET POSITION</b>	<hr/> 948,828
<b>TOTAL LIABILITIES AND NET POSITION</b>	<hr/> <hr/> \$ 1,300,379

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

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

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Instruction	\$ 2,869,248	\$ -	\$ 440,361	\$ -	\$ (2,428,887)
Instructional support services	91,116	-	25,964	-	(65,152)
Instructional staff training services	1,590	-	-	-	(1,590)
General administrative - District Admin Fee	86,165	-	-	-	(86,165)
General administrative - management fee	492,964	-	-	-	(492,964)
General administrative - other	204,425	-	-	-	(204,425)
School administration	994,542	-	-	-	(994,542)
Facilities acquisition & construction - rent	1,221,667	-	-	431,906	(789,761)
Food services	74,073	14,913	-	-	(59,160)
School board	7,050	-	-	-	(7,050)
Operation of plant	166,570	-	-	-	(166,570)
Maintenance of plant	105,960	-	-	-	(105,960)
Community services - childcare programs	76,264	216,262	-	-	139,998
Interest expense	8,527	-	-	-	(8,527)
Depreciation expense	160,749	-	-	-	(160,749)
<b>Total Governmental Activities</b>	<b>\$ 6,560,910</b>	<b>\$ 231,175</b>	<b>\$ 466,325</b>	<b>\$ 431,906</b>	<b>\$ (5,431,504)</b>
GENERAL REVENUES:					
					6,172,749
					54,968
					<u>6,227,717</u>
Change in Net Position					796,213
NET POSITION - BEGINNING					<u>152,615</u>
NET POSITION - ENDING					<u><u>\$ 948,828</u></u>

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

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

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	<u>Governmental Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 536,461
Due from other agencies	17,556
Accounts receivable	577
Prepaid expenses	97,378
Deposit receivable and other assets	68,235
<b>TOTAL ASSETS</b>	<u><u>\$ 720,207</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 5,829
Accrued wages payable	286,095
<b>TOTAL LIABILITIES</b>	<u>291,924</u>
<b>FUND BALANCE</b>	
Nonspendable	
Deposit receivable and other assets	165,613
Unassigned	262,670
<b>TOTAL FUND BALANCE</b>	<u>428,283</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 720,207</u></u>

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

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

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Total Fund Balance - Governmental Funds \$ 428,283

Amounts reported for governmental activities in the statement of  
net position are different because:

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

Capital assets	860,443
Accumulated depreciation	(280,271)

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

Obligations under capital lease	(59,627)
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Total Net Position - Governmental Activities	<u><u>\$ 948,828</u></u>
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The accompanying notes are an integral  
part of this financial statement.

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

	Governmental Funds	Capital Projects Fund	Special Revenue Fund	Total Governmental
REVENUES				
State passed through local	\$ 6,172,749	\$ -	\$ -	\$ 6,172,749
Federal passed through local			466,325	466,325
State capital outlay funding	-	431,906	-	431,906
Charges for services	231,175	-	-	231,175
Other income	54,968	-	-	54,968
TOTAL REVENUES	<u>\$ 6,458,892</u>	<u>\$ 431,906</u>	<u>\$ 466,325</u>	<u>\$ 7,357,123</u>
EXPENDITURES				
Current:				
Instruction	\$ 2,616,549	\$ -	\$ 252,699	\$ 2,869,248
Instructional support services	65,152	-	25,964	91,116
Instructional staff training services	1,590	-	-	1,590
General administrative - District Admin Fee	86,165	-	-	86,165
General administrative - management fee	492,964	-	-	492,964
General administrative - other	204,425	-	-	204,425
School administration	994,542	-	-	994,542
Facilities acquisition & construction - rent	789,761	431,906	-	1,221,667
Board	7,050	-	-	7,050
Food services	74,073	-	-	74,073
Operation of plant	166,570	-	-	166,570
Maintenance of plant	105,960	-	-	105,960
Community services	76,264	-	-	76,264
Capital Outlay:				
Other capital outlay	-	-	187,662	187,662
Debt service:				
Redemption of principal	59,056	-	-	59,056
Interest	8,527	-	-	8,527
TOTAL EXPENDITURES	<u>\$ 5,748,648</u>	<u>\$ 431,906</u>	<u>\$ 466,325</u>	<u>\$ 6,646,879</u>
Excess of revenues over expenditures	710,244	-	-	710,244
Fund balance (Deficit) at beginning of year	<u>(281,961)</u>	<u>-</u>	<u>-</u>	<u>(281,961)</u>
Fund balance at end of year	<u><u>\$ 428,283</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 428,283</u></u>

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

**BRIDGEPREP ACADEMY OF RIVERVIEW 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**

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Change in Fund Balance - Governmental Funds	\$ 710,244
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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	187,662
Depreciation expense	(160,749)

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

Proceeds	-
Repayments of principal	59,056

Change in Net Position of Governmental Activities	<u>\$ 796,213</u>
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The accompanying notes are an integral part of this financial statement.

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

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**NOTE 1 – ORGANIZATION AND OPERATIONS**

**Reporting Entity**

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

The general operating authority of Bridgeprep Academy of Riverview 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 Hillsborough County, Florida. The current charter is effective until June 30, 2022. At the end of the term of the charter, the School Board may choose not to renew the charter under grounds specified in the charter, in which case the School Board is required to notify the School in writing at least 90 days prior to the School’s expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. The charter may be renewed annually by mutual agreement.

These financial statements are for the year ended June 30, 2019, when 885 students were enrolled in grades Kindergarten through 8<sup>th</sup> grade.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

**Government-wide and Fund Financial Statements**

*Government-wide Financial Statements*

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

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

*Fund Financial Statements*

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

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

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

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

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

Capital Projects Fund – used to account for financial resources used for the acquisition or construction of major capital facilities and for the proceeds and related expenditures of charter school capital outlay funding.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The financial statements of Bridgeprep Academy of Riverview 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.

Due from Other Agencies

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

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

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets, Depreciation and Amortization

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

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 \$520,545.
- 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.

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

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Balances

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

- Non-spendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). At June 30, 2019, the School had \$165,613 in non-spendable fund balance.
- Restricted – fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. At June 30, 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.

Revenue Sources

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

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

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

Income Taxes

Bridgeprep Charter Academy of Tampa, 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 28, 2019, which is the date the financial statements were available to be issued.

**NOTE 3 – CAPITAL ASSETS, NET**

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				
Audiovisual materials and computer software	\$ 194,867	\$ 8,286	\$ -	\$ 203,153
Furniture & equipment	477,914	179,376	-	657,290
Total Capital Assets	<u>\$ 672,781</u>	<u>\$ 187,662</u>	<u>\$ -</u>	<u>\$ 860,443</u>
Less Accumulated Depreciation				
Audiovisual materials and computer software	\$ (29,344)	\$ (40,590)	\$ -	\$ (69,934)
Furniture & equipment	(90,178)	(120,159)	-	(210,337)
Total Accumulated Depreciation	<u>\$ (119,522)</u>	<u>\$ (160,749)</u>	<u>\$ -</u>	<u>\$ (280,271)</u>
Capital Assets, net	<u>\$ 553,259</u>	<u>\$ 26,913</u>	<u>\$ -</u>	<u>\$ 580,172</u>

Depreciation expense for the year ended June 30, 2019, was \$160,749, which was allocated to instruction.

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

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**NOTE 4 – EDUCATION SERVICE AND SUPPORT PROVIDER**

The School entered into an agreement with S.M.A.R.T. Management LLC to provide professional management and consulting services to the School. In its capacity as the School's education service and support provider, S.M.A.R.T. Management LLC manages the finances and operations and makes recommendations to the School's independent board of directors which make the final determinations regarding policies and contracts.

In providing management services to the School, officers of S.M.A.R.T. Management LLC may not serve as members of the Board of Directors of the School. The agreement began on July 1, 2017 and is in effect through June 30, 2022 with an option to renew. The contract can be terminated by either party with 90 days' notice. The contract calls for a management fee between 8 and 10% of full time equivalent (FTE) revenues based on the School's enrollment. During the year-ended June 30, 2019, the School incurred management fees of \$492,964.

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

The School entered into a lease agreement which was subsequently amended in March 2018 to lease facilities. The first payment commenced on September 1, 2017. The term of this agreement ends June 30, 2023. The term will automatically renew for an additional five years unless a written termination notice is given in advance. For the year ended June 30, 2019, the School paid a monthly rent amount of \$106,667. In subsequent years, the School will pay a base rent per student between \$1,382 and \$1,463 where the School's capacity will increase from 1,000 to 1,500 students.

For the year ended June 30, 2019, the amount paid by the School for the use of the facilities was \$1,221,667. Estimated future minimum lease payments are as follows:

<u>Year Ended June 30</u>	
2020	\$ 1,594,624
2021	1,656,468
2022	1,734,372
2023	1,906,246
2024	1,969,788
2025-2029 (5 years)	10,455,871
2030-2034 (5 years)	11,544,126
2035-2039 (5 years)	12,745,648
2040-2043 (4 years)	8,746,044
Total	<u>\$ 52,353,187</u>

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

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**NOTE 6 – CAPITAL LEASE OBLIGATIONS**

The School leases equipment under a capital lease expiring June 2022. As of June 30, 2019, the leased equipment is reflected at a total cost of \$165,771 and related accumulated depreciation of \$63,402. The leases require monthly payments of principal and interest of \$5,199 at an interest rate of 8.534% per annum.

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

	Year Ended June 30,
2020	\$ 57,185
2021	5,199
Total minimum lease payments	62,384
Interest	(2,757)
Present value of net minimum lease payments	59,627
Obligations under capital lease- current portion	(54,431)
Obligations under capital lease- long-term portion	<u>\$ 5,196</u>

The following schedule provides a summary of changes in the loan for the year ended June 30, 2019:

	Balance July 1, 2018	Amount Financed	Payments	Balance June 30, 2019
Capital lease payable	\$ 118,683	\$ -	\$ 59,056	\$ 59,627
	<u>\$ 118,683</u>	<u>\$ -</u>	<u>\$ 59,056</u>	<u>\$ 59,627</u>

**NOTE 7 – DEPOSITS POLICY AND CREDIT RISK**

It is the School's policy to maintain its cash and cash equivalents in one financial institution. Deposits at FDIC-insured financial institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under Bridgeprep Academy of Tampa, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of Bridgeprep Academy of Tampa, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2019, bank balances in potential excess of FDIC coverage was \$644,599.

**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.

## REQUIRED SUPPLEMENTAL INFORMATION

**BRIDGEPREP ACADEMY OF RIVERVIEW 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
<b>REVENUES</b>			
State passed through local	\$ 6,144,042	\$ 6,172,749	\$ 6,172,749
Charges for services and other income	250,000	286,143	286,143
<b>TOTAL REVENUES</b>	<b>6,394,042</b>	<b>6,458,892</b>	<b>6,458,892</b>
<b>EXPENDITURES</b>			
Instruction	2,695,200	2,616,549	2,616,549
Instructional support services	45,000	65,152	65,152
Instructional staff training services	10,000	1,590	1,590
School board	10,000	7,050	7,050
General administrative - district administrative fee	85,334	86,165	86,165
General administrative - management fee	491,500	492,964	492,964
General administrative - other	250,000	204,425	204,425
Facilities acquisition & construction - rent	1,027,480	789,761	789,761
School administration	550,000	994,542	994,542
Fiscal services	5,000	-	-
Food services	55,000	74,073	74,073
Community services	55,000	76,264	76,264
Operation of plant	140,000	166,570	166,570
Maintenance of plant	100,000	105,960	105,960
Debt service	62,500	67,583	67,583
<b>TOTAL EXPENDITURES</b>	<b>5,582,014</b>	<b>5,748,648</b>	<b>5,748,648</b>
Change in fund balance before other financing sources	812,028	710,244	710,244
Other financing sources	-	-	-
<b>Net change in fund balance</b>	<b>\$ 812,028</b>	<b>\$ 710,244</b>	<b>\$ 710,244</b>

See accompanying note to the required supplemental information.

**BRIDGEPREP ACADEMY OF RIVERVIEW 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	\$ 252,520	\$ 431,906	\$ 431,906
TOTAL REVENUES	<u>252,520</u>	<u>431,906</u>	<u>431,906</u>
EXPENDITURES			
Facilities acquisition & construction - rent	<u>252,520</u>	<u>431,906</u>	<u>431,906</u>
TOTAL EXPENDITURES	<u>252,520</u>	<u>431,906</u>	<u>431,906</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying note to the required supplemental information.

**BRIDGEPREP ACADEMY OF RIVERVIEW 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 Funds		
	Original Budget	Final Budget	Actual
REVENUES			
Federal passed through local	\$ -	\$ 466,325	\$ 466,325
TOTAL REVENUE	-	466,325	466,325
EXPENDITURES			
Instructional services	-	252,699	252,699
Instructional support services	-	25,964	25,964
Facilities acquisition & other capital outlay	-	187,662	187,662
TOTAL EXPENDITURES	-	466,325	466,325
Net change in fund balance	\$ -	\$ -	\$ -

See accompanying note to the required supplemental information.

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

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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, 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, special revenue, and capital outlay funds for which a legally adopted budget exists.

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



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

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Board of Directors of  
Bridgeprep Academy of Riverview Charter School  
Riverview, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Bridgeprep Academy of Riverview 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 28, 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.

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

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 28, 2019



## MANAGEMENT LETTER

Board of Directors of  
Bridgeprep Academy of Riverview Charter School  
Riverview, Florida

### Report on the Financial Statements

We have audited the financial statements of Bridgeprep Academy of Riverview Charter School (the "School"), a non-major component unit of the District School Board of Hillsborough County, Florida, as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated September 28, 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 28, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report

### Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity and the school code assigned by the Florida Department of Education of the school is Bridgeprep Academy of Riverview Charter School and #297812.

### 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 Hillsborough 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 28, 2019