

**HARTRIDGE ACADEMY, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF  
POLK COUNTY, FLORIDA**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORTS THEREON**

**JUNE 30, 2024**

DRAFT

## CONTENTS

	<u>Page</u>
<b>Management’s Discussion and Analysis</b>	1 - 7
<b>Independent Auditor’s Report on Basic Financial Statements and Supplementary Information</b>	8 - 10
<b>Basic Financial Statements:</b>	
Statement of Net Position	11
Statement of Activities	12
Balance Sheet – Governmental Funds	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Notes to Financial Statements	17 - 26
<b>Required Supplementary Information:</b>	
Budgetary Comparison Schedule – General Fund	27
Budgetary Comparison Schedule – Special Revenue Fund	28
<b>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 <i>Government Auditing Standards</i></b>	29 - 30
<b>Additional Information Required by Rules of the Auditor General, Chapter 10.850, <i>Audits of Charter Schools and Similar Entities, Florida Virtual School, and Virtual Instruction Program Providers:</i></b>	
Management Letter	31 - 33

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report of Hartridge Academy, Inc. (the "School") presents management's discussion and analysis of the School's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the School's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The School's total net position decreased compared to the prior year.
- During 2024, the School's expenses exceeded revenues by \$148,733, which was a decrease from the prior year when revenues exceeded expenses by \$40,068.
- Overall, revenues increased by approximately \$36,000, which was a 2% increase from the prior year.
- Overall, expenses increased by approximately \$224,000, which was a 12% increase from the prior year.
- Total assets were \$1,673,420 and total liabilities were \$261,812, resulting in net position of \$1,411,608 as of June 30, 2024.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the School's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the School, reporting the School's operations in more detail than the government-wide statements.
  - The *governmental funds* financial statements tell how general school services were financed in the short term, as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

This document also includes the 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*, as well as the management letter required by the Rules of the Auditor General, Chapter 10.850.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(continued)

The following table summarizes the major features of the School's financial statements, including the portion of the School they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

	<b>Government-wide Statements</b>	<b>Fund Statements Governmental Funds</b>
Scope	Entire School	The activities of the School that are not proprietary or fiduciary
Required financial statements	Statement of net position Statement of activities	Balance sheet – governmental funds Statement of revenues, expenditures and changes in fund balances – governmental funds
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term	Only assets/deferred outflows of resources expected to be used up and liabilities/deferred inflows of resources that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

## MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

### Government-wide Financial Statements

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide financial statements report the School's net position and how it has changed. Net position – the difference between the School's assets and deferred outflows of resources and its liabilities and deferred inflows of resources – is one way to measure the School's financial condition. Over time, increases or decreases in the School's net position are an indicator of whether its financial condition is improving or deteriorating, respectively. To assess the overall health of the School, one needs to consider additional nonfinancial factors such as changes in the School's student base, the quality of the education and the safety of the School.

The government-wide financial statements of the School are generally divided into three categories:

Governmental Activities – Most of the School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program ("FEFP") and state and federal grants finance most of these activities.

Business-type Activities – In certain instances, the School may charge fees to help it cover the costs of certain services it provides. The School currently has no business-type activities.

Component Units – There currently are no component units included within the reporting entity of the School.

### Fund Financial Statements

The fund financial statements provide more detailed information about the School's most significant funds, not the School as a whole. A fund is a self-balancing set of accounts which the School uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law, and the School may establish other funds to control and manage money for particular purposes, such as for federal grants.

The School has one type of fund:

Governmental Funds – Most of the School's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the differences between them.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(continued)**

**FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE**

**Net Position**

The School's combined net position as of June 30, 2024 and 2023 is summarized as follows – see table below:

	<u>Governmental Activities</u>		<u>Increase (Decrease)</u>
	<u>2024</u>	<u>2023</u>	
Current and other assets	\$ 1,220,237	\$ 1,473,227	-17%
Capital assets, net	453,183	483,953	-6%
Total assets	<u>1,673,420</u>	<u>1,957,180</u>	<u>-14%</u>
Current and other liabilities	135,032	211,582	-36%
Long-term liabilities	126,780	185,257	-32%
Total liabilities	<u>261,812</u>	<u>396,839</u>	<u>-34%</u>
Net position:			
Net investment in capital assets	326,403	298,696	9%
Unrestricted	<u>1,085,205</u>	<u>1,261,645</u>	<u>-14%</u>
Total net position	<u>\$ 1,411,608</u>	<u>\$ 1,560,341</u>	<u>-10%</u>

Current and other assets of the School and total net position changed due to the current year operating deficit. Current and other liabilities changed due to the timing of payments near year-end. Long-term liabilities decreased due to scheduled lease payments during the current year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(continued)**

**Change in Net Position**

The School's total revenues increased by 2% to \$1,972,294, and the total cost of all programs and services increased by 11% to \$2,121,027 – see table below.

	<b>Governmental Activities</b>		<b>Increase (Decrease)</b>
	<b>2024</b>	<b>2023</b>	
<b>Revenues:</b>			
Federal sources passed through local school district	\$ 282,294	\$ 359,021	-21%
State and local sources	1,663,324	1,555,878	7%
Contribution and other revenue	26,676	21,805	22%
<b>Total revenues</b>	<b>1,972,294</b>	<b>1,936,704</b>	<b>2%</b>
<b>Expenses:</b>			
Instruction	1,256,171	1,133,440	11%
Instructional staff training services	1,300	417	212%
Board	26,924	33,462	-20%
General administration	29,209	42,212	-31%
School administration	304,646	268,779	13%
Food services	200	-	100%
Student transportation services	56,691	51,886	9%
Operation of plant	373,462	309,459	21%
Maintenance of plant	62,235	42,242	47%
Interest	10,189	14,739	-31%
<b>Total expenses</b>	<b>2,121,027</b>	<b>1,896,636</b>	<b>12%</b>
<b>Change in net position</b>	<b>\$ (148,733)</b>	<b>\$ 40,068</b>	<b>-471%</b>

Federal sources passed through local school district changed due to increased federal funding received in the current year from the Elementary and Secondary School Emergency Relief ("ESSER") program.

Instruction and school administration changed due to increased payroll-related costs in the current year. Operation of plant changed due to increased rent and insurance costs in the current year.

**FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS**

As the School completed the year, its governmental funds reported a fund balance of \$1,085,205. Both revenues and expenditures changed overall for the same reasons described above.

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(continued)**

**General and Special Revenue Fund Budgetary Highlights**

Over the course of the year, the School revised its budget to account for the changes in enrollment and resulting increases in appropriations.

For 2024, actual general fund revenues were approximately \$56,000 above the final budget, which represents a 4% budget variance. The variance was due to higher than expected enrollment. Actual general fund expenditures were approximately \$368,000 below the final budget, which represents a 17% budget variance. The variance was primarily due to lower than expected instruction expenditures than budgeted.

For 2024, actual special revenue fund revenues were approximately \$212,000 above the final budget, which represents a 120% budget variance. Actual special revenue fund expenditures were approximately \$105,000 above the final budget, which represents a 59% budget variance. These variances were due to additional ESSER revenues and expenditures that were not budgeted.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The School's investment in capital assets at the end of fiscal 2024 amounts to \$453,183 (net of accumulated depreciation). See table below:

	<u>Governmental Activities</u>		<u>Increase (Decrease)</u>
	<u>2024</u>	<u>2023</u>	
Leasehold improvements	\$ 355,505	\$ 288,841	23%
Transportation	137,993	137,993	0%
Software	4,259	4,259	0%
Furniture and equipment	314,398	307,016	2%
Right-to-use leased facilities	770,642	770,642	0%
Less accumulated depreciation	<u>(1,129,614)</u>	<u>(1,024,798)</u>	<u>-10%</u>
Total capital assets, net	<u>\$ 453,183</u>	<u>\$ 483,953</u>	<u>-6%</u>

This year's major capital asset additions included the following:

- Reroofing of shingle roof - \$33,258
- AC units - \$23,220

There were no major capital asset disposals in the current year. More detailed information about the School's capital assets is presented in Note 5 to the financial statements.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

### **Long-term Debt**

As of June 30, 2024, the School had \$126,780 in long-term debt outstanding consisting of lease liabilities. There were no major additions and scheduled payments reduced the amount outstanding in the current year. More detailed information about the School's long-term liabilities is presented in Note 7 to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The following economic indicators were considered when adopting the general fund budget for fiscal year 2025:

- Stable student population
- Projected salary increases
- Decreases in repairs and renovations

Amounts available for appropriation in the general fund are approximately \$1,622,000, an increase of 2% from the final 2024 amount of \$1,582,861. Budgeted general fund expenditures are expected to be approximately \$2,222,000, an increase of 26% from the final 2024 amount of \$1,759,301. The School has added no major new programs to the fiscal 2025 budget.

If these estimates are realized, the School's budgetary general fund balance is expected to decrease by the close of fiscal 2025.

### **CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT**

This financial report is designed to provide interested parties with a general overview of the School's finances and to demonstrate the School's accountability for the money it receives. Should additional information be required, please contact the School's administrative offices at 1400 U.S. Hwy 92 West, Winter Haven, Florida 33881-8137.

## **INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

To the Board of Directors of Hartridge Academy, Inc., a Charter School  
and Component Unit of the District School Board of Polk County, Florida

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Hartridge Academy, Inc. (the "School"), a charter school and component unit of the District School Board of Polk County, Florida, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Hartridge Academy, Inc. as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 – 7 and the budgetary comparison information on pages 27 – 28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated April [REDACTED], 2025 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Orlando, Florida  
April [REDACTED], 2025

**HARTRIDGE ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**STATEMENT OF NET POSITION**

**JUNE 30, 2024**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 941,205
Accounts receivable	236,869
Other assets	42,163
Capital assets, net	453,183
Total assets	\$ 1,673,420
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 135,032
Long-term liabilities:	
Due within one year	61,693
Due in more than one year	65,087
Total liabilities	261,812
<b>NET POSITION</b>	
Net investment in capital assets	326,403
Unrestricted	1,085,205
Total net position	1,411,608
Total liabilities and net position	\$ 1,673,420

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

**HARTRIDGE ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental activities:						
Instruction	\$ 1,256,171	\$ -	\$ 282,294	\$ -	\$ (973,877)	\$ (973,877)
Instructional staff training	1,300	-	-	-	(1,300)	(1,300)
Board	26,924	-	-	-	(26,924)	(26,924)
General administration	29,209	-	-	-	(29,209)	(29,209)
School administration	304,646	-	-	-	(304,646)	(304,646)
Food services	200	-	-	-	(200)	(200)
Student transportation services	56,691	-	-	-	(56,691)	(56,691)
Operation of plant	373,462	-	-	-	(373,462)	(373,462)
Maintenance of plant	62,235	-	-	-	(62,235)	(62,235)
Interest	10,189	-	-	-	(10,189)	(10,189)
Total primary government	<u>\$ 2,121,027</u>	<u>\$ -</u>	<u>\$ 282,294</u>	<u>\$ -</u>	<u>(1,838,733)</u>	<u>(1,838,733)</u>
General revenues:						
State and local sources					1,663,324	1,663,324
Contributions and other revenue					26,676	26,676
Total general revenues					<u>1,690,000</u>	<u>1,690,000</u>
Change in net position					(148,733)	(148,733)
Net position at beginning of year					1,560,341	1,560,341
Net position at end of year					<u>\$ 1,411,608</u>	<u>\$ 1,411,608</u>

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

**HARTRIDGE ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**JUNE 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 941,205	\$ -	\$ -	\$ 941,205
Accounts receivable	338	229,751	6,780	236,869
Other assets	42,163	-	-	42,163
Due from other governmental funds	236,531	-	-	236,531
<b>Total assets</b>	<u>\$1,220,237</u>	<u>\$ 229,751</u>	<u>\$ 6,780</u>	<u>\$ 1,456,768</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenditures	\$ 135,032	\$ -	\$ -	\$ 135,032
Due to general fund	-	229,751	6,780	236,531
<b>Total liabilities</b>	<u>135,032</u>	<u>229,751</u>	<u>6,780</u>	<u>371,563</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Other assets	42,163	-	-	42,163
Unassigned	1,043,042	-	-	1,043,042
<b>Total fund balances</b>	<u>1,085,205</u>	<u>-</u>	<u>-</u>	<u>1,085,205</u>
<b>Total liabilities and fund balances</b>	<u>\$1,220,237</u>	<u>\$ 229,751</u>	<u>\$ 6,780</u>	<u>\$ 1,456,768</u>

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

**HARTRIDGE ACADEMY, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**JUNE 30, 2024**

**Total fund balances - total governmental funds** \$ 1,085,205

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The cost of the assets is \$1,582,797 and the accumulated depreciation is \$1,129,614. 453,183

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end include:

Lease liabilities (126,780)

**Total net position - governmental activities** \$ 1,411,608

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

**HARTRIDGE ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Federal sources passed through local school district	\$ -	\$ 389,114	\$ -	\$ 389,114
State and local sources	1,556,185	-	107,139	1,663,324
Contributions and other revenue	26,676	-	-	26,676
Total revenues	<u>1,582,861</u>	<u>389,114</u>	<u>107,139</u>	<u>2,079,114</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	953,272	282,294	-	1,235,566
Instructional staff training	1,300	-	-	1,300
Board	26,924	-	-	26,924
General administration	29,209	-	-	29,209
School administration	304,646	-	-	304,646
Food services	200	-	-	200
Student transportation services	48,666	-	-	48,666
Operation of plant	258,803	-	38,473	297,276
Maintenance of plant	62,235	-	-	62,235
Debt service:				
Principal	-	-	58,477	58,477
Interest	-	-	10,189	10,189
Other capital outlay	74,046	-	-	74,046
Total expenditures	<u>1,759,301</u>	<u>282,294</u>	<u>107,139</u>	<u>2,148,734</u>
Excess (deficiency) of revenues over expenditures	<u>(176,440)</u>	<u>106,820</u>	<u>-</u>	<u>(69,620)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	106,820	-	-	106,820
Transfers out	-	(106,820)	-	(106,820)
Total other financing sources	<u>106,820</u>	<u>(106,820)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(69,620)	-	-	(69,620)
Fund balances at beginning of year	1,154,825	-	-	1,154,825
Fund balances at end of year	<u>\$ 1,085,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,085,205</u>

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

**HARTRIDGE ACADEMY, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2024**

**Net changes in fund balances - total governmental funds** \$ (69,620)

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 costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$104,816) exceeds capital outlays (\$74,046) in the current period. (30,770)

Unearned revenues for prior year grant revenues have already been reported as revenues in the statement of activities, but are recognized as revenues in the governmental funds in the current year. (106,820)

Principal payments on long-term liabilities are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position. 58,477

**Change in net position of governmental activities** \$ (148,733)

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

**HARTRIDGE ACADEMY, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2024**

**1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Hartridge Academy, Inc. (the "School") is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act and Section 1002.33, Florida Statutes. The governing body of the School is the not-for-profit corporation Board of Directors, which is composed of not less than three or more than nine members.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the District School Board of Polk County, Florida (the "School Board"). The current charter is effective until June 30, 2027 and may be renewed by mutual written agreement between the School and the School Board. 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 this case, the School Board is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the School with public funds and any unencumbered public funds, except capital outlay funds, revert back to the School Board. Any unencumbered capital outlay funds revert back to the Florida Department of Education ("FDOE") to be redistributed among eligible charter schools. The School is considered a component unit of the School Board and meets the definition of a governmental entity under the Governmental Accounting Standards Board ("GASB") accounting guidance; therefore, for financial reporting purposes, the School is required to follow generally accepted accounting principles applicable to state and local governmental units.

Criteria for determining if other entities are potential component units of the School which should be reported with the School's basic financial statements are identified and described in the GASB's *Codification of Governmental Accounting and Financial Reporting Standards*. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

**Basis of Presentation**

The School's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the GASB. Accordingly, both government-wide and fund financial statements are presented.

**HARTRIDGE ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

The government-wide financial statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase, use or directly benefit from goods, services or privileges provided by a given function. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues.

The government-wide financial statements of the School are generally divided into three categories:

Governmental Activities – Most of the School's basic services are included here, such as instruction and school administration. Funds received through the Florida Education Finance Program ("FEFP") and state and federal grants finance most of these activities.

Business-type Activities – In certain instances, the School may charge fees to help it cover the costs of certain services it provides. The School currently has no business-type activities.

Component Units – There currently are no component units included within the reporting entity of the School.

The fund financial statements provide more detailed information about the School's most significant funds, not the School as a whole. A fund is an accounting entity having a self-balancing set of accounts for recording assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues, expenditures, and other financing sources and uses. Resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The funds in the financial statements of this report are as follows:

Governmental Funds:

General Fund – To account for all financial resources not required to be accounted for in another fund.

Special Revenue Fund – To account for the proceeds of specific revenue sources and grants that are restricted by law or administrative action to expenditure for specific purposes and to provide a single source of accountability for all funds received.

Capital Projects Fund – To account for all resources for the acquisition of capital items by the School purchased with capital outlay and local capital improvement funds.

**HARTRIDGE ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

For purposes of these statements, the general, special revenue and capital projects funds are considered major funds. There are no other governmental funds.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenses/expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are presented using the accrual basis of accounting and an economic resources focus. Under the accrual basis of accounting, revenues and expenses are recognized when they occur.

The modified accrual basis of accounting and current financial resources focus is followed by the governmental funds. Under the modified accrual basis, revenues are recognized when they become measurable and available. Available means collectible within the current year or soon enough thereafter to pay current liabilities. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are: (1) interest on general long-term debt is recognized when due and (2) expenditures related to liabilities reported as general long-term debt are recognized when due.

**Budgetary Basis Accounting**

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the fund level.

**Cash and Cash Equivalents**

Investments with an original maturity of three months or less at the time they are purchased are considered to be cash equivalents. The School maintains its cash accounts in a financial institution subject to insurance coverage issued by the Federal Deposit Insurance Corporation (the "FDIC"). Under FDIC rules, the School is entitled to aggregate coverage of \$250,000 per account type per separate legal entity per financial institution. As of June 30, 2024, the School had deposits in a financial institution with custodial credit risk exposure in excess of FDIC coverage totaling approximately \$628,000. The School has not historically experienced losses on its cash and cash equivalents.

Some of the School's cash deposits are held by banks qualified as public depositories under Florida law. All deposits held by qualified public depositories are insured by federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool under Chapter 280, Florida Statutes.

**HARTRIDGE ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**Receivables**

Receivables consist of amounts due from governmental agencies for capital outlay or other programs. All receivables are deemed collectible, and no allowance for uncollectible accounts is considered necessary.

**Capital Assets and Depreciation**

Expenditures for capital assets acquired for general School purposes are reported in the governmental fund that financed the acquisition. Purchased capital assets are reported at cost, net of accumulated depreciation, in the government-wide financial statements. Donated assets are recorded at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range as follows:

	<u>Years</u>
Leasehold improvements	5 - 40
Transportation	7 - 20
Software	3 - 5
Furniture and equipment	3 - 10

Information relative to changes in capital assets is described in Note 5.

**Long-term Liabilities**

Long-term obligations that will be financed by resources to be received in the future by the governmental funds are reported in the government-wide financial statements, not in the governmental funds. Information relative to changes in long-term liabilities is described in Note 7.

**Fund Balance Spending Policy**

The School's adopted spending policy is to spend from the restricted fund balance first, followed by committed, assigned, then the unassigned fund balance. Most funds were designated for one purpose at the time of their creation. Therefore, expenditures made out of the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. If expenditures are incurred that meet the purpose of more than one fund, they will be allocated to restricted fund balance first and then follow the order above. Funds can only be committed by formal action of the Board of Directors. There are no minimum fund balance requirements for any of the School's funds.

**HARTRIDGE ACADEMY, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**Revenue Sources**

Revenues for current operations are received primarily from the School Board pursuant to the funding provisions included in the School's charter. As such, the School's revenue stream is largely dependent upon the general state of the economy and the amounts allotted to the FDOE by the state legislature. In accordance with the funding provisions of the charter and Section 1002.33(18), Florida Statutes, the School reports the number of full-time equivalent students and related data to the School Board.

Under the provisions of Section 1011.62, Florida Statutes, the School Board reports the number of full-time equivalent students and related data to the FDOE for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. The School Board receives a 2% administrative fee from the School, which is reflected as a general administration expense/expenditure in the accompanying statements. This administrative fee is calculated on the FEFP revenue up to 250 students.

The School receives federal awards for the enhancement of various educational programs. This assistance is 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.

The School is also eligible for charter school capital outlay funding. The amounts received under this program are based on the School's actual and projected student enrollment during the fiscal year. Funds received under this program may only be used for lawful capital outlay expenditures and, as such, any unexpended amounts are reflected as restricted net position and restricted fund balance in the accompanying financial statements.

**Income Taxes**

The School is an organization exempt from income taxation under Section 501(a) as an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Accordingly, no provision for federal income taxes is included in the accompanying financial statements.

**Use of Estimates**

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources as of the date of the statement of net position and the balance sheet – governmental funds and affect revenues and expenses/expenditures for the period presented. Actual results could differ significantly from those estimates.

**HARTRIDGE ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**Subsequent Events**

The School has evaluated subsequent events through April 30, 2025, the date these financial statements were available to be issued.

**2 ACCOUNTS RECEIVABLE**

Accounts receivable in the accompanying financial statements include \$236,869 in amounts due from governmental agencies. Based on the collectibility of funds from these sources, the School believes that an allowance for doubtful accounts is not considered necessary.

**3 INTERFUND ACTIVITIES**

Due to/from other funds consisted of the following balances as of June 30, 2024:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General fund	\$ 236,531	\$ -
Special revenue fund	-	229,751
Capital projects fund	-	6,780
Total interfund	\$ 236,531	\$ 236,531

The amounts payable by the special revenue fund and the capital projects fund to the general fund are to cover temporary cash shortages related to the timing of receipts.

A summary of transfers between funds for the year ended June 30, 2024 is shown below:

	<b>Transfers In</b>	<b>Transfers Out</b>
General fund	\$ 106,820	\$ -
Special revenue fund	-	106,820
Total interfund	\$ 106,820	\$ 106,820

The general purpose for transfers is to move funds for the payment of instructional costs.

**HARTRIDGE ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**4 OTHER ASSETS**

Other assets consist of the following as of June 30, 2024:

Prepaid expenses	\$	28,903
Deposits		13,260
Total other assets	\$	42,163

**5 CHANGES IN CAPITAL ASSETS**

Capital asset activity during 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Leasehold improvements	\$ 288,841	\$ 66,664	\$ -	\$ 355,505
Transportation	137,993	-	-	137,993
Software	4,259	-	-	4,259
Furniture and equipment	307,016	7,382	-	314,398
Right-to-use leased facilities	770,642	-	-	770,642
Total capital assets	1,508,751	74,046	-	1,582,797
Less accumulated depreciation for:				
Leasehold improvements	(168,974)	(17,095)	-	(186,069)
Transportation	(72,405)	(8,025)	-	(80,430)
Software	(4,259)	-	-	(4,259)
Furniture and equipment	(226,936)	(25,091)	-	(252,027)
Right to use leased facilities	(552,224)	(54,605)	-	(606,829)
Total accumulated depreciation	(1,024,798)	(104,816)	-	(1,129,614)
Governmental activities capital assets, net	\$ 483,953	\$ (30,770)	\$ -	\$ 453,183

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	\$ 20,605
Transportation	8,025
Operation of plant	76,186
Total governmental activities depreciation expense	\$ 104,816

**HARTRIDGE ACADEMY, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS  
(continued)**

**6 COMMITMENTS AND CONTINGENT LIABILITIES**

**Grants**

The School participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of any money received may be required and collectibility of any related receivable as of June 30, 2024 may be impaired. In the opinion of the School, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

**Legal Matters**

In the normal course of conducting its operations, the School occasionally becomes party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of such legal matters will not have a significant adverse effect on the accompanying financial statements.

**Risk Management Program**

Workers' compensation coverage, health and hospitalization, general liability, professional liability and property coverages are being provided through purchased commercial insurance with minimum deductibles for each line of coverage. Settled claims resulting from these risks have not historically exceeded commercial coverage.

**Employee Benefit Plan**

The School sponsors the Hartridge Academy, Inc. 403(b) Plan (the "Plan"), which is a defined contribution plan. The School uses a leasing company for employment of its staff. As part of the agreement with the staff, the School has adopted a tax deferred annuity plan in accordance with Section 403(b) of the Internal Revenue Code, in which benefits depend solely on amounts contributed to the Plan plus investment earnings. The Plan is funded with contributions from the School made in the name of the leased employee at the same rate as the District provides for its employees. The Plan does not have age or service requirements and plan participants are immediately vested in School's contributions. The School's contributions during 2024 totaled \$83,629, of which \$65,083 is included in instruction and \$18,546 is included in school administration in the accompanying financial statements.

**HARTRIDGE ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

**7 LONG-TERM LIABILITIES**

Long-term liabilities activity during 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Lease liabilities	\$ 185,257	\$ -	\$ (58,477)	\$ 126,780	\$ 61,693
Governmental activities, long-term liabilities	<u>\$ 185,257</u>	<u>\$ -</u>	<u>\$ (58,477)</u>	<u>\$ 126,780</u>	<u>\$ 61,693</u>

Lease liabilities are typically liquidated first with capital projects fund resources, when available, and then with general fund resources.

**Lease Liabilities**

Effective June 23, 2017, the School entered into a ten-year lease agreement as lessee for the use of the main school facilities. The lease agreement does not have an explicit interest rate, and the School utilized an estimated incremental borrowing rate of 5.5% as determined by recent loans provided to other schools within the District. The value of the right-to-use asset at the end of the current fiscal year was \$546,048 and accumulated amortization was \$382,235. The facilities have a longer expected life than the lease term, so the right-to-use asset is being amortized over the ten-year term of the lease agreement.

Effective July 11, 2018, the School entered into a five-year lease agreement as lessee for the use of temporary relocatable modular buildings delivered to the main school facilities. The lease agreement did not have an explicit interest rate, and the School utilized an estimated incremental borrowing rate of 5.5% as determined by recent loans provided to other schools within the District. This right-to-use asset of \$224,594 was being amortized over the five-year term of the lease agreement and is fully amortized as of June 30, 2023, as the original lease term has expired in 2023, and the School is currently paying monthly for the right to use the portables.

Leased assets as of June 30, 2024 consist of the following:

	<u>Governmental Activities</u>
Leased facility	\$ 770,642
Less accumulated depreciation	<u>(606,829)</u>
	<u>\$ 163,813</u>

**HARTRIDGE ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**  
**(continued)**

Future debt service requirements related to the leases are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 61,693	\$ 6,973	\$ 68,666
2026	65,087	3,579	68,666
	<u>\$ 126,780</u>	<u>\$ 10,552</u>	<u>\$ 137,332</u>

**8 SCHEDULE OF STATE AND LOCAL REVENUE SOURCES**

The following is a schedule of state and local revenue sources and amounts:

District School Board of Polk County, Florida:	
Florida Education Finance Program	\$ 978,897
Class size reduction	178,402
Capital outlay	101,930
Student transportation	81,291
Discretionary local effort	72,107
Discretionary millage compression	67,534
Teacher salary increase allocation	58,049
Supplemental academic instruction	43,143
Best & Brightest teacher award	34,998
ESE guaranteed allocation	25,991
Safe schools	13,073
Local capital improvement revenue	5,209
Teacher supply program	2,700
Total	<u>\$ 1,663,324</u>

The administrative fee paid to the School Board during fiscal 2024 totaled \$29,209, which is reflected as a general administration expense/expenditure in the accompanying financial statements.

**HARTRIDGE ACADEMY, INC.**  
**A CHARTER SCHOOL AND COMPONENT UNIT OF THE**  
**DISTRICT SCHOOL BOARD OF POLK COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State and local sources	\$ 1,526,712	\$ 1,526,712	\$ 1,556,185	\$ 29,473
Contributions and other revenue	200	200	26,676	26,476
Total revenues	<u>1,526,912</u>	<u>1,526,912</u>	<u>1,582,861</u>	<u>55,949</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	1,186,000	1,186,000	953,272	232,728
Student support	1,650	1,650	-	1,650
Instructional staff training	-	-	1,300	(1,300)
Board	50,000	50,000	26,924	23,076
General administration	29,012	29,012	29,209	(197)
School administration	325,000	325,000	304,646	20,354
Facilities acquisition and construction	85,000	85,000	-	85,000
Food services	250	250	200	50
Student transportation services	50,000	50,000	48,666	1,334
Operation of plant	400,000	400,000	258,803	141,197
Maintenance of plant	-	-	62,235	(62,235)
Other capital outlay	-	-	74,046	(74,046)
Total expenditures	<u>2,126,912</u>	<u>2,126,912</u>	<u>1,759,301</u>	<u>367,611</u>
Deficiency of revenues over expenditures	<u>(600,000)</u>	<u>(600,000)</u>	<u>(176,440)</u>	<u>423,560</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	106,820	106,820
Total other financing sources	<u>-</u>	<u>-</u>	<u>106,820</u>	<u>106,820</u>
Net change in fund balance	(600,000)	(600,000)	(69,620)	530,380
Fund balance at beginning of year	<u>1,154,825</u>	<u>1,154,825</u>	<u>1,154,825</u>	<u>-</u>
Fund balance at end of year	<u>\$ 554,825</u>	<u>\$ 554,825</u>	<u>\$ 1,085,205</u>	<u>\$ 530,380</u>

See independent auditor's report.

**HARTRIDGE ACADEMY, INC.  
A CHARTER SCHOOL AND COMPONENT UNIT OF THE  
DISTRICT SCHOOL BOARD OF POLK, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND**

**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Federal sources passed through local school district	\$ 177,000	\$ 177,000	\$ 389,114	\$ 212,114
Total revenues	<u>177,000</u>	<u>177,000</u>	<u>389,114</u>	<u>212,114</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	177,000	177,000	282,294	(105,294)
Total expenditures	<u>177,000</u>	<u>177,000</u>	<u>282,294</u>	<u>(105,294)</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>106,820</u>	<u>106,820</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(106,820)</u>	<u>(106,820)</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>(106,820)</u>	<u>(106,820)</u>
Net changes in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

**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**

To the Board of Directors of Hartridge Academy, Inc., a Charter School  
and Component Unit of the District School Board of Polk County, 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 Hartridge Academy, Inc. (the “School”) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School’s basic financial statements, and have issued our report thereon dated April 10, 2025.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

## REPORT ON COMPLIANCE AND OTHER MATTERS

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

## PURPOSE OF THIS REPORT

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

Orlando, Florida  
April 15, 2025

**ADDITIONAL INFORMATION REQUIRED BY  
RULES OF THE AUDITOR GENERAL,  
CHAPTER 10.850**

DRAFT

To the Board of Directors of Hartridge Academy, Inc., a Charter School  
and Component Unit of the District School Board of Polk County, Florida

## **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of the governmental activities and each major fund of Hartridge Academy, Inc. (the "School"), a charter school and component unit of the District School Board of Polk County, Florida, as of and for the year ended June 30, 2024, and have issued our report thereon dated April 15, 2025.

## **AUDITOR'S RESPONSIBILITY**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated April 15, 2025, should be considered in conjunction with this management letter.

## **PRIOR AUDIT FINDINGS**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. 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 that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the entity is Hartridge Academy, Inc., and the school code assigned by the Florida Department of Education is 8121.

## **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 was done as of the fiscal year-end.

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 website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

### **ADDITIONAL MATTERS**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note 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 District School Board of Polk County, Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

Orlando, Florida  
April 11, 2025