

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN

Financial Statements and Supplementary Information
Year Ended June 30, 2018

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Financial Statements and Supplementary Information
Year Ended June 30, 2018

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PRIDA, GUIDA & PEREZ, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Tampa School Development Corporation
d/b/a Trinity School for Children
Tampa, Florida

Report on Financials

We have audited the accompanying financial statements of the governmental activities and each major fund of Tampa School Development Corporation, d/b/a Trinity School for Children (the "Organization"), a non-profit organization which is a charter school approved by and a component unit of the Hillsborough County District School Board, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the 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.

Auditors' Responsibility

Our responsibility is to express an opinion 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. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General, which govern the conduct of charter school audits performed in the State of Florida. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of 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 auditors' 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 auditors consider 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 opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 Tampa School Development Corporation, d/b/a Trinity School for Children, a component unit of the Hillsborough County School Board, as of June 30, 2018, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

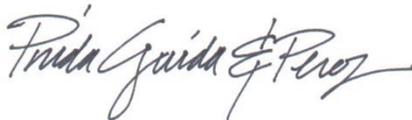
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 26 and 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated September 27, 2018, on our consideration of Tampa School Development Corporation, d/b/a Trinity School for Children's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering Tampa School Development Corporation's internal control over financial reporting and compliance.

In accordance with Section 218.39(4), Florida Statutes, and Section 10.856(2)(d), Rules of the Auditor General, we have also issued a statement of auditors' comments addressed to the School's Board of Directors, dated September 27, 2018, under the heading Independent Auditors' Management Letter.



Prida Guida & Perez, P.A.
September 27, 2018

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Management's Discussion and Analysis

This section of the report on the financial statements presents management's discussion and analysis of the Organization's financial performance during the fiscal year ended June 30, 2018. It should be considered in conjunction with the Organization's basic financial statements and required supplementary information. Management's Discussion and Analysis will include the following:

- An overview of the report on the financial statements, including required supplementary financial information.
- A brief discussion of the basic financial statements, including how they relate to each other and significant differences in information they provide.
- A review and analysis of government-wide financial information, including reasons for significant changes in net position.
- A review and analysis of individual fund financial information, including the reasons for significant changes in fund balances.
- An analysis of significant variations between budgeted and actual revenues and expenditures.
- A description of currently known facts, decisions or conditions that are expected to have a significant impact on next year's budget or otherwise affect the Organization's long-term financial position or results of operations.

Overview of the Report on the Financial Statements

This report on the financial statements consists of four parts:

- (1) Independent Auditors' Report
- (2) Management's Discussion and Analysis
- (3) Basic Financial Statements:
 - Government-Wide Financial Statements
 - Fund Financial Statements
 - Notes to the Financial Statements
- (4) Required Supplementary Information:
 - Schedule of Revenues, Expenditures and Changes - Budget and Actual - Governmental Funds
 - Note to Required Supplementary Information
- (5) Compliance and Internal Control
 - Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
 - Independent Auditors' Management Letter

The Notes to the Financial Statements are integral parts of the basic financial statements. They explain some of the information in the financial statements and provide more detail.

The Schedule of Revenues, Expenditures and Changes – Budget (Non-GAAP Basis) and Actual - Governmental Funds is supplementary information required by the Governmental Accounting Standards Board.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Management's Discussion and Analysis

The Report on Internal Control Over Financial Reporting and on Compliance and Other Matters is required by *Government Auditing Standards* issued by the Comptroller General of the United States.

The Independent Auditors' Management Letter is required by the Rules of the Auditor General of the State of Florida which governs charter school audits performed in the State of Florida.

Government-Wide Financial Statements

The government-wide financial statements consist of:

- Statement of Net Position
- Statement of Activities

The government-wide financial statements provide both short and long-term information about the Organization's overall financial condition in a manner similar to those of a private-sector business. They are designed to provide financial information about the Organization using an economic resources (net position) measurement focus. This focus considers long-term factors such as long-term debts and investments in fixed assets that are not included in the short-term spendable financial resources focus of the fund financial statements.

Fund Financial Statements

The fund financial statements consist of:

- Balance Sheet - Governmental Funds
- Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Organization uses fund accounting to ensure compliance with finance-related legal requirements and prudent fiscal management.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in government-wide financial statements. This focus allows the governmental funds statements to provide information on near-term inflows and outflows of spendable resources as well as balances (fund balances) of spendable resources available at the end of the fiscal year.

Reconciliation of Fund Financial Statements to Government-Wide Financial Statements

The short-term view presented in fund financial statements is useful when compared to the longer-term view presented in government-wide financial statements. To facilitate this comparison, the following reconciliations are provided between the fund financial statements and the government-wide financial statements:

- Reconciliation of Total Governmental Fund Balances to Net Position of Government Activities;
- Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Management's Discussion and Analysis

Government-Wide Financial Analysis

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Other assets	\$ 1,603,106	\$ 1,232,960
Land	2,615,170	2,615,170
Construction in process	-	55,041
Depreciable capital assets, net	<u>7,919,185</u>	<u>8,043,990</u>
Total assets	<u>\$ 12,137,461</u>	<u>\$ 11,947,161</u>
Other liabilities	\$ 816,779	\$ 961,029
Long-term liabilities	<u>8,731,074</u>	<u>9,093,459</u>
Total liabilities	<u>9,547,853</u>	<u>10,054,488</u>
Net position		
Investment in capital assets, net of related debt	1,439,668	1,247,224
Restricted for capital projects	-	8,236
Unrestricted	<u>1,149,940</u>	<u>637,213</u>
Total net position, restated	<u>2,589,608</u>	<u>1,892,673</u>
Total liabilities and net position	<u>\$ 12,137,461</u>	<u>\$ 11,947,161</u>

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Management's Discussion and Analysis

Government-Wide Financial Analysis (Continued)

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Revenues		
Program revenues		
Childcare program	\$ 2,201,000	\$ 1,665,849
Fundraising	148,498	182,981
General revenues		
State and local sources	5,943,426	5,353,426
Contributions and other revenues	307,986	217,535
Total revenues	<u>8,600,910</u>	<u>7,419,791</u>
Expenses		
Instruction	3,308,388	3,001,003
Childcare program	1,799,799	1,421,159
Board expenses	16,150	15,717
General administration	252,250	229,446
School administration	465,740	475,255
District administrative fee	32,778	32,650
Fiscal services	166,883	165,397
Operations of plant and maintenance	677,969	688,097
Central and community services	186,150	172,663
Administrative technology	172,302	142,053
Interest and amortization	329,638	308,030
Depreciation	429,754	404,537
Fundraising	66,174	40,490
Total expenses	<u>7,903,975</u>	<u>7,096,497</u>
Change in net position	696,935	323,294
Net position, beginning of year	<u>1,892,673</u>	<u>1,569,379</u>
Net position, end of year	<u>\$ 2,589,608</u>	<u>\$ 1,892,673</u>

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Management's Discussion and Analysis

Government-Wide Financial Analysis (Continued)

Statement of Net Position –

- Investment in capital assets, net of related debt, increased by approximately \$190,000 over the prior year. Net depreciable capital assets decreased by approximately \$125,000 from the prior year due to fixed asset additions of approximately \$250,000, and depreciation expense of approximately \$430,000. The O'Dea center was completed during the year, therefore approximately \$55,000 was moved from construction in process and placed into service.
- Other assets increased by approximately \$370,000 due to increases in cash, prepaid expenses and insurance.
- Long term debt decreased approximately \$370,000 during the year as the Organization began making principal payments on the construction notes associated with the campus expansion project.

Statement of Activities –

- The current year change in net position of approximately \$690,000, is an increase of approximately \$374,000 compared to the prior year. This was primarily due to the first full year of enrollment at capacity in the new early childhood facility and an increase in enrollment related to eligible charter students. As a result, total revenues increased approximately \$1,200,000, or 16%, while expenses increased approximately \$807,000, or 10%.

Governmental Fund

- Revenues in the general fund increased approximately \$1,137,000, primarily due to the increase from state and local sources and an entire year of full enrollment in the childcare program. Charter school Enrollment for the year increased by 69 students over the prior year. Expenditures in the general fund increased by \$735,000, primarily due to a full year of increased staffing in both the charter and childcare programs. These changes resulted in an overall increase in revenues over expenditures in the general fund of approximately \$402,000 compared to the prior year.
- Revenues exceeded expenditures in the capital outlay fund by approximately \$43,000 in the current year. The excess assisted with debt service associated with the campus expansion project.
- Actual revenues and expenditures were higher than budget by approximately \$190,000 and \$30,000, or approximately 2% and less than 1%, respectively.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Management's Discussion and Analysis

Governmental Fund (Continued)

Significant Economic Factors or Other Conditions and Next Year's Budget

The Administrative Finance Committee for the Organization has aggressively responded to the economic climate and financial needs of the school. The Committee continues to meet on a weekly basis to assess expenditures and compare them to budget. The Organization's tuition driven program is now at capacity with a waiting list. In addition, the Organization anticipates an increase in overall revenue due to an increase in student population and a full year of operations for the expanded childcare program.

Contacting the Organization's Financial Management

The Report on the Financial Statements is designed to provide interested parties with a general overview of the Organization's finances and to demonstrate the Organization's accountability for the money it receives. Should additional information be required, please contact Dr. Madeline M. O'Dea, Chief Educational Officer, Founder and Principal, at the school's administrative offices at 2402 West Osborne Avenue, Tampa, FL 33603.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Statement of Net Position
June 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 1,490,063
Accounts receivable - trade	43,941
Prepaid expenses	63,778
Other receivables	5,324
Land	2,615,170
Depreciable capital assets, net	<u>7,919,185</u>
Total assets	<u><u>\$ 12,137,461</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable and accrued expenses	\$ 57,290
Payroll and payroll related liabilities	209,527
Deferred revenues	186,349
Long-term liabilities	
Due within one year	363,613
Due in more than one year	<u>8,731,074</u>
Total liabilities	<u>9,547,853</u>
NET POSITION	
Investment in capital assets, net of related debt	1,439,668
Unrestricted	<u>1,149,940</u>
Total net position	<u>2,589,608</u>
Total liabilities and net position	<u><u>\$ 12,137,461</u></u>

Read the accompanying notes to the financial statements.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Statement of Activities
For the Year Ended June 30, 2018

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Childcare and After School Care	Fundraising Activities	Governmental Activities
Governmental activities				
Instruction	\$ 3,005,548	\$ -	\$ -	\$ (3,005,548)
Instructional support services	302,840	40,066	-	(262,774)
Childcare program	1,799,799	1,799,799	-	-
Board expenses	16,150	2,137	-	(14,013)
General administration	252,250	33,373	-	(218,877)
School administration	465,740	61,619	-	(404,121)
District administrative fee	32,778	4,337	-	(28,441)
Fiscal services	166,883	22,079	-	(144,804)
Operations of plant	437,889	57,934	-	(379,955)
Maintenance of plant	240,080	31,763	-	(208,317)
Central services	143,457	18,980	-	(124,477)
Community services	42,693	5,648	-	(37,045)
Administrative technology	172,302	22,796	-	(149,506)
Interest	329,638	43,612	-	(286,026)
Depreciation	429,754	56,857	-	(372,897)
Fundraising expenses	66,174	-	148,498	82,324
Total primary government	\$ 7,903,975	\$ 2,201,000	\$ 148,498	\$ (5,554,477)

General revenues

State and local sources	\$ 5,650,324
State capital outlay/LCIR	293,102
Contributions and other revenues	307,986
Total general revenues	\$ 6,251,412
Change in net position	\$ 696,935
Net position, beginning of year	2,042,279
Error in accounting for debt issuance costs	(149,606)
Net position, beginning of year, restated	1,892,673
Net position, end of year	\$ 2,589,608

Read the accompanying notes to the financial statements.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Balance Sheet - Governmental Funds
June 30, 2018

	Governmental Funds
ASSETS	
Cash	\$ 1,490,063
Accounts receivable	43,941
Prepaid expenses	63,778
Other receivables	5,324
Total assets	\$ 1,603,106
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable and accrued expenses	\$ 57,290
Payroll and payroll related liabilities	209,527
Deferred revenues	186,349
Total liabilities	453,166
FUND BALANCES	
Non-spendable	63,778
Unassigned	1,086,162
Total fund balances	1,149,940
Total liabilities and fund balances	\$ 1,603,106

Read the accompanying notes to the financial statements.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	General	Capital Outlay	Debt Service	Special Purpose	Total Governmental Funds
Revenues					
State and local sources	\$ 5,650,324	\$ -	\$ -	\$ -	\$ 5,650,324
Childcare program	2,201,000	-	-	-	2,201,000
State capital outlay/LCIR	-	293,102	-	-	293,102
Contributions and other revenues	307,986	-	-	-	307,986
Fundraising	-	-	-	148,498	148,498
Total revenues	8,159,310	293,102	-	148,498	8,600,910
Expenditures					
Instruction	3,005,548	-	-	-	3,005,548
Instructional support services	302,840	-	-	-	302,840
Childcare program	1,799,799	-	-	-	1,799,799
Board expenses	16,150	-	-	-	16,150
General administration	252,250	-	-	-	252,250
School administration	465,740	-	-	-	465,740
District administrative fee	32,778	-	-	-	32,778
Fiscal services	166,883	-	-	-	166,883
Operations of plant	437,889	-	-	-	437,889
Maintenance of plant	240,080	-	-	-	240,080
Central services	143,457	-	-	-	143,457
Community services	42,693	-	-	-	42,693
Administrative technology	172,302	-	-	-	172,302
Fundraising	-	-	-	66,174	66,174
Capital outlay					
Computers, furniture and equipment	-	22,077	-	-	22,077
Facility improvements	-	227,831	-	-	227,831
Debt service					
Principal retirement	-	-	372,290	-	372,290
Interest	-	-	329,638	-	329,638
Total expenditures	7,078,409	249,908	701,928	66,174	8,096,419
Revenues over (under) expenditures	1,080,901	43,194	(701,928)	82,324	504,491
Other financing sources (uses)					
Operating transfers in	82,324	-	701,928	-	784,252
Operating transfers out	(650,498)	(51,430)	-	(82,324)	(784,252)
Total other financing sources (uses)	(568,174)	(51,430)	701,928	(82,324)	-
Net change in fund balances	512,727	(8,236)	-	-	504,491
Fund balance, beginning of year	637,213	8,236	-	-	645,449
Fund balance, end of year	<u>\$ 1,149,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,149,940</u>

Read the accompanying notes to the financial statements.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities
June 30, 2018

Total Fund Balances - Governmental Fund Balance Sheet	\$ 1,149,940
Amounts reported for governmental activities in the Statements of Net Position are different because:	
Capital assets and land used in governmental activities are not financial resources and therefore are not reported in the funds	10,534,355
Bonds payable and capital lease obligations are not reported in the funds	
General obligation bond	\$ (9,071,486)
Capital lease obligation	(23,201)
	(9,094,687)
Total Net Position - Statement of Net Position	\$ 2,589,608

Read the accompanying notes to the financial statements.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2018

Changes in Fund Balances - Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 504,491
 Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlay costs reported as expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds are allocated over the useful lives of these assets as depreciation in the Statement of Activities	249,908
Current year depreciation expense reported in the Statement of Activities is not reported as an expenditure in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	(429,754)
Payments on long-term debt and capital lease obligations reported as expenditures in Governmental Funds are a reduction to long-term debt liabilities in the Statement of Net Position	372,290
Change in Net Position - Statement of Activities	\$ 696,935

Read the accompanying notes to the financial statements.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Notes to the Financial Statements
June 30, 2018

Note 1 – Nature of Operations

Effective July 1, 2013, the Tampa School Development Corporation d/b/a Trinity School For Children, (the “Organization”), signed an agreement with the School Board of Hillsborough County for the purpose of maintaining a charter school, pursuant to Section 1002.33, Florida Statutes. The Organization is a non-profit entity formed under the laws of the State of Florida, for the purpose of serving students in kindergarten through the 8th grade by creating a zest for life-long learning through the developmental-interactive approach based on the Bank Street College of Education philosophy. This approach is achieved through the collaborative efforts of students, parents, faculty and the civic environment creating a mutual respect for each other. The Organization is open to any student residing in the school district.

The general operating authority of the Organization is contained in Section 1002.33 of the Florida Statutes. The Organization operates under a charter of the sponsoring school district, the School District of Hillsborough County (the “School District”). The charter expires on June 30, 2028. The Organization is a component unit of the School District.

Criteria for determining if other entities are potential component units of the Organization which should be reported with the Organization’s basic financial statements are identified and described in the Governmental Accounting Standards Board’s (“GASB”) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the Organization is financially accountable and other organizations for which the nature and significance of their relationship with the Organization are such that exclusion would cause the Organization’s basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Organization.

In addition to the charter school, the Organization provides early childhood and after school care services. The early childhood program is offered to infants through the age of 5 based on the Bank Street College of Education philosophy. The after school care program is an educational child care program offered to students enrolled in any of the aforementioned programs.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation – The Organization’s basic financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the GASB. All expenditures are recorded using the function and object dimensions required by the publication Financial and Program Cost Accounting and Reporting for Florida Schools (the “Red Book”) as required by Section 1002.33(9)(g)(1), Florida Statutes. Budgetary control is maintained at both the function and object level during the year.

Both government-wide and governmental fund financial statements are presented.

The government-wide financial statements report information for the government as a whole. These statements reflect the economic resources measurement focus and the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Notes to the Financial Statements
June 30, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Basis of presentation (continued) –

- Prepaid items are generally not accrued.
- Interest on general long-term debt is recognized when due.
- Expenditures related to liabilities reported as general long-term debt are recognized when due.

Budgets are also presented using the modified accrual basis of accounting.

A governmental fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Governmental funds include:

- The General Fund – the chief operating fund of the Organization used to account for all financial resources except those required to be accounted for in another fund.
- Capital Outlay Fund – to account for financial resources to be used for the acquisition or construction of major capital facilities.
- Debt Service Fund – to account for the accumulation of resources for, and the payment of, debt principal, interest and related costs.
- Special Purpose Fund – to account for fundraising activities and special revenue funds received by the Organization.

Basis of accounting – The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Governmental-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue; the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenue – On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. On an accrual basis, revenue is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when resources are required to be used or the year when use is first permitted.

Deferred Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of costs, such as depreciation, are not recognized in the governmental funds.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Notes to the Financial Statements
June 30, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital assets – Capital assets result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net position but are not reported in the governmental fund financial statements.

All capital assets are capitalized at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The Organization maintains a capitalization threshold of five hundred dollars for information technology purchases, and one thousand dollars for all other purchases. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are expensed.

All reported capital assets except land are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Buildings and improvements	40 years
Furniture and equipment	3 - 10 years
Vehicles	5 years

Long-term liabilities – Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bond premiums or discounts.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources, while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Changes in long-term debt for the current year are reported in a subsequent note.

Income tax status – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been recognized as a public charity not subject to the limitations of a private foundation. Therefore, no provisions for federal or state income tax are included in these financial statements.

Income tax status (continued) – Management of the Organization considers the likelihood of changes by taxing authorities in its filed income tax returns and discloses potential significant changes that management believes are more likely than not to occur upon examination by taxing authorities. Management has not identified any uncertain tax position in its filed income tax returns that require disclosure in the accompanying financial statements. The Organization’s income tax returns for the past three years are subject to examination by taxing authorities, and may change upon examination.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Notes to the Financial Statements
June 30, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Net position – Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through external restrictions imposed by creditors, grantors or laws or regulations of governments. Net position that is used for purposes other than above is classified as unrestricted.

Fund balances – Non-spendable fund balances represent amounts that cannot be spent such as prepaid expenses or amounts that are legally or contractually required to be maintained intact. Unassigned fund balance represents the fund balance that has not been restricted, committed or assigned for specific purposes.

Use of estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of credit risk – A concentration exists in support and revenues. Approximately 66% of revenues are related to the charter agreements with the School District.

The Organization maintains its cash balances at a financial institution located in Tampa, Florida. All deposit accounts are Public Funds Analyzed Checking accounts. These cash balances are insured with the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. In addition, the Organization's deposit amounts exceeding \$250,000 are 100% collateralized through the "Florida Security for Public Deposits Act."

Revenue sources – Revenues for current operations are primarily received from the School District of Hillsborough County pursuant to the funding provisions included in the Organization's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the Organization reports the number of full-time equivalent ("FTE") students and related data to the district. Under the provisions of Section 1011.62 Florida Statutes, the district reports the number of FTE students and related data to the Florida Department of Education ("FDOE") for funding through the Florida Education Finance Program ("FEFP"). Funding for the Organization is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted FTE reported by the Organization during the designated FTE survey periods.

The basic amount of the funding through the FEFP under Section 1011.62 is the product of the (1) unweighted FTE, multiplied by (2) the cost factor for each program, multiplied by (3) the base student allocation established by the legislature. Additional funds for exceptional students who do not have a matrix of services are provided through the guaranteed allocation designated in Section 1011.62(1)(e)2, Florida Statutes. For the 2017-2018 school year the Organization reported 842.59 unweighted FTE. Weighted funding represented approximately 6.25% of the total funding.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Notes to the Financial Statements
June 30, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

FEFP funding may also be adjusted as a result of subsequent FTE audits conducted by the Auditor General pursuant to Section 1010.305, Florida Statutes, and Rule 6A-1.0453, Florida Administrative Code (FAC). Schools are required to maintain the following documentation for three years or until the completion of an FTE Audit:

- Attendance and membership documentation (Rule 6A-1.044, FAC)
- Teacher certification documentation (Rule 6A-1.0503, FAC)
- Procedural safeguards for weighted programs (Rule 6A-6.03411, FAC)
- Evaluation and planning documents for weighted programs (Sections 1011.62(1)(e), FS, and Rule 6A-6.03411,FAC)

The Organization also received charter school capital outlay funding. The amount received under this program is based on the Organization’s actual and projected student enrollment during the year. Funds received under this program may only be used for lawful capital outlay expenditures and are accounted for in the Capital Outlay Fund.

Reclassifications – Certain minor reclassifications have been made to the fiscal year 2017 amounts in order for them to be more comparable to the classifications used in fiscal year 2018. Total net position, fund balance and net income were unchanged due to these reclassifications.

Note 3 – Prior Period Adjustment

The beginning balance of the unrestricted net position section has been restated on the government-wide statements to record a prior period adjustment to correct the capitalization of bond issuance costs in a prior year. A reconciliation of the prior period ending balance to the current year beginning balance is as follows:

Beginning balance in unrestricted net position	\$	786,819
Adjustment to correct error in bond issuance cost		<u>(149,606)</u>
Beginning balance in unrestricted net position, as restated	\$	<u><u>637,213</u></u>

The above adjustment increased the change in net position by \$7,480 in fiscal year 2017 and had no impact on the current year change in net position.

Note 4 – Accounts Receivable

Uncollectible receivables are written off using the direct write-off method. All receivables reflected in the statement of financial position are deemed collectible.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Notes to the Financial Statements
June 30, 2018

Note 5 – Change in General Fixed Assets

The Organization’s fixed asset activity for the year ended June 30, 2018, is as follows:

Governmental Activities	Cost			Balance June 30, 2018
	Balance June 30, 2017	Additions	Deletions/ Transfers	
Construction in process	\$ 55,041	\$ -	\$ (55,041)	\$ -
Land	2,615,170	-	-	2,615,170
Land improvements	695,052	-	-	695,052
Buildings	9,736,165	282,872	-	10,019,037
Classroom furniture	111,423	-	-	111,423
Computers	178,525	-	-	178,525
Furniture & equipment	282,357	22,077	-	304,434
Capital leased equipment	103,195	-	-	103,195
	<u>\$ 13,776,928</u>	<u>\$ 304,949</u>	<u>\$ (55,041)</u>	<u>\$ 14,026,836</u>

Governmental Activities	Accumulated Depreciation			Balance June 30, 2018
	Balance June 30, 2017	Additions	Deletions/ Reclassifications	
Land improvements	\$ 65,116	\$ 51,705	\$ -	\$ 116,821
Buildings	2,641,841	244,687	-	2,886,528
Classroom furniture	84,467	19,763	-	104,230
Computers	106,834	28,387	-	135,221
Furniture & equipment	135,377	40,200	-	175,577
Capital leased equipment	29,092	45,012	-	74,104
	<u>\$ 3,062,727</u>	<u>\$ 429,754</u>	<u>\$ -</u>	<u>\$ 3,492,481</u>

The Organization recognized depreciation expense of approximately \$430,000, which was charged as a program expense, during the year ended June 30, 2018. Amortization of the Organization’s capital lease equipment is reported within depreciation expense.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Notes to the Financial Statements
June 30, 2018

Note 6 – General Fund

The Organization’s General Fund activity for the year ended June 30, 2018, are as follows:

	Non- Spendable	Unassigned	Total
Balance at June 30, 2017	\$ 9,197	\$ 628,016	\$ 637,213
Change in fund balances			
Prepaid expense	54,581	-	54,581
Other	-	458,146	458,146
Total change in fund balance	54,581	458,146	512,727
Balance at June 30, 2018	\$ 63,778	\$ 1,086,162	\$ 1,149,940

Note 7 – Long-Term Liabilities

Long-term liabilities at June 30, 2018 consist of the following:

In a previous year, the Organization entered into two financing agreements with the City of Tampa as the issuer and a bank as the noteholder. Both notes are educational facility revenue bonds and are to be used for financing of qualified project costs relating to the acquisition, construction, renovation and equipping of the Project and the refunding of the Refunded Bond above and Issuance Costs related to the issuance of the notes. The provisions of the agreement require the Organization to maintain a debt service coverage ratio of no less than 1.25 derived from the audited financial statements. The Organization bears the risk of loss with respect to any loss or claim and neither the noteholder nor issuer shall assume any such liability or risk of loss. The Series 2015A note has a principal balance of \$3,330,332 and the Series 2015B note has a principal balance of \$5,741,154. Each note has a final maturity of July 1, 2037. The interest rate for the Series 2015A note is 3.58% and 3.47% for the Series 2015B. Principal payments for each note will be made in monthly installments on the first business day of each month commencing July 1, 2017. Until July 1, 2017, the Organization made interest payments on the notes. The total monthly payments for the Series A and Series B notes will be \$20,244 and \$34,571, respectively. As of June 30, 2018, the Organization was in compliance with its financial debt covenants.

The Organization has two capital lease obligations whose original balances were approximately \$40,000 and \$64,000 respectively, which were used to acquire computer equipment. The monthly payments are \$2,300 and \$1,200, respectively. At June 30, 2018, the total outstanding balance from the capital lease obligations is approximately \$23,000.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Notes to the Financial Statements
June 30, 2018

Note 7 – Long-Term Liabilities (Continued)

Future maturities of long-term liabilities and interest payments for each of the five years subsequent to June 30, 2018 are as follows:

	Bonds	Capital Lease Obligations	Interest	Total
2019	\$ 340,412	\$ 22,883	\$ 317,368	\$ 680,663
2020	351,891	318	305,889	658,098
2021	365,456	-	292,324	657,780
2022	378,677	-	279,103	657,780
2023	392,376	-	265,413	657,789
Thereafter	7,242,674	-	1,509,860	8,752,534
	<u>\$ 9,071,486</u>	<u>\$ 23,201</u>	<u>\$ 2,969,957</u>	<u>\$ 12,064,644</u>

Note 8 – Changes in General Long-Term Debt

The Organization's long-term debt activity for the year ended June 30, 2018, is as follows:

Description	Balance June 30, 2017	Additions	Principal Payments	Balance June 30, 2018
Notes payable	\$ 9,400,000	\$ -	\$ (328,514)	\$ 9,071,486
Capital lease obligations	66,977	-	(43,776)	23,201
	<u>\$ 9,466,977</u>	<u>\$ -</u>	<u>\$ (372,290)</u>	<u>\$ 9,094,687</u>

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Notes to the Financial Statements
June 30, 2018

Note 9 – Operating Leases

The Organization leases office equipment under non-cancelable agreements with terms in excess of one year. During the fiscal year ended June 30, 2018, total payments in connection with these leases totaled approximately \$36,000.

At June 30, 2018, future minimum rental payments required under such non-cancelable operating leases is as follows:

<u>Fiscal Year Ended</u>	<u>Minimum Lease Payment</u>
2019	\$ 36,000
2020	21,600
2021	<u>7,200</u>
	<u>\$ 64,800</u>

Note 10 – Schedule of State and Local Revenue Sources

The following is a schedule of state and local revenue sources and amounts from the School District during the year ended June 30, 2018:

FEFP	\$ 4,282,115
Capital outlay/LCIR	293,102
Instructional materials	65,126
SAI categorical/Summer programs	162,544
School recognition	77,332
Class size reduction	960,572
Teacher lead	9,477
Reading	35,342
Best and brightest	42,800
Digital classroom	<u>15,016</u>
	<u>\$ 5,943,426</u>

Note 11 – Employees Benefit Plans

The Organization maintains a defined contribution plan for employees under Section 401(k) of the Internal Revenue Code. Employees may make discretionary contributions to the plan up to the maximum allowed by the Internal Revenue Code. The Organization’s matching contribution is discretionary and totaled approximately \$124,000 during the year ended June 30, 2018.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Notes to the Financial Statements
June 30, 2018

Note 12 – Risk Management Programs

Automobile liability, general liability, professional liability, worker's compensation and property coverage's are being provided through purchased commercial insurance with minimum deductibles for each line of coverage.

Note 13 – Transfers Among Funds

The Organization transferred \$82,324 from the special purpose fund to the general fund. In addition, the general fund and capital outlay fund transferred \$650,498 and \$51,430, respectively, to the debt service fund.

Note 14 – Fair Value of Financial Instruments

The fair value of financial instruments classified as current assets or liabilities, including cash, accounts receivable, prepaid expenses, accounts payable, accrued expenses approximate carrying value, principally because of the short maturity of those items. In the case of notes payable, the fair value approximates carrying value because their interest rates are comparable to current market rates for similar loans.

Note 15 – Subsequent Events

The Organization has evaluated subsequent events through September 27, 2018, the date which the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date and through September 27, 2018, that would require any additional adjustment to, or disclosure in, the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Schedule of Revenues, Expenditures and Changes - Budget (Non-GAAP Basis) and Actual - Governmental Funds
For the Year Ended June 30, 2018

	General				Capital Outlay				Debt Service			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues												
State and local sources	\$ 5,510,850	\$ 5,471,257	\$ 5,650,324	\$ 179,067	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Childcare program	1,811,909	2,209,709	2,201,000	(8,709)	-	-	-	-	-	-	-	-
Contributions and other revenues	272,965	303,000	307,986	4,986	-	-	-	-	-	-	-	-
State capital outlay/LCIR	-	-	-	-	240,000	281,664	293,102	11,438	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	7,595,724	7,983,966	8,159,310	175,344	240,000	281,664	293,102	11,438	-	-	-	-
Expenditures												
Instruction	2,830,299	3,012,944	3,005,548	7,396	-	-	-	-	-	-	-	-
Instructional support services	321,188	311,261	302,840	8,421	-	-	-	-	-	-	-	-
Childcare program	1,637,878	1,809,206	1,799,799	9,407	-	-	-	-	-	-	-	-
Board expenses	16,200	16,200	16,150	50	-	-	-	-	-	-	-	-
General administration	183,443	247,449	252,250	(4,801)	-	-	-	-	-	-	-	-
School administration	482,849	472,486	465,740	6,746	-	-	-	-	-	-	-	-
District administrative fee	32,000	32,000	32,778	(778)	-	-	-	-	-	-	-	-
Fiscal services	156,798	168,862	166,883	1,979	-	-	-	-	-	-	-	-
Operations of plant	367,664	425,652	437,889	(12,237)	-	-	-	-	-	-	-	-
Maintenance of plant	268,401	244,268	240,080	4,188	-	-	-	-	-	-	-	-
Central services	147,398	148,993	143,457	5,536	-	-	-	-	-	-	-	-
Community services	37,514	41,213	42,693	(1,480)	-	-	-	-	-	-	-	-
Administrative technology	170,592	178,946	172,302	6,644	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay												
Computers, furniture and equipment	-	-	-	-	20,000	21,150	22,077	927	-	-	-	-
Facility improvements	-	-	-	-	225,000	225,000	227,831	2,831	-	-	-	-
Debt service												
Principal retirement	-	-	-	-	-	-	-	-	404,300	373,000	372,290	(710)
Interest	-	-	-	-	-	-	-	-	345,000	330,000	329,638	(362)
Total expenditures	6,652,224	7,109,480	7,078,409	31,071	245,000	246,150	249,908	3,758	749,300	703,000	701,928	(1,072)
Revenues over (under) expenditures	943,500	874,486	1,080,901	206,415	(5,000)	35,514	43,194	15,196	(749,300)	(703,000)	(701,928)	1,072
Other financing sources (uses)												
Operating transfers in	-	77,000	82,324	5,324	5,000	-	-	-	749,300	703,000	701,928	(1,072)
Operating transfers out	(754,300)	(667,486)	(650,498)	16,988	-	(35,514)	(51,430)	(15,916)	-	-	-	-
Total other financing sources (uses)	(754,300)	(590,486)	(568,174)	22,312	5,000	(43,750)	(51,430)	(15,916)	749,300	703,000	701,928	(1,072)
Net change in fund balances	189,200	284,000	512,727	228,727	-	(8,236)	(8,236)	-	-	-	-	-
Fund balance, beginning of year	637,213	637,213	637,213	-	8,236	8,236	8,236	-	-	-	-	-
Fund balance, end of year	\$ 826,413	\$ 921,213	\$ 1,149,940	\$ 228,727	\$ 8,236	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See the independent auditors' report.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Schedule of Revenues, Expenditures and Changes - Budget (Non-GAAP Basis) and Actual - Governmental Funds
For the Year Ended June 30, 2018

	Special Purpose				Total		
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues							
State and local sources	\$ -	\$ -	\$ -	\$ -	\$ 5,471,257	\$ 5,650,324	\$ 179,067
Childcare program	-	-	-	-	2,209,709	2,201,000	(8,709)
Contributions and other revenues	-	-	-	-	303,000	307,986	4,986
State capital outlay/LCIR	-	-	-	-	281,664	293,102	11,438
Fundraising	150,000	145,000	148,498	3,498	145,000	148,498	3,498
Total revenues	150,000	145,000	148,498	3,498	8,410,630	8,600,910	190,280
Expenditures							
Instruction	-	-	-	-	3,012,944	3,005,548	7,396
Instructional support services	-	-	-	-	311,261	302,840	8,421
Childcare program	-	-	-	-	1,809,206	1,799,799	9,407
Board expenses	-	-	-	-	16,200	16,150	50
General administration	-	-	-	-	247,449	252,250	(4,801)
School administration	-	-	-	-	472,486	465,740	6,746
District administrative fee	-	-	-	-	32,000	32,778	(778)
Fiscal services	-	-	-	-	168,862	166,883	1,979
Operations of plant	-	-	-	-	425,652	437,889	(12,237)
Maintenance of plant	-	-	-	-	244,268	240,080	4,188
Central services	-	-	-	-	148,993	143,457	5,536
Community services	-	-	-	-	41,213	42,693	(1,480)
Administrative technology	-	-	-	-	178,946	172,302	6,644
Fundraising	68,000	68,000	66,174	(1,826)	68,000	66,174	1,826
Capital outlay							
Computers, furniture and equipment	-	-	-	-	21,150	22,077	(927)
Facility improvements	-	-	-	-	225,000	227,831	(2,831)
Debt service							
Principal retirement	-	-	-	-	373,000	372,290	710
Interest	-	-	-	-	330,000	329,638	362
Total expenditures	68,000	68,000	66,174	(1,826)	8,126,630	8,096,419	30,211
Revenues over (under) expenditures	82,000	77,000	82,324	5,324	284,000	504,491	220,491
Other financing sources (uses)							
Operating transfers in	-	-	-	-	780,000	784,252	(4,252)
Operating transfers out	(82,000)	(77,000)	(82,324)	(5,324)	(780,000)	(784,252)	4,252
Total other financing sources (uses)	(82,000)	(77,000)	(82,324)	(5,324)	-	-	-
Net change in fund balances	-	-	-	-	284,000	504,491	220,491
Fund balance, beginning of year	-	-	-	-	645,449	645,449	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ 929,449	\$ 1,149,940	\$ 220,491

See the independent auditors' report.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Note to Required Supplementary Information (Unaudited)
June 30, 2018

Note 1 – Budgetary Basis of 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 and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g., instruction, pupil personnel services and school administration). Budget amendments are approved by the finance committee and presented to the board on a quarterly basis.

**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
Tampa School Development Corporation
d/b/a Trinity School for Children

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 Tampa School Development Corporation d/b/a Trinity School for Children (the “Organization”), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Organization’s basic financial statements, and have issued our report thereon dated September 27, 2018.

Additionally our audit was conducted in accordance with the provisions of Chapter 10.850, Rules of the Auditor General, which govern the conduct of charter school audits performed in the State of Florida. In that connection, we have submitted our Independent Auditors' Management Letter, dated September 27, 2018, that contains additional disclosures required under the Rules of the Auditor General. Disclosures in the management letter should be considered in conjunction with this report.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization’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 Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

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

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

**REPORT ON 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* (CONTINUED)**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and other guidelines, noncompliance with which could have a direct and material effect on the determination of financial statement amounts including student enrollment and attendance data and program eligibility documentation. 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.



Prida Guida & Perez, P.A.
September 27, 2018



PRIDA, GUIDA & PEREZ, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
1106 N. FRANKLIN STREET
TAMPA, FLORIDA 33602

INDEPENDENT AUDITORS' MANAGEMENT LETTER

We have audited the financial statements of Tampa School Development Corporation, d/b/a Trinity School for Children (the "Organization"), a nonprofit organization, charter school approved by the Hillsborough County District School Board for the fiscal year ended June 30, 2018, and have issued our report thereon dated September 27, 2018.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Reporting Required by Government Auditing Standards

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on Audit of the Financial Statements Performed in Accordance with *Governmental Auditing Standards*. Disclosures in this report, which are dated September 27, 2018, should be considered in conjunction with this management letter.

Prior Year 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 proceeding annual financial report. There were no findings in the proceeding annual financial report that required the attention of management.

Financial Condition

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

Sections 10.854(1)(e)6.a and 10.855(12), Rules of the Auditor General, require that we apply financial condition assessment procedures for the Organization. It is management's responsibility to monitor the Organization'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. During our audit of the Organization's June 30, 2018, financial statements we did not note any deteriorating financial conditions.

INDEPENDENT AUDITORS' MANAGEMENT LETTER (CONTINUED)

Transparency

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

Other Matters

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

Section 10.854(1)(e)4, Rules of the Auditor General, requires that we address 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 more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the school. The official title of the entity is Tampa School Development Corporation, d/b/a Trinity School for Children.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Organization's management and Board of Directors, the Hillsborough County District School Board, members of the Florida Senate and the Florida House of Representatives, and the Florida Auditor General, and is not intended to be used by anyone other than these specified parties.

Sincerely,



Prida Guida & Perez, P.A.
September 27, 2018