

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

**Financial Statements and Supplementary Information
Year Ended June 30, 2020**

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Financial Statements and Supplementary Information
Year Ended June 30, 2020

| | Page |
|---|---------|
| Independent Auditors' Report | 1 - 2 |
| Management's Discussion and Analysis | 3 - 8 |
| Basic Financial Statements: | |
| Government-Wide Statements | |
| Statement of Net Position | 9 |
| Statement of Activities | 10 |
| Fund Financial Statements | |
| Balance Sheet - Governmental Funds | 11 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 12 |
| Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities | 13 |
| Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 14 |
| Notes to Basic Financial Statements | 15 - 24 |
| Required Supplementary Information (Unaudited): | |
| Schedule of Revenues, Expenditures and Changes - Budget (Non-GAAP Basis) and Actual - Governmental Funds | 26 - 27 |
| Note to Required Supplementary Information | 28 |
| 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 <i>Government Auditing Standards</i> | 29 - 30 |
| Independent Auditors' Management Letter | 31 - 32 |



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, 2020, 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)

Opinion

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, 2020, 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 23, 2020, 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 23, 2020, under the heading Independent Auditors' Management Letter.



Prida Guida & Perez, P.A.
September 23, 2020

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, 2020. 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

| | Net Position, End of Year | |
|---|--------------------------------|---------------------|
| | <u>Governmental Activities</u> | |
| | <u>2020</u> | <u>2019</u> |
| Current & other assets | \$ 2,556,046 | \$ 1,791,705 |
| Land | 2,615,170 | 2,615,170 |
| Depreciable capital assets, net | <u>8,502,045</u> | <u>8,147,796</u> |
| Total assets | <u>13,673,261</u> | <u>12,554,671</u> |
| | | |
| Current liabilities | 1,134,372 | 926,726 |
| Long-term liabilities | <u>8,994,311</u> | <u>8,385,102</u> |
| Total liabilities | <u>10,128,683</u> | <u>9,311,828</u> |
| | | |
| Net position | | |
| Investment in capital assets, net of related debt | 2,730,570 | 2,025,973 |
| Unrestricted | <u>814,008</u> | <u>1,216,870</u> |
| Total net position | <u>\$ 3,544,578</u> | <u>\$ 3,242,843</u> |

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

Government-Wide Financial Analysis (Continued)

| | Operating Results for the Year | |
|--|--------------------------------|---------------------|
| | <u>Governmental Activities</u> | |
| | <u>2020</u> | <u>2019</u> |
| Revenues | | |
| Program revenues | | |
| Childcare program | \$ 2,071,960 | \$ 2,425,740 |
| Fundraising | 152,237 | 320,790 |
| General revenues | | |
| State and local sources | 6,670,026 | 6,283,675 |
| Contributions and other revenues | 164,330 | 149,520 |
| Total revenues | <u>9,058,553</u> | <u>9,179,725</u> |
| Expenses | | |
| Instruction | 3,381,831 | 3,468,529 |
| Childcare program | 2,278,741 | 2,002,699 |
| Board expenses | 16,930 | 18,607 |
| General administration | 180,470 | 221,187 |
| School administration | 586,965 | 444,758 |
| District administrative fee | 34,030 | 33,602 |
| Facilities acquisitions - noncapitalized | 10,308 | 64,476 |
| Fiscal services | 198,352 | 197,715 |
| Operations of plant and maintenance | 879,527 | 683,773 |
| Central and community services | 162,005 | 192,268 |
| Administrative technology | 182,942 | 273,201 |
| Interest | 304,861 | 384,796 |
| Depreciation | 438,566 | 423,806 |
| Fundraising | 101,290 | 117,073 |
| Total expenses | <u>8,756,818</u> | <u>8,526,490</u> |
| Change in net position | 301,735 | 653,235 |
| Net position, beginning of year | <u>3,242,843</u> | <u>2,589,608</u> |
| Net position, end of year | <u>\$ 3,544,578</u> | <u>\$ 3,242,843</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 –

- The change in net position was \$301,735 which, increased total net position to \$3,544,578 at June 30, 2020.
- Investment in capital assets, net of related debt, increased by \$704,597 over the prior year. Net depreciable capital assets, consisting of buildings and improvements and furniture, fixtures, and equipment, increased by \$354,249 over the prior year due to fixed asset additions of \$792,815, less current depreciation of \$438,566. This increase in the investment in capital assets, net of related debt was further increased by the principal payments of \$350,348 associated with these assets.
- Current assets increased by approximately \$765,000 mainly due to an increase in cash, whereas current liabilities increased approximately \$208,000 mainly attributable to the debt service associated with the Paycheck Protection Program (“PPP”) financing.
- Long term debt increased approximately \$610,000, which is the net amount of the principal payments on the construction notes associated with the campus expansion project and the new PPP proceeds referenced above.

Statement of Activities –

- The current year change in net position of \$301,735, is a decrease of \$351,500 compared to the prior year. Total revenues decreased \$121,172, or 1.3%, while expenses increased \$230,328, or 2.7%.
- The Childcare Programs' expenses increased \$276,042, whereas the related revenues decreased by \$353,780, resulting in a loss of \$206,781. The loss was mainly due to the Organization temporarily terminating the program and continuing to pay its employees subsequent to the stay-at-home order associated with the COVID-19 pandemic. The Organization made the decision to continue to support the program prior to receiving PPP funding.

Governmental Fund

- Total revenues in the general fund increased approximately \$16,000, the net effect of an increase from state and local sources and decrease in childcare program revenues. FEFP enrollment for the year increased by 32.8 students compared to the prior year. Expenditures in the general fund increased by approximately \$1,100,000, primarily due to reclassifying capital expenditures to the general fund from the capital outlay fund. Further, there were also increases in the instruction, instructional support, maintenance of plant, and childcare programs. These changes resulted in a net decrease in revenues over expenditures in the general fund of approximately \$1,100,000 compared to the prior year.
- Revenues exceeded expenditures in the special purpose fund by \$50,947 in the current year. This is an approximate 56% decrease in revenues over expenditures compared to the prior year, and the excess was transferred into the general fund to assist with school operations.
- Actual total revenues and expenditures were less than budget by approximately \$9,000 and \$46,000, or .10% and .50%, respectively.

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

Governmental Fund (Continued)

- The Organization's funding primarily consists of state and local sources, as detailed in Note 4. Other revenue sources consists of childcare programs, fundraising, and contributions.
- The largest expenditures are associated with instruction and childcare, mainly consisting of payroll. These expenditures represent approximately 61% of the total expenditures for the fiscal year ending June 30, 2020.

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.

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, 2020

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Cash | 2,476,339 |
| Accounts receivable | 49,179 |
| Prepaid expenses | 30,528 |
| Land | 2,615,170 |
| Depreciable capital assets, net | 8,502,045 |
| Total assets | 13,673,261 |
| LIABILITIES | |
| Accounts payable and accrued expenses | 96,453 |
| Payroll and payroll related liabilities | 282,202 |
| Deferred revenues | 196,493 |
| Long-term liabilities | |
| Due within one year | 559,224 |
| Due in more than one year | 8,994,311 |
| Total liabilities | 10,128,683 |
| NET POSITION | |
| Investment in capital assets, net of related debt | 2,730,570 |
| Unrestricted | 814,008 |
| Total net position | 3,544,578 |

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, 2020

| | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Assets |
|---|---------------------|---------------------------------------|---------------------------|---|
| | | Childcare and After School Care | Fundraising Activities | Governmental Activities |
| Governmental activities | | | | |
| Instruction | \$ 3,061,776 | \$ - | \$ - | \$ (3,061,776) |
| Instructional Support Services | 320,055 | - | - | (320,055) |
| Board | 16,930 | - | - | (16,930) |
| District Administration Fee | 34,030 | - | - | (34,030) |
| General Administration | 180,470 | - | - | (180,470) |
| School Administration | 586,965 | - | - | (586,965) |
| Facilities Acquisition - Noncapitalized | 10,308 | - | - | (10,308) |
| Fiscal Services | 198,352 | - | - | (198,352) |
| Central Services | 162,005 | - | - | (162,005) |
| Operation of Plant | 457,703 | - | - | (457,703) |
| Maintenance of Plant | 421,824 | - | - | (421,824) |
| Administrative Technology | 182,942 | - | - | (182,942) |
| Community Services - Childcare Programs | 2,278,741 | 2,071,960 | - | (206,781) |
| Interest | 304,861 | - | - | (304,861) |
| Depreciation | 438,566 | - | - | (438,566) |
| Fundraising Expenses | 101,290 | - | 152,237 | 50,947 |
| | | | | |
| Total primary government | <u>\$ 8,756,818</u> | <u>\$ 2,071,960</u> | <u>\$ 152,237</u> | <u>\$ (6,532,621)</u> |

General revenues

| | |
|----------------------------------|---------------------|
| State and local sources | 6,221,624 |
| State capital outlay | 448,402 |
| Contributions and other revenues | 164,330 |
| Total general revenue: | <u>\$ 6,834,356</u> |
| Change in net position | \$ 301,735 |
| Net position, beginning of year | <u>3,242,843</u> |
| Net position, end of year | <u>\$ 3,544,578</u> |

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, 2020

| | <u>Governmental Funds</u> |
|---|-------------------------------|
| ASSETS | |
| Cash | \$ 2,476,339 |
| Accounts receivable | 49,179 |
| Prepaid expenses | <u>30,528</u> |
| Total assets | <u><u>\$ 2,556,046</u></u> |
| LIABILITIES AND FUND BALANCES | |
| LIABILITIES | |
| Accounts payable and accrued expenses | \$ 96,453 |
| Payroll and payroll related liabilities | 282,202 |
| Deferred revenues | <u>196,493</u> |
| Total liabilities | <u>575,148</u> |
| FUND BALANCES | |
| Non-spendable | 30,528 |
| Unassigned | <u>1,950,370</u> |
| Total fund balances | <u>1,980,898</u> |
| Total liabilities and fund balances | <u><u>\$ 2,556,046</u></u> |

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, 2020

| | General | Capital Outlay | Debt Service | Special Purpose | Total Governmental Funds |
|---|---------------------|------------------|------------------|-----------------|--------------------------|
| Revenues | | | | | |
| FEFP | 6,051,097 | \$ - | \$ - | \$ - | \$ 6,051,097 |
| State Capital Outlay | - | 448,402 | - | - | 448,402 |
| Other State Revenue | 170,527 | - | - | - | 170,527 |
| Community Services - Childcare Programs | 2,071,960 | - | - | - | 2,071,960 |
| Other Local Source Revenue & Contribution | 164,330 | - | - | - | 164,330 |
| Fundraising | - | - | - | 152,237 | 152,237 |
| Total revenues | 8,457,914 | 448,402 | - | 152,237 | 9,058,553 |
| Expenditures | | | | | |
| Instruction | 3,061,776 | - | - | - | 3,061,776 |
| Instructional Support Services | 320,055 | - | - | - | 320,055 |
| Board | 16,930 | - | - | - | 16,930 |
| District Administration Fee | 34,030 | - | - | - | 34,030 |
| General Administration | 180,470 | - | - | - | 180,470 |
| School Administration | 586,965 | - | - | - | 586,965 |
| Facilities Acquisition | 803,123 | - | - | - | 803,123 |
| Fiscal Services | 198,352 | - | - | - | 198,352 |
| Central Services | 162,005 | - | - | - | 162,005 |
| Operation of Plant | 457,703 | - | - | - | 457,703 |
| Maintenance of Plant | 421,824 | - | - | - | 421,824 |
| Administrative Technology | 182,942 | - | - | - | 182,942 |
| Community Services - Childcare Programs | 2,278,741 | - | - | - | 2,278,741 |
| Fundraising | - | - | - | 101,290 | 101,290 |
| Debt service | | | | | |
| Principal retirement | - | - | 350,348 | - | 350,348 |
| Interest | - | - | 304,861 | - | 304,861 |
| Total expenditures | 8,704,916 | - | 655,209 | 101,290 | 9,461,415 |
| Revenues over (under) expenditures | (247,002) | 448,402 | (655,209) | 50,947 | (402,862) |
| Other financing sources (uses) | | | | | |
| PPP loan proceeds | - | - | 1,166,890 | - | 1,166,890 |
| Operating transfers in | 1,217,837 | - | 655,209 | - | 1,873,046 |
| Operating transfers out | (206,807) | (448,402) | (1,166,890) | (50,947) | (1,873,046) |
| Total other financing sources (uses) | 1,011,030 | (448,402) | 655,209 | (50,947) | 1,166,890 |
| Net change in fund balances | 764,028 | - | - | - | 764,028 |
| Fund balance, beginning of year | 1,216,870 | - | - | - | 1,216,870 |
| Fund balance, end of year | <u>\$ 1,980,898</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,980,898</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, 2020

| | |
|---|----------------------------|
| Total Fund Balances - Governmental Fund Balance Sheet | \$ 1,980,898 |
| 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 | 11,117,215 |
| Bonds payable and other debt obligations are not reported in the funds General obligation bond | <u>(9,553,535)</u> |
| Total Net Position - Statement of Net Position | <u><u>\$ 3,544,578</u></u> |

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, 2020

| | |
|---|---------------------------------|
| Changes in Fund Balances - Statement of Revenues, Expenditures and Changes in Fund Balances | \$ 764,028 |
| 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 | 792,815 |
| 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 | (438,566) |
| Current year proceeds from PPP loan financing reported as other financing sources in Government Funds | (1,166,890) |
| 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 | <u>350,348</u> |
| Change in Net Position - Statement of Activities | <u><u>\$ 301,735</u></u> |

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, 2020

Note 1 – Nature of Operations

Tampa School Development Corporation (the “Organization”) is a non-profit entity formed under the laws of the State of Florida, for the purpose of operating an Early Childhood Program and a Charter School. Tampa School Development Corporation serves students from 6 weeks old 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.

Effective July 1, 2013, the Tampa School Development Corporation d/b/a Trinity School for Children, 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 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.

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, 2020

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, 2020

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.

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, 2020

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 74% 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 2019-2020 school year the Organization reported 888.91 unweighted FTE. Weighted funding represented approximately 3% of the total funding.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Notes to the Financial Statements
June 30, 2020

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.

Note 3 – 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, 2020:

| | | |
|---------------------------------|----|-----------|
| FEFP | \$ | 4,652,883 |
| Capital outlay | | 448,402 |
| Instructional materials | | 69,375 |
| SAI categorical/Summer programs | | 206,535 |
| School recognition | | 85,610 |
| Class size reduction | | 1,017,825 |
| Mental health | | 21,613 |
| Safe schools | | 44,541 |
| Reading | | 36,719 |
| Best and brightest | | 84,917 |
| Digital classrooms | | 1,606 |
| | | 1,606 |
| | \$ | 6,670,026 |

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Notes to the Financial Statements
June 30, 2020

Note 4 – Change in General Fixed Assets

The Organization’s fixed asset activity for the year ended June 30, 2020, is as follows:

| Governmental Activities | Cost | | | Balance June 30, 2020 |
|--------------------------|--------------------------|-------------------|-------------|--------------------------|
| | Balance June 30, 2019 | Additions | Deletions | |
| Land | \$ 2,615,170 | \$ - | \$ - | \$ 2,615,170 |
| Land improvements | 695,052 | - | - | 695,052 |
| Buildings | 10,659,863 | 761,453 | - | 11,421,316 |
| Classroom furniture | 111,423 | - | - | 111,423 |
| Computers | 187,524 | - | - | 187,524 |
| Furniture & equipment | 307,026 | 31,362 | - | 338,388 |
| Capital leased equipment | 103,195 | - | - | 103,195 |
| | <u>\$ 14,679,253</u> | <u>\$ 792,815</u> | <u>\$ -</u> | <u>\$ 15,472,068</u> |

| Governmental Activities | Accumulated Depreciation | | | Balance June 30, 2020 |
|--------------------------|--------------------------|-------------------|-------------|--------------------------|
| | Balance June 30, 2019 | Additions | Deletions | |
| Land improvements | \$ 168,725 | \$ 52,628 | \$ - | \$ 221,353 |
| Buildings | 3,185,824 | 346,467 | - | 3,532,291 |
| Classroom furniture | 111,423 | - | - | 111,423 |
| Computers | 161,749 | 26,314 | - | 188,063 |
| Furniture & equipment | 185,371 | 13,157 | - | 198,528 |
| Capital leased equipment | 103,195 | - | - | 103,195 |
| | <u>\$ 3,916,287</u> | <u>\$ 438,566</u> | <u>\$ -</u> | <u>\$ 4,354,853</u> |

The Organization recognized depreciation expense of approximately \$440,000, which was charged as a program expense, during the year ended June 30, 2020. 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, 2020

Note 5 – General Fund

The Organization’s General Fund activity for the year ended June 30, 2020, are as follows:

| | <u>Non- Spendable</u> | <u>Unassigned</u> | <u>Total</u> |
|------------------------------|---------------------------|---------------------|---------------------|
| Balance at June 30, 2019 | \$ 32,002 | \$ 1,184,868 | \$ 1,216,870 |
| Change in fund balances | | | |
| Prepaid expense | (1,474) | - | (1,474) |
| Other | - | 765,502 | 765,502 |
| Total change in fund balance | <u>(1,474)</u> | <u>765,502</u> | <u>764,028</u> |
| Balance at June 30, 2020 | <u>\$ 30,528</u> | <u>\$ 1,950,370</u> | <u>\$ 1,980,898</u> |

Note 6 – Long-Term Liabilities

Long-term liabilities at June 30, 2020, 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 \$3,080,671 and the Series 2015B note has a principal balance of \$5,305,974. 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. The total monthly payments for the Series A and Series B notes are \$20,244 and \$34,571, respectively. As of June 30, 2020, the Organization was in compliance with its financial debt covenants.

In April of 2020, Tampa School Development Corporation borrowed \$1,166,890 under the Small Business Administration’s (“SBA”) Paycheck Protection Program. The loan agreement requires monthly payments of approximately \$65,000, which includes both principal and interest at 1% per annum beginning in March 2021. The loan matures in August 2022. Tampa School Development Corporation may apply for forgiveness of the loan in whole or in part. The loan may be forgiven if the loan proceeds are used for the purposes defined in the agreement. Management believes that Tampa School Development Corporation will meet the requirements for loan forgiveness.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Notes to the Financial Statements
June 30, 2020

Note 6 – Long-Term Liabilities (Continued)

Future maturities of long-term liabilities and interest payments for each of the five years subsequent to June 30, 2020, are as follows:

| | Revenue Bonds Payable | | | PPP Note Payable | | |
|------------|-----------------------|---------------------|---------------------|---------------------|-----------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2021 | \$ 365,456 | \$ 292,324 | \$ 657,780 | \$ 193,768 | \$ 2,756 | \$ 196,524 |
| 2022 | 378,677 | 279,103 | 657,780 | 779,934 | 6,163 | 786,097 |
| 2023 | 392,376 | 265,404 | 657,780 | 193,188 | 320 | 193,508 |
| 2024 | 405,884 | 251,896 | 657,780 | - | - | - |
| 2025 | 421,254 | 236,526 | 657,780 | - | - | - |
| Thereafter | 6,422,998 | 1,197,848 | 7,620,846 | - | - | - |
| | <u>\$ 8,386,645</u> | <u>\$ 2,523,101</u> | <u>\$10,909,746</u> | <u>\$ 1,166,890</u> | <u>\$ 9,239</u> | <u>\$ 1,176,129</u> |

Note 7 – Changes in General Long-Term Debt

The Organization's long-term debt activity for the year ended June 30, 2020, is as follows:

| Description | Balance | Additions | Principal | Balance |
|-----------------------|---------------------|---------------------|---------------------|---------------------|
| | June 30, 2019 | | Payments | June 30, 2020 |
| Revenue bonds payable | \$ 8,736,993 | \$ - | \$ (350,348) | \$ 8,386,645 |
| PPP note payable | - | 1,166,890 | - | 1,166,890 |
| | <u>\$ 8,736,993</u> | <u>\$ 1,166,890</u> | <u>\$ (350,348)</u> | <u>\$ 9,553,535</u> |

Note 8 – 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 \$79,000 during the year ended June 30, 2020.

Note 9 – 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, 2020

Note 10 – COVID-19 Contingency

On January 30, 2020, the World Health Organization declared the novel coronavirus outbreak (“COVID-19”) a “Public Health Emergency of International Concern” and on March 11, 2020, declared COVID-19 a pandemic. The spread of COVID-19 appears to be altering the behavior of businesses and people in a matter that is having negative effects on local, regional, and global economies. The impact of COVID-19 has negatively impacted the Tampa School Development Corporation’s operations. Any quarantines or other disruptions to the Tampa School Development Corporation’s operations have adversely impacted its revenues, ability to provide services, and ultimately its operating results. Tampa School Development Corporation has been significantly impacted by disruptions in its learning environment, such as remote learning mandates and social distancing requirements when remote learning is no longer compulsory. The extent to which COVID-19 could impact Tampa School Development Corporation will depend on future developments, which are highly uncertain and cannot be predicted with confidence at this time.

Note 11 – 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, 2020, total payments in connection with these leases totaled approximately \$30,000.

At June 30, 2020, future minimum rental payments required under such non-cancelable operating leases is as follows:

| <u>Fiscal Year Ended</u> | <u>Minimum Lease Payment</u> |
|--------------------------|----------------------------------|
| 2021 | \$ 22,812 |
| 2022 | <u>10,685</u> |
| | <u>\$ 33,497</u> |

Note 12 – Transfers Among Funds

The Organization transferred \$50,947 from the special purpose fund to the general fund. In addition, the debt service fund transferred \$1,166,890 to the general fund. The general fund and capital outlay fund transferred \$206,807 and \$448,402, respectively, to the debt service fund to cover principal and interest payments on existing debt.

Note 13 – 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 and 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.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Notes to the Financial Statements
June 30, 2020

Note 14 – Subsequent Events

The Organization has evaluated subsequent events through September 23, 2020, the date which the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date and through September 23, 2020, 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, 2020

| | 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 | | | | | | | | | | | | |
| FEFP | \$ 5,908,181 | \$ 6,058,413 | \$ 6,051,097 | \$ (7,316) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State Capital Outlay | - | - | - | - | 426,588 | 448,402 | 448,402 | - | - | - | - | - |
| Other State Revenue | - | 170,527 | 170,527 | - | - | - | - | - | - | - | - | - |
| Community Services - Childcare Programs | 2,410,415 | 2,066,748 | 2,071,960 | 5,212 | - | - | - | - | - | - | - | - |
| Other Local Source Revenue | 134,515 | 103,822 | 164,330 | 60,508 | - | - | - | - | - | - | - | - |
| Fundraising | - | - | - | - | - | - | - | - | - | - | - | - |
| Total revenues | 8,453,111 | 8,399,510 | 8,457,914 | 58,404 | 426,588 | 448,402 | 448,402 | - | - | - | - | - |
| Expenditures | | | | | | | | | | | | |
| Instruction | 2,942,214 | 3,056,769 | 3,061,776 | (5,007) | - | - | - | - | - | - | - | - |
| Instructional Support Services | 351,544 | 350,840 | 320,055 | 30,785 | - | - | - | - | - | - | - | - |
| Board | 18,200 | 19,200 | 16,930 | 2,270 | - | - | - | - | - | - | - | - |
| District Administraion Fee | 35,000 | 35,000 | 34,030 | 970 | - | - | - | - | - | - | - | - |
| General Administration | 203,839 | 217,961 | 180,470 | 37,491 | - | - | - | - | - | - | - | - |
| School Administration | 578,590 | 584,703 | 586,965 | (2,262) | - | - | - | - | - | - | - | - |
| Facilities Acquisition | 668,510 | 774,510 | 803,123 | (28,613) | - | - | - | - | - | - | - | - |
| Fiscal Services | 192,278 | 199,662 | 198,352 | 1,310 | - | - | - | - | - | - | - | - |
| Central Services | 155,621 | 162,587 | 162,005 | 582 | - | - | - | - | - | - | - | - |
| Operation of Plant | 470,350 | 470,329 | 457,703 | 12,626 | - | - | - | - | - | - | - | - |
| Maintenance of Plant | 368,774 | 460,629 | 421,824 | 38,805 | - | - | - | - | - | - | - | - |
| Administrative Technology | 156,990 | 196,631 | 182,942 | 13,689 | - | - | - | - | - | - | - | - |
| Community Services - Childcare Programs | 2,132,288 | 2,256,244 | 2,278,741 | (22,497) | - | - | - | - | - | - | - | - |
| Fundraising | - | - | - | - | - | - | - | - | - | - | - | - |
| Debt Service | | | | | | | | | | | | |
| Principal | - | - | - | - | - | - | - | - | 361,619 | 364,169 | 350,348 | 13,821 |
| Interest | - | - | - | - | - | - | - | - | 291,061 | 293,611 | 304,861 | (11,250) |
| Total expenditures | 8,274,198 | 8,785,065 | 8,704,916 | 80,149 | - | - | - | - | 652,680 | 657,780 | 655,209 | 2,571 |
| Revenues over (under) expenditures | 178,913 | (385,555) | (247,002) | 138,553 | 426,588 | 448,402 | 448,402 | - | (652,680) | (657,780) | (655,209) | 1,312,989 |
| Other financing sources (uses) | | | | | | | | | | | | |
| PPP loan proceeds | - | - | - | - | - | - | - | - | - | 1,166,891 | 1,166,890 | 1 |
| Operating transfers in | - | 1,321,891 | 1,217,837 | 104,054 | - | - | - | - | 652,680 | 657,780 | 655,209 | 2,571 |
| Operating transfers out | (652,680) | (209,378) | (206,807) | 2,571 | (426,588) | (448,402) | (448,402) | - | - | (1,166,891) | (1,166,890) | 1 |
| Total other financing sources (uses) | (652,680) | 1,112,513 | 1,011,030 | 106,625 | (426,588) | (448,402) | (448,402) | - | 652,680 | 657,780 | 655,209 | 2,573 |
| Net change in fund balances | (473,767) | 726,958 | 764,028 | 245,178 | - | - | - | - | - | - | - | - |
| Fund balance, beginning of year | 1,216,870 | 1,216,870 | 1,216,870 | - | - | - | - | - | - | - | - | - |
| Fund balance, end of year | \$ 743,103 | \$ 1,943,828 | \$ 1,980,898 | \$ 245,178 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

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, 2020

| | Special Purpose | | | | Total | | |
|---|------------------|------------------|-----------------|----------------------------------|------------------|------------------|----------------------------------|
| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | Final Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues | | | | | | | |
| FEFP | \$ - | \$ - | \$ - | \$ - | \$ 6,058,413 | \$ 6,051,097 | \$ (7,316) |
| State Capital Outlay | - | - | - | - | 448,402 | 448,402 | - |
| Other State Revenue | - | - | - | - | 170,527 | 170,527 | - |
| Community Services - Childcare Programs | - | - | - | - | 2,066,748 | 2,071,960 | 5,212 |
| Other Local Source Revenue | - | - | - | - | 103,822 | 164,330 | 60,508 |
| Fundraising | 220,000 | 220,000 | 152,237 | (67,763) | 220,000 | 152,237 | (67,763) |
| Total revenues | 220,000 | 220,000 | 152,237 | (67,763) | 9,067,912 | 9,058,553 | (9,359) |
| Expenditures | | | | | | | |
| Instruction | - | - | - | - | 3,056,769 | 3,061,776 | (5,007) |
| Instructional Support Services | - | - | - | - | 350,840 | 320,055 | 30,785 |
| Board | - | - | - | - | 19,200 | 16,930 | 2,270 |
| District Administration Fee | - | - | - | - | 35,000 | 34,030 | 970 |
| General Administration | - | - | - | - | 217,961 | 180,470 | 37,491 |
| School Administration | - | - | - | - | 584,703 | 586,965 | (2,262) |
| Facilities Acquisition | - | - | - | - | 774,510 | 803,123 | (28,613) |
| Fiscal Services | - | - | - | - | 199,662 | 198,352 | 1,310 |
| Central Services | - | - | - | - | 162,587 | 162,005 | 582 |
| Operation of Plant | - | - | - | - | 470,329 | 457,703 | 12,626 |
| Maintenance of Plant | - | - | - | - | 460,629 | 421,824 | 38,805 |
| Administrative Technology | - | - | - | - | 196,631 | 182,942 | 13,689 |
| Community Services - Childcare Programs | - | - | - | - | 2,256,244 | 2,278,741 | (22,497) |
| Fundraising | 65,000 | 65,000 | 101,290 | (36,290) | 65,000 | 101,290 | (36,290) |
| Debt Service | | | | | | | |
| Principal | - | - | - | - | 364,169 | 350,348 | 13,821 |
| Interest | - | - | - | - | 293,611 | 304,861 | (11,250) |
| Total expenditures | 65,000 | 65,000 | 101,290 | (36,290) | 9,507,845 | 9,461,415 | 46,430 |
| Revenues over (under) expenditures | 155,000 | 155,000 | 50,947 | (104,053) | (439,933) | (402,862) | 37,071 |
| Other financing sources (uses) | | | | | | | |
| PPP loan proceeds | - | - | - | - | 1,166,891 | 1,166,890 | 1 |
| Operating transfers in | - | - | - | - | 1,979,671 | 1,873,046 | 106,625 |
| Operating transfers out | (155,000) | (155,000) | (50,947) | 104,053 | (1,979,671) | (1,873,046) | 106,625 |
| Total other financing sources (uses) | (155,000) | (155,000) | (50,947) | 104,053 | 1,166,891 | 1,166,890 | 213,251 |
| Net change in fund balances | - | - | - | - | 726,958 | 764,028 | (176,180) |
| Fund balance, beginning of year | - | - | - | - | 1,216,870 | 1,216,870 | - |
| Fund balance, end of year | \$ - | \$ - | \$ - | \$ - | \$ 1,943,828 | \$ 1,980,898 | \$ (176,180) |

See the independent auditors' report.

TAMPA SCHOOL DEVELOPMENT CORPORATION
d/b/a TRINITY SCHOOL FOR CHILDREN
Note to Required Supplementary Information (Unaudited)
June 30, 2020

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, 2020, 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 23, 2020.

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 23, 2020, 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 23, 2020



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, 2020, and have issued our report thereon dated September 23, 2020.

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 23, 2020, 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, 2020, 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.

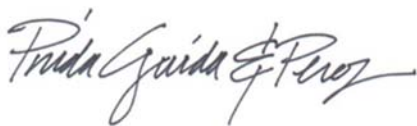
Section 10.854(1)(e)4, Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. 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,

A handwritten signature in cursive script that reads "Prida Guida & Perez".

Prida Guida & Perez, P.A.
September 23, 2020