

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

**Financial Statements and Supplementary Information  
Year Ended June 30, 2015**

**TAMPA SCHOOL DEVELOPMENT CORPORATION**  
**d/b/a TRINITY SCHOOL FOR CHILDREN**  
**Financial Statements and Supplementary Information**  
**Year Ended June 30, 2015**

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

**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 nonprofit 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, 2015, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 as of June 30, 2015, 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 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 22, 2015, 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 should be considered in assessing the results of our audit.

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 22, 2015, under the heading Independent Auditors' Management Letter.



Prida Guida & Company, P.A.  
September 22, 2015

**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, 2015. 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
  - 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 and Actual - Governmental Funds is supplementary information required by the Governmental Accounting Standards Board.

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.

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

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-term 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 the Governmental Funds Balance Sheet to the Statement of Net Position
- Reconciliation of the 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>2015</u>	<u>2014</u>
Other assets	\$ 4,687,568	\$ 1,060,573
Land	1,560,463	1,532,178
Depreciable capital assets, net	<u>5,299,182</u>	<u>5,473,309</u>
Total assets	11,547,213	8,066,060
Deferred outflows of resources	<u>-</u>	<u>121,183</u>
Total assets and deferred outflows of resources	<u>\$ 11,547,213</u>	<u>\$ 8,187,243</u>
Other liabilities	\$ 506,103	\$ 565,454
Long-term liabilities	<u>9,402,873</u>	<u>6,116,277</u>
Total liabilities	<u>9,908,976</u>	<u>6,681,731</u>
Net position		
Investment in capital assets, net of related debt	(2,574,877)	863,702
Restricted for capital projects	3,401,518	
Unrestricted	<u>811,596</u>	<u>641,810</u>
Total net position	<u>1,638,237</u>	<u>1,505,512</u>
Total liabilities and net position	<u>\$ 11,547,213</u>	<u>\$ 8,187,243</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>2015</u>	<u>2014</u>
<b>Revenues</b>		
Program revenues		
Childcare and after school care	\$ 1,298,971	\$ 1,264,731
Fundraising	176,658	256,528
General revenues		
State and local sources	4,912,778	4,687,547
Contributions and other revenues	265,702	223,612
Total revenues	<u>6,654,109</u>	<u>6,432,418</u>
<b>Expenses</b>		
Instruction	4,532,661	4,186,655
Board expenses	14,643	17,947
School administration	404,243	391,413
District administrative fee	31,430	30,988
Operations and maintenance of plant	535,780	537,896
Central and community services	338,324	359,302
Interest on long-term debt	280,800	343,327
Depreciation	320,043	302,487
Fundraising	63,460	138,642
Total expenses	<u>6,521,384</u>	<u>6,308,657</u>
Change in net position	132,725	123,761
Net position, beginning of year	<u>1,505,512</u>	<u>1,381,751</u>
Net position, end of year	<u>\$ 1,638,237</u>	<u>\$ 1,505,512</u>

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

Government-Wide Financial Analysis (Continued)

- Land and depreciable capital assets decreased by approximately \$145,000 which resulted from current year depreciation of \$320,000 net of capital additions of \$175,000. The major additions during the year consisted of land and building improvements and computers.
- Long-term debt increased in 2015 due to new bond issuance of \$9,400,000. The proceeds from this issuance retired approximately \$5,950,000 of outstanding debt and provided proceeds of approximately \$3,400,000, net of closing costs, to be used for the capital project.
- The current year change in net position of \$132,725 is consistent with the change in prior year and with budget. The increase in total revenues of approximately \$220,000, primarily due to the increase in state and local revenue sources, was offset by the increase in total expenses of approximately \$213,000, relating primarily to the increase in instructional expenses.
- Deferred outflows of resources decreased to zero, as it related to an interest rate swap agreement on the retired debt that matured during the year.

Governmental Fund

- The general fund balance increased by \$25,278 as a result of the following changes:
  - Increase in total revenues from the prior year by approximately \$360,000, primarily due to a 5% increase in FEFP sources from the prior year;
  - Increase in total expenditures by approximately \$333,000, primarily relating to an 8% increase in instructional salaries and services.
- Actual revenues and expenditures were higher than budget by approximately \$380,000 and \$270,000, or 5% and 4%, respectively.
- The capital outlay fund balance increased by approximately \$3,400,000 during the current year due to the amount of loan proceeds held in a separate bank account that are to be used exclusively for the capital project.

**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 has plans of assigning reserves for various needs as well as saving for special projects.

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 Madeline O'Dea, 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, 2015**

	Governmental Activities
<b>ASSETS</b>	
Cash, unrestricted	\$ 1,070,077
Cash restricted for capital projects	3,310,781
Accounts receivable - trade	26,291
Prepaid expenses	17,379
Other receivables	98,475
Land	1,560,463
Depreciable capital assets, net	5,299,182
Financing costs, net	164,565
Total assets	\$ 11,547,213
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 81,150
Payroll and payroll related liabilities	221,148
Deferred revenue	177,609
Long-term liabilities	
Due within one year	26,196
Due in more than one year	9,402,873
Total liabilities	9,908,976
<b>NET POSITION</b>	
Investment in capital assets, net of related debt	(2,574,877)
Restricted for capital projects	3,401,518
Unrestricted	811,596
Total net position	1,638,237
Total liabilities and net position	\$ 11,547,213

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, 2015**

	Expenses	Program Revenues		Net (Expense)
		Childcare and After School Care	Fundraising Activities	Revenue and Changes in Net Assets
<b>Governmental activities</b>				Governmental Activities
Instruction	\$ 2,636,175	\$ -	\$ -	\$ (2,636,175)
Instructional support services	832,372	100,351	-	(732,021)
Instructional media services	106,483	12,838	-	(93,645)
Other instruction	957,631	957,631	-	-
Board expenses	14,643	1,765	-	(12,878)
School administration	404,243	48,736	-	(355,507)
District administrative fee	31,430	-	-	(31,430)
Operations of plant	322,566	38,719	-	(283,847)
Maintenance of plant	213,214	25,705	-	(187,509)
Central services	144,513	17,423	-	(127,090)
Community services	193,811	23,366	-	(170,445)
Interest on long-term debt	280,800	33,853	-	(246,947)
Depreciation	320,043	38,584	-	(281,459)
Fundraising	63,460	-	176,657	113,197
<b>Total primary government</b>	<b>\$ 6,521,384</b>	<b>\$ 1,298,971</b>	<b>\$ 176,657</b>	<b>\$ (5,045,756)</b>

**General revenues**

State and local sources	\$ 4,667,146
State Capital Outlay	242,346
Contributions and other revenues	268,989
<b>Total general revenues</b>	<b>\$ 5,178,481</b>
Change in net position	\$ 132,725
Net position, beginning of year	1,505,512
Net position, end of year	<b>\$ 1,638,237</b>

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, 2015**

	General	Capital Outlay	Total Governmental Funds
<b>ASSETS</b>			
Cash, unrestricted	\$ 1,070,077	\$ -	\$ 1,070,077
Cash, restricted for capital projects	-	3,310,781	3,310,781
Accounts receivable	26,291	-	26,291
Prepaid expenses	17,379	-	17,379
Other receivables	7,738	90,737	98,475
	<b>\$ 1,121,485</b>	<b>\$ 3,401,518</b>	<b>\$ 4,523,003</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 75,696	\$ -	\$ 75,696
Payroll and payroll related liabilities	221,148	-	221,148
Deferred revenue	177,609	-	177,609
	<b>474,453</b>	<b>-</b>	<b>474,453</b>
<b>FUND BALANCES</b>			
Non-spendable	17,379	-	17,379
Restricted	-	3,401,518	3,401,518
Unassigned	629,653	-	629,653
	<b>647,032</b>	<b>3,401,518</b>	<b>4,048,550</b>
	<b>\$ 1,121,485</b>	<b>\$ 3,401,518</b>	<b>\$ 4,523,003</b>

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, 2015**

	General	Capital Outlay	Debt Service	Special Purpose	Total Governmental Funds
<b>Revenues</b>					
State and local sources	\$ 4,667,146	\$ 242,346	\$ -	\$ -	\$ 4,909,492
Childcare and after school programs	1,298,971	-	-	-	1,298,971
Contributions and other revenues	265,702	3,287	-	-	268,989
Fundraising	-	-	-	176,657	176,657
<b>Total revenues</b>	<b>6,231,819</b>	<b>245,633</b>	<b>-</b>	<b>176,657</b>	<b>6,654,109</b>
<b>Expenditures</b>					
Instruction	2,636,175	-	-	-	2,636,175
Instructional support services	832,372	-	-	-	832,372
Instructional media services	106,483	-	-	-	106,483
Other instruction	957,631	-	-	-	957,631
Board expenses	14,643	-	-	-	14,643
School administration	404,243	-	-	-	404,243
General administration	31,430	-	-	-	31,430
Operations of plant	322,566	-	-	-	322,566
Maintenance of plant	213,214	-	-	-	213,214
Central services	144,513	-	-	-	144,513
Community services	193,811	-	-	-	193,811
Fundraising materials	-	-	-	63,460	63,460
Capital Outlay					
Computers, furniture and equipment	-	48,911	-	-	48,911
Facility improvements	-	125,289	-	-	125,289
Principal retirement	-	-	6,087,207	-	6,087,207
Financing costs	-	-	164,565	-	164,565
Interest	-	-	280,800	-	280,800
<b>Total expenditures</b>	<b>5,857,081</b>	<b>174,200</b>	<b>6,532,572</b>	<b>63,460</b>	<b>12,627,313</b>
<b>Revenues over (under) expenditures</b>	<b>374,738</b>	<b>71,433</b>	<b>(6,532,572)</b>	<b>113,197</b>	<b>(5,973,204)</b>
Other financing sources (uses)					
Debt proceeds	-	-	9,400,000	-	9,400,000
Operating transfers in	181,343	3,398,231	530,803	-	4,110,377
Operating transfers out	(530,803)	(68,146)	(3,398,231)	(113,197)	(4,110,377)
<b>Total other financing sources (uses)</b>	<b>(349,460)</b>	<b>3,330,085</b>	<b>6,532,572</b>	<b>(113,197)</b>	<b>9,400,000</b>
Net change in fund balances	25,278	3,401,518	-	-	3,426,796
Fund balance, beginning of year	621,754	-	-	-	621,754
Fund balance, end of year	\$ 647,032	\$ 3,401,518	\$ -	\$ -	\$ 4,048,550

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, 2015**

<b>Total Fund Balances - Governmental Fund Balance Sheet</b>	<b>\$ 4,048,550</b>		
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	6,859,645		
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:			
Financing costs, net of amortization	164,565		
Long-term liabilities, including bonds payable, capital lease obligation and accrued interest payable are not due and payable in the current period and therefore are not reported in the funds:			
General obligation bond	(9,400,000)		
Capital lease obligation	(29,070)		
Accrued interest	(5,453)		
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; width: 60%;"></td> <td style="border-top: 1px solid black; text-align: right;">(9,434,523)</td> </tr> </table>		(9,434,523)
	(9,434,523)		
<b>Total Net Position - Statement of Net Position</b>	<b>\$ <u>1,638,237</u></b>		

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, 2015**

**Change in Fund Balances - Statement of Revenues, Expenditures, and Changes in Fund Balances** \$ 3,426,796

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	174,200
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	(320,043)
Current year accrued interest 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	(5,453)
Prior year accrued interest expenses reported as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds not reported in the Statement of Activities	25,509
Current year interest recognized on net financing costs recognized as interest expense in the Statement of Activities is not reported as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(20,056)
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	6,087,207
Issuance of new debt reported as another financing source in Governmental Funds	(9,400,000)
Financing costs, net of amortization	164,565
<b>Change in Net Position - Statement of Activities</b>	<u><u>\$ 132,725</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, 2015**

**Note 1 – Nature of Operations**

Effective on 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 nonprofit entity formed under the laws of the State of Florida, for the purpose of serving students in kindergarten through the 8<sup>th</sup> 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 aftercare services. The early childhood program is offered to infants through the age of 5 based on the Bank Street College of Education philosophy. The aftercare 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, 2015**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

*Basis of Presentation (Continued)* – The governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and 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. Expenditures are generally recognized when the related fund liability is incurred. The principle exceptions to this general rule are:

- 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.

**TAMPA SCHOOL DEVELOPMENT CORPORATION**  
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**Notes to the Financial Statements**  
**June 30, 2015**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

*Basis of Accounting (Continued) –*

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.

*Cash, Restricted* – Cash is reported as restricted when limitations on its use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of governments or imposed by enabling legislation. As of June 30, 2015, restricted cash represents debt proceeds from the Organization’s bond issuance set aside for capital improvements. These proceeds are classified as restricted because their use is limited by bond covenants and they are maintained in a separate bank account.

*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, while 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</u> <u>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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

**TAMPA SCHOOL DEVELOPMENT CORPORATION**  
**d/b/a TRINITY SCHOOL FOR CHILDREN**  
**Notes to the Financial Statements**  
**June 30, 2015**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

*Derivative* – In accordance with Governmental Accounting Standards Board No. 63, the Organization reports the fair value of the interest rate swap agreement on the statement of net position, which is reported as a deferred outflow of resources and with liabilities. The agreement matured during the current year.

*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.

*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 are 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 seventy-three percent 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."

**TAMPA SCHOOL DEVELOPMENT CORPORATION**  
**d/b/a TRINITY SCHOOL FOR CHILDREN**  
**Notes to the Financial Statements**  
**June 30, 2015**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

*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 2014-2015 school year the Organization reported 729.50 unweighted FTE. Weighted funding represented approximately 7.34% of the total funding.

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 – 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, 2015**

**Note 4 – Change in General Fixed Assets**

The Organization’s fixed asset activity for the year ended June 30, 2015, is as follows:

Cost				
Governmental Activities	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Land	\$ 1,532,178	\$ 28,285	\$ -	\$ 1,560,463
Land Improvements	265,451	8,390	-	273,841
Building	4,120,585	85,720	-	4,206,305
Building	2,801,546	2,894	-	2,804,440
Classroom Furniture	85,711	4,440	-	90,151
Computers	383,171	33,901	-	417,072
Furniture & Equipment	104,247	10,570	-	114,817
Capital Leased Equipment	78,589	-	-	78,589
	\$ 9,371,478	\$ 174,200	\$ -	\$ 9,545,678

Accumulated Depreciation				
Governmental Activities	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Land Improvements	\$ 15,236	\$ 10,975	\$ -	\$ 26,211
Building	1,306,637	128,586	-	1,435,223
Building	740,667	87,400	-	828,067
Classroom Furniture	73,010	3,613	-	76,623
Computers	103,502	56,716	-	160,218
Furniture & Equipment	109,911	9,603	-	119,514
Capital Leased Equipment	17,028	23,150	-	40,178
	\$ 2,365,991	\$ 320,043	\$ -	\$ 2,686,034

The Organization recognized depreciation expense of \$320,043, which was charged as a program expense, during the year ended June 30, 2015. 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, 2015**

**Note 5 – General Fund**

The Organization’s General Fund activity for the year ended June 30, 2015, are as follows:

	<u>Non-Spendable</u>	<u>Unassigned</u>	<u>Total</u>
Balance at June 30, 2014	\$ 14,318	\$ 607,436	\$ 621,754
Change in Fund Balances:			
Prepaid Expense	3,061	-	3,061
Other	-	22,217	22,217
Total Change in Fund Balance	<u>3,061</u>	<u>22,217</u>	<u>25,278</u>
Balance at June 30, 2015	<u>\$ 17,379</u>	<u>\$ 629,653</u>	<u>\$ 647,032</u>

**Note 6 – Financing Costs**

Costs associated with the acquisition of loans are amortized over the terms of the loans using the straight-line method. Total financing costs were approximately \$165,000 at June 30, 2015. The Organization recognized interest expense of approximately \$20,000 related to the amortization of the financing costs during the year ending June 30, 2015.

**Note 7 – Long-Term Liabilities**

Long-term liabilities at June 30, 2015 consist of the following:

The Organization had a \$6,500,000 bank qualified tax-exempt credit agreement with a financial institution that became effective March 15, 2010. During the year ended June 30, 2015, the agreement matured and the Organization paid off the outstanding balance. Repayment of this credit agreement was based on a 30 year amortization with principal and interest due monthly. The credit agreement bore interest at a blended rate of 63.7% of LIBOR plus 229 basis points. The debt was tied to an interest rate swap agreement which is discussed below. The facility was collateralized by a first lien position on various accounts, equipment, real property, records and all products and proceeds of the foregoing. The provisions of the loan agreement required that the Organization comply with numerous conditions.

The Organization entered into two new financing agreements as of June 24, 2015, 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 \$3,450,000 and the Series 2015B note has a principal balance of \$5,950,000. 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 annual installments on the first business day of each July commencing July 1, 2017. Interest shall be payable monthly commencing on August 3, 2015.

**TAMPA SCHOOL DEVELOPMENT CORPORATION**  
**d/b/a TRINITY SCHOOL FOR CHILDREN**  
**Notes to the Financial Statements**  
**June 30, 2015**

**Note 7 – Long-Term Liabilities (Continued)**

The Organization had one capital lease obligation whose original balance was approximately \$85,000, which was used to acquire computer equipment. The capital lease agreement charged interest at approximately 3% and was payable over monthly payments of approximately \$2,300. At June 30, 2015, the outstanding balance from the capital lease obligation was \$29,070.

The Organization’s capital lease assets consist of the following at June 30, 2015:

\$	78,589	Capital Leased Equipment
	(40,178)	Accumulated Amortization
	<u>38,411</u>	
<u>\$</u>	<u>38,411</u>	

Future maturities of long-term liabilities and interest payments for each of the five years subsequent to June 30, 2015 are as follows:

	Bonds	Capital Lease Obligations	Interest	Total
2016	\$ -	\$ 26,196	\$ 330,488	\$ 356,684
2017	-	2,874	329,990	332,864
2018	328,528	-	329,252	657,780
2019	340,412	-	302,895	643,307
2020	351,891	-	305,889	657,780
Thereafter	8,379,169	-	1,766,508	10,145,677
	<u>\$ 9,400,000</u>	<u>\$ 29,070</u>	<u>\$ 3,365,022</u>	<u>\$12,794,092</u>

**Note 8 – Schedule of Local Revenue Sources**

The following is a schedule of local revenue sources and amounts from the School District during the year ended June 30, 2015:

FEFP (net of a 2% administrative fees, or \$31,430 which was deducted by the School District)	3,532,587
Capital Outlay	242,346
Instructional Materials	56,263
SAI Categorical/Summer Programs	139,829
School Recognition	70,174
Class Size Reduction	857,088
Teacher Lead	11,115
Other	90
	<u>\$ 4,909,492</u>

**TAMPA SCHOOL DEVELOPMENT CORPORATION**  
**d/b/a TRINITY SCHOOL FOR CHILDREN**  
**Notes to the Financial Statements**  
**June 30, 2015**

**Note 9 – Operating Leases**

The Organization leases office equipment under non-cancelable agreements with terms in excess of one year. The total original lease obligation under each lease ranged from approximately \$17,000 to \$32,000 without any options to renew. During the fiscal year ended June 30, 2015, lease payments towards office equipment and computers totaled approximately \$53,000.

At June 30, 2015, future minimum rental payments required under such non-cancelable operating leases remaining are as follows:

2016	\$ 19,000
2017	9,000
	<u>\$ 28,000</u>

**Note 10 – 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 \$48,000 during the year ended June 30, 2015.

**Note 11 – 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 12 – Changes in General Long-Term Debt**

The Organization’s long-term debt activity for the year ended June 30, 2015, is as follows:

Description	Balance June 30, 2014	Additions	Principal Payments	Balance June 30, 2015
Notes Payable	\$ 6,061,011	\$ 9,400,000	\$ (6,061,011)	\$ 9,400,000
Capital Lease Obligations	55,266	-	(26,196)	29,070
	<u>\$ 6,116,277</u>	<u>\$ 9,400,000</u>	<u>\$ (6,087,207)</u>	<u>\$ 9,429,070</u>

**Note 13 – Transfers Among Funds**

The Organization transferred \$113,197 from the special purpose fund to the general fund. In addition, it transferred \$68,146 from the capital outlay und to the general fund. The Organization transferred \$530,803 from the general fund to the debt service fund. It also transferred \$3,398,231 into the capital outlay fund from the debt service fund when it acquired new debt.

**TAMPA SCHOOL DEVELOPMENT CORPORATION**  
**d/b/a TRINITY SCHOOL FOR CHILDREN**  
**Notes to the Financial Statements**  
**June 30, 2015**

**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 – Commitments and Contingences**

As of June 30, 2015, the Organization was committed to a construction contract for the capital project initiative for approximately \$1,070,000. This contract will be financed using the debt proceeds obtained during the year.

**Note 16 – Subsequent Events**

The Organization has evaluated subsequent events through September 22, 2015, the date which the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date and through September 22, 2015 that would require any additional adjustment to, or disclosure in, the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**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, 2015**

	General			Capital Outlay			Debt Service			Special Purpose			Total		
	Original and Final Budget	Actual	Variance Favorable (Unfavorable)	Original and Final Budget	Actual	Variance Favorable (Unfavorable)	Original and Final Budget	Actual	Variance Favorable (Unfavorable)	Original and Final Budget	Actual	Variance Favorable (Unfavorable)	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>															
State and local sources	\$ 4,434,184	\$ 4,667,146	\$ 232,962	\$ 240,070	\$ 242,346	\$ 2,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,674,254	\$ 4,909,492	\$ 235,238
Childcare and after school programs	1,235,000	1,298,971	63,971	-	-	-	-	-	-	-	-	-	1,235,000	1,298,971	63,971
Contributions and other revenues	193,000	265,702	72,702	-	3,287	3,287	-	-	-	-	-	-	193,000	268,989	75,989
Fundraising	-	-	-	-	-	-	-	-	-	168,000	176,657	8,657	168,000	176,657	8,657
<b>Total revenues</b>	<b>5,862,184</b>	<b>6,231,819</b>	<b>369,635</b>	<b>240,070</b>	<b>245,633</b>	<b>5,563</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168,000</b>	<b>176,657</b>	<b>8,657</b>	<b>6,270,254</b>	<b>6,654,109</b>	<b>383,855</b>
<b>Expenditures</b>															
Instruction	2,504,412	2,636,175	(131,763)	-	-	-	-	-	-	-	-	-	2,504,412	2,636,175	(131,763)
Instructional support services	792,072	832,372	(40,300)	-	-	-	-	-	-	-	-	-	792,072	832,372	(40,300)
Instructional media services	101,500	106,483	(4,983)	-	-	-	-	-	-	-	-	-	101,500	106,483	(4,983)
Other instruction	912,413	957,631	(45,218)	-	-	-	-	-	-	-	-	-	912,413	957,631	(45,218)
Board expenses	15,200	14,643	557	-	-	-	-	-	-	-	-	-	15,200	14,643	557
School administration	414,213	404,243	9,970	-	-	-	-	-	-	-	-	-	414,213	404,243	9,970
District administrative fee	32,417	31,430	987	-	-	-	-	-	-	-	-	-	32,417	31,430	987
Operations of plant	309,870	322,566	(12,696)	-	-	-	-	-	-	-	-	-	309,870	322,566	(12,696)
Maintenance of plant	204,722	213,214	(8,492)	-	-	-	-	-	-	-	-	-	204,722	213,214	(8,492)
Central services	145,530	144,513	1,017	-	-	-	-	-	-	-	-	-	145,530	144,513	1,017
Community services	187,418	193,811	(6,393)	-	-	-	-	-	-	-	-	-	187,418	193,811	(6,393)
Fundraising materials	-	-	-	-	-	-	-	-	-	60,300	63,460	(3,160)	60,300	63,460	(3,160)
<b>Capital Outlay</b>															
Computers, furniture and equipment	-	-	-	46,713	48,911	(2,198)	-	-	-	-	-	-	46,713	48,911	(2,198)
Facility improvements	-	-	-	119,439	125,289	(5,850)	-	-	-	-	-	-	119,439	125,289	(5,850)
<b>Debt Service</b>															
Principal retirement	-	-	-	-	-	-	-	6,087,207	(6,087,207)	-	-	-	-	6,087,207	(6,087,207)
Financing costs	-	-	-	-	-	-	156,547	164,565	(8,018)	-	-	-	156,547	164,565	(8,018)
Interest	-	-	-	-	-	-	267,488	280,800	(13,312)	-	-	-	267,488	280,800	(13,312)
<b>Total expenditures</b>	<b>5,619,767</b>	<b>5,857,081</b>	<b>(237,314)</b>	<b>166,152</b>	<b>174,200</b>	<b>(8,048)</b>	<b>424,035</b>	<b>6,532,572</b>	<b>(6,108,537)</b>	<b>60,300</b>	<b>63,460</b>	<b>(3,160)</b>	<b>6,270,254</b>	<b>12,627,313</b>	<b>(6,357,059)</b>
Revenues over (under) expenditures	242,417	374,738	132,321	73,918	71,433	(2,485)	(424,035)	(6,532,572)	(6,108,537)	107,700	113,197	5,497	-	(5,973,204)	(5,973,204)
<b>Other financing sources (uses)</b>															
Debt proceeds	-	-	-	-	-	-	-	9,400,000	9,400,000	-	-	-	-	9,400,000	(9,400,000)
Operating transfers in	181,618	181,343	(275)	-	3,398,231	3,398,231	424,035	530,803	106,768	-	-	-	605,653	4,110,377	(3,504,724)
Operating transfers out	(424,035)	(530,803)	(106,768)	(73,918)	(68,146)	5,772	-	(3,398,231)	(3,398,231)	(107,700)	(113,197)	(5,497)	(605,653)	(4,110,377)	3,504,724
<b>Total other financing sources (uses)</b>	<b>(242,417)</b>	<b>(349,460)</b>	<b>(107,043)</b>	<b>(73,918)</b>	<b>3,330,085</b>	<b>3,404,003</b>	<b>424,035</b>	<b>6,532,572</b>	<b>6,108,537</b>	<b>(107,700)</b>	<b>(113,197)</b>	<b>(5,497)</b>	<b>-</b>	<b>9,400,000</b>	<b>(9,400,000)</b>
Net change in fund balances	-	25,278	25,278	-	3,401,518	3,401,518	-	-	-	-	-	-	-	3,426,796	3,426,796
Fund balance, beginning of year	621,754	621,754	-	-	-	-	-	-	-	-	-	-	621,754	621,754	-
Fund balance, end of year	\$ 621,754	\$ 647,032	\$ 25,278	\$ -	\$ 3,401,518	\$ 3,401,518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 621,754	\$ 4,048,550	\$ 3,426,796

See the independent accountants' report



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1106 N. FRANKLIN STREET  
TAMPA, FLORIDA 33602

**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 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”), a nonprofit organization and charter school approved by the School District of Hillsborough County, Florida, as of and for the year ended June 30, 2015, which collectively comprise the Organization’s basic financial statements and have issued our report thereon dated September 22, 2015. 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. In that connection, we have submitted our Independent Auditors' Management Letter, dated September 22, 2015, 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 of the Organization’s governmental activities as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

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.

**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)**

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

**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*.

This report is intended solely for the information and use of the board of directors, management, others within the organization, the Hillsborough County District School Board, the Florida Department of Education, and the Florida Auditor General and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Prida Guida & Company, PA  
September 22, 2015



PRIDA·GUIDA & COMPANY, 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, 2015, and have issued our report thereon dated September 22, 2015.

**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 22, 2015, 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 10.854(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 10.8555(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, 2015 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)6, 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 & Company, P.A.  
September 22, 2015