



Sports Leadership and Management Academy (Tampa)  
W/L# 7815  
(A charter school under  
SLAM Florida, Inc.)

Financial Statements and  
Independent Auditors' Report  
June 30, 2019

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Sports Leadership and Management Academy (Tampa)  
(A charter school under SLAM Florida, Inc.)

W/L# 7815

7116 Gunn Highway  
Tampa, FL 33625

2018-2019

Board of Directors

Rene Ruiz, Board Chair/ President  
Joseph Anthony Mesa, III, Vice Chair, Vice President  
Alina Lopez, Secretary, Director

School Administration

Aimee Mielke, Principal



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Sports Leadership and Management Academy (Tampa)  
Tampa, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Sports Leadership and Management Academy (Tampa) (the "School"), a charter school under SLAM Florida, Inc., as of, and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Sports Leadership and Management Academy (Tampa) as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

As described in Note 1, the accompanying financial statements referred to above present only the financial position of Sports Leadership and Management Academy (Tampa) as of June 30, 2019, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of SLAM Florida, Inc. These financial statements do not purport to and do not present fairly the financial position of SLAM Florida, Inc. as of June 30, 2019 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages 4 through 9 and 30 through 31 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 Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2019 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School’s internal control over financial reporting and compliance.



Coral Gables, Florida  
September 20, 2019

CERTIFIED PUBLIC ACCOUNTANTS

## Management's Discussion and Analysis

SLAM

Sports Leadership and Management Academy (Tampa)

(A Charter School under SLAM Florida, Inc.)

June 30, 2019

The corporate officers of SLAM Florida, Inc. have prepared this narrative overview and analysis of Sports Leadership and Management Academy (Tampa)'s financial activities for the fiscal year ended June 30, 2019.

### Financial Highlights

1. The net position of the School at June 30, 2019 was \$158,360.
2. At year-end, the School had current assets on hand of \$450,406.
3. The net position of the School increased by \$3,530 during the year.
4. The unassigned fund balance at year end was \$277,953.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School's basic financial statements. The School's financial statements for the year ended June 30, 2019 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

#### Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference is reported as net position. Over time increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 10-11 of this report.

#### Fund Financial Statements

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

The Board of the School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for the major governmental funds to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 12 - 16 of this report.

Notes to Financial Statements

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

The notes to the financial statements can be found on pages 17 – 29 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, the net position was \$158,360 at the close of the fiscal year. A summary of the School's net position as of June 30, 2019 and 2018 is as follows:

	2019	2018
Cash and cash equivalents	\$ 60,794	\$ 9,841
Investments	170,000	126,422
Prepaid expenses	80,703	69,247
Due from other agencies	23,909	114,225
Due from Slam Foundation, Inc.	115,000	-
Deposit receivable	45,407	45,407
Capital assets, net	643,162	659,522
<b>Total Assets</b>	<b>1,138,975</b>	<b>1,024,664</b>
<b>Deferred outflows of resources</b>	<b>-</b>	<b>-</b>
Accounts payable	32,368	705
Salaries and wages payable	59,382	82,407
Notes payable	407,232	537,530
Due to SLAM Foundation, Inc.	481,633	249,192
<b>Total Liabilities</b>	<b>980,615</b>	<b>869,834</b>
<b>Deferred inflows of resources</b>	<b>-</b>	<b>-</b>
<b>Net Position:</b>		
Net investment in capital assets	242,772	276,075
Unrestricted	(84,412)	(121,245)
<b>Total Net Position</b>	<b>\$ 158,360</b>	<b>\$ 154,830</b>

At the end of 2019, the School is able to report a positive balance in its net position. A summary and analysis of the School's revenues and expenses for the years ended June 30, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>		
Program Revenues		
Operating Grants and Contributions	\$ 156,163	\$ 358,949
Capital Grants and Contributions	331,401	39,903
Lunch Program	-	1,220
Charges for Services	57,414	750
General Revenues		
Local Sources (FTE and other non specific)	3,174,190	2,313,338
Other Revenues	1,227,537	765,923
<b>Total Revenues</b>	<u>\$ 4,946,705</u>	<u>\$ 3,480,083</u>
<b>EXPENSES</b>		
Governmental Activities:		
Instruction	\$ 2,214,086	\$ 1,516,660
Student support services	14,027	67,421
Instructional staff training	4,399	9,473
Board	30,888	14,138
School administration	813,794	564,317
Fiscal services	76,575	56,550
Food services	94,947	80,457
Central services	144,036	128,779
Operation of plant	1,360,921	794,585
Maintenance of plant	94,807	87,499
Community Service	-	680
Administrative technology services	22,284	-
Interest	24,348	4,694
<b>Total Expenses</b>	<u>4,895,112</u>	<u>3,325,253</u>
Increase in Net Position	51,593	154,830
Net Position at Beginning of Year	154,830	-
Net Position at End of Year	<u>\$ 206,423</u>	<u>\$ 154,830</u>

Revenues and expenses increased by \$1,466,622 and \$1,617,922, respectively as a result of higher enrollment during the year. The School had an increase in its net position of \$3,530 during the year

### **Capital Improvement Requirements**

The School leases a facility located at 7116 Gunn Highway, Tampa, FL 33625

### **Capital Improvement Requirements**

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



## **Accomplishments**

In 2019, SLAM! Tampa completed its second year of operation serving 511 students in grades 6-11. The school increased enrollment by 112 students from its inaugural year and will add a grade level each year to ultimately serve students across grades 6-12. This past year, SLAM Middle School earned a grade of “C” under the State of Florida Accountability Program. The school expects to continue to make great strides for the 2020 school year.

The mission of SLAM! Tampa is to provide an innovative and in-depth educational program that produces college-bound graduates through emphasis on sports-related majors and postsecondary preparation. SLAM! Tampa offers students opportunities in career exploration through academies in Sports Medicine, Digital Television and Sports Media Production, Sports Marketing, Entertainment Arts and Management. The school also provides students with opportunities to earn college credits in dual enrollment as early as middle school. Middle and high school students benefited from various advanced placement and dual enrollment opportunities offered in partnership with Doral College. The school also provided free tutoring and enrichment programs on Saturdays and during the summer. Students also took their first college tour trip to nearby University of Florida and St. Leo University.

This past year, SLAM! Tampa implemented a Positive Behavioral Interventions Supports (PBIS) model using character development. The PBIS model promotes positive student behavior and empowers student success through making positive choices.

Students also participated in extra-curricular activities including:

- National Honor Society and Junior National Honor Society
- Key Club
- Student Government Association
- Yearbook Club
- Fishing Club
- Bowling Club
- Anti-Bullying Club
- Ping Pong Club
- Step Team

Athletics:

- Boys and Girls Soccer
- Boys and Girls Basketball
- SLAM Cheer & Dance Team
- Boys and Girls Flag Football
- Girls Volleyball
- Swimming
- Bowling
- Baseball
- Dance Team
- Cheer Team
- Middle School Track

SLAM is accredited by AdvancED under the Southern Association of Colleges and Schools Council on Accreditation and School Improvement (SACS-CASI) division.

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

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

### **Governmental Funds**

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

Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of \$358,656. The fund balance unassigned and available for spending at the School's discretion is \$277,953. These funds will be available for the School's future ongoing operations.

### **Capital Assets**

The School's investment in capital assets as of June 30, 2019 amounts to \$643,162 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures, equipment and software. The School has outstanding long term debt associated to capital assets and working capital of \$407,232.

## Governmental Fund Budget Analysis and Highlights

Prior to the start of the School’s fiscal year, the Board of the School adopted an annual budget. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the School’s budget.

	Governmental Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Program Revenues			
State capital outlay funding	\$ 332,000	\$ 331,500	\$ 331,401
Federal sources	250,000	269,204	270,388
Lunch program	5,250	5,800	5,968
General Revenues			
FTE and other nonspecific revenues	3,995,550	3,173,549	3,174,190
Charges and other revenues	742,250	1,274,352	1,278,983
Total Revenues	<u>\$ 5,325,050</u>	<u>\$ 5,054,405</u>	<u>\$ 5,060,930</u>
<b>CURRENT EXPENDITURES</b>			
Governmental Activities			
Instruction	2,512,009	2,053,977	2,003,583
Student support services	16,579	15,000	14,027
Instructional staff training	10,000	5,000	4,399
Board	115,000	34,144	30,888
School administration	669,467	812,200	811,641
Fiscal services	97,500	76,575	76,575
Food services	100,000	95,067	94,947
Central services	122,500	145,770	144,036
Operation of plant	1,802,134	1,357,056	1,355,730
Maintenance of plant	126,800	95,000	94,807
Administrative technology services	24,000	24,000	22,284
Total Current Expenditures	<u>\$ 5,595,989</u>	<u>\$ 4,713,789</u>	<u>\$ 4,652,917</u>

Most variances occurred as a result of the Budget adopted being more conservative than actual results for the year.

### Requests for Information

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to Ms. Ana Martinez at Academica Dade, LLC, 6340 Sunset Drive, Miami, Florida 33143.

Sports Leadership and Management Academy (Tampa)  
(A charter school under SLAM Florida, Inc.)

Statement of Net Position  
June 30, 2019

<b><u>Assets</u></b>	<b><u>Governmental Activities</u></b>
Current assets:	
Cash and cash equivalents	60,794
Investments	170,000
Prepaid expenses	80,703
Due from other agencies	23,909
Due from Slam Foundation, Inc.	115,000
Total Current Assets	<u>450,406</u>
 Deposit receivable	 45,407
 Capital assets	 967,131
Less: accumulated depreciation	<u>(323,969)</u>
	<u>643,162</u>
Total Assets	<u>1,138,975</u>
 <b><u>Deferred Outflows of Resources</u></b>	 <u>-</u>
 <b><u>Liabilities</u></b>	
Current liabilities:	
Salaries and wages payable	59,382
Accounts payable	32,368
Current portion of long term debt	137,087
Total Current Liabilities	<u>228,837</u>
 Notes Payable	 270,145
Due to SLAM Foundation, Inc.	<u>481,633</u>
Total Liabilities	980,615
 <b><u>Deferred Inflows of Resources</u></b>	 <u>-</u>
 <b><u>Net Position</u></b>	
Net investment in capital assets	242,772
Unrestricted	<u>(84,412)</u>
Total Net Position	<u>\$ 158,360</u>

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

Sports Leadership and Management Academy (Tampa)  
(A charter school under SLAM Florida, Inc.)

Statement of Activities

For the year ended June 30, 2019

FUNCTIONS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction	\$ 2,214,086	\$ -	\$ 156,163	\$ -	\$ (2,057,923)
Student support services	14,027	-	-	-	(14,027)
Instructional staff training	4,399	-	-	-	(4,399)
Board	30,888	-	-	-	(30,888)
School administration	813,794	-	-	-	(813,794)
Fiscal services	76,575	-	-	-	(76,575)
Food services	94,947	5,968	-	-	(88,979)
Central services	144,036	-	-	-	(144,036)
Operation of plant	1,360,921	-	-	331,401	(1,029,520)
Maintenance of plant	94,807	-	-	-	(94,807)
Administrative technology services	22,284	-	-	-	(22,284)
Community services	48,063	51,446	-	-	3,383
Interest	24,348	-	-	-	(24,348)
<b>Total governmental activities</b>	<b>4,943,175</b>	<b>57,414</b>	<b>156,163</b>	<b>331,401</b>	<b>(4,398,197)</b>

General revenues:

FTE and other nonspecific revenues	3,174,190
Other revenues	1,227,537

Change in net position 3,530

Net position , beginning	154,830
Net position, ending	\$ 158,360

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

Sports Leadership and Management Academy (Tampa)  
(A charter school under SLAM Florida, Inc.)

Balance Sheet - Governmental Funds  
June 30, 2019

	General Fund	Non-Major Governmental Funds	Capital Projects Fund	Total Governmental Funds
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 60,794	\$ -	\$ -	\$ 60,794
Investments	170,000	-	-	170,000
Due from other agencies	-	9,501	14,408	23,909
Due from fund	23,909	-	-	23,909
Due from Slam Foundation, Inc.	115,000	-	-	115,000
Prepaid expenses	80,703	-	-	80,703
Total Assets	<u>450,406</u>	<u>9,501</u>	<u>14,408</u>	<u>474,315</u>
<b><u>Deferred Outflows of Resources</u></b>				
	-	-	-	-
<b><u>Liabilities</u></b>				
Salaries and wages payable	59,382	-	-	59,382
Accounts payable	32,368	-	-	32,368
Due to fund	-	9,501	14,408	23,909
Total Liabilities	<u>91,750</u>	<u>9,501</u>	<u>14,408</u>	<u>115,659</u>
<b><u>Deferred Inflows of Resources</u></b>				
	-	-	-	-
<b><u>Fund Balance</u></b>				
Nonspendable, not in spendable form	80,703	-	-	80,703
Unassigned	277,953	-	-	277,953
	<u>358,656</u>	<u>-</u>	<u>-</u>	<u>358,656</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 450,406</u>	<u>\$ 9,501</u>	<u>\$ 14,408</u>	<u>\$ 474,315</u>

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

Sports Leadership and Management Academy (Tampa)  
(A charter school under SLAM Florida, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position  
June 30, 2019

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Total Fund Balance - Governmental Funds \$ 358,656

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

Capital assets of \$967,131 net of accumulated depreciation  
of \$323,969 used in governmental activities are not  
financial resources and therefore are not reported in the  
fund. 643,162

Deposits receivable in governmental activities are not  
financial resources and therefore are not reported in the  
governmental funds. 45,407

Long term liabilities were not due and payable in the  
current period and, therefore, are not reported in the funds. (888,865)

Total Net Position - Governmental Activities \$ 158,360

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

Sports Leadership and Management Academy (Tampa)  
(A charter school under SLAM Florida, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds  
For the year ended June 30, 2019

	General Fund	Non-Major Governmental Funds	Capital Projects Fund	Total Governmental Funds
<b>Revenues:</b>				
State capital outlay funding	\$ -	\$ -	\$ 331,401	\$ 331,401
State passed through local	3,174,190	-	-	3,174,190
Federal sources	-	270,388	-	270,388
Lunch program	-	5,968	-	5,968
Charges and other revenue	1,278,983	-	-	1,278,983
Total Revenues	<u>4,453,173</u>	<u>276,356</u>	<u>331,401</u>	<u>5,060,930</u>
<b>Expenditures:</b>				
<b>Current</b>				
Instruction	1,889,339	114,244	-	2,003,583
Student support services	14,027	-	-	14,027
Instructional staff training	4,399	-	-	4,399
Board	30,888	-	-	30,888
School administration	811,641	-	-	811,641
Fiscal services	76,575	-	-	76,575
Food services	-	94,947	-	94,947
Central services	144,036	-	-	144,036
Operation of plant	1,024,329	-	331,401	1,355,730
Maintenance of plant	94,807	-	-	94,807
Administrative technology services	22,284	-	-	22,284
Community services	48,063	-	-	48,063
<b>Capital Outlay:</b>				
Other capital outlay	161,418	40,069	-	201,487
<b>Debt Service:</b>				
Principal	-	130,298	-	130,298
Interest	-	24,348	-	24,348
Total Expenditures	<u>4,321,806</u>	<u>403,906</u>	<u>331,401</u>	<u>5,057,113</u>
Excess (deficit) of revenues over expenditures	131,367	(127,550)	-	3,817
<b>Other financing sources (uses):</b>				
Transfers in (out)	(127,550)	127,550	-	-
Long term advances from SLAM Florida, Inc.	232,441	-	-	232,441
Net change in fund balance	236,258	-	-	236,258
Fund Balance at beginning of year	<u>122,398</u>	<u>-</u>	<u>-</u>	<u>122,398</u>
Fund Balance at end of year	<u>\$ 358,656</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 358,656</u>

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



Sports Leadership and Management Academy (Tampa)  
(A charter school under SLAM Florida, Inc.)

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities  
For the year ended June 30, 2019

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Net Change in Fund Balance - Governmental Funds \$ 236,258

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$201,487 exceeded depreciation expense of \$217,847. (16,360)

Revenues are recognized using the full accrual basis of accounting in the government-wide statements. However, revenues are recognized when they are measurable and available in the governmental funds. These revenues met the recognition criteria during the current year and, therefore, are reported in the funds. (114,225)

The proceeds from debt issuance provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayments of \$130,298 differed from proceeds of \$232,441. (102,143)

Change in Net Position of Governmental Activities \$ 3,530

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

Sports Leadership and Management Academy (Tampa)  
(A charter school under SLAM Florida, Inc.)

Statement of Net Position - Fiduciary Funds  
June 30, 2019

---

<u>Assets</u>	<u>Agency funds</u>
Cash	
Due from general fund	<u>\$ 34,557</u>
Total Assets	<u>34,557</u>
<u>Deferred Outflows of Resources</u>	<u>-</u>
<u>Liabilities</u>	
Due to students and clubs	<u>34,557</u>
Total Liabilities	34,557
<u>Deferred Inflows of Resources</u>	<u>-</u>
<u>Net Position</u>	<u>\$ -</u>

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

## **Note 1 – Summary of Significant Accounting Policies**

### Reporting Entity

Sports Leadership and Management Academy (Tampa) (the "School"), is a charter school and component unit of Hillsborough County, Florida (the "District"). The School's charter is held by SLAM Florida, Inc., a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors of SLAM Florida, Inc., which is composed of three members and also governs other charter schools. The board of directors has determined that no component units exists that would require inclusion in the School's financial statements.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Hillsborough County, Florida. The current charter expires on June 30, 2022 and it can be renewed in accordance with law. A charter can also be terminated before its date of expiration for reasons set forth in the charter and Section 1002.33 of the Florida Statutes.

The School is located in Tampa, Florida for students from sixth through eleventh grade. These financial statements are for the year ended June 30, 2019, when on average 511 students were enrolled for the school year.

### Basis of Presentation

The School's accounting policies conform to accounting principles generally accepted in the United States applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Government-wide and Fund Financial Statements

*Government-wide Financial Statements*

The government-wide financial statements include the statement of net positions and the statement of activities. These statements report information about the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities. These statements do not include fiduciary funds. The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services, such as food service and student activity fees; (2) operating grants such as Federal grants and other state allocations; and (3) capital grants specific to capital outlay. Other revenue sources not included with program revenues are reported as general revenues.

*Fund Financial Statements*

Fund financial statements are provided for governmental funds and fiduciary funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues and expenditures. The School reports the following major governmental funds with all other non-major aggregated funds in a single column:

*General Fund* - is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

*Capital Projects Fund* – accounts for state and local capital outlay as authorized by Charter School Capital Outlay, Section 1013.62, Florida Statutes mainly for capital outlay and maintenance purposes.

Additionally, the School reports separately the following fiduciary fund types:

*Agency Fund* - accounts for resources of the School's Internal Fund, which is used to administer monies collected at the schools in connection with school, student athletics, class, and club activities.

Measurement Focus and Basis of Accounting

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) *Codification of Accounting and Financial Reporting Guidance*.

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**Note 1 – Summary of Significant Accounting Policies (continued)**

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied. Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. “Measurable” means the amount of the transaction can be determined. “Available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year.

Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Agency fund assets and liabilities are accounted on the accrual basis of accounting.

Budgets and Budgetary Accounting

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using 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). Revisions to the annual budget are approved by the Board.

Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, non-marketable time deposits with maturities of three months or less when purchased, and money market/savings accounts. The School has not adopted a formal deposit and investment policy that limits the School’s allowable deposits or investments and address specific types of risk; however the School invests excess deposit funds in a government money market mutual fund. The School has adopted GASB Codification Section 3100 *Fair Value Measurement and Application* (see Note 2).

Due from Other Governments or Agencies

Amounts due to the School by other governments or agencies relate to grants or programs for which the services have been provided by the School.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Inter-fund Transfers

Inter-fund receivables/payables (“due from/to”) are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

Due from Other Governments or Agencies

Amounts due to the School by other governments or agencies relate to grants or programs for which the services have been provided by the School.

Capital Assets

The School’s property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with a cost of \$500 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

Furniture and computer equipment	5 Years
Software and textbooks	3 Years

Compensated Absences

The School grants a specific number of sick days. Full time instructional employees are eligible to receive one day per month up to ten days of active work during the ten-month period (a “benefit year”). In the event that available time is not used by the end of the benefit year, employees may “rollover” all unused days for use in future benefit years. Employees may “cash out” unused sick days, however, employees may only cash out if they have used three days or less of their sick leave in that benefit year. Employees may not cash out more than ten days per school year and are required to maintain a minimum of twenty-one unused days in order to cash out. The cash out value is eighty percent of their current daily rate. There is no termination payment for accumulated unused sick days. GASB Codification Section C60, *Accounting for Compensated Absences*, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for compensated absences available to be used in future benefits years. The School also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

**Note 1 – Summary of Significant Accounting Policies (continued)**

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

Revenue Sources

Revenues for current operations are received primarily from the state through the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School 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 the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP.

Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities. In addition, the School may receive a portion of the local capital improvement ad valorem tax revenues levied by the district.

Finally, the School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

Net Position and Fund Balance Classification

*Government-wide financial statements*

Equity is classified as net position and displayed in three components:

- a) Net investment in capital assets - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.

**Note 1 – Summary of Significant Accounting Policies (continued)**

- b) Restricted net position - consists of balances with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- c) Unrestricted net position - all other balances that do not meet the definition of "restricted" or "net investment in capital assets."

*Fund financial statements*

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

- a) Nonspendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- b) Restricted – this classification includes fund balance category amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. There are no restricted fund balances at year end.
- c) Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year end.
- d) Assigned - fund balance classification that is intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at year end.
- e) Unassigned – portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

Order of Fund Balance Spending Policy

The School's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries. First non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as unassigned fund balances. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance for the non-general fund.



**Note 1 – Summary of Significant Accounting Policies (continued)**

Income Taxes

SLAM Florida, Inc. qualifies as a tax-exempt organization under the Internal Revenue Code Section 501(c)(3) and is therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 20, 2019, which is the date the financial statements were available to be issued.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Note 2 – Cash, Cash Equivalents and Investments**

Deposits

The School maintains its cash and cash equivalents in major banks and in high grade investments. As of June 30, 2019, the School's deposits consisted of cash balances of \$12,655.

Deposits at FDIC-insured institutions are insured up to \$250,000 per depositor, per financial institution. The School is a charter school under SLAM Florida, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of SLAM Florida, Inc., therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2019, bank balances in potential excess of FDIC coverage was \$90,557; including fiduciary account bank balances.

Investments

The School categorizes its fair value measurements within the fair value hierarchy established by GASB Codification Section 3100 *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in markets for identical assets; Level 2 inputs are significant other observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.); Level 3 inputs are significant unobservable inputs.

**Note 2 – Cash, Cash Equivalents and Investments (continued)**

At June 30, 2019, the School has the following recurring fair value measurements:

- Government money market mutual fund of \$170,000 (Level 2 inputs).

The government money market mutual fund values its portfolio securities at amortized cost which approximates fair value. The government money market mutual fund primarily invests in cash, high quality, short-term U.S. government securities and/or repurchase agreements that are collateralized fully by government securities that have been valued by the fund as Level 2. As of July 31, 2019, the fund's annual report, maturities of the fund's portfolio holdings are approximately 81% within 30 days.

Credit Risk

*Concentration of credit risk* is the risk of loss attributed to the magnitude of investments in a single issuer. The School manages its exposure to credit risk by limiting investments to highly rated government money market mutual funds. The fund is rated Aaa-mf by Moody's.

*Custodial credit risk* is the risk that in the event of a failure of a depository financial institution or counterparty that is in possession of investment or collateral securities, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the School will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. At June 30, 2019, all of the School's investments in government money market mutual funds were held in a separate account and designated as assets of the School.

*Interest rate risk* is the risk that changes in interest rate will adversely affect the fair value of an investment. The School manages its exposure to declines in fair values by limiting all investments to government money market mutual funds that can be redeemed daily.

Sports Leadership and Management Academy (Tampa)  
(A Charter School under SLAM Florida, Inc.)  
Notes to Financial Statements  
June 30, 2019

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**Note 3 – Capital Assets**

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2019:

	Balance 07/01/18	Additions	Retirements	Balance 06/30/19
Capital assets, depreciable:				
Furniture, equipment and textbooks	\$ 625,144	\$ 173,925	\$ -	\$ 799,069
Audio Visual	140,500	27,562	-	168,062
Total Capital Assets	765,644	201,487	-	967,131
Less Accumulated Depreciation:				
Furniture, equipment and textbooks	(82,997)	(184,916)	-	(267,913)
Audio Visual	(23,125)	(32,931)	-	(56,056)
Total Accumulated Depreciation	(106,122)	(217,847)	-	(323,969)
Capital Assets, net	<u>\$ 659,522</u>	<u>\$ (16,360)</u>	<u>\$ -</u>	<u>\$ 643,162</u>

For the fiscal year ended June 30, 2019, depreciation expense is allocated in the Statement of Activities by function as follows:

Instruction	\$ 210,503
School administration	2,153
Operation of plant	5,191
Total Depreciation Expense	<u>\$ 217,847</u>

**Note 4 – Education Service and Support Provider**

Academica Dade, LLC, an education service and support provider, offers administrative services to the School including, but not limited to, facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of the books and records, bookkeeping, budgeting and financial reporting and virtual education services. The agreement calls for a fee on a per student basis.

The agreement is with SLAM Florida, Inc. through June 30, 2021, and unless terminated by the board shall be renewed along with any renewals to the charter agreement. During the year ended June 30, 2019, the School incurred \$229,725 in fees.

Academica Dade, LLC is located at 6340 Sunset Drive, Miami, Florida 33143

**Note 5 –Transactions with Affiliates**

SLAM Florida, Inc.’s sole member is SLAM Foundation, Inc. which is an exempt organization under Section 501(c)(3) of the Internal Revenue Code.

SLAM Foundation, Inc. made non-interest bearing long-term advances to the School, payable within three years from the time the funds are distributed.

The following represents changes in long term debt during the year:

	Balance 07/01/18	Additions	Deletions	Balance 06/30/19
SLAM Foundation, Inc.	<u>\$ 249,192</u>	<u>\$ 232,441</u>	<u>          </u>	<u>\$ 481,633</u>
Total Long Term Payable	<u>\$ 249,192</u>	<u>\$ 232,441</u>	<u>\$ -</u>	<u>\$ 481,633</u>

During the fiscal years ended June 30, 2018 and 2019, the School received recoverable grants from the SLAM Foundation, Inc. totaling \$752,000 and \$1,160,000, respectively with repayment contingent on the school subsequently meeting certain financial conditions. To date, management has determined that the school has not met the requirements for repayment under the grant terms. As of June 30, 2019, the maximum amount the School may be required to pay in the future should the school meet the requirements for repayment is \$1,912,000.

SLAM Florida, Inc. charges its affiliated schools an assessment for shared corporate costs and accreditation expenses. The School paid SLAM Florida, Inc. \$86,350 in connection with these charges during the year.

**Note 6 –Notes Payable**

On April 30, 2018 the School obtained equipment financing from a financial institution for a total loan balance of \$558,610. Facility requires 48 monthly principal and interest payments of \$12,887 based on a fixed interest rate of 5.09%. Facility matures on April 30, 2022. As of June 30, 2019 the outstanding balance was at \$407,232. The following schedule provides a summary of changes in long-term debt for the year:

	Balance 07/01/18	Additions	Deletions	Balance 06/30/19
Notes Payable	<u>\$ 537,530</u>	<u>\$ -</u>	<u>\$ (130,298)</u>	<u>\$ 407,232</u>
Total Notes Payable	<u>\$ 537,530</u>	<u>\$ -</u>	<u>\$ (130,298)</u>	<u>\$ 407,232</u>

**Note 6 –Notes Payable (continued)**

Future maturities under the notes payable are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 137,087	\$ 17,559
2021	\$ 144,230	\$ 10,416
2022	\$ 125,915	\$ 2,956

The School’s debt agreements contain various covenants, restrictions and financial test requirements. In the event an instance of default is not remedied, the maturity can be accelerated and/or the underlying collateral may be repossessed.

**Note 7 – Commitments, Contingencies and Concentrations**

On July 1, 2017, SLAM Florida, Inc. (the “tenant”) entered into a space sublease agreement with SLAM Foundation Inc., as landlord. SLAM Foundation Inc. (“landlord”) is the tenant under a master lease agreement with School Property Development Tampa, LLC (“master landlord”). The Master Landlord is an affiliate of the School’s education service and support provider (See Note 4). The charter school facility is located at 7116 Gunn Highway, Tampa, Florida.

The term of this sublease agreement continues through June 29, 2037 with an option to renew for two additional five-year terms (subject to the master lease agreement extension). This sublease is subject and subordinate to the terms, conditions, and covenants stated in the master lease and if the superior sublease terminates for any reason, then this sublease shall also terminate.

The School shall pay a monthly fixed rent of \$127,621 which will be adjusted annually based on the Consumer Price Index (CPI). The master lease grants enrollment discounts for the first five years of the agreement. The enrollment discounts are also included in the sublease agreement. Future minimum payments under the sublease agreement (net of enrollment discounts) are as follows:

For the year ended June 30, 2019, rent expense totaled \$836,856.

<u>Year</u>		
2020	\$	1,035,300
2021	\$	1,207,800
2022	\$	1,466,570
2023	\$	1,524,070
2024	\$	1,601,400
2025-2029	\$	8,007,000 (total for five-year period)
2030-2034	\$	8,007,000 (total for five-year period)
2035-2037	\$	4,804,200 (total for three-year period)

**Note 7 – Commitments, Contingencies and Concentrations (continued)**

Contingencies and Concentrations

The School receives substantially all of its funding from the State through the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the School receives various forms of federal, state and local funding which are subject to financial and compliance audits. It is the opinion of management that the amount of funding, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 5% of the qualifying revenues of the School. For the year ended June 30, 2019, administrative fees withheld by the School District totaled \$79,385.

**Note 8 – Risk Management**

The School is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; administrative errors and omissions; personal injury; workers compensation and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage for the past years. In addition, there were no reductions in insurance coverage from those in the prior year.

The School has entered into a strategic relationship with ADP TotalSource, Inc., a human resource management firm, typically known as “Professional Employer Organization” (PEO). Under a co-employment agreement, the PEO is the employer of record and is responsible for administering payroll, payroll taxes, provide employee benefits and assist with human resources and risk management. Accordingly, certain human resource related risks are transferred to the PEO. Nevertheless, the School may be subject to risks, including loss, penalties and fines related to employment practices, administrative error and omissions.

**Note 9 – Interfund Transfers and Balances**

Interfund transfers in governmental funds as of June 30, 2019 consists of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
To fund lunch deficit	\$ (88,979)	\$ 88,979	\$ -	\$ -
Reimbursement from federal grant for prior period expenditures	116,075	(116,075)	-	-
To fund debt service fund for principal and interest payments	(154,646)	-	154,646	-
Total Transfers, net	<u>\$ (127,550)</u>	<u>\$ (27,096)</u>	<u>\$ 154,646</u>	<u>\$ -</u>

Due from/(due to) fund balances consists of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Due to General Fund from Capital Projects Fund for capital outlay	\$ 14,408	\$ -	\$ -	\$ (14,408)
Due to General Fund from Special Revenue Fund for Title I	9,501	(9,501)	-	-
Total Due from/(Due to)	<u>\$ 23,909</u>	<u>\$ (9,501)</u>	<u>\$ -</u>	<u>\$ (14,408)</u>

**Note 10 – Defined Contribution Retirement Plan**

The School’s personnel, which are leased through ADP TotalSource Group, Inc., are eligible to participate in a defined contribution 401(k) plan sponsored by the leasing company, covering employees who meet certain age and tenure requirements. Under the ADP TotalSource Retirement Savings Plan (the “Plan”), the School provides a match of 100% of the employee’s contribution up to 4% of the employee’s compensation. The School contributed \$16,668 to the Plan for the year ended June 30, 2019. The School does not exercise any control or fiduciary responsibility over the Plans’ assets, which are administered by Voya Financial.

REQUIRED SUPPLEMENTARY INFORMATION



Sports Leadership and Management Academy (Tampa)  
(A charter school under SLAM Florida, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the year ended June 30, 2019

	General Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State passed through local	\$ 3,995,550	\$ 3,173,549	\$ 3,174,190
Charges and other revenue	742,250	1,274,352	1,278,983
Total Revenues	<u>4,737,800</u>	<u>4,447,901</u>	<u>4,453,173</u>
<b>EXPENDITURES</b>			
Current:			
Instruction	2,397,009	1,939,477	1,889,339
Student support services	16,579	15,000	14,027
Instructional staff training	10,000	5,000	4,399
Board	115,000	34,144	30,888
School administration	669,467	812,200	811,641
Fiscal services	97,500	76,575	76,575
Central services	122,500	145,770	144,036
Operation of plant	1,470,134	1,025,556	1,024,329
Maintenance of plant	126,800	95,000	94,807
Administrative technology services	24,000	24,000	22,284
Total Current Expenditures	<u>5,048,989</u>	<u>4,172,722</u>	<u>4,112,325</u>
Excess/(Deficit) of Revenues Over Current Expenditures	<u>(311,189)</u>	<u>275,179</u>	<u>340,848</u>
Capital Outlay			
Other Capital Outlay	133,666	161,600	161,418
Total Expenditures	<u>5,182,655</u>	<u>4,334,322</u>	<u>4,273,743</u>
Excess/(Deficit) of Revenues Over Expenditures	(444,855)	113,579	179,430
Other financing sources (uses):			
Transfers in (out)	(131,600)	(129,399)	(127,550)
Long term advances from SLAM Florida, Inc., net	650,000	230,000	232,441
Net change in fund balance	73,545	214,180	284,321
Fund Balance at beginning of year	<u>122,398</u>	<u>122,398</u>	<u>122,398</u>
Fund Balance at end of year	<u>\$ 195,943</u>	<u>\$ 336,578</u>	<u>\$ 406,719</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

Sports Leadership and Management Academy (Tampa)  
 (A charter school under SLAM Florida, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 For the year ended June 30, 2019

	Capital Outlay Fund		
	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
State capital outlay funding	\$ 332,000	\$ 331,500	\$ 331,401
Total Revenues	<u>332,000</u>	<u>331,500</u>	<u>331,401</u>
<b>EXPENDITURES</b>			
Current:			
Instruction			
Operation of Plant	332,000	331,500	331,401
Total Current Expenditures	<u>332,000</u>	<u>331,500</u>	<u>331,401</u>
Excess of Revenues Over Current Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.



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*

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Board of Directors of  
Sports Leadership and Management Academy (Tampa)  
Tampa, Florida

We have audited, 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., the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Sports Leadership and Management Academy (Tampa) (the "School"), as of, and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 20, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

Internal Control Over Financial Reporting (continued)

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

Compliance and Other Matters

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

We noted certain matters that we reported in a separate management letter dated September 20, 2019 pursuant to Chapter 10.850, Rules of the Auditor General.

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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 20, 2019



## MANAGEMENT LETTER

Board of Directors of  
Sports Leadership and Management Academy (Tampa)  
Tampa, Florida

### **Report on the Financial Statements**

We have audited the financial statements of Sports Leadership and Management Academy (Tampa) as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated September 20, 2019.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

### **Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedules, which are dated September 20, 2019, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Refer to Financial condition and management section for status of prior year findings and recommendations.

### **Official Title**

Section 10.854.(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Sports Leadership and Management Academy (Tampa), 7815.

## **Financial Condition and Management**

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

Pursuant to Sections 10.854(1)(e)6.a and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for Sports Leadership and Management Academy (Tampa). It is management's responsibility to monitor Sports Leadership and Management Academy (Tampa) 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.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate any recommendation to improve financial management. In connection with our audit, we had the following recommendations:

### **ML – 19-01 CAPITAL ASSETS**

Criteria:	The School is required to maintain an inventory of capital assets purchased with public funds in accordance with local, state or federal regulations.
Condition:	We noted that the School does not have a formal process for reconciling the capital assets inventory report to the capital assets of the Schools trial balance.
Cause:	The condition results from school personnel not consistently performing an inventory of all fixed assets and reconciling to the School's trial balance.
Effect:	Failure to perform the procedures mentioned above could result in a misstated annual property inventory.
Recommendation:	We recommend that the School perform an annual inventory of all capital assets and reconcile to the capital asset ledgers recorded on the School's books.
Views of Responsible Officials:	Management will adhere to auditor's recommendation. The ESSP is assisting the Schools with identifying the proper support to ensure schools are in full compliance with inventory requirements.

**ML – 19-02 INTERNAL ACCOUNT DEPOSITS**

Criteria: The School designed and implemented an internal control system to reduce the risk of misappropriation of assets in the internal account.

Condition: We noted three (3) of the thirty (30) deposits tested, over \$15 had no evidence of having provided receipts. We also several instances where there were differences between deposit recap sheets and other backup and the total deposit.

Cause: The condition results from a lack of adherence to the School’s internal account policies and procedures.

Effect: Failure to adhere to the School’s internal account policies and procedures can result in misappropriation of assets.

Recom-  
mendation: The School should adhere to its internal account policies and procedures and provide increased training to reduce the risk of misappropriation of assets.

Views of  
Responsible  
Officials: See attached management response.

**Status of Prior Year Findings and Recommendations:**

**ML – 18-01 INTERNAL ACCOUNT DISBURSEMENTS**

(This was a finding in fiscal year 2018, the School’s first year of operations)

Condition: We noted all twenty-five (25) disbursements tested did not have purchase orders on file and the checks did not exhibit the required dual signatures. In addition, nineteen (19) of the twenty-five (25) disbursements tested did not have the required check requisition form on file.

Recom-  
mendation: The School should adhere to the their Internal Account policies and procedures to reduce the risk of unauthorized disbursements.

Status: This finding was repeated during the current audit.

Views of  
Responsible  
Officials: See attached management response.

**Transparency**

Sections 10.854(1)(e)7 and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether Sports Leadership and Management Academy (Tampa) maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Sports Leadership and Management Academy (Tampa) maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

**Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, School Board of Hillsborough County, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature in blue ink that reads "HLB Grainger, CPA".

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
September 20, 2019