



St. Petersburg Collegiate High School

A Charter School at St. Petersburg College

Governing Board Meeting
SPC Downtown Campus, Room 210
October 11, 2016

Agenda

1. St. Petersburg Collegiate High School Audit (*approval requested*)

St. Petersburg College Collegiate High School

**A Charter School and Restricted Fund
of St. Petersburg College**

**Comprehensive Annual Financial Report
June 30, 2016 and 2015**

Table of Contents

	Page No.
Independent Auditor's Report	3-4
Management's Discussion and Analysis	5-10
Special-Purpose Financial Statements	
Statements of Net Position	11
Statements of Revenues, Expenses, and Change in Net Position	12
Statements of Cash Flows	13
Notes to Special-Purpose Financial Statements	14-19
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20-21
Management Letter	22-23



Independent Auditor's Report

To the Board of Trustees of St. Petersburg College
On Behalf of St. Petersburg College Collegiate High School
St. Petersburg, Florida

Report on the Special-Purpose Financial Statements

We have audited the accompanying special-purpose financial statements of St. Petersburg College Collegiate High School, a Charter School and a Restricted Fund of St. Petersburg College, St. Petersburg, Florida (the Collegiate High School), as of and for the years ended June 30, 2016, and 2015, and the related notes to the special-purpose financial statements, which collectively comprise the School's basic special-purpose financial statements as listed in the table of contents.

Management's Responsibility for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose 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 special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these special-purpose 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 the financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special-purpose 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 special-purpose 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 special-purpose financial statements.

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

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Collegiate High School as of June 30, 2016, and 2015 and the respective changes in its net assets and its cash flows for the years 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 Management's Discussion and Analysis on pages 5 through 10 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 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 audits 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.

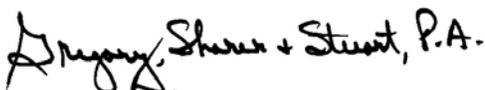
Emphasis of Matter

As discussed in Note B to the financial statements, the 2015 financial statements have been restated. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2016, on our consideration of St. Petersburg College Collegiate High School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* in considering St. Petersburg College Collegiate High School's internal control over financial reporting and compliance.

Gregory, Sharer & Stuart, P.A.

Handwritten signature in black ink that reads "Gregory, Sharer & Stuart, P.A." with a stylized flourish at the end.

St. Petersburg, Florida
September 16, 2016

St. Petersburg College Collegiate High School
A Charter School and Restricted Fund of St. Petersburg College
Management's Discussion and Analysis
June 30, 2016 and 2015

Management's discussion and analysis of St. Petersburg College Collegiate High School's (Collegiate High School) financial statements provides an overview of the Collegiate High School's financial activities for the years ended June 30, 2016, 2015, and 2014. Management has prepared the accompanying financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with school management. The discussion and analysis contain financial activities of the Collegiate High School as a restricted fund of St. Petersburg College (the College).

Financial Highlights

For the year ended June 30, 2016, Collegiate High School revenues exceeded expenses, resulting in a net position balance of \$1,018,187. This represents an increase in net position of \$57,867 over the year ended June 30, 2015. During the 2015-2016 school year, the Collegiate High School conducted operations with revenues of \$1,881,509. This figure represents a decrease in revenues of \$9,690 over the year ended June 30, 2015. All revenues are nonoperating revenues and include Florida Education Finance Program (FEFP), Charter School Capital Outlay Funds for fiscal year 2015-2016, and a State of Florida school recognition award for fiscal year 2015-2016. In accordance with Florida Statute 1007.271 Dual Enrollment Programs, St. Petersburg College (College) invoiced the Collegiate High School for the value of semester hours taken by Collegiate High School students, for the fall and spring terms. As no additional State appropriations were provided to the Collegiate High School, St. Petersburg College contributed funds in the amount of \$450,667 to help offset various operating expenses. During the year ended June 30, 2016, management determined that the portion of the College's compensated absences liability representing the amount payable to the Collegiate High School employees should be reflected as a liability on the financial statements of the Collegiate High School for reporting purposes. This change resulted in a decrease in beginning net position of \$78,908 for the year ended June 30, 2014.

For the year ended June 30, 2015, Collegiate High School revenues exceeded expenses, resulting in a net position balance of \$870,630. This represents an increase in net position of \$89,690 over the year ended June 30, 2014. During the 2014-2015 school year, the Collegiate High School conducted operations with revenues of \$1,891,199. This figure represents an increase in revenues of \$75,011 over the year ended June 30, 2014. All revenues are nonoperating revenues and include Florida Education Finance Program (FEFP), Charter School Capital Outlay Funds for fiscal year 2014-2015, a State of Florida school recognition award for fiscal year 2014-2015, and a contribution from the College.

Using This Annual Report

This report consists of three basic financial statements: the statements of net position; the statements of revenues, expenses, and change in net position; and the statements of cash flows. These financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities. These statements provide information on the Collegiate High School as a whole and, over time, will present a long-term view of the Collegiate High School's finances and fiscal health.

The Collegiate High School, located on the St. Petersburg-Gibbs campus, is a public charter school of the Pinellas County School District open to Pinellas County public, private, and home-schooled students who are in grades 10 - 12. Students entering grades 10 or 11 are accepted into the program. The purpose of the Collegiate High School is to provide academic educational opportunities for students who are emotionally and academically prepared to participate in college-level studies. The three-year curriculum allows serious students to simultaneously complete the requirements for a high school diploma and an Associate in Arts degree from the College. The educational programs are distinctive in that they meld secondary and post-secondary curricula. The programs employ various instructional techniques to accommodate different learning styles, use of technology across the curriculum and utilization of extensive group and individual counseling and mentoring. The high school has received an "A" rating every year since it opened in 2004.

The Collegiate High School is organized by a nonprofit organization, the College. The College is governed by a local board of trustees appointed by the governor of the State of Florida. The Southern Association of Colleges and Schools accredits the College. The Board of Trustees of the College employs a president to act on its behalf in implementing its policies and to serve as the chief administrative officer of the College. The Board of Trustees also serves as the "Governing Board" of the Collegiate High School.

St. Petersburg College Collegiate High School
A Charter School and Restricted Fund of St. Petersburg College
Management's Discussion and Analysis
June 30, 2016 and 2015

The contract between the Board of Trustees of the College on behalf of the Collegiate High School and the School Board of Pinellas County was amended in 2013. The Collegiate High School charter became effective July 1, 2004, renewed in 2009, amended in 2013 and shall end on June 30, 2024. The charter stipulates that the Collegiate High School shall serve students in grades 10 through 12, with a maximum funded school enrollment of 230 students.

The Collegiate High School is recognized as a separate and discrete department in the accounting system of the College. Currently, the State of Florida Auditor General's Office audits the College's financials and operations. The College currently adheres to internal control procedures contained in the Board of Trustee Rules and the Accounting Manual for Florida's College System. The College has also established additional internal control procedures in accordance with standards contained in the Florida Schools Red Book and other stipulated guidelines for charter schools.

Statements of Net Position and Statements of Revenues, Expenses, and Change in Net Position

One of the most important questions asked about the institution's finances is "Is St. Petersburg College Collegiate High School, as a whole, better or worse off as a result of the year's activities?" The statements of net position and the statements of revenues, expenses, and change in net position report information on the institution as a whole and on its activities in a way that helps answer this question. When revenues and other support exceed expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. The relationship between revenues and expenses may be thought of as the Collegiate High School's operating results.

These two statements report the Collegiate High School's net position and change in them. One may think of the Collegiate High School's net position, the difference between assets and liabilities, as one way to measure the institution's financial health or financial position. Over time, increases or decreases in the institution's net position are one indicator of whether its financial health is improving or deteriorating.

The statements of net position and the statements of revenues, expenses, and change in net position include all assets, liabilities, revenues, and expenses using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid. Condensed statements of assets, liabilities, and net position for the Collegiate High School at June 30, 2016, 2015, and 2014 are shown in the following table:

	2016	June 30, 2015	2014
Assets			
Current assets	\$ 1,142,540	\$ 1,072,462	\$ 969,134
Total Assets	\$ 1,142,540	\$ 1,072,462	\$ 969,134
Liabilities			
Current liabilities	\$ 14,872	\$ 13,057	\$ 11,686
Noncurrent liabilities	109,481	99,085	86,818
Total Liabilities	124,353	112,142	98,504
Net Position			
Unrestricted	1,018,187	960,320	870,630
Total Net Position	1,018,187	960,320	870,630
Total Liabilities and Net Position	\$ 1,142,540	\$ 1,072,462	\$ 969,134

St. Petersburg College Collegiate High School
A Charter School and Restricted Fund of St. Petersburg College
Management's Discussion and Analysis
June 30, 2016 and 2015

The condensed statements of net position show the assets, liabilities, and net position for the years ended June 30, 2016, 2015, and 2014. Assets consist primarily of cash and cash equivalents. Current assets increased by \$70,078 or 6.5% during 2016, and increased by \$103,328 or 10.7% during 2015. Liabilities increased by \$12,211 or 10.9% during 2016, and increased by \$13,638 or 13.8% during 2015.

The statements of revenues, expenses, and change in net position present the Collegiate High School's results of operations. In accordance with GASB reporting principles, revenues, and expenses are classified as either operating or nonoperating. All Collegiate High School revenues are considered nonoperating revenues under GASB. Condensed statements of revenues, expenses, and change in net position of the Collegiate High School for the years ended June 30, 2016, 2015, and 2014 are presented in the following table:

	Year Ended June 30,		
	2016	2015	2014
Operating Revenues	\$ -	\$ -	\$ -
Less, operating expenses	(1,823,642)	(1,801,509)	(1,717,873)
Net Operating Loss	(1,823,642)	(1,801,509)	(1,717,873)
Nonoperating Revenues			
State appropriations from county school district	1,358,967	1,326,457	1,215,245
Capital outlay funds	50,027	104,354	139,630
Award funds	22,895	22,262	21,788
Contributions	450,667	436,559	436,631
Other nonoperating revenues, net	(1,047)	1,567	2,894
Total Nonoperating Revenues	1,881,509	1,891,199	1,816,188
Change in Net Position	57,867	89,690	98,315
Net Position at Beginning of Year	960,320	870,630	851,223
Adjustment to Beginning Net Position (1)	-	-	(78,908)
Net Position at Beginning of Year, as restated	960,320	870,630	772,315
Net Position at End of Year	\$1,018,187	\$ 960,320	\$ 870,630
Note (1): Beginning Net Position is adjusted for the earliest period presented for the comparative cumulative effect of the transfer of Compensated Absences liability from the College to the Collegiate High School, which was effective in the fiscal year ended June 30, 2016.			

For the year ended June 30, 2016, Collegiate High School Revenues exceeded expenses, resulting in a net position balance of \$1,018,187. This represents an increase in net position of \$57,867 over the year ended June 30, 2015, compared to an increase in net position of \$89,690 over 2014. During the 2015-2016 school year, the Collegiate High School conducted operations with non-operating revenues of \$1,881,509. This figure represents a decrease in non-operating revenues of \$9,690 over the year ended June 30, 2015, as compared to an increase of \$75,011 over 2014. The non-operating revenues include FEPF, Charter School Capital Outlay Funds, State of Florida school recognition awards, and a contribution from the College to offset various operating expenses.

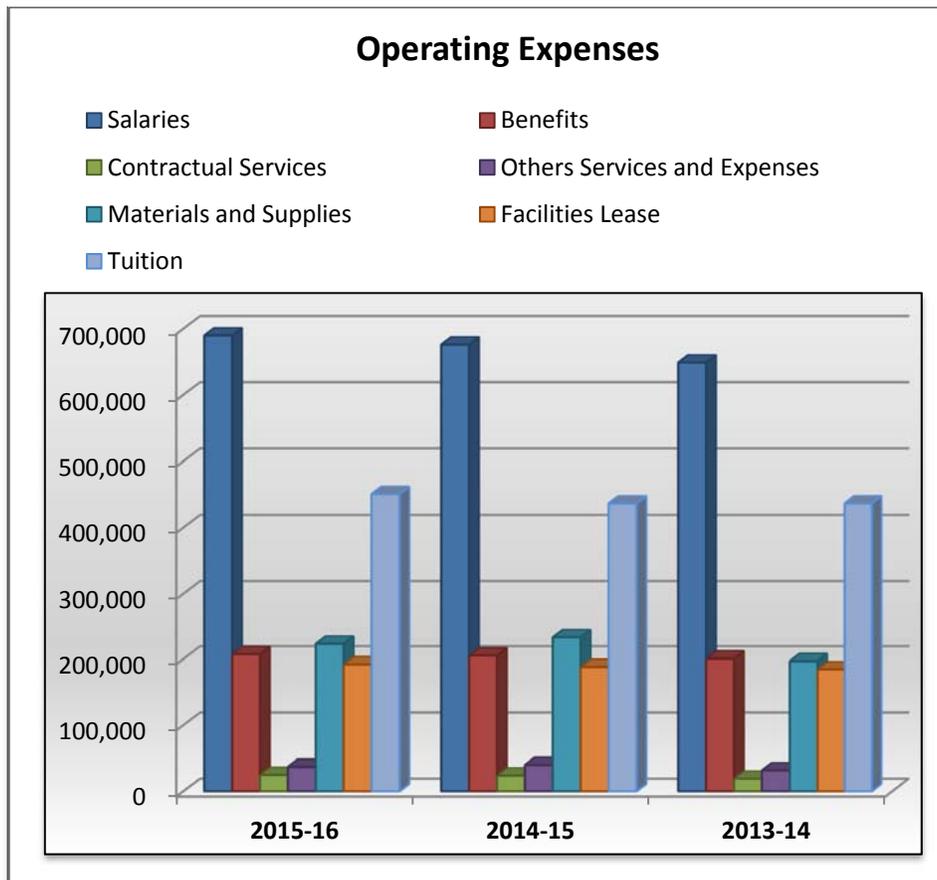
St. Petersburg College Collegiate High School
A Charter School and Restricted Fund of St. Petersburg College
Management's Discussion and Analysis
June 30, 2016 and 2015

Operating Expenses

Operating expenses for the Collegiate High School for the years ended June 30, 2016, 2015, and 2014 are presented in the following table:

	Year Ended June 30,		
	2016	2015	2014
Salaries	\$ 689,621	\$ 675,849	\$ 648,779
Benefits	207,086	205,052	200,573
Contractual services	24,824	23,851	19,173
Other services and expenses	36,983	39,683	31,724
Materials and supplies	222,657	232,472	196,637
Facilities lease	191,804	188,043	184,356
Tuition	450,667	436,559	436,631
Total Operating Expenses	\$ 1,823,642	\$ 1,801,509	\$ 1,717,873

Operating expenses of the Collegiate High School for the years ended June 30, 2016, 2015 and 2014 are presented in the following chart:



St. Petersburg College Collegiate High School
A Charter School and Restricted Fund of St. Petersburg College
Management's Discussion and Analysis
June 30, 2016 and 2015

Statements of Cash Flows

The statements of cash flows provide another way to assess the financial health of an institution. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The statements of cash flows also help users assess:

- An entity's ability to generate future net cash flows,
- Its ability to meet its obligations as they come due, and
- Its need for external financing.

A summary of the Collegiate High School's statements of cash flows for the years ended June 30, 2016, 2015 and 2014 is shown in the following table:

	Year Ended June 30,		
	2016	2015	2014
Cash (Used) Provided By			
Operating activities	\$(1,811,431)	\$(1,782,517)	\$(1,696,507)
Noncapital financing activities	1,838,494	1,786,845	1,676,558
Capital and related financing activities	45,428	104,354	139,630
Net Increase in Cash and Cash Equivalents	72,491	108,682	119,681
Cash and Cash Equivalents at Beginning of Year	1,065,450	956,768	837,087
Cash and Cash Equivalents at End of Year	\$ 1,137,941	\$ 1,065,450	\$ 956,768

Cash used by operating activities was \$1,811,431 for the year ended June 30, 2016 compared to \$1,782,517 and \$1,696,507 for the years ended June 30, 2015 and June 30, 2014, respectively. Uses of cash during 2016, 2015, and 2014 included payments to suppliers of \$222,409, \$227,421 and \$204,254; payments to employees of \$689,210, \$675,537, and \$637,353; benefit payments of \$195,534, \$191,423, and \$183,016; payments for other services of \$61,807, \$63,534, and \$50,897; payments for facilities lease of \$191,804, \$188,043, and \$184,356; and payments for tuition of \$450,667, \$436,559, and \$436,631, respectively. Payroll, benefits, payments to suppliers, facilities lease, and tuition are the major outflows of operating activities.

Cash provided by noncapital financing activities was \$1,838,494 for the year ended June 30, 2016 compared to \$1,786,845 and \$1,676,558 for the years ended June 30, 2015 and June 30, 2014, respectively. These amounts primarily represent state appropriations passed through the Pinellas County School District, awards, and contributions from the College to offset various operating expenses.

Cash provided by capital and related financing activities including capital outlay funding was \$45,428 for the year ended June 30, 2016, which was a decrease of \$58,926 from 2015 compared to a decrease of \$35,276 from 2014.

Economic Factors That Will Affect the Future

The economic position of the Collegiate High School continues to be closely tied to that of the state of Florida. It is expected that the Collegiate High School will continue to maintain its present level of services and financial health.

St. Petersburg College Collegiate High School
A Charter School and Restricted Fund of St. Petersburg College
Management's Discussion and Analysis
June 30, 2016 and 2015

For the 2015-2016 school year, an increase in the per-student allocation funding resulted in an overall increase in funding. To further enhance the positive impact of this increase in funding, the following action was taken:

- The High Performing Charter School status was maintained, which kept the Pinellas County Schools administrative fee reduced from 5% to 2%.

Additionally, the Collegiate High School received the honor of being selected as one of *Newsweek's* best high schools in America. <http://patch.com/florida/stpete/newsweek-names-st-pete-school-among-country-s-best>

For the school year 2016-2017, the initial fulltime equivalent (FTE) calculation indicates a slight increase in per-student annual charter revenue. The anticipated expenditures for the 2016-2017 school year may increase by an amount greater than the projected revenue, however, any shortfall will be covered by the Collegiate High School's unrestricted net position. The renewed Collegiate High School charter became effective on July 1, 2009 for a period of fifteen (15) years, which is the longest term pursuant to Florida law. The present contract, as amended in 2013, provides funding for up to 230 students and will continue through June 30, 2024. Occasionally the enrollment exceeds 230 students, allowing for a certain expected amount of student withdrawals. St. Petersburg College Collegiate High School received funding for 236 students for the 2015-2016 school year and expects to receive funding for 230 students for the 2016-2017 school year.

St. Petersburg College Collegiate High School
A Charter School and Restricted Fund of St. Petersburg College
Statements of Net Position

	June 30,	
	<u>2016</u>	<u>2015</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,137,941	\$ 1,065,450
Accounts receivable	4,599	7,012
	<u> </u>	<u> </u>
Total assets	<u>\$ 1,142,540</u>	<u>\$ 1,072,462</u>
 Liabilities and net position		
Current liabilities		
Accounts payable	\$ 248	\$ -
Salary and payroll taxes payable	2,459	2,048
Current portion, compensated absences payable	12,165	11,009
Total current liabilities	<u>14,872</u>	<u>13,057</u>
Noncurrent liabilities		
Compensated absences payable, net of current portion	<u>109,481</u>	<u>99,085</u>
Total liabilities	<u>124,353</u>	<u>112,142</u>
Net position		
Unrestricted	<u>1,018,187</u>	<u>960,320</u>
	<u> </u>	<u> </u>
Total liabilities and net position	<u>\$ 1,142,540</u>	<u>\$ 1,072,462</u>

St. Petersburg College Collegiate High School
A Charter School and Restricted Fund of St. Petersburg College
Statements of Revenues, Expenses, and Change in Net Position

	Year Ended June 30,	
	<u>2016</u>	<u>2015</u>
Operating revenues	\$ -	\$ -
Operating expenses		
Salaries	689,621	675,849
Benefits	207,086	205,052
Contractual services	24,824	23,851
Other services and expenses	36,983	39,683
Materials and supplies	222,657	232,472
Facilities lease	191,804	188,043
Tuition	450,667	436,559
Total operating expenses	<u>1,823,642</u>	<u>1,801,509</u>
Operating loss	(1,823,642)	(1,801,509)
Nonoperating revenues		
State appropriations from county school district	1,358,967	1,326,457
Capital outlay funds	50,027	104,354
Award funds	22,895	22,262
St. Petersburg College contribution	450,667	436,559
Other non-operating revenues, net of related expense of \$15,539 and \$13,392 in 2016 and 2015, respectively	<u>(1,047)</u>	<u>1,567</u>
Total nonoperating revenues	<u>1,881,509</u>	<u>1,891,199</u>
Change in net position	57,867	89,690
Net position at beginning of year	960,320	967,095
Adjustment to beginning net position (Note B)	<u>-</u>	<u>(96,465)</u>
Net position at end of year	<u>\$ 1,018,187</u>	<u>\$ 960,320</u>

St. Petersburg College Collegiate High School
A Charter School and Restricted Fund of St. Petersburg College
Statements of Cash Flows

	Year Ended June 30,	
	2016	2015
Cash flows from operating activities		
Payments to suppliers	\$ (222,409)	\$ (227,421)
Payments to employees	(689,210)	(675,537)
Payments for benefits	(195,534)	(191,423)
Payments for other services	(61,807)	(63,534)
Payments for facilities lease	(191,804)	(188,043)
Payments for tuition	(450,667)	(436,559)
Net cash used by operating activities	<u>(1,811,431)</u>	<u>(1,782,517)</u>
Cash flows from noncapital financing activities		
State appropriations	1,365,979	1,326,457
Award funds	22,895	22,262
Receipts for other nonoperating activities	14,543	14,959
Payments for other nonoperating activities	(15,590)	(13,392)
St. Petersburg College contribution	450,667	436,559
Net cash provided by noncapital financing activities	<u>1,838,494</u>	<u>1,786,845</u>
Cash flows from capital and related financing activities		
Capital outlay funds	<u>45,428</u>	<u>104,354</u>
Net increase in cash and cash equivalents	72,491	108,682
Cash and cash equivalents at beginning of year	<u>1,065,450</u>	<u>956,768</u>
Cash and cash equivalents at end of year	<u>\$ 1,137,941</u>	<u>\$ 1,065,450</u>
Reconciliation of net operating loss		
to net cash used by operating activities		
Operating loss	\$ (1,823,642)	\$ (1,801,509)
Adjustments to reconcile net operating loss		
to net cash used by operating activities		
Decrease in accounts receivable	-	5,354
Increase (decrease) in accounts payable	248	(303)
Increase in other payables	11,963	13,941
Net Cash Used by Operating Activities	<u>\$ (1,811,431)</u>	<u>\$ (1,782,517)</u>

Note A - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

St. Petersburg College Collegiate High School (Collegiate High School) is a restricted fund of St. Petersburg College (the College). The general operating authority of the Collegiate High School is contained in Section 1002.33, Florida Statutes. The Collegiate High School operates under a charter with the sponsoring school district, the School Board of Pinellas County (Sponsor or District). The initial charter was renewed on November 11, 2008 for a period of 15 years. The renewed charter became effective on July 1, 2009 and is effective through June 30, 2024. The charter can be renewed every five school years or longer by mutual written agreement of the parties, pursuant to Florida law. At the end of the term of the charter, the Sponsor may choose not to renew the charter under grounds specified in the charter, in which case, the Sponsor is required to notify the Collegiate High School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the Sponsor may also terminate the charter if good cause is shown. The Collegiate High School shall notify the Sponsor in writing at least 90 days prior to the expiration of the charter as to its intent to renew or not renew.

Basis of Presentation

The records of the Collegiate High School are maintained as a fund on the books of the College and, accordingly, they follow the same basis of presentation. The Collegiate High School's accounting policies conform to accounting principles generally accepted in the United States of America applicable to colleges and universities as prescribed by the Governmental Accounting Standards Board (GASB). The National Association of College and University Business Officers (NACUBO) also provide the College with recommendations prescribed in accordance with generally accepted accounting principles promulgated by GASB and the Financial Accounting Standards Board (FASB).

GASB allows public colleges and universities the option of reporting as a special-purpose government either engaged in only business-type activities, or engaged in both governmental and business-type activities. The College elected to report as an entity engaged in only business-type activities. Therefore, these special-purpose financial statements are presented accordingly.

Basis of Accounting

Basis of accounting refers to when revenues, expenses, and related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. The Collegiate High School's financial statements are presented using the economic resource measurement focus and accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange activities are generally recognized when all applicable eligibility requirements, including time requirements, are met.

The Collegiate High School's principal activity is instruction. Operating expenses include all fiscal transactions related to instruction as well as administration, academic support, student services, and physical plant operations. Nonoperating revenues include state appropriations from the county school district, a State of Florida School Recognition Award, Charter School Capital Outlay Funds, contribution from the College, and other grants. The Collegiate High School follows FASB statements and interpretations issued after November 30, 1989, unless those pronouncements conflict with GASB pronouncements.

Accounts Receivable

Management considers all receivables at June 30, 2016 to be collectible. Accordingly, no allowance for uncollectible accounts has been provided at June 30, 2016 and 2015.

Cash and Cash Equivalents

Amounts reported as cash and cash equivalents consist of cash on hand and cash in demand deposit accounts. Cash deposits of the Collegiate High School are held by banks qualified as public depositories under Florida Statute Chapter 280. All such deposits are insured by federal depository insurance or collateralized with securities held in Florida's multiple financial institution collateral pool.

For purposes of the statement of cash flows, the Collegiate High School considers all unrestricted and restricted highly liquid investments, such as money market accounts, to be cash equivalents.

St. Petersburg College Collegiate High School
A Charter School and Restricted Fund of St. Petersburg College
Notes to Special-Purpose Financial Statements
June 30, 2016 and 2015

Capital Assets

The Collegiate High School uses the policies of the College for capitalization and depreciation. The Collegiate High School has a capitalization threshold of \$5,000 for tangible personal property and \$25,000 for improvements other than buildings. There were no capital assets as of June 30, 2016 and 2015.

Net Position

The Collegiate High School's net position is classified into the following net position categories:

Restricted for Capital Outlay Projects - Expendable: Net position that must be used for the purchase, lease-purchase, or lease of permanent or relocatable school facilities and for the payment of the premiums for property and casualty insurance necessary to insure the school facilities.

Unrestricted: All other categories of net position.

When both restricted and unrestricted resources are available to fund capital outlay projects, it is the Collegiate High School's policy to first apply the restricted resources to such projects followed by the use of unrestricted resources. If capital outlay funds are received and expended in the same fiscal year, the Collegiate High School reports the resources as unrestricted.

Revenue Sources

Revenue for current operations is received primarily from the School Board of Pinellas County, Florida pursuant to the funding provisions included in the Collegiate High School's charter. In accordance with the funding provisions of the charter and Section 1002.33 (18)(b), Florida Statutes, the Collegiate High School reports the number of fulltime equivalent (FTE) students and related data to the District. State appropriations, capital outlay funds, awards, contributions, and grant funding are classified as nonoperating revenue. The level of the Collegiate High School's operations and program services may be impacted or discontinued if funding is not renewed.

Subsequent Events

Management has evaluated all events subsequent to the statement of net position date of June 30, 2016 through September 16, 2016, which was the date the financial statements were available to be issued. There were no subsequent events which would require adjustment to or disclosure in the accompanying financial statements.

Note B - Restatement

During the year ended June 30, 2016, management determined that the portion of the College's compensated absences liability representing the amount payable to Collegiate High School employees should be recorded as a liability on the financial statements of the Collegiate High School for reporting purposes.

The beginning net position was decreased by \$96,465 for the year ended June 30, 2015, due to the transfer of the Compensated Absences liability from the College to the Collegiate High School. The following restatements to the 2015 financial statements were made:

	Balance as previously reported	Effect of restatement	Balance as restated
As of June 30, 2015			
Current portion of compensated absences payable	\$ -	\$ 11,009	\$ 11,009
Compensated absences payable	-	99,085	99,085
Year ended June 30, 2015			
Compensation expenses	\$ -	\$ 13,360	\$ 13,360

Note C - Accounts Receivable

Accounts receivable as of June 30, 2016 consists of \$4,599 representing accrued capital outlay revenue receivable from the Pinellas County School Board for the month of June 2016 that was collected in July 2016. Accounts receivable as of June 30, 2015 consisted of \$7,012 representing professional development expenses billed to the Pinellas County School Board under the Title II Part A Charter Schools Reimbursement Allocation Plan that was collected in July 2015.

Note D - Compensated Absences Liability

College employees may accrue annual vacation and sick leave based on length of service, subject to certain limitations regarding the amount that will be paid upon termination. The College reports a liability for the accrued leave; however, state noncapital appropriations fund only the portion of accrued leave that is used or paid in the current fiscal year. Although the College expects the liability to be funded primarily from future appropriations, generally accepted accounting principles do not permit the recording of a receivable in anticipation of future appropriations.

At June 30, 2016 and 2015, the estimated liability for compensated absences payable to the Collegiate High School employees, which includes the College's share of the Florida Retirement System and FICA contributions, totaled \$121,646 and \$110,094, respectively.

The current portion of the compensated absences liability at June 30, 2016 and 2015 totaled \$12,165 and \$11,009, respectively, and is expected to be paid in the coming fiscal year. The current portion was determined by calculating 10% of the compensated absences liability at June 30, 2016, estimated based on amounts that were historically paid out at the College.

Note E - Functional Distribution of Expenses

Operating expenses on the statements of revenues, expenses, and change in net position are presented in natural classifications. Below are those same expenses presented in functional classifications as recommended by NACUBO. The functional classification is assigned to a department based on the nature of the activity, which represents the material portion of the activity attributable to the department. Functional classification of expenses for the years ended June 30 is summarized in the following table:

	2016	2015
Instruction	\$ 1,096,871	\$ 1,083,281
Academic support	726,771	718,228
Total operating expenses	<u>\$ 1,823,642</u>	<u>\$ 1,801,509</u>

Note F - State Retirement Programs

Florida Retirement System.

The College participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by the Florida Division of Retirement. As a participating employer, the College implemented Governmental Accounting Standards Board (GASB) Statement No 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities of the defined benefit pension plan. The requirements of this statement were being implemented prospectively, with the College reporting its proportionate share of the actuarially determined liabilities at the July 1, 2014 date of transition, amortized over 30 years.

As a department of the College, the Collegiate High School's net pension liability is aggregated within the College's net pension liability.

Essentially all regular employees of the College, including the Collegiate High School are eligible to enroll as members of the state administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein eligibility, contributions, and benefits are defined and described in detail. The FRS is a cost-sharing, multiple-employer public-employee retirement system with two defined benefit plans and other nonintegrated programs administered by the Department of Management Services, Division of Retirement. These include a defined-benefit pension plan (Pension Plan), a Deferred Retirement Option Program (DROP), and a defined contribution plan, referred to as the Florida Retirement System Investment Plan (Investment Plan).

Employees enrolled in the Pension Plan prior to July 1, 2011 vest at six years of creditable service, and employees enrolled in the Pension Plan on or after July 1, 2011 vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service.

St. Petersburg College Collegiate High School
A Charter School and Restricted Fund of St. Petersburg College
Notes to Special-Purpose Financial Statements
June 30, 2016 and 2015

All members enrolled in the Pension Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65, or any time after 33 years of creditable service. Members of both Plans may include up to four years of credit for military service toward creditable service. The Pension Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Pension Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. Collegiate High School employees already participating in the State College System Optional Retirement Program or the DROP are not eligible to participate in the Investment Plan. Employer contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds.

The Investment Plan is funded by employer and employee contributions that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.). Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Employees in the Investment Plan vest at one year of service for employer contributions and vest fully and immediately for employee contributions.

DROP is subject to the provisions of Section 121.091, Florida Statutes, and permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Fund and accrue interest.

State College System Optional Retirement Program

Section 1012.875, Florida Statutes, provides for an Optional Retirement Program (Program) for eligible charter school instructors and administrators. The Program is designed to aid colleges in recruiting employees by offering more portability to employees not expected to remain in the FRS for six or more years.

The Program is a defined-contribution plan, which provides full and immediate vesting of all contributions submitted to the participating companies on behalf of the participant. Employees in eligible positions can make an irrevocable election to participate in the Program, rather than the FRS, and purchase retirement and death benefits through contracts provided by certain insurance carriers.

The employing college contributes, on behalf of the participant, 7.8% of the participant's salary, less a small amount of 0.10% used to cover administrative costs; employees contribute 3% of their salary. Additionally, the employee may contribute, by payroll deduction, an amount not to exceed the percentage contributed by the charter school to the participant's annuity account. The contributions are invested in the company or companies selected by the participant to create a fund for the purchase of annuities at retirement.

There was one Collegiate High School employee participating in the Optional Retirement Program during the years ended June 30, 2016 and 2015. The Collegiate High School's contributions to the Program for the years ended June 30, 2016 and 2015 were \$5,333 and \$5,104, respectively. Effective July 1, 2011, employees were required to contribute 3%. Employee contributions totaled \$2,022 and \$1,946 for the years ended June 30, 2016 and 2015, respectively.

Contributions

The state of Florida establishes contribution rates for participating employers and employees. Contribution rates during for the year ended June 30, 2016 were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer(a)
FRS - regular	3%	7.26%
FRS - senior management service	3%	21.43%
DROP - applicable to members from all of the above classes or plan	0%	12.88%

(a) Employer rates include 1.66% for the post-employment health insurance subsidy. Also, employer rates, other than for DROP participants, include .04% for administrative costs of the Investment Plan.

St. Petersburg College Collegiate High School
A Charter School and Restricted Fund of St. Petersburg College
Notes to Special-Purpose Financial Statements
June 30, 2016 and 2015

The Collegiate High School's liability for participation is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the College. The Collegiate High School's contributions to the state administered FRS for the years ended June 30, 2016 and 2015 were \$45,076 and \$43,809, respectively, which were equal to the required contributions for each year.

Effective July 1, 2011, employees are required to contribute 3% to their respective state administered retirement plan. During the year ended June 30, 2016, there were seven Collegiate High School participants enrolled in the Pension Plan, one participant enrolled in the DROP plan, and six participants enrolled in the Investment Plan. Employee contributions totaled \$18,417 and \$17,673 for the years ended June 30, 2016 and 2015, respectively, which were equal to the required contributions for each year.

A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services, Division of Retirement. The FRS Investment Plan is administered by the Florida State Board Administration (SBA), and is reported in an SBA annual financial statement and in the State of Florida Comprehensive Annual Financial Report.

Note G - Risk Management Programs

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College provided coverage for these risks through a self-insured program and the Florida Community Colleges Risk Management Consortium. The Collegiate High School is part of the College's self-insured program for risk management.

Self-Insured Program

The board of trustees of the College has established an individual self-insured program to provide group health and dental insurance for College employees, retirees, former employees, and their dependents. The College's liability was limited by excess reinsurance to \$500,000 per insured person for the years ended June 30, 2016 and 2015.

The plan is provided by an insurance company licensed by the state of Florida Department of Financial Services, Office of Insurance Regulation. The College contributes a portion of employee premiums as a fringe benefit. The remaining portion of the employee premium and dependent coverage is by payroll deduction. Coverage for retirees, former employees, and their dependents is by prepaid premium. The Collegiate High School is part of the College's self-insured program for group health insurance benefits.

Consortium

The College participated in the Florida Community Colleges Risk Management Consortium (the Consortium), which was created under authority of Section 1001.64(27), Florida Statutes, by the boards of trustees of Florida public community colleges for the purpose of joining a cooperative effort to develop, implement, and participate in a coordinated statewide community college risk management program.

The Consortium is self-sustaining through member assessments (premiums) and is reinsured through commercial companies for claims in excess of specified amounts. Insurance coverage obtained through the Consortium included fire and extended property, general and automobile liability, workers' compensation, and other liability coverage. Settled claims resulting from these risks have not exceeded coverage in any of the past three years. The Collegiate High School is part of the College's participation in the Consortium.

Note H - Litigation

The College is involved in several pending and threatened legal actions not related to the Collegiate High School. The range of potential loss from all such claims and actions, as estimated by the College's attorney and management, should not materially affect the financial condition of the College or the Collegiate High School.

St. Petersburg College Collegiate High School
A Charter School and Restricted Fund of St. Petersburg College
Notes to Special-Purpose Financial Statements
June 30, 2016 and 2015

Note I - Related Parties

There is a formal lease agreement between the Collegiate High School and the College for facility space utilized by the Collegiate High School. The term of the lease agreement is 30 years and commenced on September 1, 2007. The lease was amended in March 2009 to accommodate the Collegiate High School's move to its present facilities on the second floor of the new Student Services Building. Either party may terminate this agreement upon giving the other party no less than 360 days' notice. The Collegiate High School will pay to the College base rent for the leased premises for each year during the lease term in the amount of \$15 per square foot or \$168,630. The base rent shall escalate on the anniversary date of each year during the lease term at a rate of 2% from the immediately preceding year's base rent. Lease payments made for the years ended June 30, 2016 and 2015 were \$191,804 and \$188,043, respectively.

Scheduled lease payments for future periods under the operating lease with the College are as follows:

Year Ending June 30,	
2017	\$ 195,640
2018	199,553
2019	203,544
2020	207,615
2021	211,767
2022-2026	1,124,084
2027-2031	1,241,080
2032-2036	1,370,252
2037	143,916
	<u>\$ 4,897,451</u>

The Collegiate High School receives annual Capital Outlay funding, restricted for lease payments and other capital outlay requirements. This funding allocation is expected to be insufficient to cover capital outlay requirements including lease payments. The Collegiate High School has no net position restricted for capital outlay projects at June 30, 2016 and 2015.

Tuition

Florida Statute Section 1007.271, Dual Enrollment Programs, addresses enrollment of eligible secondary students in postsecondary courses creditable toward high school completion and a career certificate or an associate or baccalaureate degree.

The Statute requires each district school superintendent and each public postsecondary institution president to develop a comprehensive dual enrollment articulation agreement for the respective school district and postsecondary institution. Such agreement must be submitted annually to the Florida Department of Education. The components of the articulation agreement include a requirement for a funding provision that delineates costs incurred by each entity.

The funding provision requirement further details that school districts shall pay public postsecondary institutions the standard tuition rate per credit hour from funds provided in the Florida Education Finance Program when dual enrollment course instruction takes place on the postsecondary institution's campus, and the course is taken during the fall or spring term.

In accordance with this legislation, the College invoiced the Collegiate High School for the number of semester hours taken by Collegiate High School students for classes at St. Petersburg College, multiplied by the standard tuition rate per credit hour, for the fall and spring terms. The Collegiate High School recorded this tuition expense which totaled \$450,667 and \$436,559 for the fiscal years ended June 30, 2016 and 2015, respectively.

As no additional state appropriations were provided to the Collegiate High School, the College contributed funds in the amount of \$450,667 and \$436,559 for the fiscal years ended June 30, 2016 and 2015, respectively, to help offset various operating expenses such as the costs for textbooks, nutrition, contracted services and educational supplies.

Note J - Operating Lease Commitments

The Collegiate High School leases computer equipment and a copier under operating leases. The computer lease expires in 2019. The copier lease expires in 2018. These leased assets and the related commitments are not reported on the Collegiate High School's statement of net position. Operating lease payments are recorded as expenses when paid or incurred. Future minimum lease commitments for noncancelable operating leases are as follows:

Year Ending June 30	
2017	\$ 7,028
2018	6,550
2019	1,912
	<u>\$ 15,490</u>



Independent Auditor's Report
on Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees of St. Petersburg College
On Behalf of St. Petersburg College Collegiate High School
St. Petersburg, 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 special-purpose financial statements of St. Petersburg College Collegiate High School as of and for the year ended June 30, 2016, and the related notes to the special-purpose financial statements, which collectively comprise St. Petersburg College Collegiate High School's basic financial statements, and have issued our report thereon dated September 16, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the special-purpose financial statements, we considered St. Petersburg College Collegiate High School's internal control over financial reporting (internal control) to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Petersburg College Collegiate High School's internal control. Accordingly, we do not express an opinion on the effectiveness of St. Petersburg College Collegiate High 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

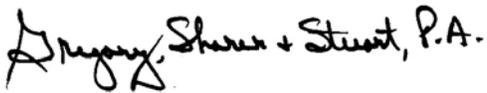
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. Petersburg College Collegiate High School's special-purpose 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 special-purpose 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*.

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 St. Petersburg College Collegiate High School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Petersburg College Collegiate High School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gregory, Sharer & Stuart, P.A.A handwritten signature in black ink that reads "Gregory, Sharer & Stuart, P.A." in a cursive style.

St. Petersburg, Florida
September 16, 2016



Management Letter

To the Board of Trustees of St. Petersburg College
On Behalf of St. Petersburg College Collegiate High School
St. Petersburg, Florida

Report on the Financial Statements

We have audited the special-purpose financial statements of St. Petersburg College Collegiate High School as of and for the fiscal year ended June 30, 2016, and have issued our report thereon dated September 16, 2016.

Auditor's Responsibility

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, and Chapter 10.850, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, if any, which is dated September 16, 2016, 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. There were no findings or recommendations made in the June 30, 2016 financial audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is St. Petersburg College Collegiate High School.

Financial Condition

Sections 10.854(1)(e)2., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the St. Petersburg College Collegiate High School has met one or more conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that St. Petersburg College Collegiate High School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for St. Petersburg College Collegiate High School. It is management's responsibility to monitor the St. Petersburg College Collegiate High School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Transparency

Section 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether St. Petersburg College Collegiate High School maintains on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that St. Petersburg College Collegiate High School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

Other Matters

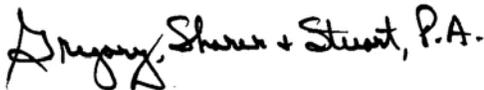
Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve the school's financial management. In connection with our audit, we did not have any such recommendations.

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 which warrants 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 the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the board of trustees of St. Petersburg College, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

Gregory, Sharer & Stuart, P.A.

A handwritten signature in black ink that reads "Gregory, Sharer & Stuart, P.A." with a stylized flourish at the end.

St. Petersburg, Florida
September 16, 2016

**St. Petersburg College Collegiate High School
A Charter School and Restricted Fund
of St. Petersburg College**

**Report to the Board of Trustees
St. Petersburg College**

September 16, 2016



Gregory, Sharer & Stuart, P.A.

Certified Public Accountants and Business Consultants

Board of Trustees of St. Petersburg College
On Behalf of St. Petersburg College Collegiate High School (Collegiate High School)

We are pleased to present this report related to our audit of the special-purpose financial statements of the Collegiate High School for the fiscal year ended June 30, 2016. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Collegiate High School's financial reporting and compliance process.

This report is intended solely for the information and use of the board of trustees of St. Petersburg College and management of the Collegiate High School and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to St. Petersburg College and the Collegiate High School.

Gregory, Sharer & Stuart, P.A.

A handwritten signature in black ink that reads "Gregory, Sharer & Stuart, P.A." in a cursive style.

St. Petersburg, Florida
September 16, 2016

Table of Contents

	Page No.
Required Communications	4-5
Exhibit A – Certain Written Communications between Management and Our Firm	
Copy of Management’s Representation Letter	

St. Petersburg College Collegiate High School
A Charter School and Restricted Fund of St. Petersburg College
Required Communications
Year Ended June 30, 2016

Generally accepted auditing standards (*AU-C 260, The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Auditor's Responsibility Under Professional Standards	Our responsibility under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States, has been described in our arrangement letter dated June 26, 2013. Our audit of the special-purpose financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have discussed the planned scope and timing of our audit and have discussed with management our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	<p>Adoption of, or Change in, Accounting Policies</p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Collegiate High School. The Collegiate High School did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.</p> <p>Significant or Unusual Transactions</p> <p>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p>
Management's Judgments and Accounting Estimates	There are no significant estimates in the Collegiate High School's special-purpose financial statements. However, management's judgment is called upon related to the Collegiate High School's accounting for purchases of equipment using the policy of the College. Items not requiring capitalization under the College's policy may be significant with respect to the assets of the Collegiate High School.

St. Petersburg College Collegiate High School
A Charter School and Restricted Fund of St. Petersburg College
Required Communications
Year Ended June 30, 2016

Area	Comments
Audit Adjustments	There were no audit adjustments made to the original trial balance presented to us at the beginning of our audit.
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the special-purpose financial statements.
Consultations with Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed with Management	No significant issues arising from the audit were discussed or were the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any difficulties in dealing with management during the audit.
Significant Deficiencies and Material Weaknesses	None reported.
Certain Written Communications Between Management and Our Firm	A copy of certain written communications between our firm and the management of the Collegiate High School is attached as Exhibit A.

Exhibit A



Gregory, Sharer & Stuart, P.A.

Richard H. Caton, CPA
M. Timothy Farrell, CPA
Thomas H. Gregory, CPA
Daniel J. Hevia, CPA
Robert L. Ingham, CPA
Troy Kimbrough, CPA
James G. Newman, CPA
Paula D. Popovich, CPA
Larry W. Sharer, CPA
Byron C. Smith, CPA
Charles L. Stuart, CPA
Richard G. Ulrich, CPA
Carlos R. Vila, CPA

June 26, 2013

Dr. William D. Law, Jr., President
St. Petersburg College
PO Box 13489
Clearwater, FL 33733

Re: St. Petersburg College Collegiate High School

Dear Dr. Law:

The Objective and Scope of the Audits of the Special Purpose Financial Statements

You have requested that we audit the special purpose financial statements of St. Petersburg College Collegiate High School (the Charter School), a charter school and restricted fund of St. Petersburg College, which comprise the statements of net assets as of June 30, 2014, 2015, and 2016, and the related statements of revenues, expenses, and change in net assets, and cash flows for the years then ended, and the related notes to the special purpose financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audits will be conducted with the objective of our expressing an opinion on the special purpose financial statements.

The Responsibilities of the Auditor

We will conduct our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards* issued by the comptroller general of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the special purpose financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. 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 special purpose financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that are immaterial to the special purpose financial statements. The determination of abuse is subjective; therefore, *Government Auditing Standards* do not expect us to provide reasonable assurance of detecting abuse.

In making our risk assessments, we consider internal control relevant to the Charter School's preparation and fair presentation of the special purpose 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 Charter School's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audits of the special purpose financial statements that we have identified during the audits.

We will also communicate to the board of trustees and audit committee (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the special purpose financial statements that becomes known to us during the audits, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audits (unless they are clearly inconsequential).

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany St. Petersburg College Collegiate High School's special purpose financial statements. As part of our engagement, we will apply certain limited procedures to the Charter School's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in a representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by accounting principles generally accepted in the United States of America and will be subjected to certain limited procedures, but will not be audited:

Management's Discussion and Analysis

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audits will be conducted on the basis that management acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the special purpose financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special purpose financial statements that are free from material misstatement, whether due to fraud or error; and
- c. To provide us with:
 - (1) Access to all information of which management is aware that is relevant to the preparation and fair presentation of the special purpose financial statements such as records, documentation, and other matters;
 - (2) Additional information that we may request from management for the purpose of the audits; and
 - (3) Unrestricted access to persons within the Charter School from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audits, including among other items:

- a. That management has fulfilled its responsibilities as set out in the terms of this letter; and
- b. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the special purpose financial statements taken as a whole.

Management is responsible for identifying and ensuring that the Charter School complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Charter School involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the special purpose financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Charter School received in communications from employees, former employees, regulators, or others.

Management is responsible for management decisions and functions, and for designating an individual with suitable skill, knowledge, or experience to oversee any tax services, or other nonattest services we provide. Management is responsible for evaluating the adequacy and results of any tax services performed and accepting responsibility for such services.

The board of trustees is responsible for informing us of its views about the risks of fraud within the Charter School, and its knowledge of any fraud or suspected fraud affecting the Charter School.

Because Gregory, Sharer & Stuart, P.A. will rely on St. Petersburg College Collegiate High School and its management and board of trustees to discharge the foregoing responsibilities, the Charter School holds harmless and releases Gregory, Sharer & Stuart, P.A., its shareholders, and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Charter School's management which has caused, in any respect, Gregory, Sharer & Stuart, P.A.'s breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

Charter School's Records and Assistance

If circumstances arise relating to the condition of the Charter School's records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the special purpose financial statements because of error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment, prevent us from completing the audits or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion, issue a report, or withdraw from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Charter School's books and records. The Charter School will determine that all such data, if necessary, will be so reflected. Accordingly, the Charter School will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by Charter School personnel, including the preparation of schedules and analyses of accounts, will be discussed and coordinated with management. The timely and accurate completion of this work is an essential condition to our completion of the audits and issuance of our audit reports.

If, in connection with our audits, you request us to perform accounting services necessary for the preparation of the special purpose financial statements (such as maintaining depreciation schedules, drafting the special purpose financial statements, etc.), you agree to designate an appropriate individual to oversee the services, make all management decisions involved in those services, evaluate the adequacy and results of the services, and accept responsibility for the results of the services.

The independence standards of the *Government Auditing Standards* issued by the Comptroller General of the United States (GAS) require that the auditor maintain independence so that opinions, findings, conclusions, judgments, and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-audit service to the Charter School, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-audit services provided. A critical component of our determination is consideration of management's ability to effectively oversee the non-audit service to be performed. The Charter School has agreed that Theresa Furnas, Associate VP of Financial and Business Services, possesses suitable skill, knowledge, or experience and that the individual understands the above services to be performed sufficiently to oversee them. Accordingly, the management of the Charter School agrees to the following:

- a. The Charter School has designated Theresa Furnas, Associate VP of Financial and Business Services, a senior member of management, who possesses suitable skill, knowledge, and experience to oversee the drafts of the special purpose financial statements, trial balance adjustments, and information returns.
- b. Theresa Furnas, Associate VP of Financial and Business Services, will assume all management responsibilities for subject matter and scope of the services listed above.
- c. The Charter School will evaluate the adequacy and results of the services performed.
- d. The Charter School accepts responsibility for the results and ultimate use of the services.

GAS further requires we establish an understanding with the management (and those charged with governance) of the Charter School of the objectives of the non-audit service, the services to be performed, the Charter School's acceptance of its responsibilities, the auditor's responsibilities, and any limitations of the non-audit service. We believe this letter documents that understanding.

Other Relevant Information

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

In accordance with *Government Auditing Standards*, a copy of our most recent peer review report has been provided for your information.

Fees, Costs, and Access to Workpapers

Our fees for the services described herein are based upon the value of the services performed and the time required by the individuals assigned to the engagement and will be \$13,250 per year, plus direct expenses.

Our fee estimate and completion of our work is based upon the following criteria:

- a. Anticipated cooperation from Charter School personnel
- b. Timely responses to our inquiries
- c. Timely completion and delivery of client assistance requests
- d. Timely communication of all significant accounting and financial reporting matters
- e. The assumption that unexpected circumstances will not be encountered during the engagement

Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission. A service charge of 1.25% monthly, 15% annual rate, will be added to any invoices over 30 days old. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

In the event we are requested or authorized by the Charter School or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the Charter School, the Charter School will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

The documentation for this engagement is the property of Gregory, Sharer & Stuart, P.A. and constitutes confidential information. However, you acknowledge and grant your assent that representatives of government audit staffs and the U.S. Government Accountability Office shall have access to the audit documentation upon their request and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by an oversight agency. Access to requested documentation will be provided under the supervision of Gregory, Sharer & Stuart, P.A. audit personnel and at a location designated by our Firm.

Claim Resolution

The Charter School and Gregory, Sharer & Stuart, P.A. agree that no claim arising out of services rendered pursuant to this agreement shall be filed more than two years after the date of the audit report issued by Gregory, Sharer & Stuart, P.A. or the date of this arrangement letter if no report has been issued. St. Petersburg College Collegiate High School waives any claim for punitive damages. Gregory, Sharer & Stuart, P.A.'s liability for all claims, damages and costs of the Charter School arising from this engagement is limited to the amount of fees paid by the Charter School to Gregory, Sharer & Stuart, P.A. for the services rendered under this arrangement letter.

If any term or provision of this agreement is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

Reporting

We will issue written reports upon completion of our audits of the Charter School's special purpose financial statements. Our reports will be addressed to the board of trustees of St. Petersburg College. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In addition to our reports on the Charter School's special purpose financial statements, we will also issue the following types of reports:

- Reports on internal control related to the financial statements and on compliance and other matters. We will report on any noncompliance which could have a material effect on the financial statements.
- Management letters required by Chapter 10.850, *Rules of the Auditor General*.

This letter constitutes the complete and exclusive statement of agreement between Gregory, Sharer & Stuart, P.A. and St. Petersburg College Collegiate High School, superseding all proposals, oral or written, and all other communications, with respect to the terms of the engagement between the parties.

Please sign and return this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audits of the special purpose financial statements including our respective responsibilities.

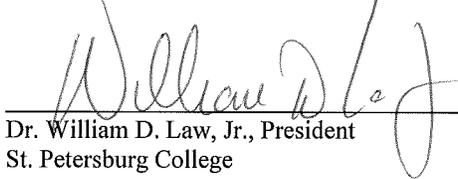
Gregory, Sharer & Stuart, P.A.



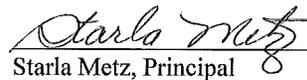
Richard H. Caton, CPA

RHC/pf

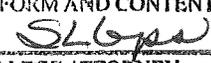
The foregoing letter fully describes our understanding and is accepted by us.



Dr. William D. Law, Jr., President
St. Petersburg College



Starla Metz, Principal
St. Petersburg College Collegiate High School

APPROVED
AS TO FORM AND CONTENT

COLLEGE ATTORNEY

Approved by: 
On: 7/3/13

Office of the President
727-341-3241

Board of Trustees

Chairman Dale Oliver, Vice-Chair Lauralee G. Westine, Trustee Bill Foster,
Trustee Deveron M. Gibbons, Trustee Nathan Stonecipher, President William D. Law, Jr.

September 16, 2016

Gregory, Sharer & Stuart, P.A.
100 Second Avenue South, Suite 600
St. Petersburg, FL 33701

This representation letter is provided in connection with your audits of the special-purpose financial statements of St. Petersburg College Collegiate High School (Collegiate High School), which comprise the related statements of net position as of June 30, 2016 and 2015, and the related statements of revenues, expenses, and change in net position, and cash flows for the years then ended, and the related notes to the special-purpose financial statements for the purpose of expressing an opinion on whether the special-purpose financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP)

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 16, 2016 the following representations made to you during your audits.

Special-Purpose Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 26, 2013, including our responsibility for the preparation and fair presentation of the special-purpose financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
6. All events subsequent to the date of the special-purpose financial statements, and for which U.S. GAAP requires adjustments or disclosure, have been adjusted or disclosed.
7. Guarantees, whether written or oral, under which the Collegiate High School is contingently liable, if any, have been properly recorded or disclosed.
8. We have no knowledge of any uncorrected misstatements in the special-purpose financial statements.

Information Provided

9. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the special-purpose financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Additional information that you have requested from us for the purpose of the audits.
 - c. Unrestricted access to persons within the Collegiate High School from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of Collegiate High School summaries of actions of recent meetings for which minutes have not yet been prepared.
10. All material transactions have been recorded in the accounting records and are reflected in the special-purpose financial statements.
11. We have disclosed to you the results of our assessment of the risk that the special-purpose financial statements may be materially misstated as a result of fraud.
12. We have no knowledge of any fraud or suspected fraud that affects the Collegiate High School and involves:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the special-purpose financial statements.
13. We have no knowledge of any allegations of fraud or suspected fraud affecting the Collegiate High School's special-purpose financial statements communicated by employees, former employees, regulators, or others.
14. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing special-purpose financial statements.
15. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the special-purpose financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
16. We have disclosed to you the identity of the Collegiate High School's related parties and all the related party relationships and transactions of which we are aware.
17. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Collegiate High School's ability to record, process, summarize and report financial data.
18. The Collegiate High School's allocation of St. Petersburg College's pooled cash was \$1,137,941 and \$1,065,450 at June 30, 2016 and 2015, respectively.
19. The Collegiate High School has no liability for claims or losses under the self-insurance program as of June 30, 2016 and 2015.
20. The Collegiate High School has a liability for accrued compensated absences for Collegiate High School employees in the amounts of \$121,646 and \$110,094 as of June 30, 2016 and 2015, respectively. We have estimated the current portion of this liability to be approximately 10% of the total liability based on historical amounts. The current portion amounted to \$12,165 and \$11,009 as of June 30, 2016 and 2015, respectively.

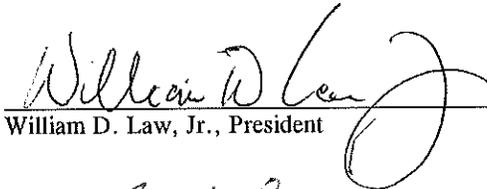
22. We have informed you of all potential errors and reclassifications identified to the amounts previously presented in the Collegiate High School's special-purpose financial statements as of and for the year ended June 30, 2015, which have been disclosed and properly reflected in the special-purpose financial statements as of and for the years ended June 30, 2016 and 2015.

Government-specific

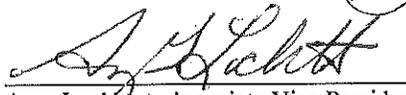
23. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
24. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
25. The Collegiate High School has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
26. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions.
27. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the special-purpose financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
28. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of special-purpose financial statement amounts or other financial data significant to the audit objectives.
29. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the special-purpose financial statements or other financial data significant to the audit objectives.
30. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the special-purpose financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
31. The Collegiate High School has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
32. The Collegiate High School has complied with all aspects of contractual agreements that would have a material effect on the special-purpose financial statements in the event of noncompliance.
33. No provision for uncollectible receivables is necessary.
34. Expenses have been appropriately classified in or allocated to function and programs in the statements of revenues, expenses, and change in net position, and allocations have been made on a reasonable basis.
35. We have appropriately disclosed Collegiate High School's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
36. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

37. With respect to the Management's Discussion and Analysis presented as required by the Government Accounting Standards Board to supplement the special-purpose financial statements:
- a. We acknowledge our responsibility for presenting the Management's Discussion and Analysis in accordance with accounting principles generally accepted in the United States of America, and we believe the Management's Discussion and Analysis, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - b. The methods of measurement and presentation of the Management's Discussion and Analysis have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - c. If the Management's Discussion and Analysis is not presented with the audited special-purpose financial statements, we will make the audited special-purpose financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

St. Petersburg College Collegiate High School



William D. Law, Jr., President



Amy Lockhart, Associate Vice President
Financial and Business Services