

**ST. PETERSBURG COLLEGIATE  
HIGH SCHOOL NORTH PINELLAS**

**A CHARTER SCHOOL AND RESTRICTED FUND  
OF ST. PETERSBURG COLLEGE**

**FINANCIAL STATEMENTS  
JUNE 30, 2021**

**ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS  
FINANCIAL STATEMENTS  
JUNE 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of **St. Petersburg Collegiate High School North Pinellas** (the "Charter School") (a charter school and a restricted Fund of St. Petersburg College (the "College"), St. Petersburg, Florida), as of June 30, 2021, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

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## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Charter School as of June 30, 2021, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matter

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the Charter School as of June 30, 2021, and the respective changes in financial position for the year then ended, and is not intended to be a complete presentation of the St. Petersburg College. These financial statements do not purport to, and do not, present fairly the financial position of the College as of June 30, 2021, and its changes in financial position for the year then ended in conformity with the accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on Pages 3 through 9 be presented to supplement the basic financial statements. Such information, although not 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2021, on our consideration of the Charter 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Charter School's internal control over financial reporting and compliance.



# ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management's discussion and analysis of St. Petersburg Collegiate High School North Pinellas's (the "Charter School") financial statements provide an overview of the Charter School's financial activities for the year ended June 30, 2021. 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 Charter School management. The discussion and analysis contains financial activities of the Charter School as a restricted fund of St. Petersburg College (the "College").

### Financial Highlights

For the year ended June 30, 2021, Charter School revenues exceeded expenses, resulting in a net position balance of \$302,811. This represents an increase in net position of \$300,476 for the year ended June 30, 2020. During the 2021-2020 school year, the Charter School conducted operations with revenues of \$2,147,697. This figure represents an increase in revenues of \$730,527 over the year ended June 30, 2020. All revenues are nonoperating revenues and include Florida Education Finance Program (FEFP), Charter School Program Grant (CSP) Funds, and Elementary and Secondary School Emergency Relief Fund (ESSER) for fiscal year 2021. In accordance with Florida Statute 1007.271, *Dual Enrollment Programs*, the College invoiced the Charter School for the value of semester hours taken by Charter School students, for the fall and spring terms. As no additional state appropriations were provided to the Charter School, the College contributed funds in the amount of \$341,113 to help offset various operating expenses.

For the year ended June 30, 2020, Charter School expenses exceeded revenues, resulting in a net position balance of \$2,335. This represents a decrease in net position of \$204,654 for the year ended June 30, 2020. During the 2019-2020 school year, the Charter School conducted operations with revenues of \$1,417,170. All revenues are nonoperating revenues and include Florida Education Finance Program (FEFP) and Charter School Program Grant (CSP) Funds for fiscal year 2020. In accordance with Florida Statute 1007.271, *Dual Enrollment Programs*, the College invoiced the Charter School for the value of semester hours taken by Charter School students, for the fall and spring terms. As no additional state appropriations were provided to the Charter School, the College contributed funds in the amount of \$204,927 to help offset various operating expenses.

### Using This Annual Report

This report consists of three basic financial statements: (1) the statements of net position; (2) the statements of revenues, expenses, and changes in net position; and (3) 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 Charter School as a whole and, over time, will present a long-term view of the Charter School's finances and fiscal health.

The Charter School, located on the St. Petersburg College Tarpon Springs 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 through 12. Students entering grades 10 or 11 are accepted into the program. The purpose of the Charter 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

# ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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techniques to accommodate different learning styles, use of technology across the curriculum and utilization of extensive group and individual counseling and mentoring.

The Charter 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 Charter School.

The contract between the Board of Trustees of the College on behalf of the Charter School and the School Board of Pinellas County became effective July 1, 2019, and shall end on June 30, 2024. The charter stipulates that the Charter School shall serve students in grades 10 through 12, with a maximum funded school enrollment of 240 students.

The Charter 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.

### **Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position**

One of the most important questions asked about the institution's finances is "Is St. Petersburg Collegiate High School North Pinellas, as a whole, better or worse off as a result of the year's activities?" The statement of net position and the statement of revenues, expenses, and changes 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 Charter School's operating results.

These two statements report the Charter School's net position and change in them. One may think of the Charter 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.

# ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The statement of net position and the statement of revenues, expenses, and changes 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 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 Charter School at June 30, 2021 and 2020, are shown in the following table:

For the year ending June 30,	<u>2021</u>	<u>2020</u>
Assets		
Current assets	<u>\$ 393,823</u>	<u>72,792</u>
Total assets	<u>393,823</u>	<u>72,792</u>
Liabilities		
Current liabilities	14,453	11,113
Noncurrent liabilities	<u>76,559</u>	<u>59,344</u>
Total liabilities	<u>91,012</u>	<u>70,457</u>
Net position		
Unrestricted	<u>302,811</u>	<u>2,335</u>
Total net position	<u>302,811</u>	<u>2,335</u>
Total liabilities and net position	<u><u>\$ 393,823</u></u>	<u><u>72,792</u></u>

The condensed statements of net position show the assets, liabilities, and net position for the years ended June 30, 2021 and 2020. Assets consist primarily of cash and accounts receivable. Current assets increased by \$321,031 or 441.0% during 2021. Liabilities increased by \$20,555 or 29.2% during 2021.

# ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The statement of revenues, expenses, and changes in net position present the Charter School's results of operations. In accordance with GASB reporting principles, revenues and expenses are classified as either operating or nonoperating. All Charter School revenues are considered nonoperating revenues under GASB. Condensed statement of revenues, expenses, and changes in net position of the Charter School for the years ended June 30, 2021 and 2020, are presented in the following table:

For the year ended June 30,	<u>2021</u>	<u>2020</u>
Operating revenues	\$ -	-
Less, operating expenses	<u>1,847,221</u>	<u>1,621,824</u>
Net operating loss	<u>(1,847,221)</u>	<u>(1,621,824)</u>
Nonoperating revenues		
State appropriations from county school district	1,407,889	890,666
CSP grant funds	328,844	320,480
ESSER funds	67,523	-
St. Petersburg College Contribution	341,113	204,927
Other nonoperating revenues	<u>2,328</u>	<u>1,097</u>
Total nonoperating revenues	<u>2,147,697</u>	<u>1,417,170</u>
Change in net position	300,476	(204,654)
Net position, beginning of year	<u>2,335</u>	<u>206,989</u>
Net position, end of year	<u><u>\$ 302,811</u></u>	<u><u>2,335</u></u>

For the year ended June 30, 2021, the Charter School's revenues exceeded expenses, resulting in a net position balance of \$302,811. This represents an increase in net position of \$300,476 over the year ended June 30, 2020. During the 2021 school year, the Charter School conducted operations with nonoperating revenues of \$2,147,697. This figure represents an increase in nonoperating revenues of \$730,527 over the year ended June 30, 2020. The nonoperating revenues include FEFP, CSP Funds, ESSER Funds, and a contribution from the College to offset various operating expenses.



# ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

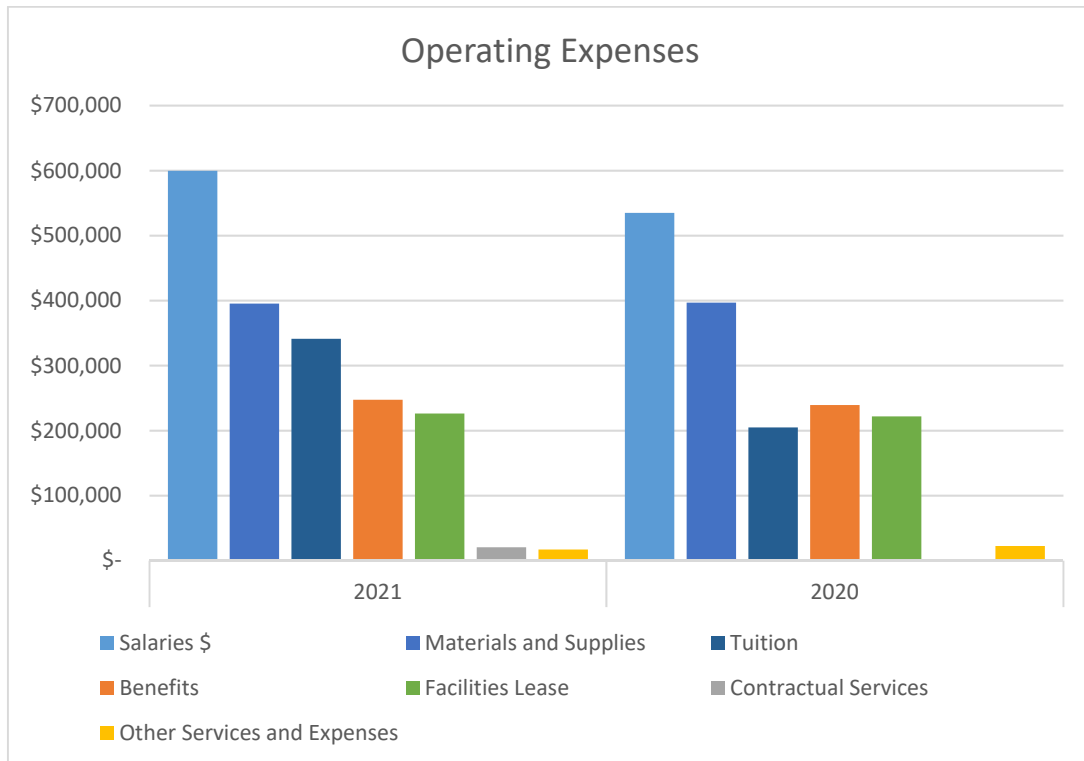
### Operating Expenses

Operating expenses for the Charter School for the years ended June 30, 2021 and 2020, are presented in the following table:

For the year ended June 30,

	<u>2021</u>	<u>2020</u>
Salaries	\$ 599,578	534,789
Benefits	247,387	239,365
Contractual services	20,530	1,679
Other services and expenses	16,933	22,375
Materials and supplies	395,456	396,901
Facilities lease	226,224	221,788
Tuition	341,113	204,927
Total operating expenses	<u>\$ 1,847,221</u>	<u>1,621,824</u>

Operating expenses of the Charter School for the years ended June 30, 2021 and 2020, are presented in the following chart:



# ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### Statement of Cash Flows

The statement of cash flows provides 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 statement 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;
- Its need for external financing.

A summary of the Charter School's statement of cash flows for the years ended June 30, 2021 and 2020, is shown in the following table:

For the year ended June 30,

	<u>2021</u>	<u>2020</u>
Cash (used in) provided by		
Operating activities	<b>\$ (1,826,666)</b>	(1,551,367)
Noncapital financing activities	<b>1,968,472</b>	1,368,588
Net increase (decrease) in cash and cash equivalents	<b>141,806</b>	(182,779)
Cash and cash equivalents at beginning of year	<b>24,210</b>	206,989
Cash and cash equivalents at end of year	<b><u>\$ 166,016</u></b>	<u>24,210</u>

Cash used by operating activities was \$1,826,666 for the year ended June 30, 2021 compared to \$1,551,367 for the year ending June 30, 2020. Uses of cash during 2021 and 2020 included payments to suppliers of \$395,427 and \$396,478; payments to employees of \$598,181 and \$497,740; benefit payments of \$228,258 and \$206,380; payments for other services of \$37,463 and \$24,054; payments for facilities lease of \$226,224 and \$221,788; and payments for tuition of \$341,113 and \$204,927, respectively. Payroll, benefits, payments to suppliers, facilities lease, and tuition are the major outflows of operating activities.

Cash provided by noncapital financing activities was \$1,968,472 for the year ended June 30, 2021 compared to \$1,368,588 for the year ended June 30, 2020. This amount primarily represents state appropriations passed through the Pinellas County School District, awards, and contributions from the College to offset various operating expenses.

The Charter School did not have any cash provided by capital and related financing activities for the years ended June 30, 2021 and 2020.

# ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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### **Economic Factors That Will Affect the Future**

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

The Charter School charter became effective on July 1, 2019, for a period of five years. The present contract provides funding for up to 240 students and will continue through June 30, 2024. St. Petersburg Collegiate High School North Pinellas received funding for 217 students for the 2020-2021 school year and expects to receive funding for 211 students for the 2021-2022 school year.

As a result of the spread of the COVID-19 Coronavirus, economic uncertainties have arisen which may impact the Charter School's revenues. Other financial impact could occur, though such potential impact is unknown at this time.

### **Requests for Information**

This financial report is designed to provide a general overview of the Charter School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to St. Petersburg College, P.O. Box 13489, St. Petersburg, FL 33733-3489.

**ST. PETERSBURG COLLEGIATE  
HIGH SCHOOL NORTH PINELLAS  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

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**ASSETS**

Current assets		
Cash and cash equivalents	\$	166,016
Accounts receivable		227,807
		227,807
<b>Total assets</b>	<b>\$</b>	<b>393,823</b>
		393,823

**LIABILITIES AND NET POSITION**

Current liabilities		
Accounts payable	\$	453
Salary and payroll taxes payable		5,493
Current portion, compensated absences payable		8,507
Total current liabilities		14,453
		14,453
Noncurrent liabilities		
Compensated absences payable, net of current portion		76,559
Total liabilities		91,012
		91,012
Net position		
Unrestricted		302,811
		302,811
<b>Total liabilities and net position</b>	<b>\$</b>	<b>393,823</b>
		393,823

**See Notes to Basic Financial Statements.**

**ST. PETERSBURG COLLEGIATE  
HIGH SCHOOL NORTH PINELLAS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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Operating revenues	\$	-
Operating expenses		
Salaries		599,578
Benefits		247,387
Contractual services		20,530
Other services and expenses		16,933
Materials and supplies		395,456
Facilities lease		226,224
Tuition		341,113
Total operating expenses		1,847,221
Operating loss		(1,847,221)
Nonoperating revenues		
State appropriations from county school district		1,407,889
CSP grant funds		328,844
ESSER funds		67,523
St. Petersburg College contribution		341,113
Other nonoperating revenues, net of related expense		2,328
Total nonoperating revenues		2,147,697
Change in net position		300,476
Net position, beginning of year		2,335
Net position, end of year	\$	302,811

**See Notes to Basic Financial Statements.**

**ST. PETERSBURG COLLEGIATE  
HIGH SCHOOL NORTH PINELLAS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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CASH FLOWS FROM OPERATING ACTIVITIES

Payments to suppliers	\$	(395,427)
Payments to employees		(598,181)
Payments for benefits		(228,258)
Payments for other services		(37,463)
Payments for facilities lease		(226,224)
Payments for tuition		(341,113)
Net cash used in operating activities		(1,826,666)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations		1,407,889
Award funds		217,142
Receipts for the nonoperating activities		12,491
St. Petersburg College contribution		341,113
Payments for other nonoperating activities		(10,163)
Net cash provided by noncapital financing activities		1,968,472

Net increase in cash 141,806

Cash, beginning of year 24,210

Cash, end of year \$ 166,016

Reconciliation of operating loss to net cash used in operating activities

Operating loss	\$	(1,847,221)
Adjustments to reconcile operating loss to net cash used in operating activities		
Increase in accounts payable		29
Increase in other payables		20,526
		20,555

Net cash used in operating activities \$ (1,826,666)

**See Notes to Basic Financial Statements.**

# ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS

## NOTES TO BASIC FINANCIAL STATEMENT

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### NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Activities**

St. Petersburg Collegiate High School North Pinellas (the "Charter School") is a restricted fund of St. Petersburg College (the "College"). The general operating authority of the Charter School is contained in Section 1002.33, Florida Statutes. The Charter School operates under a charter with the sponsoring school district, the School Board of Pinellas County (Sponsor or District). The initial charter became effective on July 1, 2019, 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 Charter 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 Charter 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 Charter School are maintained as a fund on the books of the College and, accordingly, they follow the same basis of presentation. The Charter 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), such as GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. GASB Statement No. 35 includes public colleges and universities within the financial reporting guidelines of GASB Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. GASB No. 35 allows public colleges and universities the option of reporting as a 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 financial statements are presented accordingly.

# ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS

## NOTES TO BASIC FINANCIAL STATEMENT

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### NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **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 Charter 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 Charter 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, the Charter School Program (CSP grant), and Elementary and Secondary School Emergency Relief Fund (ESSER).

#### **Cash and Cash Equivalents**

Amounts reported as cash and cash equivalents consist of cash on hand. Cash deposits of the Charter 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.

#### **Accounts Receivable**

Management considers all receivables at June 30, 2021 to be collectible. Accordingly, no allowance for uncollectible accounts has been provided at June 30, 2021.

#### **Capital Assets**

The Charter School uses the policies of the College for capitalization and depreciation. The Charter 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, 2021.



# ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS

## NOTES TO BASIC FINANCIAL STATEMENT

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### **NOTE 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Net Position**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations. Net position not reported as restricted net position is reported as unrestricted net position.

When both restricted and unrestricted amounts of net position are available for use for expenses incurred, it is the Charter School's policy to use restricted amounts first and then unrestricted amounts as they are needed.

#### **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 Charter School's charter. In accordance with the funding provisions of the charter and Section 1002.33(18)(b), Florida Statutes, the Charter School reports the number of fulltime equivalent (FTE) students and related data to the District. State appropriations, contributions, and grant funding are classified as nonoperating revenue. The level of the Charter School's operations and program services may be impacted or discontinued if funding is not renewed.

#### **Estimates**

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

#### **Subsequent Events**

Management has evaluated all subsequent events through September 24, 2021, the date on which 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 2. ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2021 consists of \$227,807 representing accrued revenue from the Charter School Program grant of \$189,445 and Elementary and Secondary School Emergency Relief Fund (ESSER) of \$38,362, receivable from the Pinellas County School Board for the month of June 2021 that was collected in August 2021.

**ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS**

**NOTES TO BASIC FINANCIAL STATEMENT**

**NOTE 3. COMPENSATED ABSCENCES 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, 2021, the estimated liability for compensated absences payable to the Charter School employees, which includes the College's share of the Florida Retirement System and FICA contributions, totaled \$85,066.

The current portion of the compensated absences liability at June 30, 2021, totaled \$8,507, 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, 2021, estimated based on amounts that were historically paid out at the College.

The following is a summary of changes in compensated absences:

Beginning Balance June 30, 2020	Additions	Deletions	Ending Balance June 30, 2021
\$ 65,938	\$ 19,871	\$ 743	\$ 85,066

**NOTE 4. FUNCTIONAL DISTRIBUTION OF EXPENSES**

Operating expenses on the statement of revenues, expenses, and changes 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 year ended June 30, 2021, is summarized in the following table:

Instruction	\$ 1,145,779
Academic support	701,441
Total operating expenses	<u>\$ 1,847,221</u>

# ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS

## NOTES TO BASIC FINANCIAL STATEMENT

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### NOTE 5. 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 Charter School employees are employees of the College, and thus, no liability is recorded at the Charter School level. Please refer to the St. Petersburg College audited financial statements, in which complete pension and OPEB disclosures are reported.

Essentially all regular employees of the College, including the Charter 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) 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.

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. Employer contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds.

# ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS

## NOTES TO BASIC FINANCIAL STATEMENT

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### NOTE 5. STATE RETIREMENT PROGRAMS (CONTINUED)

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.

#### *Contributions*

The State of Florida establishes contribution rates for participating employers and employees. Contribution rates during for the year ended June 30, 2021 were as follows:

Class or Plan	Percent of Gross Salary	
	Employee	Employer <sup>(a)</sup>
FRS - Regular	3.00%	10.00%
FRS - Senior Management Services	3.00%	27.29%

<sup>(a)</sup> *Employer rates include 1.66% for the post-employment mental health insurance subsidy. Also, employer rates, include .06% for administrative costs of the Investment Plan.*

The Charter 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 Charter School's allocated contributions to the state administered FRS for the year ended June 30, 2021, were \$56,395.

During the year ended June 30, 2021, there were 11 Charter School participants enrolled in the Pension Plan and five participants enrolled in the Investment Plan. Employee contributions totaled \$16,962 for the year ended June 30, 2021.

A Comprehensive Annual Financial Report of the FRS, which includes its financial statement, 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.

# ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS

## NOTES TO BASIC FINANCIAL STATEMENT

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### **NOTE 5. STATE RETIREMENT PROGRAMS (CONTINUED)**

The College administers a single-employer defined benefit plan, Other Post-Employment Benefits Plan (OPEB Plan) that provides healthcare benefits for retirees and their benefits for all employees who satisfy the College's retirement eligibility provisions. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the College are eligible to participate in the College's self-insured dental, health and hospitalization plan for medical and prescription drug, and life insurance coverage. The College subsidizes the premium rates paid by retirees by allowing them to participate in the OPEB Plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the OPEB Plan on average than those of active employees. The College does not offer any explicit subsidies for retiree coverage. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible. The OPEB Plan contribution requirements and benefit terms of the College and the OPEB Plan members are established and may be amended by action from the Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

### **NOTE 6. 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 Charter School is part of the College's self-insured program for risk management. Health and hospitalization coverage was added beginning January 1, 2021. Prior to January 1, 2021, the Board was self-insured for its group health and hospitalization for employees, retirees, former employees, and their dependents. The College's liability was limited by the excess insurance of \$350,000 per insured person. The plan was provided by an insurance company licensed by the Florida Office of Insurance Regulation.

Life insurance, dental, and eye coverage for employees is provided through purchased commercial insurance. The College contributes employee premiums as a fringe benefit. Employee dependent coverage is by payroll deduction and coverage for retirees, former employees, and their dependents is by prepaid premium.

#### *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.

# ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS

## NOTES TO BASIC FINANCIAL STATEMENT

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### NOTE 6. RISK MANAGEMENT PROGRAMS (CONTINUED)

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 Charter School is part of the College's participation in the Consortium.

### NOTE 7. RELATED PARTIES

There is a formal lease agreement between the Charter School and the College for facility space utilized by the Charter School. The term of the lease agreement is 30 years and commenced on July 1, 2019. Either party may terminate this agreement upon giving the other party no less than 360 days' notice. The Charter School will pay to the College base rent for the leased premises for each year during the lease term in the amount of \$18.47 per square foot or \$221,788. 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 year ended June 30, 2021, were \$226,224.

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

For the year ending June 30,

2022	\$	230,748
2023		235,363
2024		240,070
2025		244,872
2026		249,769
2027-2031		1,325,804
2032-2036		1,463,795
2037-2041		1,616,148
2042-2046		1,784,358
2047-2049		1,158,565
	\$	<u>8,549,492</u>

# ST. PETERSBURG COLLEGIATE HIGH SCHOOL NORTH PINELLAS

## NOTES TO BASIC FINANCIAL STATEMENT

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### NOTE 7. RELATED PARTIES (CONTINUED)

#### *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 Charter School for the number of semester hours taken by Charter School students for classes at St. Petersburg College, multiplied by the standard tuition rate per credit hour, for the fall and spring terms. The Charter School recorded this tuition expense which totaled \$341,113 for the fiscal year ended June 30, 2021.

As no additional state appropriations were provided to the Charter School, the College contributed funds in the amount of \$341,113 for the fiscal year ended June 30, 2021, to help offset various operating expenses such as the costs for textbooks, nutrition, contracted services, and educational supplies.



## 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*

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**To the Board of Trustees of St. Petersburg College  
On Behalf of St. Petersburg Collegiate High School North Pinellas  
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 financial statements of St. Petersburg Collegiate High School North Pinellas (the "Charter School") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Charter School's basic financial statements, and have issued our report thereon dated September 24, 2021.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Charter 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of the Charter 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.



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### **Compliance and Other Matters**

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

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Charter 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 the Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
September 24, 2021



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

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

We have audited the financial statements of St. Petersburg Collegiate High School North Pinellas (the "Charter School") as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated September 24, 2021.

### **Auditor's Responsibility**

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

### **Other Reporting Requirements**

We have issued our Independent 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 24, 2021, 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 and recommendations in the prior year audit report.

### **Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are St. Petersburg Collegiate High School North Pinellas, 7411.

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## **Financial Condition and Management**

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the Charter School has met one or more conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Charter 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 the Charter School. It is management's responsibility to monitor the Charter School's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

## **Transparency**

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

## **Additional Matters**

Section 10.854(1)(e)4., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred or are likely to have occurred, that have an effect on the financial statements that is less than material but 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 the School Board of Pinellas County, and is not intended to be and should not be used by anyone other than these specified parties.



Bradenton, Florida  
September 24, 2021