

# *Pinellas Preparatory Academy, Inc.*



**Pinellas Primary**  
**Grades K-3**  
**Principal-Nancy Walker**

*2300 S. Belcher Road • Largo, FL 33771*  
*Phone (727) 536-3600 • Fax (727) 536-3661*

**Pinellas Preparatory**  
**Grades 4-8**  
**Principal-Amanda Matsumoto**



Janet Ricardo  
Vice President and Trust Officer  
Regions Bank  
10245 Centurion Parkway, 2nd Floor  
Jacksonville, Florida 32256

November 15, 2016

**RE: Pinellas County Educational Facilities Authority Revenue Bonds  
(Pinellas Preparatory Academy Project) Series 2011 A  
and Pinellas County Educational Facilities Authority Revenue Bonds  
(Pinellas Preparatory Academy Project) Series 2011 B (Taxable)**

Ms. Ricardo:

Attached please find the Audited Financial Statements for Pinellas Preparatory Academy, Inc. for the fiscal year ended June 30, 2016. We also provide, within this letter, the required annual certification and debt service ratio review.

## **Certification**

As President, I have reviewed the activities of the Borrower during the Fiscal Year ending on June 30, 2016 and of performance hereunder has been made under my supervision; and I am familiar with the provisions of the Loan Agreement, the Mortgage, and the Tax Certificate for the above referenced bonds and to the best of my knowledge, based on such review and familiarity, the Borrower has fulfilled all of its obligations hereunder and thereunder throughout the Fiscal Year ending on June 30, 2016, and there have been no defaults under the Loan Agreement, the Mortgage, or the Tax Certificate for the above referenced bonds.

As a part of our annual requirements we are providing also the debt service coverage ratio (DSCR) and unrestricted cash (UR) as a percentage of expenditures for the fiscal year ended June 30, 2016.

We have exceeded our required DSCR of 1.1 and our UR of 5% as follows:

# Pinellas Preparatory Academy, Inc.

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**Pinellas Primary  
 Grades K-4**

**Pinellas Preparatory  
 Grades 4-8**



	PPA Primary For the year ended June 30, 2016	PPA Preparatory For the year ended June 30, 2016	June 30, 2016	Required
<b>Debt Service Coverage Ratio (DSCR):</b>				
Annual net income	\$ 40,650	\$ 66,360	\$ 107,010	
Interest expense	270,130	364,820	634,950	
Depreciation and amortization	166,529	154,839	321,368	
<b>Total (A)</b>	<b>\$ 477,309</b>	<b>\$ 586,019</b>	<b>\$ 1,063,328</b>	
Principal repayments	\$ -	\$ 55,000	\$ 55,000	
Interest payments	270,130	364,820	634,950	
Lease payments	-	-	-	
<b>Total debt service (B)</b>	<b>\$ 270,130</b>	<b>\$ 419,820</b>	<b>\$ 689,950</b>	
<b>Debt service coverage ratio (A divided by B)</b>	<b>1.77</b>	<b>1.40</b>	<b>1.54</b>	<b>at least 1.10</b>
<b>Unreserved Cash (UR):</b>				
Expenses	\$ 2,575,347	\$ 3,129,675	\$ 5,705,022	
Unreserved cash	\$ 700,973	\$ 777,130	\$ 1,478,103	
<b>Cash as a percentage of expenses</b>	<b>27.2%</b>	<b>24.8%</b>	<b>25.9%</b>	<b>at least 5%</b>

**NOTE:** balances above were scheduled from the Audited Financial Statements of Pinellas Preparatory Academy, Inc. for the year ended June 30, 2016.

Best Regards,

Scott Craver  
 Board Chairman