

WAYMAN ACADEMY OF THE ARTS, INC.

A Charter School and a Component Unit of
the Duval County School District

BASIC FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
for the Year Ended June 30, 2015

Wayman Academy of the Arts, Inc.
Basic Financial Statements and
Independent Auditors' Report
June 30, 2015

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DARRYL R. JACKSON, CPA, P.A.
Certified Public Accountant

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Wayman Academy of the Arts, Inc.,
a Charter School and a Component Unit of the
Duval County School District
1176 LaBelle Street
Jacksonville, FL 32205

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayman Academy of the Arts, Inc. (the "Academy"), a component unit of Duval County School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayman Academy of the Arts, Inc., as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5–9 and 27-30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2015, on our consideration of Wayman Academy of the Arts, Inc.'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 Wayman Academy of the Arts, Inc.'s internal control over financial reporting and compliance.



Darryl R. Jackson, CPA, P.A.
Jacksonville, Florida
September 28, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Academy's financial statements presents management's analysis of the Academy's financial performance during the fiscal year that ended on June 30, 2015. The purpose of this discussion and analysis is to assist the reader in focusing on significant financial issues, provide an overview and analysis of the Academy, identify changes in the Academy's financial position, identify material deviations from the approved budget, and highlight significant issues in individual funds. Please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

- The Academy adopted the provisions of GASB Statement Nos. 34, 37 and 38 in fiscal year 2002. Adoption of these Statements changed the reporting format of the Academy's financial statements.
- The Academy's total net position increased by \$28,487 in 2015, and increased by \$86,713 in 2014. The 2015 increase was attributable to an increase in Title I and II funding, while the 2014 increase was attributable to an increase in FEFP funding. Student enrollment decreased slightly to 324 in 2015. Student enrollment was 340 in 2014, and 337 in 2013.
- Operating revenue for 2015 decreased 2.2%, a result of a lower FEFP funding due to the lower student enrollment. Operating revenue for 2014 increased 5.5%, a result of higher FEFP funding.
- Operating expenses decreased slightly by .2% in 2015, primarily due to the cost of lower student enrollment. Operating expenses increased by 3% in 2014, primarily due to increased spending for direct educational costs.

Overview of Financial Statements

The financial statements consist of two parts: Management's Discussion and Analysis and the Basic Financial Statements. The Basic Financial Statements also include notes that explain in more detail some of the information in the Basic Financial Statements.

The Basic Financial Statements consist of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Academy as a whole and present a longer-term view of the Academy's finances. Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Academy's operations in more detail than the entity-wide statements by providing information at the individual fund level.

Entity-Wide Financial Statements

Our analysis of the Academy begins below. One of the most important questions asked about the Academy's finances is "Is the Academy as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Academy's activities in a way that will help answer this question. These two statements report the net position of the Academy and changes in them. You can think of the Academy's net position, the difference between assets and liabilities, as one way to measure financial health or financial position. Over time, increases or decreases in the Academy's net assets are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, regulations and new or changed government legislation.

The Academy reports this information using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statement of Net Position includes all of the Academy's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Academy creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Academy and assessing the liquidity and financial flexibility of the Academy.

All of the current year's revenues and expenses are accounted for in the Statement of Activities. This statement measures the success of the Academy's operations over the past year and can be used to determine whether the Academy has successfully recovered all its costs through its services provided, as well as its profitability, and creditworthiness.

Fund Financial Statements

The fund financial statements provide detailed information about the Academy's funds, not the Academy as a whole. The Academy utilizes three different funds to account for its activities, a general fund, which reports information about the general operations of the Academy, a special revenue fund, which reports information about the transactions entered into by the Academy primarily related to grants activity and a capital project fund, which focuses on monies used in the acquisition of major construction of major capital facilities. These activities are reported in governmental funds, which focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The fund statements provide a detailed short-term view of the Academy's operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Academy's operations. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

Financial Analysis

Entity- Wide Analysis

To begin our analysis, a summary of the Academy's Statement of Net Position is presented in Table A-1.

<i>Table A-1 Condensed Statement of Net Assets</i>	<u>2015</u>	<u>2014</u>
Assets		
Current assets	\$ 307,936	\$ 267,213
Property and equipment, net of accumulated depreciation	<u>222,886</u>	<u>245,636</u>
Total assets	<u>\$ 530,822</u>	<u>\$ 512,849</u>
Liabilities and net assets		
Current liabilities	\$ 24,513	\$ 35,027
Total liabilities	24,513	35,027
Net assets:		
Unrestricted	283,423	232,186
Restricted	-	-
Net investment in capital assets	<u>222,886</u>	<u>245,636</u>
Total net position (deficit)	<u>506,309</u>	<u>477,822</u>
Total liabilities and net position (deficit)	<u>\$ 530,822</u>	<u>\$ 512,849</u>

Net position consists of amounts invested in capital assets (original costs of capital assets, net of related accumulated depreciation) and unrestricted net position, which relate to the residual amounts left after all operations of the Academy have been paid for. This amount will be used to fund future operations not covered through normal operations.

While the Statement of Net Position shows the change in financial position of net assets, the Statement of Activities provides answers as to the nature and source of these changes. Table A-2 provides an overview of the Statement of Activities:

<i>Table A-2 Condensed Statement of Activities</i>	<u>2015</u>	<u>2014</u>
Revenues		
Florida Education Finance Program	\$ 2,187,078	\$ 2,258,158
Federal through state Title 1 & II funding	273,317	238,959
Public Education Capital Outlay	121,247	140,540
School lunch program	217,936	224,157
Local sources	<u>776</u>	<u>1,895</u>
Total revenue	<u>2,800,354</u>	<u>2,863,709</u>
Expenses		
Instruction	\$ 1,216,177	\$ 1,199,666
Pupil personnel services	3,570	3,086
Instructional staff training services	25,319	4,896
School administration	553,927	559,214
Facilities acquisition and construction	360,000	360,000
Fiscal Services	66,000	66,000
Food services	188,335	199,049
Pupil transportation services	106,647	111,473
Operation of plant	202,888	222,195
Maintenance of plant	-	-
Interest on long term debt	-	-
Depreciation	<u>49,004</u>	<u>51,417</u>
Total expense	2,771,867	2,776,996
Change in net position (deficit)	28,487	86,713
Net position (deficit), July 1, 2014	<u>477,822</u>	<u>391,109</u>
Net position (deficit), June 30, 2015	<u>\$ 506,309</u>	<u>\$ 477,822</u>

As can be seen in Table A-2 above, net position increased from the prior year. This is primarily a result of a reduction in operating expenses.

Individual Fund Analysis

The special revenue fund balances were \$0 at the beginning of the fiscal year, and \$0 at the end of the fiscal year. Both the general fund and special revenue fund transferred \$236,794 and \$28,213, respectively, to the capital projects fund, for a total of \$265,007 to the capital projects fund to cover the operating deficit of the capital projects funds for the fiscal year ended June 30, 2015.

Capital Assets and Long-Term Debt

There were no major asset additions in 2015 and no long term debts.

General Fund Budget Analysis and Highlights

As can be seen on Table B-1, there were no significant budget variances that are expected to have a significant effect on future operations or on the Academy's liquidity.

<i>Table B-1 Governmental Funds Budget</i>	Governmental Funds		
	Original Budget	Final Budget	Actual
Revenues:			
Florida Education Finance Program	\$2,252,006	\$2,182,000	\$2,187,078
Federal Title I funding	132,500	262,000	262,064
Federal Title II funding	-	11,000	11,253
Public Education Capital Outlay	110,598	120,000	121,247
School lunch program	220,000	220,000	217,936
Other local sources	26,500	-	776
Total revenues	<u>2,741,604</u>	<u>2,795,000</u>	<u>2,800,354</u>
Expenditures:			
Current - education			
Instruction	\$1,281,012	\$1,215,000	\$1,216,177
Pupil personnel services	48,951	3,500	3,570
Instructional staff training	3,500	25,000	25,319
School administration	442,273	575,000	553,927
Facilities acquisition and construction	360,000	360,000	360,000
Fiscal service	66,000	66,000	66,000
Food service	188,322	189,000	188,335
Pupil transportation	138,461	130,000	106,647
Operation of plant	213,085	206,500	202,888
Capital outlay	-	25,000	26,254
Debt service:			
Principal	-	-	-
Interest on long term debt	-	-	-
Total expenditures	<u>2,741,604</u>	<u>2,795,000</u>	<u>2,749,116</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,238</u>

Significant Economic Factors

The Academy's current charter agreement with the Duval County School District was renewed on July 1, 2012 for ten years. The continued viability of the Academy is predicated on maintaining this charter with the Duval County School District. Management fully expects to maintain this contract for the next seven years.

Requests for Information

This financial report is intended to provide a general overview of the Academy's finances for all those with an interest in the Academy's finances. Requests for additional information may be addressed to the Board of Directors, in care of Mr. Derrick Lomas at Wayman Academy of the Arts, Inc., 1176 Labelle Street, Jacksonville, Florida 32205 or at dlomas@wayman.org.

Basic Financial Statements

Wayman Academy of the Arts, Inc.
Statement of Net Position
As of June 30, 2015

Assets	<u>2015</u>
Cash	\$ 155,313
Pledges receivable, net	68,000
Due from Title I Funds	63,550
Due from Title II Funds	11,253
Due from Capital Outlay Fund	<u>9,820</u>
Total current assets	307,936
Capital assets, net of accumulated depreciation	<u>222,886</u>
Total assets	<u><u>\$ 530,822</u></u>
 Liabilities and net position (deficit)	
Liabilities:	
Accounts payable	\$ 11,281
Payroll liabilities	11,457
Due to affiliates	<u>1,775</u>
Total current liabilities	24,513
Net position:	
Unrestricted	283,423
Restricted	-
Net invested in capital assets	<u>222,886</u>
Total net position (deficit)	<u>506,309</u>
Total liabilities and net position (deficit)	<u><u>\$ 530,822</u></u>

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

Wayman Academy of the Arts, Inc.

Statement of Activities

For the year ended June 30, 2015

		Program Revenues			Net(Expenses)
		Operating	Capital	Revenue	
		Charges for	Grants and	Grants and	and Charges
Functions:	<u>Expenses</u>	<u>Services</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Net Assets</u>
Governmental activities:					
Instruction	\$1,216,177	\$ -	\$ -	\$ -	\$ (1,216,177)
Pupil personnel services	3,570	-	-	-	(3,570)
Instructional staff training services	25,319	-	-	-	(25,319)
School administration	553,927	-	-	-	(553,927)
Facilities acquisition and construction	360,000	-	-	-	(360,000)
Fiscal service	66,000	-	-	-	(66,000)
Food service	188,335	238	217,698	-	29,601
Pupil transportation	106,647	-	-	-	(106,647)
Operation of plant	202,888	-	-	-	(202,888)
Maintenance of plant	-	-	-	-	-
Interest on long term debt	-	-	-	-	-
Depreciation	49,004	-	-	-	(49,004)
Total governmental activities	<u>\$2,771,867</u>	<u>\$ 238</u>	<u>\$ 217,698</u>	<u>\$ -</u>	<u>(2,553,931)</u>
General Revenues:					
State passed through local school district					2,581,578
Gifts, grants and contributions					-
Other revenue					840
Total general revenues					<u>2,582,418</u>
Change in net position (deficit)					28,487
Net position (deficit), beginning					<u>477,822</u>
Net position (deficit), ending					<u>\$ 506,309</u>

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

Wayman Academy of the Arts, Inc.
Balance Sheet – Governmental Funds
As of June 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Assets:				
Cash	\$ 155,313	\$ -	\$ -	\$ 155,313
Pledges receivable, net	68,000	-	-	68,000
Due from Title I Funds	63,550	-	-	63,550
Due from Title II Funds	11,253	-	-	11,253
Due from Capital Outlay Fund	<u>9,820</u>	<u>-</u>	<u>-</u>	<u>9,820</u>
Total assets	<u><u>\$ 307,936</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 307,936</u></u>
Liabilities and fund balance:				
Liabilities:				
Accounts payable	\$ 11,281	\$ -	\$ -	\$ 11,281
Payroll liabilities	11,457	-	-	11,457
Due to affiliates	<u>1,775</u>	<u>-</u>	<u>-</u>	<u>1,775</u>
Total liabilities	<u>24,513</u>	<u>-</u>	<u>-</u>	<u>24,513</u>
Fund balance:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>283,423</u>	<u>-</u>	<u>-</u>	<u>283,423</u>
Total fund balance	<u>283,423</u>	<u>-</u>	<u>-</u>	<u>283,423</u>
Total liabilities and fund balance	<u><u>\$ 307,936</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 307,936</u></u>

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

Wayman Academy of the Arts, Inc.

Reconciliation of Balance Sheet to the Statement of Net Position - Governmental Funds
For the year ended June 30, 2015

Total Fund Balance - Governmental Funds	\$ 283,423
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Amounts reported for governmental activities in the
statement of net assets are different because:

Capital assets used in governmental activities are
not reported in the governmental funds.

Capital assets, net of accumulated depreciation	<u>222,886</u>
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Net position (deficit) of governmental activities	<u><u>\$ 506,309</u></u>
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The accompanying notes are an integral part of this financial statement.

Wayman Academy of the Arts, Inc.

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
For the year ended June 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues:				
Florida Education Finance Program	\$2,187,078	\$ -	\$ -	\$ 2,187,078
Federal Title I funding	-	262,064	-	262,064
Federal Title II funding	-	11,253	-	11,253
Public Education Capital Outlay	-	-	121,247	121,247
School lunch program	-	217,936	-	217,936
Local sources	<u>776</u>	<u>-</u>	<u>-</u>	<u>776</u>
Total revenues	2,187,854	491,253	121,247	2,800,354
Expenditures:				
Current - education:				
Instruction	970,361	245,816	-	1,216,177
Student personnel services	-	3,570	-	3,570
Instructional staff training	-	25,319	-	25,319
School administration	553,927	-	-	553,927
Facilities acquisition and construction	-	-	360,000	360,000
Fiscal service	66,000	-	-	66,000
Food service	-	188,335	-	188,335
Pupil transportation	106,647	-	-	106,647
Operation of plant	202,888	-	-	202,888
Maintenance of plant	-	-	-	-
Capital outlay:	-	-	26,254	26,254
Debt service:				
Principal	-	-	-	-
Interest on long term debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,899,823</u>	<u>463,040</u>	<u>386,254</u>	<u>2,749,117</u>
Excess of revenues over (under) expenditures	288,031	28,213	(265,007)	51,237
Transfers In (Out)	(236,794)	(28,213)	265,007	-
Fund balances, July 1, 2014	<u>232,186</u>	<u>-</u>	<u>-</u>	<u>232,186</u>
Fund balances, June 30, 2015	<u><u>\$ 283,423</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 283,423</u></u>

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

Wayman Academy of the Arts, Inc.
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance - Governmental Funds
For the year ended June 30, 2015

Net Change in Fund Balance - Governmental Funds	\$ 51,237
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Amounts reported for governmental activities in the
statement of activities are different because:

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives.

Expenditures for capital assets	26,254
Less current year depreciation expense	<u>(49,004)</u>

Change in net position (deficit) of governmental activities	<u><u>\$ 28,487</u></u>
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The accompanying notes are an integral part of this financial statement.

Wayman Academy of the Arts, Inc.
Notes to Basic Financial Statements
Year ended June 30, 2015

1. REPORTING ENTITY

Wayman Academy of the Arts, Inc. (the “Academy”), is a nonprofit corporation incorporated in the State of Florida. The Internal Revenue Service notified the Academy in August 21, 2000 that it was a non-profit charitable organization under IRC § 501(c)(3). The Academy was incorporated on November 12, 1999 as an educational organization.

The Academy operates under a charter of the sponsoring school district, the Duval County School District (the “District”). The current charter is effective until June 30, 2022 and may be renewed by mutual agreement between the Academy and the District. At the end of the term in the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the Academy in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. The Academy is considered a component unit of the District.

Criteria for determining if other entities are potential component units of the Academy which should be reported with the Academy’s general-purpose financial statements are identified and described in the Governmental Accounting Standards Board’s (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, § 2100 and 2600. The application of these criteria provide for identification of any entities for which the Academy is financially accountable and other organizations for which the nature and significance of their relationship with the Academy are such that exclusion would cause the Academy’s general-purpose financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the Academy.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Based on the guidance provided in the American Institute of Certified Public Accountants' Audit and Accounting Guide – *Audits per State and Local Governments* and provisions of Florida Statutes, the Academy is presented as a governmental organization for financial statement reporting purposes.

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the Academy as a whole. Both statements report only governmental activities as the Academy does not engage in any business type activities. For the most part, the effect of inter-fund activity has been eliminated.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, (2) operating grants and contributions which finance annual operating activities, and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets.

Wayman Academy of the Arts, Inc.
Notes to Basic Financial Statements
Year ended June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Major individual governmental funds, namely, the general, special revenue and capital project funds are reported as separate columns in the fund financial statements:

General Fund - is the Academy's primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.

Special Revenue Fund - used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service and capital projects.

Capital Projects Fund - used to account for financial resources used for the acquisition or construction of major capital facilities and for the proceeds and related expenditures of the charter school capital outlay funding.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of Wayman Academy of the Arts, Inc., (the "Academy") are prepared in accordance with generally accepted accounting principles (GAAP). The Academy's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) Codification of Accounting and Financial Reporting Guidelines.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues from non-exchange transactions are reported according to Governmental Accounting Standards Board (GASB) Codification § 1600.111 and § N50 "Accounting and Financial Reporting for Non-Exchange Transactions". On the accrual basis, revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Academy considers revenues to be available if they are collected within 90 days of the end of the fiscal year. Florida Education Finance Program (FEFP) revenues are recognized when received.

Wayman Academy of the Arts, Inc.
Notes to Basic Financial Statements
Year ended June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

A one-year availability period is used for revenue recognition for all other governmental fund revenues. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgetary Basis Accounting

Budgets are presented on the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).

Cash and Cash Equivalents

The Academy's cash is considered to be cash on hand and demand deposits, with original maturities of three months or less. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. At June 30, 2015, there were no amounts that exceeded FDIC coverage. The Academy has no policy regarding deposit custodial credit risk.

Federal Income Taxes

The Academy is a nonprofit organization and is exempt from income tax under § 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

Compensated Absences

The Academy grants a specific number of sick days. Full time employees are eligible to one day per month to up to ten days of active work during the ten-month period (a "benefit year"). In the event that available time is not used by the end of the benefit year, employees may "rollover" all unused days for use in future benefit years. Upon termination, there is an opportunity to "cash out" unused sick days.

GASB Codification § C60, Accounting for Compensated Absences, provides that compensated absences that are contingent on a specific event that is outside the control of the employer and employee should be accounted for in the period those events take place. Accordingly, these financial statements do not include an accrual for sick days available to be used in future benefit years.

The Academy also provides certain days to be used for specific personal matters such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

Wayman Academy of the Arts, Inc.
Notes to Basic Financial Statements
Year ended June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Depreciation

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. The Academy's capitalization levels are \$750 on tangible personal property. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the costs and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Class of Asset	Estimated Life in Years
Building equipment and improvements	5-20
Furniture and equipment	5-10
Vehicles	10

Long-term Liabilities

Long-term debt and other long-term obligations, if any, are reported in the government-wide financial statements. Long-term liabilities are not reported in the governmental funds because governmental funds use the current financial resources measurement focus.

Government –Wide Fund Net Position

Government-wide fund net position are divided into three components:

Net investment in capital assets - consists of the historical cost capital assets less accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets plus deferred outflows of resources less deferred inflows of resources.

Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. The restricted net position for the year ending June 30, 2015 was \$0.

Unrestricted - all other net position is reported in this category.

Recently Adopted Accounting Pronouncements

The Academy has adopted guidance issued by the GASB that requires entities to present a Statement of Net Position in place of the previously issued Statement of Net Assets. The Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The Academy also adopted guidance issued by the GASB regarding the reclassification of items previously reported as assets and liabilities, which are now reported as deferred outflows and inflows of resources.

Wayman Academy of the Arts, Inc.
Notes to Basic Financial Statements
Year ended June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances

In accordance with Governmental Accounting Standards Board's (GASB) Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, fund balances are reported in the governmental fund balance sheet to be classified using hierarchy based primarily on the extent to which the Academy is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Governmental fund balances are classified as follows:

Nonspendable – Includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. At June 30, 2015, there is no nonspendable fund balance.

Restricted – Includes amounts that are restricted to specific purposes or constrained either by (a) external impositions by creditors, grantors, contributors, or (b) laws or regulations of other governments or (c) impositions by law through constitutional provisions or enabling legislation. At June 30, 2015, there is no restricted fund balance.

Committed – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Such amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking a subsequent formal action. At June 30, 2015, there is no committed fund balance.

Assigned – Includes amounts that are constrained by the government's intent to be used for specific purposes, but are not restricted or committed, except for certain stabilization arrangements. At June 30, 2015, there is no assigned fund balance.

Unassigned – Is the residual classification for the general fund. This represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Order of Fund Balance Spending Policy

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

Minimum Fund Balance

As of June 30, 2015, there are no minimum fund balance requirements for any of the Academy's funds.

Wayman Academy of the Arts, Inc.
Notes to Basic Financial Statements
Year ended June 30, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Sources

Revenues for current operations are received primarily from the District pursuant to the funding provisions included in the Academy's charter. In accordance with the funding provisions of the charter and §1002.33, Florida Statutes, the Academy reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of §1011.62, Florida Statutes, the District reports the number of full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the Academy is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the Academy during the designated FTE survey periods.

The Academy receives federal awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by the various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been made. Amounts received in advance for which eligible expenditures have not been made are recorded as deferred revenue.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. In addition, certain amounts are rounded to the nearest dollar for financial statement purposes.

Subsequent Events

The date to which events occurring after June 30, 2015, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is September 28, 2015, which is the date on which the financial statements were available to be issued.

Budgeting

An operating budget is adopted and maintained by the governing board for the Academy pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in the preparation of the basis financial statements, except for the reporting of the District's 5% administration fee.

3. PLEDGES RECEIVABLE, NET

On June 14, 2013, Wayman Ministries pledged \$72,000 to support the educational goals and vision of the Academy. On July 15, 2013, an additional \$32,000 was pledged. This amount will be funded in increments over a twenty-four month period. In accordance with GASB 33, pledges are discounted when they are not expected to be collected within one year. The Academy has evaluated all pledges receivable and determined that an allowance for doubtful pledges is not required as of June 30, 2015. The remaining balance receivable from the pledge was \$68,000 as of June 30, 2015.

Wayman Academy of the Arts, Inc.
Notes to Basic Financial Statements
Year ended June 30, 2015

4. SCHEDULE OF STATE AND LOCAL REVENUE AND DUE FROMS BY SOURCE

The following is a schedule of state and local revenue sources and amounts:

	Due froms 6/30/2014	Received	Earned	Due froms 6/30/2015
Duval County School Board:				
Title I funding	\$ -	\$ 198,556	\$ 262,106	\$ 63,550
Title II funding	-	-	11,253	11,253
FERP Revenue	-	2,180,813	2,180,813	-
Lead teacher revenue	-	6,160	6,160	-
Capital outlay revenue	-	111,427	121,247	9,820
Other miscellaneous revenue	-	-	-	-
Total DCSB	-	2,496,956	2,581,579	84,623
State of Florida:				
School lunch reimbursement	-	215,438	215,438	-
Breakfast reimbursement	-	2,260	2,260	-
Student meals	-	238	238	-
Total State of Florida	-	217,936	217,936	-
Local Sources:				
Other miscellaneous	-	839	839	-
Total local sources	-	839	839	-
Total revenue - Government Funds	\$ -	\$2,715,731	\$2,800,354	\$ 84,623

5. INTER-FUND TRANSFERS

From time to time, the Academy will transfer funds from the general fund and special revenue fund to the capital projects funds to cover the operating deficits of the special revenue fund and capital projects funds. As of June 30, 2015, the amount of these transfers equaled \$226,797 and \$38,213, respectively, for a total of \$265,007.

6. DEPOSITS POLICY AND CREDIT RISK

The Academy maintains separate bank accounts for the charter school programs as required by the Duval County School District contract. It is also the Academy's policy to maintain its cash and cash equivalents in major banks and high grade investments. As of June 30, 2015, the carrying amount of the Academy's deposits and the respective bank balance was \$155,313. Under the Dodd-Frank Act, non-interest bearing deposits at FDIC insured institutions are insured up to \$250,000. All accounts held by the Academy are non-interest bearing and therefore fully insured by the FDIC as of June 30, 2015.

Wayman Academy of the Arts, Inc.
Notes to Basic Financial Statements
Year ended June 30, 2015

7. CHANGES IN CAPITAL ASSETS

At June 30, 2015, the cost and related accumulated depreciated of general fixed assets consisted of the following:

	June 30, 2015			
	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
Cost:				
Buildings and fixed equipment	\$ 474,988	\$ 7,500	\$ -	\$ 482,488
Furniture, fixtures and equipment	334,239	18,754	-	352,993
Motor vehicles	<u>125,171</u>	<u>-</u>	<u>-</u>	<u>125,171</u>
Total Cost	<u>934,398</u>	<u>26,254</u>	<u>-</u>	<u>960,652</u>
Accumulated Depreciation:				
Buildings and fixed equipment	299,783	25,370	-	325,154
Furniture, fixtures and equipment	268,462	22,304	-	290,766
Motor vehicles	<u>120,517</u>	<u>1,330</u>	<u>-</u>	<u>121,846</u>
Total Cost	<u>688,762</u>	<u>49,004</u>	<u>-</u>	<u>737,766</u>
Total fixed assets, net	<u>\$ 245,636</u>	<u>\$ (22,750)</u>	<u>\$ -</u>	<u>\$ 222,886</u>

All depreciation expense was shown as unallocated on the Statement of Activities. Depreciation expense as of June 30, 2015 was \$49,004.

8. EMPLOYEE BENEFITS

The Academy offers all of its full-time employees, who have attained 21 years of age, a retirement plan under Internal Revenue Code Section 401(k). The employee is allowed to contribute up to a maximum of 10% of their annual gross compensation, subject to certain limitations. The Academy does not provide any matching contribution at this time.

9. RISK MANAGEMENT PROGRAMS

The Academy is exposed to various risks of loss related to torts, thefts of or damage to and destruction of assets, errors and omissions and natural disasters. Workers' compensation, general liability, errors and omissions, and property insurance are being provided through the Academy's insurance with minimal deductibles for each line of coverage. Settled claims resulting from these risks have not exceeded covered amounts.

Wayman Academy of the Arts, Inc.
Notes to Basic Financial Statements
Year ended June 30, 2015

10. RELATED PARTY TRANSACTIONS - INDIRECT COST ALLOCATION

The Academy has entered into an agreement with Wayman Community Development Corporation (“WCDC”) to share certain operating costs such as accounting, human resources, public relations, utilities and copier lease expense. These services are incurred by WCDC and reimbursed by the Academy. The allocation varies depending on the type of expense, but is primarily based on employee count and actual usage. The total incurred by the Academy to WCDC for the year ended June 30, 2015 was \$66,000.

11. COMMITMENTS AND CONTINGENT LIABILITIES

Florida Education Finance Program Revenue - The Academy receives substantially all of its funding from the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the Academy participates in a number of federal, state and local grants which are subject to financial and compliance audits.

It is the opinion of the Academy that the amount of revenue, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the Academy.

Legal Matters – In the normal course of conducting its operations, the Academy may occasionally become a party to various legal actions and proceedings. In the opinion of management, the ultimate resolution of any such legal matters, will not have a significant adverse effect on the accompanying financial statements for any such contingencies.

Lease Commitment - The Academy currently leases its facilities and transportation equipment from the West Jacksonville Economic Development Corporation. The agreement calls for monthly lease payments of \$30,000 for the facilities and \$3,000 for transportation equipment. This lease has been renewed through June 30, 2020.

12. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

Total rent expense charged to facility operations for the year ended June 30, 2015, totaled \$360,000. Total transportation expense charged to pupil transportation for the year ended June 30, 2015, totaled \$36,000. Future minimum payments under the lease agreements are as follows:

Year ending June 30,	
2016	\$ 396,000
2017	396,000
2018	396,000
2019	396,000
2020	<u>396,000</u>
Total	<u>\$ 1,980,000</u>

Wayman Academy of the Arts, Inc.
Notes to Basic Financial Statements
Year ended June 30, 2015

13. FUND BALANCE CLASSIFICATION POLICIES AND PROCEDURES

Committed fund balances require a major vote by the Board of Directors of the Academy. A majority vote is also required to modify or rescind an existing fund balance commitment. Assignment of fund balances can only occur at the direction of the Chairman of the Board of Directors or by a committee or individual designated by the Chairman.

The Academy considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and whether committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

As of June 30, 2015, there were no encumbrances, significant or otherwise, stabilization arrangements or minimum fund balance policies that require disclosure by major fund and non-major funds in the aggregate in conjunction with required disclosures about other significant commitments.

14. FUNDING AND CREDIT CONCENTRATIONS

The Academy receives substantially all of its support and revenue from federal, state and local funding sources, passed through the District, in the form of performance and budget based contracts. Continuing operation of the Academy is greatly dependent upon the continued support of these government agencies.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

Wayman Academy of the Arts, Inc.
Statement of Revenues, Expenditures and Changes
in Fund Balances – Budget and Actual – General Fund
Year ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Florida Education Finance Program	\$ 2,252,006	\$ 2,182,000	\$ 2,187,078	\$ 5,078
Other local sources	<u>26,500</u>	<u>-</u>	<u>776</u>	<u>776</u>
Total revenues	2,278,506	2,182,000	2,187,854	5,854
Expenditures:				
Current - education				
Instruction	1,148,512	970,000	970,361	(361)
Pupil personnel services	48,951	-	-	-
Instructional staff training services	3,500	-	-	-
School administration	442,273	575,000	553,927	21,073
Facilities acquisition and construction	-	-	-	-
Fiscal service	66,000	66,000	66,000	-
Food service	-	-	-	-
Pupil transportation	138,461	130,000	106,647	23,353
Operation of plant	213,085	206,500	202,888	3,612
Maintenance of plant	-	-	-	-
Miscellaneous	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,060,782</u>	<u>1,947,500</u>	<u>1,899,823</u>	<u>47,678</u>
Excess of revenues Over (Under) Expenditures	217,724	234,500	288,031	53,532
Transfers In (Out)	(217,724)	(234,500)	(236,794)	(2,294)
Fund balances, July 1, 2014	<u>88,797</u>	<u>88,797</u>	<u>232,186</u>	<u>143,389</u>
Fund balances, June 30, 2015	<u>\$ 88,797</u>	<u>\$ 88,797</u>	<u>\$ 283,423</u>	<u>\$ 194,627</u>

Wayman Academy of the Arts, Inc.
Statement of Revenues, Expenditures and Changes
in Fund Balances – Budget and Actual – Special Revenue Fund
Year ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Federal Title I funding	\$ 132,500	\$ 262,000	\$ 262,064	\$ 64
Federal Title II funding	-	11,000	11,253	253
School lunch program	<u>220,000</u>	<u>220,000</u>	<u>217,936</u>	<u>(2,064)</u>
Total revenues	352,500	493,000	491,253	(1,747)
Expenditures:				
Current - education				
Instruction	132,500	245,000	245,816	(816)
Pupil personnel services	-	3,500	3,570	(70)
Instructional staff training	-	25,000	25,319	(319)
School administration	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Fiscal service	-	-	-	-
Food service	188,322	189,000	188,335	665
Pupil transportation	-	-	-	-
Operation of plant	-	-	-	-
Maintenance of plant	-	-	-	-
Miscellaneous	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Total expenditures	<u>320,822</u>	<u>462,500</u>	<u>463,040</u>	<u>(540)</u>
Excess of revenues Over (Under) Expenditures	\$ 31,678	30,500	28,213	(2,287)
Transfers In (Out)	(31,678)	(30,500)	(28,213)	2,287
Fund balances, July 1, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Wayman Academy of the Arts, Inc.
Statement of Revenues, Expenditures and Changes
in Fund Balances – Budget and Actual – Capital Projects Fund
Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
Revenues:				
Public Education Capital Outlay	\$ 110,598	\$ 120,000	\$ 121,247	\$ 1,247
Total revenues	110,598	120,000	121,247	1,247
Expenditures:				
Current - education				
Instruction	-	-	-	-
Pupil personnel services	-	-	-	-
Instructional staff training	-	-	-	-
School administration	-	-	-	-
Facilities acquisition and construction	360,000	360,000	360,000	-
Fiscal service	-	-	-	-
Food service	-	-	-	-
Pupil transportation	-	-	-	-
Operation of plant	-	-	-	-
Maintenance of plant	-	-	-	-
Miscellaneous	-	-	-	-
Capital Outlay	-	25,000	26,254	(1,254)
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Total expenditures	<u>360,000</u>	<u>385,000</u>	<u>386,254</u>	<u>(1,254)</u>
Excess of revenues Over (Under) Expenditures	\$ (249,402)	(265,000)	(265,007)	(7)
Transfers In (Out)	249,402	265,000	265,007	7
Fund balances, July 1, 2014	-	-	-	-
Fund balances, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INDEPENDENT AUDIT’S REPORTS



DARRYL R. JACKSON, CPA, P.A.
Certified Public Accountant

**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 Directors
Wayman Academy of the Arts, Inc.,
a Charter School and a Component Unit of the
Duval County School District
1176 LaBelle Street
Jacksonville, FL 32205

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayman Academy of the Arts, Inc., as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Wayman Academy of the Arts, Inc.'s basic financial statements, and have issued our report thereon dated September 28, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wayman Academy of the Arts, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wayman Academy of the Arts, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Wayman Academy of the Arts, Inc.'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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.

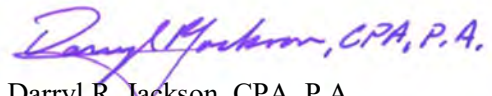
Compliance and Other Matters

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

We noted certain matters that we reported to management of the Academy, in a separate letter dated September 28, 2015.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Darryl R. Jackson, CPA, P.A.".

Darryl R. Jackson, CPA, P.A.
Jacksonville, Florida
September 28, 2015



DARRYL R. JACKSON, CPA, P.A.
Certified Public Accountant

Management Letter

To the Board of Directors
Wayman Academy of the Arts, Inc.,
a Charter School and a Component Unit of the
Duval County School District
1176 LaBelle Street
Jacksonville, FL 32205

Report on the Financial Statements

We have audited the financial statements of the Wayman Academy of the Arts, Inc., Jacksonville, Florida, as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated September 28, 2015.

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.

Other Reporting Required by *Government Auditing Standards*

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports, which are dated September 28, 2015, 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. Corrective action has been taken to address findings and recommendations made in the preceding annual financial audit report, except as noted below under the heading Prior Year Findings and Recommendations. See page 36.

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2013-14 FY Finding #	2012-13 FY Finding #
15-1	14-1	N/A

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 Wayman Academy of the Arts, Inc.

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 Wayman Academy of the Arts, Inc. has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the Wayman Academy of the Arts, Inc. 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 Wayman Academy of the Arts, Inc. It is management's responsibility to monitor the Wayman Academy of the Arts, Inc.'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

Sections 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 the Wayman Academy of the Arts, Inc. maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the Wayman Academy of the Arts, Inc. has not maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Other Matters

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we noted three such recommendations. See page 36.

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 the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of This Letter

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



Darryl R. Jackson, CPA, P.A.
September 28, 2015

Prior Year Findings and Recommendations:

14-1 The Academy Has Not Maintained Its Website As Specified By Florida Section 1002.33 (9)(p)

Upon review of the Academy's website, we noted that it is not maintained in accordance with Florida Section 1002.33 (9)(p). The code section specifically states:

"Each charter school shall maintain a website that enables the public to obtain information regarding the school; the school's academic performance; the names of the governing board members; the programs at the school; any management companies, service providers, or education management corporations associated with the school; the school's annual budget and its annual independent fiscal audit; the school's grade pursuant to s. 1008.34; and, on a quarterly basis, the minutes of governing board meetings."

At present, the Academy's website lacks the school's academic performance, the annual budget and its annual independent fiscal audit, the Academy's grade pursuant to s. 1008.34 and the quarterly minutes of the governing board meetings.

Management Response:

Management is in the process of updating its website to conform to the requirements of s. 1008.34 and will be completed within the next ninety days.

Current Status:

Management did not complete the renovation of the Academy's website to bring it in compliance with s. 1002.33. The project was postponed until this year.

Current Year Findings and Recommendations:

15-1 The Academy Has Not Maintained Its Website As Specified By Florida Section 1002.33 (9)(p)

Upon review of the Academy's website, we noted that it is not maintained in accordance with Florida Section 1002.33 (9)(p). The code section specifically states:

"Each charter school shall maintain a website that enables the public to obtain information regarding the school; the school's academic performance; the names of the governing board members; the programs at the school; any management companies, service providers, or education management corporations associated with the school; the school's annual budget and its annual independent fiscal audit; the school's grade pursuant to s. 1008.34; and, on a quarterly basis, the minutes of governing board meetings."

At present, the Academy's website lacks the school's academic performance, the annual budget and its annual independent fiscal audit, the Academy's grade pursuant to s. 1008.34 and the quarterly minutes of the governing board meetings.

Although these items are available upon request, Florida section 1002.33 (9)(p) specifically states these items should be available online. We recommend the Academy update its website to comply with Florida section 1002.33(9)(g).

Management Response:

Management will update its website to conform to the requirements of s. 1008.34 and will be completed within the next one-hundred and twenty days

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

September 28, 2015

To the Board of Directors
Wayman Academy of the Arts, Inc.,
a Charter School and a Component Unit of the
Duval County School District
1176 LaBelle Street
Jacksonville, FL 32205

We have audited the financial statements of Wayman Academy of the Arts, Inc. ("the Academy") for the year ended June 30, 2015, and have issued our report thereon dated September 28, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated August 5, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Accounting Policies. Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Academy are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Academy during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no estimates that are particularly sensitive.

Disclosures. There are no disclosures that are particularly sensitive.

Corrected and Uncorrected Misstatements. Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole, and we do not disagree.

Our Working Relationship with Management

Difficulties Encountered in Performing the Audit. We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management. For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations. We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants. In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Academy's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Consultations Prior to Engagement. We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Academy's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of management and the Board of Directors of the Academy and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in blue ink that reads "Darryl R. Jackson, CPA, P.A." with a stylized flourish at the end.

Darryl R. Jackson

Darryl R. Jackson, CPA, P.A.