

**The Woodville Education
Foundation, Inc.
d/b/a
The Woodville Middle School of
Leadership through History and Civics
FINANCIAL STATEMENTS
June 30, 2016**



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The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
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June 30, 2016

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REPORT





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INDEPENDENT AUDITORS' REPORT

Board of Directors

The Woodville Education Foundation, Inc. d/b/a

The Woodville Middle School of Leadership through History and Civics
Tallahassee, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The Woodville Education Foundation, Inc. (the Foundation), d/b/a The Woodville Middle School of Leadership through History and Civics, a component unit of Leon County District School Board, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Foundation'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.

Auditors' 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of The Woodville Education Foundation, Inc., as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension information on pages 3 through 7 and pages 33 through 38 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 Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2017 on our consideration of The Woodville Education Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL
June 12, 2017



**MANAGEMENT'S DISCUSSION
AND ANALYSIS**



**The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Management's Discussion and Analysis**

The Management's Discussion and Analysis (MD&A) section of the annual financial report of the Woodville Education Foundation, Inc. (Foundation) d/b/a The Woodville Middle School of Leadership through History and Civics provides an overview of the Foundation's activities for the fiscal year ended June 30, 2016.

Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the Foundation's financial statements and notes to financial statements as listed on the table of contents.

Financial Highlights

The assets of the Foundation exceeded its liabilities at the close of the most recent fiscal year by \$58,212.

The Foundation had \$1,041,764 in expenses related to governmental activities; \$364,474 were offset by operating grants and contributions. General revenues of \$710,435 were collected for the Foundation's programs resulting in an increase in net position of \$33,415.

Overview of the Financial Statements

The basic financial statements consist of three components:

Government-wide financial statements

Fund financial statements

Notes to the financial statements

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the Foundation's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net position and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the Foundation presented on the accrual basis of accounting. The statement of net position provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the Foundation. The statement of activities presents information about the change in the Foundation's net position and the results of operations, during the fiscal year. An increase or decrease in the net position is an indication of whether the Foundation's financial health is improving or deteriorating. To assess the overall financial position of the Foundation, one needs to consider additional non-financial factors such as changes in the Foundation student base funding level.



**The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Management's Discussion and Analysis**

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the Foundation's financial activities, focusing on its most significant funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide financial statements.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund financial statements to provide information on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

The governmental financial fund statements provide a detailed short-term view that may be used to evaluate the Foundation's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the governmental-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in the fund balances provide a reconciliation of governmental funds to governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the Foundation's most significant funds. The Foundation operates two funds; a General Fund, and a Special Revenue Fund. The Foundation has elected to show each fund as a major fund.

The Foundation adopts an annual budget for its governmental funds. A budgetary comparison schedule, as required, has been provided for the General Fund and Special Revenue Fund to demonstrate compliance with the budget.

Notes to Financial Statements

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

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following is a summary of the Foundation Net Position as of June 30, 2016:

	Net Position, End of Year	
	Governmental Activities	Total
	<u>6/30/2016</u>	<u>6/30/2016</u>
Current and Other Assets	\$ 248,148	\$ 248,148
Capital Assets	312,251	312,251
Deferred Outflows of Resources	46,588	46,588
Total Assets and Deferred Outflows	<u>606,987</u>	<u>606,987</u>
Long Term Liabilities	515,076	515,076
Deferred Inflows of Resources	33,699	33,699
Total Liabilities	<u>548,775</u>	<u>548,775</u>
Net Position		
Net Investment of Capital Assets	3,800	3,800
Unrestricted (Deficit)	54,412	54,412
Total Net Position	<u>\$ 58,212</u>	<u>\$ 58,212</u>

Current and other assets consist primarily of cash and amounts due from other agencies. The Foundation liabilities are comprised of accounts payable. The Foundation wrote off all of its capital assets as a result of the Foundation closing and creation of a new Foundation in the 2015-16 fiscal year. The Foundation reported an increase in total net position of \$33,145.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Management's Discussion and Analysis

The key elements of the changes in the Foundation Net Position for the fiscal year ended June 30, 2016 are as follows:

	Governmental Activities	Total
	6/30/2016	6/30/2016
Operating Grants and Contributions	\$ 364,474	\$ 364,474
General Revenues	710,435	710,435
Total Revenues	<u>1,074,909</u>	<u>1,074,909</u>
Functions/Program Expenses		
Instruction	482,417	482,417
Student Personnel	(247)	(247)
Instructional Media Services	12,612	12,612
Instruction and Curriculum Development	-	-
Instructional Staff Training Services	(3,370)	(3,370)
School Board	1,840	1,840
School Administration	129,907	129,907
Facilities Acquisition and Construction	350	350
Fiscal Services	-	-
Food Services	(17,209)	(17,209)
Central Services	-	-
Student Transportation Services	49,515	49,515
Operation of Plant	21,475	21,475
Total Functions/Program Expenses	<u>677,290</u>	<u>677,290</u>
Change in Net Position	33,145	33,145
Net Position-Beginning	<u>25,067</u>	<u>25,067</u>
Net Position Ending	<u>\$ 58,212</u>	<u>\$ 58,212</u>



**The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Management's Discussion and Analysis**

The largest revenue source for the Foundation is the State of Florida (77 percent). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula. The FEFP formula utilizes student enrollment data to determine the funds available for the Foundation.

The largest concentration of expenses is instruction, which accounted for 76.3 percent of the total and the school administration expenses, which accounted for 10.4 percent.

FINANCIAL ANALYSIS OF THE FOUNDATION FUNDS

As the Foundation completed the year, its governmental funds reported a fund balance of \$261,037.

BUDGETARY HIGHLIGHTS

The general fund budget for the fiscal year ended June 30, 2016, was developed based on the Foundation's anticipated revenues and expenditures and the expected student population for the Foundation's year. Over the course of the year, the Foundation revised its general fund budget several times. For the fiscal year ended June 30, 2016, the actual expenditures were equal to the final budget. Refer to the Budgetary Comparison Schedule for additional information.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Woodville Education Foundation, Inc. d/b/a The Woodville Middle School of Leadership through History and Civics finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Naomi Coughlin, Budget Director, Leon County Schools, 2757 West Pensacola Street, Tallahassee, FL 32304.



FINANCIAL STATEMENTS

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Statement of Net Position

<i>June 30,</i>	2016
Assets	
Due from other agencies	\$ 248,148
Capital assets:	
Building and improvements	297,065
Less: accumulated depreciation	(29,459)
Furniture, fixtures and equipment	52,316
Less: accumulated depreciation	(7,671)
Total assets	560,399
Deferred outflows of resources	
Pension	46,588
Liabilities and Net Assets	
Noncurrent liabilities:	
Portion due after one year:	
Due to other agency	308,451
Net pension liability	206,625
Total liabilities	515,076
Deferred inflows of resources	
Pension	33,699
Invested in capital assets, net of related debt	3,800
Unrestricted	54,412
Total net position	\$ 58,212

The accompanying notes are an integral part of these financial statements.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Statement of Activities

			Net (Expense) Revenue and Changes in Net Assets
<i>For the year ended June 30, 2016</i>			
	Expenses	Operating Grants and Contributions	Governmental Activities
Functions / Programs			
Governmental Activities:			
Instruction	\$ 792,073	\$ 309,656	\$ (482,417)
Student personnel services	-	247	247
Instructional media services	22,467	9,855	(12,612)
Instructional staff training	-	3,370	3,370
Board	5,045	3,205	(1,840)
General administration	200	200	-
School administration	134,209	4,302	(129,907)
Facility acquisition and construction	350	-	(350)
Food services	16,278	33,487	17,209
Central services	152	152	-
Pupil transportation services	49,515	-	(49,515)
Operation of plant	21,475	-	(21,475)
Total governmental activities	\$ 1,041,764	\$ 364,474	(677,290)
General Revenues:			
Grants and contributions not restricted to specific purposes			710,435
Total general revenues			710,435
Change in net position			33,145
Net position - beginning of year			25,067
Net position - end of year			\$ 58,212

The accompanying notes are an integral part of these financial statements.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Balance Sheet – Governmental Funds

<i>June 30, 2016</i>	General Fund	Special Revenue Fund	Total Governmental Funds
Assets			
Due from other agencies	\$ 230,939	\$ 17,209	\$ 248,148
Total assets	230,939	17,209	248,148
Deferred Outflows of Resources			
Pension	46,588	-	46,588
Total deferred inflows of resources	46,588	-	46,588
Total assets and deferred outflows of resources	\$ 277,527	\$ 17,209	\$ 294,736
Deferred Inflows of Resources			
Pension	\$ 33,699	-	\$ 33,699
Total deferred inflows of resources	33,699	-	33,699
Fund Balances			
Unreserved	243,828	17,209	261,037
Total fund balances	243,828	17,209	261,037
Total deferred inflows of resources and fund balances	\$ 277,527	\$ 17,209	\$ 294,736
Amounts reported for governmental activities in the statement of net position are different because:			
Total fund balances - governmental funds			\$ 261,037
Capital assets in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$349,381 and the accumulated depreciation is \$37,130.			312,251
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:			
Due to other agency			(308,451)
Net pension liability			(206,625)
Total net position - governmental activities			\$ 58,212

The accompanying notes are an integral part of these financial statements.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

<i>For the year ended June 30, 2016</i>	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues			
Intergovernmental:			
State	\$ 710,435	\$ -	\$ 710,435
Federal	-	364,474	364,474
Total revenues	710,435	364,474	1,074,909
Expenditures			
Current:			
Instruction	348,955	316,281	665,236
Instructional media services	8,995	13,472	22,467
Board	1,840	3,205	5,045
General administration	-	200	200
School administration	86,764	4,301	91,065
Facility acquisition and construction	350	-	350
Food services	-	16,278	16,278
Central services	-	152	152
Pupil transportation services	49,515	-	49,515
Operation of plant	21,475	-	21,475
Total expenditures	517,894	353,889	871,783
Excess of revenues over (under) expenditures	192,541	10,585	203,126
Net change in fund balances	192,541	10,585	203,126
Fund balances - beginning of the year	51,287	6,624	57,911
Fund balances - end of the year	\$ 243,828	\$ 17,209	\$ 261,037

The accompanying notes are an integral part of these financial statements.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances with the Government-Wide
Statement of Activities

For the year ended June 30,

2016

Total net change in fund balances - governmental funds \$ 203,126

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

Capital outlays to purchase or build/renovate capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of revenues, expenditures and changes in fund balances-governmental funds and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.

Capital outlays	\$ 56,922	
Depreciation expense	<u>(20,278)</u>	36,644

Pension contributions are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as a pension expense.

(206,625)

Change in net position of governmental activities \$ 33,145

The accompanying notes are an integral part of these financial statements.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of The Woodville Education Foundation, Inc. (the Foundation) d/b/a The Woodville Middle School of Leadership through History and Civics conform to accounting principles generally accepted in the United States of America as applicable to school districts.

Reporting Entity

The Woodville Education Foundation, Inc., doing business as The Woodville Middle School of Leadership through History and Civics is a not-for-profit corporation organized pursuant to Chapter 617, *Florida Statutes*, the Florida Not for Profit Corporation Act, and Section 1002.33, *Florida Statutes*. The governing body of the Foundation is the not-for-profit corporation Board of Directors which is composed of not less than three members.

The general operating authority of the Foundation is contained in Section 1002.33, *Florida Statutes*. The Foundation operates under a charter of the sponsoring school district, the Leon County District School Board (the District). The current charter is effective until June 30, 2019, and may be renewed by mutual written agreement between the Foundation and the District. At the end of the term of 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 Foundation in writing at least 90 days prior to the charter's expiration. During the term of the charter, the School Board may also terminate the charter if good cause is shown. In the event of the termination of the charter, any property purchased by the Foundation with public funds and any encumbered funds revert to the District. The Foundation's charter was terminated during July 2016.

Basis of Presentation

Although the Foundation is a not-for-profit corporation, these financial statements are presented using the governmental reporting model. This treatment is required by accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board, due to the nature of the charter school and the potential for unilateral dissolution by the District.

The Foundation's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Foundation as a whole. These statements include the financial activities of the Foundation, except for fiduciary funds.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

The statement of net position presents the financial condition of the governmental activities of the Foundation at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Foundation's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Foundation. The comparison of direct expenses with program revenues identifies the extent to which the governmental function is self-financing or draws from the general revenues of the Foundation.

Fund Financial Statements

During the year, the Foundation segregates transactions related to certain Foundation functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Foundation at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

Fund Accounting

The Foundation uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Foundation's major governmental funds:

General Fund – The General Fund is used to record the general operations of the Foundation pertaining to education and those operations not provided for in other funds.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted expenditures for specified purposes.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements – Measurement Focus

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the Foundation are included on the statement of net position.

Fund Financial Statements – Measurement Focus

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues

On the accrual basis, revenue is recognized when earned. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, and expenditure requirements, in which the resources are provided to the Foundation on a reimbursement basis. Revenues from grants, entitlements and donations that have not satisfied all eligibility requirements are deferred.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The Foundation's policy is to first apply restricted resources when an expense is incurred if it is eligible to be paid from such resources.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgetary Basis of Accounting

Budgets are presented on the modified accrual basis of accounting. Under the modified accrual basis, revenues, are recognized when they become measurable and available and expenditures are generally recognized when the related fund liability is incurred. During the fiscal year, expenditures are controlled at the object level (e.g., salaries, purchased services, and capital outlay).

Capital Assets

General capital assets result from expenditures in the governmental fund. These assets are reported in the governmental activities column of the government-wide statement of assets but are not reported in the fund financial statements.

Capital assets in excess of \$1,000 are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

All reported capital assets except land and certain land improvements are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Depreciation	Governmental Activities Estimated Lives
Buildings and improvements	15-20 years
Furniture, fixtures and equipment	6-10 years
Computers	3 years

Current year information relative to changes in capital assets is described in a subsequent note.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and additions to/deductions from FRS’s fiduciary net position have been determined on the same basis as they are reported by FRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Based on the Foundation’s short length of operations, these balances were determined to be immaterial.

Accumulated Compensated Absences

Principal and Assistant Principal

The Foundation’s principal and assistant principal accumulate both sick and annual leave per contract year. Accumulated sick leave will not be paid at the time of employment termination. Annual leave for these individuals may be carried forward and accrued in an amount not to exceed 60 days. At June 30, 2016, the liability for unpaid annual leave was determined to be immaterial.

All Other Employees

Annual leave is not provided to all other employees. Sick leave can accumulate per contract year and there is no limit to the number of sick days an employee may accrue; however no employee will be paid for accumulated sick leave at the time of employment termination. Therefore, no provision is made for compensated absences.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

State Revenue Sources

Revenues for current operations are received primarily from the State of Florida passed through the District pursuant to the funding provisions included in the Foundation's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), *Florida Statutes*, the Foundation reports the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, *Florida Statutes*, the District reports the number of 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 Foundation 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 Foundation during the designated student survey periods.

The Foundation receives federal awards for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by the granting agency. These federal awards may have requirements whereby the issuance of grant funds is withheld until qualifying eligible expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

A schedule of revenue from State sources for the current year is presented in a subsequent note.

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 the accounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Budgets

The Foundation is required by the contract with the District to adopt annual budgets for the General Fund, Special Revenue, and Capital Projects Funds. Each budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America (GAAP). Budgets may be amended by the Foundation's board of directors. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the required supplemental information represents both the original budget and final authorized amounts. Unused appropriations for all annually budgeted funds lapse at the end of the year.

A comparison of actual results of operations to the budgeted amounts for the General Fund is presented as Supplementary Information.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Subsequent events have been considered through the independent auditors' report date which is the date the financial statements were available to be issued.

NOTE 2 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance at June 30, 2015	Additions	Disposals	Balance at June 30, 2016
Depreciable capital assets				
Building improvements	\$ 41,146	\$ 15,919	\$ -	\$ 57,065
Building	240,000	-	-	240,000
Furniture, fixtures and equipment	5,187	41,003	-	46,190
Computers	6,126	-	-	6,126
Total depreciable	292,459	56,922	-	349,381
Less accumulated depreciation:				
Building improvements	(2,405)	(3,054)	-	(5,459)
Building	(12,000)	(12,000)	-	(24,000)
Furniture, fixtures and equipment	(1,872)	(3,182)	-	(5,054)
Computers	(575)	(2,042)	-	(2,617)
Total accumulated depreciation:	(16,852)	(20,278)	-	(37,130)
Grand total	\$ 275,607	\$ 36,644	\$ -	\$ 312,251

Depreciation was charged to governmental functions as follows:

<i>Fiscal year ended June 30,</i>	2016
Instruction	\$ 17,806
School administration	2,472
Total	\$ 20,278

NOTE 3 – DUE TO OTHER AGENCY

Amounts due to other agency represent advances for capital improvements and operating expenses under a management agreement with its sponsor. Under the terms of the agreement, the balance is to be repaid at such time as funds become available. The agreement also provides an option for the debt to be forgiven at the discretion of the sponsor.

The Woodville Education Foundation, Inc.
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Notes to Financial Statements

NOTE 4 – SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the Foundation’s state revenue for the 2015-2016 fiscal year:

Source:	
Florida Education Finance Program (FEFP)	\$ 690,931
Department of Education Transportation Subsidy	19,504
Total	\$ 710,435

Accounting policies relating to certain state revenue sources are described in Note 1.

NOTE 5 – RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS

Leon County School District served as the management company for Woodville Charter and provided employees of Leon County School District for all educational services at Woodville Charter school. Therefore, all liabilities related to the retirement plan of the employees assigned to this charter school, who were Leon County School District employees, are the responsibility of the District.

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan to assist retired members of any State-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Foundation are eligible to enroll as members of the State-administered FRS. Provisions relating to the 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. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information,

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Notes to Financial Statements

NOTE 5 – RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS (Continued)

is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The Foundation's pension expense related to the FRS plan totaled \$98,574 for the 2015-16 fiscal year.

FRS Pension Plan

The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

Regular Class - Members of the FRS who do not qualify for membership in the other classes.

Senior Management Service Class (SMSC) - Members in senior management level positions.

Special Risk Class - Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 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 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. Employees enrolled in the Plan may include up to 4 years of credit for military service toward creditable service. The 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 Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS-participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Notes to Financial Statements

NOTE 5 – RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS (Continued)

Benefits Provided

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on retirement plan and/or the class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Nears of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
Special Risk Regular	
Service from December 1, 1970 through September 30, 1974	2.00
Service on or after October 1, 1974	3.00
Senior Management Service Class	2.00
Elected Officers' Class	3.00

The Woodville Education Foundation, Inc.
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Notes to Financial Statements

NOTE 5 – RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS (Continued)

Benefits Provided (Continued)

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions

Prior to July 1, 2011, the FRS was noncontributory for employees. Beginning July 1, 2011, employees who are not participating in DROP are required to contribute 3% of their salary to the FRS. The Foundation is required to contribute at an actuarially-determined rate. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates for the 2015-2016 fiscal year were as follows:

Class	Percentage of Gross Salary	
	Employee	Employer (1)
FRS, Regular	3.00	7.26
FRS, Senior Management	3.00	21.43
Elected Officers	3.00	42.27
FRS, Special Risk	3.00	22.04
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes	N/A	12.88
FRS Reemployed Retiree	(2)	(2)

Notes: (1) These Employer rates include 1.66 percent for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.04 percent for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The Foundation's contributions to the defined benefit pension plan totaled \$17,097 for the fiscal year ended June 30, 2016, excluding HIS plan contributions.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Notes to Financial Statements

NOTE 5 – RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the Foundation reported a liability of \$102,909 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Foundation's proportionate share of the net pension liability was based on the Foundation's 2014-15 fiscal year contributions relative to the total 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the Foundation's proportionate share was 0.002347342 percent.

For the fiscal year ended June 30, 2016, the Foundation recognized pension expense of \$6,702. In addition, the Foundation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,864	\$ 2,441
Change of assumptions	6,830	-
Net difference between projected and actual earnings on FRS pension plan investments	-	24,573
Changes in proportion and differences between District FRS contributions and proportionate share of contributions	-	3,442
District FRS contributions subsequent to the measurement date	17,097	-
Total	\$ 34,791	\$ 30,456

The Woodville Education Foundation, Inc.
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Notes to Financial Statements

NOTE 5 – RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The deferred outflows of resources related to pensions totaling \$17,097 resulting from Foundation contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2017	\$ (3,149)
2018	(3,149)
2019	(3,149)
2020	(3,149)
2021	(3,125)
Thereafter	(2,961)
Total	\$ (18,682)

Actuarial Assumptions

The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, including inflation
Investment rate of return	7.65 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB table.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013. There were no changes in actuarial assumptions for the year ended June 30, 2016.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Notes to Financial Statements

NOTE 5 – RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.1%	1.7%
Fixed Income	18.0%	4.8%	4.7%	4.7%
Global Equity	53.0%	8.5%	7.2%	17.7%
Real Estate (Property)	10.0%	6.8%	6.2%	12.0%
Private Equity	6.0%	11.9%	8.2%	30.0%
Strategic Investments	12.0%	6.7%	6.1%	11.4%
Total	100.0%			

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

**The Woodville Education Foundation, Inc.
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Notes to Financial Statements**

NOTE 5 – RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS (Continued)

Sensitivity of the Foundation's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Foundation's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the Foundation's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.65 percent) or 1 percentage point higher (8.65 percent) than the current rate:

	1% Decrease 6.65%	Current Discount Rate 7.65%	1% Increase 8.65%
Foundation's proportionate share of the net pension liability - FRS	\$ 266,661	\$ 102,909	\$ (33,359)

Pension Plan Fiduciary Net Position

Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

HIS Pension Plan

The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2016, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Notes to Financial Statements

NOTE 5 – RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS (Continued)

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2016, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statutes. The Foundation contributed 100 percent of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Foundation's contributions to the HIS Plan totaled \$4,911 for the fiscal year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the Foundation reported a net pension liability of \$103,716 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The Foundation's proportionate share of the net pension liability was based on the Foundation's 2014-15 fiscal year contributions relative to the total 2014-15 fiscal year contributions of all participating members. At June 30, 2015, the Foundation's proportionate share was 0.00107 percent.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Notes to Financial Statements

NOTE 5 – RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the fiscal year ended June 30, 2016, the Foundation recognized pension expense of \$95,162. In addition, the Foundation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ 8,160	\$ -
Net difference between projected and actual earnings on HIS pension plan investments	56	-
Changes in proportion and differences between District HIS contributions and proportionate share of HIS contributions	6,830	-
Foundation contributions subsequent to the measurement date	-	3,243
	4,911	-
Total	\$ 11,797	\$ 3,243

The deferred outflows of resources totaling \$4,911 was related to pensions resulting from Foundation contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	Net Deferred Outflows (Inflows) of Resources
2017	\$ 526
2018	526
2019	526
2020	526
2021	526
Thereafter	2,343
Total	\$ 4,973

**The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Notes to Financial Statements**

NOTE 5 – RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary Increases	3.25 percent, including inflation
Municipal Bond Rate	3.80 percent

Mortality rates were based on the Generational RP-2000 with Projected Scale BB table.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2008, through June 30, 2013. As of June 30, 2015, the municipal rate used to determine total pension liability decreased from 4.29% to 3.80%.

Discount Rate

The discount rate used to measure the total pension liability was 3.80 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor. The Bond Buyer General Obligation 20- Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Foundation's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Foundation's proportionate share of the net pension liability calculated using the discount rate of 3.80 percent, as well as what the Foundation's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.80 percent) or 1 percentage point higher (4.80 percent) than the current rate:

	1% Decrease (2.80%)	Current Discount Rate (3.80%)	1% Increase (4.80%)
Foundation's proportionate share of the net pension liability - HIS	\$ 118,180	\$ 103,716	\$ 91,656

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Notes to Financial Statements

NOTE 5 – RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position

Detailed information about pension plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report .

FRS Investment Plan

The State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA 's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

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. Foundation employees already participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Service retirement benefits are based upon the value of the member's account upon retirement. Benefit terms, including contribution requirements, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contributions rates, that are based on salary and membership class (Regular Class, Senior Management Service Class, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5 year period, the employee will regain control over their account. If the employee does not return within the 5 year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2016, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Foundation.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Notes to Financial Statements

NOTE 5 – RETIREMENT PLANS – DEFINED BENEFIT PENSION PLANS (Continued)

FRS Investment Plan (Continued)

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided in which the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Foundation's Investment Plan pension expense totaled \$2,247 for the fiscal year ended June 30, 2016.

NOTE 6 – RISK MANAGEMENT

The Foundation is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Foundation has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage is consistent with previous years.

NOTE 7 – SUBSEQUENT EVENT

The Foundation's charter was terminated in July 2016. Remaining assets were transferred to the Leon County District School Board.



SUPPLEMENTARY INFORMATION

**The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Budgetary Comparison Schedule – General Fund**

<i>For the year ended June 30, 2016</i>	Original Budget	Final Budget	Actual (GAAP Basis)	Variance With Budget Positive (Negative)
Revenues				
Source				
State	\$ 466,693	\$ 466,693	\$ 710,435	\$ 243,742
Total revenues	466,693	466,693	710,435	243,742
Expenditures				
Current:				
Instruction	395,025	395,025	348,955	46,070
Instructional media services	10,349	10,349	8,995	1,354
Instruction and curriculum development	1,190	1,190	-	1,190
Board	2,700	2,700	1,840	860
School administration	87,823	87,823	86,764	1,059
Facility acquisition and construction	350	350	350	-
Pupil transportation services	10,248	10,248	49,515	(39,267)
Operation of plant	11,850	11,850	21,475	(9,625)
Total expenditures	519,535	519,535	517,894	1,641
Excess of revenue over (under) expenditures	\$ (52,842)	\$ (52,842)	\$ 192,541	\$ 245,383

See Independent Auditors' Report.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Budgetary Comparison Schedule – Special Revenue Fund

<i>For the year ended June 30, 2016</i>	Original Budget	Final Budget	Actual (GAAP Basis)	Variance With Budget Positive (Negative)
Revenues				
Source				
Federal	\$ 107,705	\$ 107,705	\$ 364,474	\$ 256,769
Total revenues	107,705	107,705	364,474	256,769
Expenditures				
Current:				
Instruction	92,583	92,583	316,281	(223,698)
Instructional staff training	8,000	8,000	-	8,000
Board	-	-	3,205	(3,205)
General administration			200	(200)
School administration	5,819	5,819	4,301	1,518
Food services	-	-	16,278	(16,278)
Central services	1,303	1,303	152	1,151
Total expenditures	107,705	107,705	353,889	(246,184)
Excess of revenue over (under) expenditures	\$ -	\$ -	\$ 10,585	\$ 10,585

See Independent Auditors' Report.

The Woodville Education Foundation, Inc.
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Schedule of Proportionate Share of Net Pension Liability -
Florida Retirement System – Last 10 Fiscal Years
Year ended June 30, 2016

	Fiscal Year Ended June 30,	
	2015	
Proportion of the net pension liability	0.00002347342%	
Proportionate share of the net pension liability	\$	102,909
Covered-employee payroll	\$	276,306
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	37.24%	
Plan fiduciary net position as a percentage of the total pension liability	92.00%	

NOTE: This schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available. The Foundation began operations during the year ended June 30, 2015.

See Independent Auditors' Report.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Schedule of Contributions -
Florida Retirement System – Last 10 Fiscal Years
Year ended June 30, 2016

	Fiscal Year Ended June 30,	
	2016	2015
Contractually required contributions	\$ 22,660	\$ 19,498
Contributions in relation to the contractually required contribution	<u>(22,660)</u>	<u>(19,498)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 366,216	\$ 276,306
Contributions as a percentage of covered-employee payroll	6.19%	7.06%

NOTE: This schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available. The Foundation began operations during the year ended June 30, 2015.

See Independent Auditors' Report.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Schedule of Proportionate Share of Net Pension Liability -
Health Insurance Subsidy Program – Last 10 Fiscal Years
Year ended June 30, 2016

		Fiscal Year Ended June 30,
		<u>2015</u>
Proportion of the net pension liability		0.00107%
Proportionate share of the net pension liability	\$	103,716
Covered-employee payroll	\$	276,306
Proportionate share of the net pension liability as a percentage of its covered-employee payroll		37.54%
Plan fiduciary net position as a percentage of the total pension liability		0.50%

NOTE: This schedule is intended to show information for 10 years. Additional years will be displayed as information becomes available. The Foundation began operations during the year ended June 30, 2015.

The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Schedule of Contributions -
Health Insurance Subsidy Program – Last 10 Fiscal Years
Year ended June 30, 2016

	Fiscal Year Ended June 30,	
	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 6,391	\$ 3,902
Contributions in relation to the contractually required contribution	<u>(6,391)</u>	<u>(3,902)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 366,216	\$ 276,306
Contributions as a percentage of covered-employee payroll	1.78%	1.41%

NOTE: This schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available. The Foundation began operations during the year ended June 30, 2015.

See Independent Auditors' Report.

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

Board of Directors

The Woodville Education Foundation, Inc.

d/b/a The Woodville Middle School of Leadership through History and Civics
Tallahassee, Florida

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The Woodville Education Foundation, Inc. as of and for the year ended June 30, 2016, which collectively comprise The Woodville Education Foundation, Inc.'s financial statements and have issued our report thereon dated June 12, 2017. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Woodville Education Foundation, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Woodville Education Foundation, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of The Woodville Education Foundation, Inc.'s internal control over financial reporting.

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

Board of Directors

The Woodville Education Foundation, Inc.

d/b/a The Woodville Middle School of Leadership through History and Civics

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Woodville Education Foundation, Inc.'s financial statements are free of 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 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL

June 12, 2017

MANAGEMENT LETTER

Board of Directors
The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics
Tallahassee, Florida

We have audited the financial statements of The Woodville Education Foundation, Inc. (“the Foundation”) d/b/a The Woodville Middle School of Leadership through History and Civics as of and for the fiscal year ended June 30, 2016, and have issued our report thereon dated June 12, 2017.

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 Reports and Schedules

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 this report, which is dated June 12 2017, 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. A financial audit was not required in the preceding year.

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 The Woodville Education Foundation, Inc.

Financial Condition

Section 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 Woodville Education Foundation, Inc. has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and identification of the specific condition(s) met. In connection with our audit, we determined that The Woodville Education Foundation, Inc. did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.

Board of Directors

The Woodville Education Foundation, Inc.

d/b/a The Woodville Middle School of Leadership through History and Civics

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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 Woodville Education Foundation, Inc. It is management's responsibility to monitor The Woodville Education Foundation, 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 Woodville Education Foundation, Inc. maintains on its website the information specified in Section 1002.33(9)(p), *Florida Statutes*. In connection with our audit, we determined that The Woodville Education Foundation, Inc. maintained on its website the information specified in Section 1002.33(9)(p), *Florida Statutes*.

Other Matters

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

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL

June 12, 2017



REQUIRED COMMUNICATIONS

Required Communications

We have audited the financial statements of The Woodville Education Foundation, Inc., d/b/a The Woodville Middle School of Leadership through History and Civics for the year ended June 30, 2016, and have issued our report thereon dated June 12, 2017. Professional standards require that we provide you with the following information related to our audit:

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Auditor's responsibility under Generally Accepted Auditing Standards</p>	<p>As stated in our engagement letter dated June 8, 2016 our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of the Foundation. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<p>Client's responsibility</p>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud.</p>
<p>Planned scope and timing of the audit</p>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<p>Management judgments and accounting estimates <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditor's conclusion regarding the reasonableness of those estimates.</i></p>	<p>Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."</p>
<p>Potential effect on the financial statements of any significant risks and exposures <i>Major risks and exposures facing the Foundation and how they are disclosed.</i></p>	<p>No such risks or exposures were noted.</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditor's judgment about the quality of accounting principles</p> <ul style="list-style-type: none"> • <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i> • <i>The auditor should also discuss the auditor's judgment about the quality, not just the acceptability, of the Foundation's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures. Critical accounting policies and practices applied by the Foundation in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;</i> <p><i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.</i></p>	<p>See Note 1 of the Notes to Financial Statements and the section entitled "Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality."</p>

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Significant difficulties encountered in the audit <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	None.
<p>Disagreements with management <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditor's report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	None.
<p>Other findings or issues <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	None.
<p>Matters arising from the audit that were discussed with, or the subject of correspondence with, management <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	None.
<p>Corrected and uncorrected misstatements <i>All significant audit adjustments arising from the audit, whether or not recorded by the Foundation, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	Please see the following section titled "Summary of Audit Adjustments."

Required Communications

MATTER TO BE COMMUNICATED	AUDITOR'S RESPONSE
<p>Major issues discussed with management prior to retention</p> <p><i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	None.
<p>Consultations with other accountants</p> <p><i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	None of which we are aware.
<p>Written representations</p> <p><i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	See "Management Representation Letter" section.
<p>Internal control deficiencies</p> <p><i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditor's attention during the audit.</i></p>	See "Internal Control Findings" section.
<p>Fraud and illegal acts</p> <p><i>Fraud involving the Foundation's management, or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditor's attention involving the Foundation's management and any other illegal acts, unless clearly inconsequential.</i></p>	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.
<p>Other information in documents containing audited financial statements</p> <p><i>The external auditor's responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> • Such information is materially inconsistent with the financial statements; and • We believe such information represents a material misstatement of fact. <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>

Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of the Foundation's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. The Board may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATES	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Capital assets	The Foundation estimates depreciation on capital assets.	Yes	Depreciation estimate is based on estimated useful lives and residual values of capital assets.	The Foundation's policies are in accordance with all applicable accounting guidelines.

Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by the Foundation and amounts that we believe are required to be recorded under GAAP. Those adjustments are either recorded (corrected) by the Foundation or passed (uncorrected).

Adjustments recorded by the Foundation are included in the attached schedule. No passed adjustments were identified.

QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of the Foundation's operating environment that has been identified as playing a significant role in the Foundation's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.

Summary of Audit Adjustments

Client: *The Woodville Education Foundation, Inc.*
 Engagement: *The Woodville Education Foundation, Inc.*
 Period Ending: *6/30/2016*
 Workpaper: *Adjusting Journal Entries Report*

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To record CY and PY depreciation and adjust related net asset accounts			
2755	Net Position - Fixed assets net of related debt	16,852.00	
2755	Net Position - Fixed assets net of related debt	20,278.00	
8000	Depreciation	20,278.00	
1410	Accumulated Depreciation		37,130.00
2750	Unassigned		20,278.00
Total		<u>57,408.00</u>	<u>57,408.00</u>
Adjusting Journal Entries JE # 2			
To properly state opening net assets			
2755	Net Position - Fixed assets net of related debt	308,451.00	
2300	Other Liabilities		308,451.00
Total		<u>308,451.00</u>	<u>308,451.00</u>
Adjusting Journal Entries JE # 3			
To record fixed assets for presentation in school-side statements			
1400	Fixed Assets	56,922.00	
5000	Instruction		56,922.00
Total		<u>56,922.00</u>	<u>56,922.00</u>
Adjusting Journal Entries JE # 4			
To record GASB 68 assets, liabilities, and expenses as it related to the FRS and HIS pension plans			
1500	Deferred Outflows	46,588.00	
8100	Pension Expense	193,736.00	
2400	Deferred Inflows		33,699.00
2500	Net Pension Liability		206,625.00
Total		<u>240,324.00</u>	<u>240,324.00</u>

Management Representation Letter

June 12, 2017

CRI
1713 Mahan Drive
Tallahassee, FL 32308

This representation letter is provided in connection with your audits of the financial statements of the Woodville Educational Foundation, Inc., which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

We confirm, to the best of our knowledge and belief, as of June 12, 2017, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 8, 2016, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the Woodville Educational Foundation, Inc., is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.

Management Representation Letter

- c) Unrestricted access to persons within the Woodville Educational Foundation, Inc., from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Woodville Educational Foundation, Inc., or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
 - 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - 13) We have no knowledge of any fraud or suspected fraud that affects the Woodville Educational Foundation, Inc., and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
 - 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Woodville Educational Foundation, Inc.'s financial statements communicated by employees, former employees, regulators, or others.
 - 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
 - 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
 - 17) We have disclosed to you the identity of the Woodville Educational Foundation, Inc.'s related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The Woodville Educational Foundation, Inc., has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 22) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with preparation of the financial statements and related notes and maintenance of depreciation information. We acknowledge our responsibility as it relates to those nonaudit

services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and depreciation information.

- 27) The Woodville Educational Foundation, Inc., has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Woodville Educational Foundation, Inc., has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 31) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted) , and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 33) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 34) Provisions for uncollectible receivables have been properly identified and recorded.
- 35) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 36) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 37) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 38) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 39) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 40) We have appropriately disclosed the Woodville Educational Foundation, Inc.'s policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 41) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 42) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature:

 6/12/17

Title: WEF, Inc. Governing Board Chair



**INTERNAL CONTROL
RECOMMENDATIONS**

The Board of Directors and Management of
The Woodville Education Foundation, Inc.
d/b/a The Woodville Middle School of Leadership through History and Civics

In planning and performing our audit of the financial statements of The Woodville Education Foundation, Inc., ("the Foundation") d/b/a The Woodville Middle School of Leadership through History and Civics as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing 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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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.

We included in the accompanying table control deficiencies and other internal control recommendations for management and the Board of Director's consideration.

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL
June 12, 2017

Internal Control Findings

The following legend should be used in conjunction with reviewing the “Rating” of each of the identified internal control items:

IP = Improvement Point	D = Control Deficiency	SD = Significant Deficiency	MW = Material Weakness
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Internal control recommendations

ITEM	RATING	AREA	ITEM NOTED	SUGGESTION	MANAGEMENT ACTION
2016-1	MW	Preparation of GAAP-based financial statements.	Management relies on us to prepare the Foundation’s annual financial statements including the required note disclosures in order to be in accordance with U.S. GAAP.	This is common practice and is not unusual for an organization of this size.	Management believes this is the most cost-effective approach to maintain the Foundation’s books and to prepare annual financial statements in accordance with U.S. GAAP.