

WAYMAN ACADEMY OF THE ARTS, INC.

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

BASIC FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
*for the Year Ended June 30, 2020*

**Wayman Academy of the Arts, Inc.**  
**Basic Financial Statements and**  
**Independent Auditors' Report**  
 June 30, 2020

**TABLE OF CONTENTS**

	<u>Pages</u>
Independent Auditors' Report	3-4
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	
Management's Discussion and Analysis ( <i>Unaudited</i> )	5-10
<b>BASIC FINANCIAL STATEMENTS</b>	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position (Deficit)	12
Statement of Activities	13
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds	14
Reconciliation of Balance Sheet to the Statement of Net Net Position (Deficit) - Governmental Funds	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balance - Governmental Funds	17
<i>Notes to Basic Financial Statements</i>	18-27
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Statement of Revenue and Expenditures – Budget and Actual – General Fund ( <i>Unaudited</i> )	29
Statement of Revenue and Expenditures – Budget and Actual – Special Revenue Fund ( <i>Unaudited</i> )	30
Statement of Revenue and Expenditures – Budget and Actual – Capital Projects Fund ( <i>Unaudited</i> )	31
<b>OTHER INDEPENDENT AUDITOR'S REPORTS</b>	
Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	33-34
Management Letter as required by Rules of the Florida Auditor General, Chapter 10.850, Florida Statutes, Charter School Audits	35-37

## INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayman Academy of the Arts, Inc. (the "Academy"), a component unit of Duval County School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayman Academy of the Arts, Inc., as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6–10 and 29-31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2020, on our consideration of Wayman Academy of the Arts, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wayman Academy of the Arts, Inc.'s internal control over financial reporting and compliance.



Darryl R. Jackson, CPA, P.A.  
Jacksonville, Florida  
September 29, 2020

# MANAGEMENT'S DISCUSSION AND ANALYSIS

**Wayman Academy of the Arts, Inc.**  
Management's Discussion and Analysis  
As of June 30, 2020

This section of the Academy's financial statements presents management's analysis of the Academy's financial performance during the fiscal year that ended on June 30, 2020. The purpose of this discussion and analysis is to assist the reader in focusing on significant financial issues, provide an overview and analysis of the Academy, identify changes in the Academy's financial position, identify material deviations from the approved budget, and highlight significant issues in individual funds. Please read it in conjunction with the financial statements, which follow this section.

### **Financial Highlights**

- The Academy's total net position increased by \$83,124 in 2020, and decreased by \$95,783 in 2019. The 2020 increase was attributable to a decrease in the operating expenses against a decrease in student enrollment, while in 2019 the decrease was attributable to a slight decrease in student enrollment and a slight increase in the operating expenses. Enrollment was down 33 students (11.87%) to 245 students. Student enrollment was 278 in 2019, and 292 in 2018.
- Operating revenue for 2020 remained almost identical to 2019. Operating revenue for 2020 includes Payroll Protection Program funding (PPP) of \$263,130, which is offset by a decrease in enrollment numbers. Operating revenue for 2019 decreased by 4.42% due to a decrease in enrollment numbers.
- Operating expenses decreased in 2020, primarily due to lower administration and student transportation costs. Operating expenses for 2019 decreased by .57%, remaining the almost the same.

### **Overview of Financial Statements**

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

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

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Academy's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Academy's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Academy is improving or deteriorating.

The statement of activities presents information showing how the Academy's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected funding and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Academy that are principally supported by district, state, and federal funding (governmental activities). Basic instruction, exceptional instruction, and food services are examples of the Academy's governmental activities.

The government-wide financial statements include only the Academy itself, which is a component unit of the School Board of Duval County, Florida. The School Board of Duval County, Florida includes the operations of the Academy in their operational results.

The government-wide financial statements can be found on pages 12 and 13 of this report.

### **Fund Financial Statements**

A fund is a collection of related accounts grouped together to maintain control over resources that have been segregated for specific activities or objectives. The Academy, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the operations of the Academy are presented in governmental funds only.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term* inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the near-term financing decisions. Both the governmental fund balance sheet and the Academy's statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Academy maintains various individual government funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. The Academy reports the general fund as its only major fund.

The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

The Academy adopts an annual appropriated budget for its entire operations. Budgetary comparison schedules with required notes have been provided to demonstrate compliance with this budget and can be found on pages 29 through 31 of this report.

### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 18 of this report.

## Government-Wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the Academy's financial position. In the case of the Academy, assets exceeded liabilities (net position) by \$538,021 and \$454,897 for the years ended June 30, 2020 and June 30, 2019, respectively.

The largest portion of net position is the unrestricted portion. Another portion of the Academy's net position reflects its investment in capital assets (e.g., land, furniture, fixtures and equipment and software). The Academy uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

Comparison of the condensed statement of net position and the statement of activities are provided below.

A summary of the Academy's Statement of Net Position is presented in Table A-1.

<i>Table A-1 Condensed Statement of Net Assets</i>	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current assets	\$ 375,296	\$ 234,516
Property and equipment, net of accumulated depreciatio	<u>184,653</u>	<u>240,682</u>
Total assets	<u>\$ 559,949</u>	<u>\$ 475,198</u>
<b>Liabilities and net assets</b>		
Current liabilities	\$ 21,928	\$ 20,301
Total liabilities	21,928	20,301
Net assets:		
Unrestricted	353,368	214,215
Restricted	-	-
Net investment in capital assets	<u>184,653</u>	<u>240,682</u>
Total net position (deficit)	<u>538,021</u>	<u>454,897</u>
Total liabilities and net position (deficit)	<u>\$ 559,949</u>	<u>\$ 475,198</u>

Current assets increased over the prior year primarily due to an increase in cash. Other assets decreased over the prior year primarily due to depreciation expense.

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

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



<i>Table A-2 Condensed Statement of Activities</i>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>		
Florida Education Finance Program	\$ 1,804,148	\$ 1,997,900
Federal through state Title 1, II & IV funding	180,188	164,113
Public Education Capital Outlay	154,550	169,242
School lunch program	166,654	246,485
SBA grants and other contributions	269,160	-
Local sources	<u>8,840</u>	<u>8,183</u>
Total revenue	<u>2,583,540</u>	<u>2,585,923</u>
<b>Expenses</b>		
Instruction	\$ 1,166,564	\$ 1,122,187
Pupil personnel services	3,803	3,141
Instructional staff training services	12,041	13,633
School administration	453,346	563,713
Facilities acquisition and construction	360,000	360,000
Fiscal Services	66,000	66,000
Food services	146,647	179,916
Pupil transportation services	82,198	96,734
Operation of plant	143,198	205,740
Maintenance of plant	-	-
Interest on long term debt	-	-
Depreciation	<u>66,619</u>	<u>70,642</u>
Total expense	<u>2,500,416</u>	<u>2,681,706</u>
Change in net position (deficit)	83,125	(95,783)
Net position (deficit), July 1, 2018	<u>454,897</u>	<u>550,680</u>
Net position (deficit), June 30, 2019	<u>\$ 538,022</u>	<u>\$ 454,897</u>

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

### **Individual Fund Analysis**

The special revenue and capital projects fund balances were \$0 at the beginning of the fiscal year, and \$0 at the end of the fiscal year. The general fund received \$20,381 from the special revenue fund for the fiscal year ended June 30, 2020. The general fund's beginning and ending balance was \$214,215 and \$353,368 respectively.

### **Capital Assets**

The Academy's investment in capital assets, as of June 30, 2020, amounts to \$184,653 (net of accumulated depreciation). This investment in capital assets includes mainly furniture and equipment. Capital asset additions in 2020 totaled \$10,590. The Academy maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

## General Fund Budget Analysis and Highlights

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

	Governmental Funds		
	Original Budget	Final Budget	Actual
<b>Revenues:</b>			
Florida Education Finance Program	\$ 2,162,041	\$ 1,778,737	\$ 1,804,148
Federal Title I funding	163,483	163,483	162,935
Federal Title II funding	11,000	11,000	11,041
Federal Title IV funding	-	6,200	6,212
Public Education Capital Outlay	150,000	155,000	154,550
School lunch program	220,000	165,000	166,654
SBA grants and other contributions	-	269,160	269,160
Other local sources	-	15,000	8,840
Total revenues	<u>2,706,524</u>	<u>2,563,580</u>	<u>2,583,540</u>
<b>Expenditures:</b>			
Current - education			
Instruction	\$ 1,154,405	\$ 1,182,360	\$ 1,166,564
Pupil personnel services	49,673	52,996	3,803
Instructional staff training	3,500	3,500	12,041
School administration	538,167	475,000	453,346
Facilities acquisition and construction	370,000	360,450	360,000
Fiscal service	30,600	66,000	66,000
Food service	220,000	165,000	146,647
Pupil transportation	148,754	85,135	82,198
Operation of plant	191,425	158,139	143,198
Capital outlay	-	15,000	10,590
Debt service:			
Principal	-	-	-
Interest on long term debt	-	-	-
Total expenditures	<u>2,706,524</u>	<u>2,563,580</u>	<u>2,444,387</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,153</u>

## Economic Factors and Events Affecting Operations

The Academy's current charter agreement with the Duval County School District was extended through June 30, 2035 in May 2020. The continued viability of the Academy is predicated on maintaining this charter with the Duval County School District. Management fully expects to maintain this contract during this time.

## Requests for Information

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

# BASIC FINANCIAL STATEMENTS

**Wayman Academy of the Arts, Inc.**

Statement of Net Position

As of June 30, 2020

<b>Assets</b>	<u>2020</u>
Cash	\$ 223,773
Pledges receivable, net	100,000
Due from Title I Funds	34,951
Due from Title II Funds	5,734
Due from Title IV Funds	375
Due from Capital Outlay Fund	<u>10,463</u>
Total current assets	375,296
Capital assets, net of accumulated depreciation	<u>184,653</u>
Total assets	<u><u>\$ 559,949</u></u>
 <b>Liabilities and net position</b>	
Liabilities:	
Accounts payable	\$ 11,031
Payroll liabilities	8,387
Due to affiliates and other liabilities	<u>2,510</u>
Total current liabilities	21,928
Net position:	
Unrestricted	353,368
Restricted	-
Net invested in capital assets	<u>184,653</u>
Total net position	<u><u>538,021</u></u>
Total liabilities and net position	<u><u>\$ 559,949</u></u>

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

**Wayman Academy of the Arts, Inc.**

Statement of Activities

For the year ended June 30, 2020

		Program Revenues			Net(Expenses)
<b>Functions:</b>	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Charges Net Assets
Governmental activities:					
Instruction	\$ 1,166,564	\$ -	\$ 165,344	\$ -	\$ (1,001,220)
Pupil personnel services	3,803	-	3,803	-	-
Instructional staff training services	12,041	-	11,041	-	(1,000)
School administration	453,346	-	-	-	(453,346)
Facilities acquisition and construction	360,000	-	-	154,550	(205,450)
Fiscal service	66,000	-	-	-	(66,000)
Food service	146,647	-	166,654	-	20,007
Pupil transportation	82,198	-	-	-	(82,198)
Operation of plant	143,198	-	-	-	(143,198)
Maintenance of plant	-	-	-	-	-
Interest on long term debt	-	-	-	-	-
Depreciation	66,619	-	-	-	(66,619)
Total governmental activities	\$ 2,500,416	\$ -	\$ 346,842	\$ 154,550	(1,999,024)
<b>General Revenues:</b>					
State passed through local school district					1,804,148
Gifts, SBA grants and contributions					269,160
Other revenue					8,840
Total general revenues					2,082,148
Change in net position (deficit)					83,124
Net position, beginning					454,897
Net position, ending					\$ 538,021

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

**Wayman Academy of the Arts, Inc.**  
 Balance Sheet – Governmental Funds  
 As of June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>Assets:</b>				
Cash	\$ 223,773	\$ -	\$ -	\$ 223,773
Pledges receivable, net	100,000	-	-	100,000
Due from Title I Funds	34,951	-	-	34,951
Due from Title II Funds	5,734	-	-	5,734
Due from Title IV Funds	375	-	-	375
Due from Capital Outlay Fund	<u>10,463</u>	<u>-</u>	<u>-</u>	<u>10,463</u>
<b>Total assets</b>	<u>\$ 375,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,296</u>
<b>Liabilities and fund balance:</b>				
Liabilities:				
Accounts payable	\$ 11,031	\$ -	\$ -	\$ 11,031
Payroll liabilities	8,387	-	-	8,387
Due to affiliates and other liabilities	<u>2,510</u>	<u>-</u>	<u>-</u>	<u>2,510</u>
Total liabilities	<u>21,928</u>	<u>-</u>	<u>-</u>	<u>21,928</u>
Commitments (Note 11)	-	-	-	-
Fund balance:				
Nonspendable	-	-	-	-
Prepaid expenses	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>353,368</u>	<u>-</u>	<u>-</u>	<u>353,368</u>
Total fund balance	<u>353,368</u>	<u>-</u>	<u>-</u>	<u>353,368</u>
<b>Total liabilities and fund balance</b>	<u>\$ 375,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,296</u>

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

**Wayman Academy of the Arts, Inc.**

Reconciliation of Balance Sheet to the Statement of Net Position - Governmental Funds  
For the year ended June 30, 2020

Total Fund Balance - Governmental Funds - Page 13		\$ 353,368
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not reported in the governmental funds.		
Cost of capital assets	\$ 1,228,849	
Accumulated depreciation	<u>(1,044,196)</u>	
Capital assets, net of accumulated depreciation		<u>184,653</u>
Net position (deficit) of governmental activities - Page 11		<u>\$ 538,021</u>

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

**Wayman Academy of the Arts, Inc.**

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds  
For the year ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues:</b>				
Florida Education Finance Program	\$ 1,804,148	\$ -	\$ -	\$ 1,804,148
Federal Title I funding	-	162,935	-	162,935
Federal Title II funding	-	11,041	-	11,041
Federal Title IV funding	-	6,212	-	6,212
School lunch program	-	166,654	-	166,654
Public Education Capital Outlay	-	-	154,550	154,550
SBA grants and other contributions	269,160	-	-	269,160
State and local sources	8,840	-	-	8,840
Total revenues	<u>2,082,148</u>	<u>346,842</u>	<u>154,550</u>	<u>2,583,540</u>
<b>Expenditures:</b>				
Current - education:				
Instruction	1,002,594	163,970	-	1,166,564
Student personnel services	-	3,803	-	3,803
Instructional staff training	-	12,041	-	12,041
School administration	453,346	-	-	453,346
Facilities acquisition and construction	205,450	-	154,550	360,000
Fiscal service	66,000	-	-	66,000
Food service	-	146,647	-	146,647
Pupil transportation	82,198	-	-	82,198
Operation of plant	143,198	-	-	143,198
Maintenance of plant	-	-	-	-
Capital outlay:	10,590	-	-	10,590
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Total expenditures	<u>1,963,376</u>	<u>326,461</u>	<u>154,550</u>	<u>2,444,387</u>
Excess of revenues over (under) expenditures	118,773	20,381	-	139,153
Transfers In (Out)	20,381	(20,381)	-	-
Fund balances, July 1, 2019	<u>214,215</u>	<u>-</u>	<u>-</u>	<u>214,215</u>
Fund balances, June 30, 2020	<u>\$ 353,368</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 353,368</u>

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



**Wayman Academy of the Arts, Inc.**  
 Reconciliation of the Statement of Revenues, Expenditures and Changes  
 in Fund Balance - Governmental Funds  
 For the year ended June 30, 2020

Net Change in Fund Balance - Governmental Funds - Page 15 \$ 139,153

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

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

Expenditures for capital assets	10,590	
Less current year depreciation expense	<u>(66,619)</u>	
Current year capital assets, net of depreciation		<u>(56,029)</u>

Change in net position (deficit) of governmental activities - Page 12 \$ 83,124

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

# Wayman Academy of the Arts, Inc.

Notes to Basic Financial Statements

Year ended June 30, 2020

## 1. REPORTING ENTITY

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

The Academy operates under a charter of the sponsoring school district, the Duval County School District (the “District”). The current charter is effective until June 30, 2035 and may be renewed by mutual agreement between the Academy and the District. At the end of the term in the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the Academy in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. The Academy is considered a component unit of the District.

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

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

### Government-Wide and Fund Financial Statements

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

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

**Wayman Academy of the Arts, Inc.**  
Notes to Basic Financial Statements  
Year ended June 30, 2020

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Government-Wide and Fund Financial Statements (Continued)**

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

**Fund Financial Statements**

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

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

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

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

**Wayman Academy of the Arts, Inc.**  
Notes to Basic Financial Statements  
Year ended June 30, 2020

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

**Budgetary Basis Accounting**

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

**Cash and Cash Equivalents**

The Academy's cash is considered to be cash on hand and demand deposits, with original maturities of three months or less. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit. At June 30, 2020, there were no amounts that exceeded FDIC coverage. The Academy has no policy regarding deposit custodial credit risk.

**Federal Income Taxes**

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

**Compensated Absences**

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

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

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

**Wayman Academy of the Arts, Inc.**  
Notes to Basic Financial Statements  
Year ended June 30, 2020

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets and Depreciation**

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

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

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

**Long-term Liabilities**

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

**Government –Wide Fund Net Position**

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

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

*Restricted net position* - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments less related liabilities and deferred inflows of resources. The restricted net position for the year ending June 30, 2020 was \$0.

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

**Recently Adopted Accounting Pronouncements**

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

**Wayman Academy of the Arts, Inc.**  
Notes to Basic Financial Statements  
Year ended June 30, 2020

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Balances**

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

*Nonspendable* – Includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The Academy classifies prepaid expenses, long-term notes receivable and deposits as nonspendable since they are not expected to be converted to cash within the next year.

*Restricted* – Includes amounts that are restricted to specific purposes or constrained either by (a) external impositions by creditors, grantors, contributors, or (b) laws or regulations of other governments or (c) impositions by law through constitutional provisions or enabling legislation.

*Committed* – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Academy's highest level of decision-making authority, the Board of Directors. The committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking a subsequent formal action.

*Assigned* – Includes amounts that the Board of Directors intends to use for specific purposes, but they are neither restricted or committed. The Academy classifies existing fund balances to be used in the subsequent year's budget for elimination of a deficit as assigned.

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

**Order of Fund Balance Spending Policy**

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

**Minimum Fund Balance**

As of June 30, 2020, there are no minimum fund balance requirements for any of the Academy's funds.

**Wayman Academy of the Arts, Inc.**  
Notes to Basic Financial Statements  
Year ended June 30, 2020

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Sources**

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

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

**Use of Estimates**

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

**Subsequent Events**

The date to which events occurring after June 30, 2020, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is September 29, 2020, which is the date on which the financial statements were available to be issued.

**Budgeting**

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

**3. INTER-FUND TRANSFERS**

From time to time, the Academy will transfer funds from the special revenue fund to the general fund and the capital projects fund to cover those fund's operating deficits. As of June 30, 2020, the amount of these transfers equaled \$20,381 to the general fund from the special revenue fund.

**Wayman Academy of the Arts, Inc.**

Notes to Basic Financial Statements

Year ended June 30, 2020

**4. PLEDGES RECEIVABLE, NET**

On June 14, 2013, Wayman Ministries pledged \$72,000 to support the educational goals and vision of the Academy. On July 15, 2013, an additional \$32,000 was pledged. Between 2015 and 2018, pledges of \$34,000 were collected. On June 30, 2019, an additional \$50,000 was also pledged. These amounts will be funded in increments over a twenty-four-month period. In accordance with GASB 33, pledges are discounted when they are not expected to be collected within one year. The Academy has evaluated all pledges receivable and determined that an allowance for doubtful pledges is not required as of June 30, 2020. The remaining balance receivable from the pledge was \$100,000 as of June 30, 2020.

**5. SCHEDULE OF STATE AND LOCAL REVENUE AND DUE FROMS BY SOURCE**

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

	June 30, 2020			
	<u>Beginning</u>	<u>Received</u>	<u>Earned</u>	<u>Ending</u>
Duval County School Board:				
Title I funding	\$ -	\$ 127,984	\$ 162,935	\$ 34,951
Title II funding	6,169	11,476	11,041	5,734
Title IV funding	-	5,837	6,212	375
FEFP/Categorical	-	1,776,272	1,776,272	-
Capital outlay revenue	12,366	156,452	154,550	10,464
Total DCSB	<u>18,535</u>	<u>2,078,021</u>	<u>2,111,010</u>	<u>51,524</u>
Federal:				
SBA PPP Funding	-	263,130	263,130	-
Total federal funding	<u>-</u>	<u>263,130</u>	<u>263,130</u>	<u>-</u>
State of Florida:				
School lunch reimbursement	-	162,540	162,540	-
Best and brightest teacher supp.	-	27,876	27,876	-
Breakfast reimbursement	-	4,114	4,114	-
Total state funding	<u>-</u>	<u>194,530</u>	<u>194,530</u>	<u>-</u>
Local Sources:				
Contributions	-	6,030	6,030	-
Other miscellaneous	-	8,840	8,840	-
Total local sources	<u>-</u>	<u>14,870</u>	<u>14,870</u>	<u>-</u>
Total revenue - Government Funds	<u>\$ 18,535</u>	<u>\$ 2,550,551</u>	<u>\$ 2,583,540</u>	<u>\$ 51,524</u>



## Wayman Academy of the Arts, Inc.

Notes to Basic Financial Statements

Year ended June 30, 2020

### 6. DEPOSITS POLICY AND CREDIT RISK

The Academy maintains separate bank accounts for the charter school programs as required by the Duval County School District contract. It is also the Academy's policy to maintain its cash and cash equivalents in major banks and high grade investments. As of June 30, 2020, the carrying amount of the Academy's deposits and the respective bank balance was \$223,773. Under the Dodd-Frank Act, non-interest bearing deposits at FDIC insured institutions are insured up to \$250,000. All accounts held by the Academy are non-interest bearing and therefore fully insured by the FDIC as of June 30, 2020.

### 7. CHANGES IN CAPITAL ASSETS

At June 30, 2020, the cost and related accumulated depreciated of general fixed assets consisted of the following:

	June 30, 2020			
	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
Cost:				
Buildings and fixed equipment	\$ 581,432	\$ 1,486	\$ -	\$ 582,918
Furniture, fixtures and equipment	511,656	7,104	-	518,760
Motor vehicles	125,171	2,000	-	127,171
Total cost	<u>1,218,259</u>	<u>10,590</u>	<u>-</u>	<u>1,228,849</u>
Accumulated Depreciation:				
Buildings and fixed equipment	439,848	32,953	-	472,801
Furniture, fixtures and equipment	412,558	33,615	-	446,173
Motor vehicles	125,171	51	-	125,222
Total accumulated depreciation	<u>977,577</u>	<u>66,619</u>	<u>-</u>	<u>1,044,196</u>
Total fixed assets, net	<u>\$ 240,682</u>	<u>\$ (56,029)</u>	<u>\$ -</u>	<u>\$ 184,653</u>

All depreciation expense was shown as unallocated on the Statement of Activities. Depreciation expense as of June 30, 2020 was \$66,619.

### 8. EMPLOYEE BENEFITS

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

### 9. RISK MANAGEMENT PROGRAMS

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

**Wayman Academy of the Arts, Inc.**  
Notes to Basic Financial Statements  
Year ended June 30, 2020

**10. RELATED PARTY TRANSACTIONS - INDIRECT COST ALLOCATION**

The Academy has entered into an agreement with Wayman Community Development Corporation (“WCDC”) to share certain operating costs such as accounting, human resources, public relations, utilities and copier lease expense. These services are incurred by WCDC and reimbursed by the Academy. The allocation varies depending on the type of expense, but is primarily based on employee count and actual usage. The total incurred by the Academy to WCDC for the year ended June 30, 2020 was \$66,000.

**11. COMMITMENTS AND CONTINGENT LIABILITIES**

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

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

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

Lease Commitment - The Academy currently leases its facilities and transportation equipment from the West Jacksonville Economic Development Corporation. The agreement calls for monthly lease payments of \$30,000 for the facilities and \$3,000 for transportation equipment. This lease has been renewed through June 30, 2023.

Total rent expense charged to facility operations for the year ended June 30, 2020, totaled \$360,000. Total transportation expense charged to pupil transportation for the year ended June 30, 2020, totaled \$36,000. Future minimum payments under the lease agreements are as follows:

Year ending June 30,	
2020	\$ 396,000
2021	396,000
2022	396,000
2023	396,000
2024	<u>-</u>
Total	<u>\$1,584,000</u>

**Wayman Academy of the Arts, Inc.**  
Notes to Basic Financial Statements  
Year ended June 30, 2020

**12. FUND BALANCE CLASSIFICATION POLICIES AND PROCEDURES**

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

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

As of June 30, 2020, there were no encumbrances, significant or otherwise, stabilization arrangements or minimum fund balance policies that require disclosure by major fund and non-major funds in the aggregate in conjunction with required disclosures about other significant commitments.

**13. FUNDING AND CREDIT CONCENTRATIONS**

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

**14. SBA PAYROLL PROTECTION PROGRAM FUNDING**

On May 13, 2020, the Academy was granted a loan (the "Loan") from Center State Bank in the aggregate amount of \$263,130, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

The Loan, which was in the form of a Note dated April 30, 2020 issued by the Borrower, matures on April 30, 2022 and bears interest at a rate of 1% per annum, payable monthly commencing on November 30, 2020. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the Loan will be used to retain workers and maintain payroll or make any, or any combination of, (i) interest payments on obligations existing on February 15, 2020, (ii) lease payments required by leases existing on February 15, 2020, or (iii) utility payments under service agreements in place on February 15, 2020. The Academy has used the entire Loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

In accordance with FASB ASC 958-605, the Academy has recorded the proceeds as a loan, reducing the liability by recognizing it as grant or a conditional contribution, as conditions of the loan are met. This loan forgiveness totaling \$263,130 has been reflected in the financial statements as income as of June 30, 2020. Management believes the entire amount of the loan will ultimately be forgiven.

REQUIRED SUPPLEMENTAL INFORMATION  
(UNAUDITED)

**Wayman Academy of the Arts, Inc.**  
Statement of Revenues, Expenditures and Changes  
in Fund Balances – Budget and Actual – General Fund  
Year ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Florida Education Finance Program	\$ 2,162,041	\$ 1,778,737	\$ 1,804,148	\$ 25,411
SBA grants and other considerations	-	269,160	269,160	-
Other local sources	-	15,000	8,840	(6,160)
Total revenues	<u>2,162,041</u>	<u>2,062,897</u>	<u>2,082,148</u>	<u>19,251</u>
<b>Expenditures:</b>				
Current - education				
Instruction	979,922	1,005,000	1,002,594	2,406
Pupil personnel services	49,673	49,673	-	49,673
Instructional staff training services	3,500	3,500	-	3,500
School administration	538,167	475,000	453,346	21,654
Facilities acquisition and construction	-	205,450	205,450	-
Fiscal service	30,600	66,000	66,000	-
Food service	-	-	-	-
Pupil transportation	148,754	85,135	82,198	2,937
Operation of plant	191,425	158,139	143,198	14,941
Miscellaneous	-	-	-	-
Capital Outlay	-	15,000	10,590	4,410
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Total expenditures	<u>1,942,041</u>	<u>2,062,897</u>	<u>1,963,376</u>	<u>99,521</u>
Excess of revenues Over (Under) Expenditures	220,000	-	\$ 118,773	\$ 118,773
Transfers In (Out)	(220,000)	-	20,381	20,381
Fund balances, July 1, 2019	<u>214,215</u>	<u>214,215</u>	<u>214,215</u>	-
Fund balances, June 30, 2020	<u>\$ 214,215</u>	<u>\$ 214,215</u>	<u>\$ 353,368</u>	<u>\$ 139,153</u>

**Wayman Academy of the Arts, Inc.**  
Statement of Revenues, Expenditures and Changes  
in Fund Balances – Budget and Actual – Special Revenue Fund  
Year ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Federal Title I funding	\$ 163,483	\$ 163,483	\$ 162,935	\$ (548)
Federal Title II funding	11,000	11,000	11,041	41
Federal Title IV funding	-	6,200	6,212	12
School lunch program	220,000	165,000	166,654	1,654
Other local sources	-	-	-	-
Total revenues	<u>394,483</u>	<u>345,683</u>	<u>346,842</u>	<u>1,159</u>
<b>Expenditures:</b>				
Current - education				
Instruction	174,483	177,360	163,970	13,390
Pupil personnel services	-	3,323	3,803	(480)
Instructional staff training	-	-	12,041	(12,041)
School administration	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Fiscal service	-	-	-	-
Food service	220,000	165,000	146,647	18,353
Pupil transportation	-	-	-	-
Operation of plant	-	-	-	-
Miscellaneous	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Total expenditures	<u>394,483</u>	<u>345,683</u>	<u>326,461</u>	<u>19,222</u>
Excess of revenues Over (Under) Expenditures	\$ -	\$ -	\$ 20,381	\$ 20,381
Transfers In (Out)	-	-	(20,381)	(20,381)
Fund balances, July 1, 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Wayman Academy of the Arts, Inc.**  
Statement of Revenues, Expenditures and Changes  
in Fund Balances – Budget and Actual – Capital Projects Fund  
Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
<b>Revenues:</b>				
Public Education Capital Outlay	\$ 150,000	\$ 155,000	\$ 154,550	\$ (450)
Total revenues	<u>150,000</u>	<u>155,000</u>	<u>154,550</u>	<u>(450)</u>
<b>Expenditures:</b>				
Current - education				
Instruction	-	-	-	-
Pupil personnel services	-	-	-	-
Instructional staff training	-	-	-	-
School administration	-	-	-	-
Facilities acquisition and construction	370,000	155,000	154,550	450
Fiscal service	-	-	-	-
Food service	-	-	-	-
Pupil transportation	-	-	-	-
Operation of plant	-	-	-	-
Miscellaneous	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest on long term debt	-	-	-	-
Total expenditures	<u>370,000</u>	<u>155,000</u>	<u>154,550</u>	<u>450</u>
Excess of revenues Over (Under) Expenditures	\$ (220,000)	\$ -	\$ -	\$ -
Transfers In (Out)	220,000	-	-	-
Fund balances, July 1, 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# OTHER INDEPENDENT AUDITOR'S REPORTS



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

**Report on the Financial Statements**

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wayman Academy of the Arts, Inc. (the "Academy"), a component unit of the School Board of Duval County, Florida, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Wayman Academy of the Arts, Inc.'s basic financial statements, and have issued our report thereon dated September 29, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Academy'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or 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 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.

## **Compliance and Other Matters**

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

## **Wayman Academy's Response to Findings**

The Academy's response to the findings identified in our audit (current or prior year) is described in the accompanying management letter, management response section. The Academy's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

## **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 of the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Darryl R. Jackson, CPA, P.A.  
Jacksonville, Florida  
September 29, 2020

## Management Letter

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

### Report on the Financial Statements

We have audited the financial statements of the Wayman Academy of the Arts, Inc., Jacksonville, Florida, as of and for the fiscal year ended June 30, 2020, and have issued our report thereon dated September 29, 2020.

### Auditor's Responsibility

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

### Other Reporting Required by *Government Auditing Standards*

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports, which are dated September 29, 2020, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective action has been taken to address findings and recommendations made in the preceding annual financial audit report.

<b>Tabulation of Uncorrected Audit Findings</b>		
<b>Current Year Finding #</b>	<b>2018-198 FY Finding #</b>	<b>2017-18 FY Finding #</b>
None	None	18-01

### Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Wayman Academy of the Arts, Inc.

## **Financial Condition**

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

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

## **Transparency**

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that we report the results of our determination as to whether the Wayman Academy of the Arts, Inc. maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the Wayman Academy of the Arts, Inc. has maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

## **Other Matters**

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

Section 10.854(1)(e)4., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

## **Purpose of This Letter**

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



Darryl R. Jackson, CPA, P.A.  
September 29, 2020

**Prior Year Findings and Recommendations:**

None

**Current Year Findings and Recommendations:**

None