

**EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER
DISTRICT AND EDUCATIONAL
RESOURCE CENTER FOUNDATION**

**FINANCIAL STATEMENTS WITH COMPLIANCE
AND SINGLE AUDIT REPORTING**

August 31, 2015 and 2014

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
FINANCIAL STATEMENTS WITH COMPLIANCE
AND SINGLE AUDIT REPORTING
August 31, 2015 and 2014

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**EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT AND
EDUCATIONAL RESOURCE CENTER FOUNDATION**

Federal Employer Identification Number: 74-2869255

Certificate of Board

We, the undersigned, certify that the attached Financial and Compliance Report of the above-named charter holder was reviewed and (check one) approved disapproved for the year ended August 31, 2015, at a meeting of the Board of Trustees of such charter holder on the 15 day of December, 2015.



Signature of Board Secretary



Signature of Board President

If the Board of Trustees disapproved the auditor's report, the reason(s) for disapproving it is (are): (attach list as necessary)

Gonzalez & Walker

Certified Public Accountants
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Rinaldo J. Gonzalez, P.C., CPA

Randy Walker & Co., P.C.

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Educational Resource Center, Inc. dba The
John H. Wood, Jr. Public Charter District
and Educational Resource Center Foundation
San Antonio, Texas

Report on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Educational Resource Center, Inc. dba The John H. Wood, Jr. Public Charter District (ERC, Inc.) and its affiliate, Educational Resource Center Foundation, non-profit organizations, as of August 31, 2015 and 2014, the related consolidated statement of activities (with comparative totals for 2014), and the consolidated statements of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ERC, Inc. and its affiliate as of August 31, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules on pages 22-29 and the accompanying schedule of expenditures of federal awards on page 30, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2015, on our consideration of ERC, Inc.'s and its affiliate's internal control over financial reporting and on our tests of their 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 ERC, Inc.'s and its affiliate's internal control over financial reporting and compliance.



San Antonio, Texas
December 15, 2015

GENERAL-PURPOSE FINANCIAL STATEMENTS

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
August 31, 2015 and 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,375,454	\$ 5,497,046
Due from State	654,600	617,944
Due from Federal Agencies	569,887	259,850
Other Receivables	4,110	46,495
Prepaid Expense	8,886	13,217
Total Current Assets	3,612,937	6,434,552
LONG-TERM ASSETS		
Restricted Cash	815,874	816,025
Bond Issuance Costs, net	382,188	395,919
Property and Equipment, net	17,527,238	13,345,271
Total Long-Term Assets	18,725,300	14,557,215
TOTAL ASSETS	\$ 22,338,237	\$ 20,991,767
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 338,892	\$ 1,070,400
Accrued Expenses	324,397	174,523
Deferred Revenue	11,390	8,837
Bonds Payable - current portion	145,000	140,000
Total Current Liabilities	819,679	1,393,760
LONG-TERM LIABILITIES		
Bonds Payable - long-term, net	9,285,491	9,421,706
Total Long-Term Liabilities	9,285,491	9,421,706
TOTAL LIABILITIES	10,105,170	10,815,466
NET ASSETS		
Unrestricted	3,947,362	2,739,038
Temporarily Restricted	8,285,705	7,437,263
TOTAL NET ASSETS	12,233,067	10,176,301
TOTAL LIABILITIES AND NET ASSETS	\$ 22,338,237	\$ 20,991,767

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

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2015
(with comparative totals for 2014)

	2015			2014 Total
	Unrestricted	Temporarily Restricted	Total	
REVENUES AND OTHER SUPPORT				
Local Support:				
Other Revenue from Local Sources	\$ 2,775,091	\$ -	\$ 2,775,091	\$ 183,083
Fundraising Revenue	21,328	-	21,328	-
Rent	5,800	-	5,800	-
Earnings from Temporary Deposits and Investments	2,001	-	2,001	2,727
Contributions - In Kind	-	-	-	100,000
Total Local Support	<u>2,804,220</u>	<u>-</u>	<u>2,804,220</u>	<u>285,810</u>
State Program Revenues:				
Foundation School Program Act Entitlements	-	10,880,747	10,880,747	7,775,372
Technology Program Lending Grant	-	58,200	58,200	-
Instructional Materials Allotment	-	32,904	32,904	49,507
State Program Revenues Distributed by TEA	-	4,587	4,587	3,682
Total State Program Revenues	<u>-</u>	<u>10,976,438</u>	<u>10,976,438</u>	<u>7,828,561</u>
Federal Program Revenues:				
Title I, Part A - Grants to Local Education Agencies	-	301,934	301,934	323,863
Title I, Part D, Subpart 2 - Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At-Risk	-	882,985	882,985	947,846
IDEA - Part B, Formula	-	205,929	205,929	183,759
National School Breakfast Program	-	295,058	295,058	312,361
National School Lunch Program	-	460,447	460,447	447,429
USDA Donated Food Commodities	-	43,223	43,223	52,317
Title II, Part A - Improving Teacher Quality State Grants	-	39,879	39,879	34,794
Title III ELA	-	2,744	2,744	1,731
Texas Title I - Priority School Grant	-	-	-	43,545
Federal Revenues Distributed by TEA	-	-	-	33,701
School Health and Related Services	-	351,606	351,606	299,220
Total Federal Program Revenues	<u>-</u>	<u>2,583,805</u>	<u>2,583,805</u>	<u>2,680,566</u>
Net Assets Released From Restrictions				
Restrictions Satisfied By Payments	12,711,801	(12,711,801)	-	-
TOTAL REVENUE AND OTHER SUPPORT	<u>15,516,021</u>	<u>848,442</u>	<u>16,364,463</u>	<u>10,794,937</u>
EXPENSES				
Program	12,667,672	-	12,667,672	8,724,819
General and Administrative	1,640,025	-	1,640,025	1,058,361
TOTAL EXPENSES	<u>14,307,697</u>	<u>-</u>	<u>14,307,697</u>	<u>9,783,180</u>
CHANGE IN NET ASSETS	1,208,324	848,442	2,056,766	1,011,757
NET ASSETS, Beginning of Year	2,739,038	7,437,263	10,176,301	9,164,544
NET ASSETS, End of Year	<u>\$ 3,947,362</u>	<u>\$ 8,285,705</u>	<u>\$ 12,233,067</u>	<u>\$ 10,176,301</u>

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

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets From Operations	\$ 2,056,766	\$ 1,011,757
Adjustments to Reconcile Net Excess to Net Cash		
Provided by Operations:		
Depreciation and Amortization	530,856	216,848
(Increase)/Decrease in Assets:		
Due from State	(36,656)	130,766
Due from Federal Agencies	(310,037)	(103,171)
Other Receivables	42,385	436,240
Prepaid Expense	4,331	28,911
(Decrease)/Increase in Liabilities:		
Accounts Payable	(731,508)	99,093
Accrued Expenses	149,874	(119,112)
Deferred Revenue	2,553	8,837
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,708,564</u>	<u>1,710,169</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	<u>(4,690,307)</u>	<u>(7,629,057)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(4,690,307)</u>	<u>(7,629,057)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Bonds Payable	<u>(140,000)</u>	<u>(130,000)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(140,000)</u>	<u>(130,000)</u>
NET DECREASE IN CASH FLOWS	(3,121,743)	(6,048,888)
CASH AND CASH EQUIVALENTS, Beginning of Year	6,313,071	12,361,959
LESS RESTRICTED CASH	<u>(815,874)</u>	<u>(816,025)</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>\$ 2,375,454</u></u>	<u><u>\$ 5,497,046</u></u>
 Supplemental Disclosures:		
Interest	<u><u>\$ 612,025</u></u>	<u><u>\$ 618,894</u></u>

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

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

Note 1 - Nature of Business and Significant Accounting Policies

Reporting Entity

Educational Resource Center, Inc. (ERC, Inc.) is a not-for-profit 501(c)(3) organization incorporated in the state of Texas in 1998. ERC, Inc. does business as The John H. Wood, Jr. Public Charter District (the Charter District), the Inspire Academies, and the ERC International Schools.

ERC, Inc. is governed by the Board which is comprised of six members. The Board is selected pursuant to the bylaws of ERC, Inc. and has the authority to make decisions, appoint the chief executive officer of ERC, Inc., and significantly influence operations. The Board has the primary accountability for the fiscal affairs of ERC, Inc.

ERC, Inc. receives, for purposes of the Charter District activity, the majority of its funding from TEA based on the Charter District's Average Daily Attendance Foundation Formula program. Since ERC, Inc. receives funding from local, state, and federal government sources, it must comply with the requirements of the entities providing those funds.

ERC, Inc. is the "sponsoring entity" of an "Open-Enrollment Charter" with the Texas Education Agency. Through its open-enrollment charter, ERC, Inc. operates residential school programs as the John H. Wood, Jr. Public Charter District (previously known as The John H. Wood, Jr. Charter School), and a community-based school, the Anne Frank Inspire Academy. These charter schools are Texas public schools.

Residential Schools

Beginning in the fall of 1998, the Charter District began offering challenging core curriculum with an accelerated academic focus serving primarily at-risk and under-achieving students in residential settings. The Charter District has traditionally focused on academic and behavioral intervention in favor of troubled youth. The environment is compatible with therapeutic treatment goals and is technologically and vocationally enriched. Education services are provided in multi-aged, multi-level classrooms for students in kindergarten through 12th grade.

As of August 31, 2015, the Charter District operates seven residential campuses (Afton Oaks, Granbury, Hays County, Legacy Ranch, Meridell, Rockdale, and Williams House) in Bexar, Hood, Hays, Gonzalez, Williamson, Milam and Lampasas Counties. The campuses are located in both Residential Treatment Centers and Juvenile Detention Centers operated by separate entities. All campuses serve open-enrollment students. Management and support of all campuses are executed at the central office.

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
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NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

Note 1 - Nature of Business and Significant Accounting Policies (continued)

Reporting Entity (continued)

Inspire Academies

Also, under its charter school program, ERC, Inc. opened a community-based middle and elementary school in August 2014 and 2015, respectively. The name of the campus is the Anne Frank Inspire Academy. The schools currently serve students from Bexar County in grades 1 thru 9 (with plans to open a high school campus on the same site in fall 2016). This innovative school and instructional program represent a 21st century learning environment coupled with a facilitated, student-led approach to learning.

Students from Bexar County *may* apply for open enrollment on a space-available basis, selected by numerical lottery, to attend a similar accelerated program in a self-contained classroom. The staff to student ratio varies from 6:1 to 10:1 depending on requisite level of care needed

ERC International Schools

ERC, Inc. also operates a federally funded school program for children of undocumented women who crossed into the United States illegally. The Immigration and Customs Enforcement (ICE) division of Homeland Security operates a 537-bed facility (Karnes County Residential Facility) in Karnes City, Texas for these women and children. The residents are mostly from Honduras, El Salvador, and Guatemala. The school operates as a private, non-public school and serves up to 200 children from pre-K through 12th grade. All teachers are certified and bilingual, and the school follows state guidelines for instructional content, including special education.

Charter Renewal

As stated in 19 Texas Administrative Code 100.1031(a), "If a Charter holder makes timely and sufficient application for renewal of an open-enrollment charter, the existing open-enrollment charter does not expire until the commissioner of education has finally granted or denied the application." ERC, Inc.'s Open-Enrollment Charter was submitted for renewal before the required due date in early 2013 and is still awaiting final approval as of August 31, 2015.

Educational Resource Foundation

Affiliated with ERC, Inc. is the Educational Resource Foundation (the Foundation), a non-profit corporation. The Foundation is organized for the exclusive purpose of serving as a supporting organization for ERC, Inc. The Foundation board is comprised of seven members which includes all six of the ERC, Inc. members.

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

Note 1 - Nature of Business and Significant Accounting Policies (continued)

Reporting Entity (continued)

Non-Charter Activities

Expenses related to non-charter activities at ERC, Inc. and its affiliate for the years ended August 31, 2015 and 2014 were \$1,710,862 and \$197,600, respectively. The non-charter activities include an agreement with The Geo Group, Inc./Karnes County Civil Detention Center to provide educational services to eligible residential students effective August 1, 2014.

Basis of Presentation

The financial statements of ERC, Inc. and its affiliate have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Financial Accounting Standards Board is the accepted standard setting body for establishing not-for-profit accounting and financial reporting principles. The more significant of ERC, Inc. and its affiliate's accounting policies are described below:

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with GAAP.

ERC, Inc. and its affiliate are required to report information regarding their financial position and activities according to the absence or existence and nature of donor-imposed restrictions as follows:

Unrestricted - Unrestricted net assets are net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted - Temporarily restricted net assets are those resources, subject to donor-imposed restrictions, that will be satisfied by the actions of ERC, Inc. and its affiliate or the passage of time.

When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted - Permanently restricted net assets are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for the purpose of generating investment income to fund annual operations. As of August 31, 2015 and 2014, ERC, Inc. and its affiliate had no permanently restricted net assets.

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

Note 1 - Nature of Business and Significant Accounting Policies (continued)

Grant Funds

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require a refund of all or part of the unused amount.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

ERC, Inc. and its affiliate are not-for-profit organizations and are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Cash and Cash Equivalents

ERC, Inc. and its affiliate consider all highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents.

Restricted Cash

Restricted cash represents remaining proceeds from a bond issuance (see Note 3) that are not available for operating purposes. Under the terms of the note trust indenture, restricted cash is limited as to use for construction and bond-related costs for the Inspire Academies campus. At August 31, 2015 and 2014, restricted cash totaled \$815,874 and \$816,025, respectively.

Property and Equipment

Property and equipment, which include leasehold improvements, are stated at historical cost. Property and equipment are defined as assets with an individual cost of more than \$5,000. Expenditures for additions, major renewals, and betterments are capitalized, and maintenance and repairs are charged to expense as incurred. Donations of assets are recorded as direct additions to net assets at fair value at the date of donation, which is then treated at cost.

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

Note 1 - Nature of Business and Significant Accounting Policies (continued)

Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Buildings (permanent)	30 - 40 years
Buildings (temporary)	20 years
Building Improvements	10 years
Furniture and Equipment	5 years
Vehicles	5 - 10 years
Library Assets	3 - 5 years
Infrastructure - Sign	5 years
Technology	3 years

Contingencies

Certain conditions may exist as of August 31, 2015, which may result in a loss to ERC, Inc. and its affiliate, but which will only be resolved when one or more future events occur or fail to occur. ERC, Inc. and its affiliate's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against ERC, Inc. or unasserted claims that may result in such proceedings, ERC, Inc. and its affiliate's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates it is probable a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in ERC, Inc. and its affiliate's financial statements. If the assessment indicates a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability together with an estimate of the range of possible loss, if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

ERC, Inc. receives the majority of its state and federal (as pass-through) revenues from Texas Education Agency (TEA). These funds are governed by various statutes and regulations. State program funding is based primarily on the Charter District's student attendance data submitted to TEA and is subject to audit and adjustment. Expenses charged to federal programs are subject to audit and adjustment by the grantor agency. The programs administered by ERC, Inc. have complex compliance requirements and, should state or federal auditors discover areas of noncompliance, ERC, Inc.'s funds may be subject to refund if so determined by TEA or the grantor agency.

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
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NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

Note 1 - Nature of Business and Significant Accounting Policies (continued)

Subsequent Events

ERC, Inc. and its affiliate have evaluated subsequent events through December 15, 2015, which is the date the financial statements were available to be issued.

Note 2 - Property and Equipment

Property and equipment consist of the following at August 31:

	<u>2015</u>	<u>2014</u>
Building and Improvements	\$ 13,018,479	\$ 8,985,516
Land and Improvements	877,925	877,925
Furniture and Equipment	2,157,244	1,814,901
Vehicles	53,949	53,949
Library Assets	87,103	87,103
Infrastructure - Sign	29,561	-
Construction in Progress	3,420,832	3,135,390
	19,645,093	14,954,784
Less Accumulated Depreciation	(2,117,855)	(1,609,513)
 Total Property and Equipment	 <u>\$ 17,527,238</u>	 <u>\$ 13,345,271</u>

Depreciation expense for the years ended August 31, 2015 and 2014 was \$508,340 and \$194,333, respectively.

Construction in progress consists of costs related to the Inspire Academies project started in December 2012. Costs include project and design costs, engineering fees, furniture and equipment, and construction costs.

During the years ended August 31, 2015 and 2014, a construction contract of approximately \$7,870,249 existed for the property acquisition and construction at the Inspire Academies campus. The remaining commitment on this contract approximated \$1,912,524 and \$5,395,011 at August 31, 2015 and 2014, respectively. During the year ended August 31, 2014, there was an additional construction contract of approximately \$5,668,868, which was closed at the end of the fiscal year. The remaining commitment on this contract approximated \$-0- and \$2,303 at August 31, 2015 and 2014, respectively.

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
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NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

Note 3 - Bonds Payable

ERC, Inc. and its affiliate's obligations under bonds payable consist of Education Revenue Bonds (Series 2013A) issued through Danbury Higher Education Authority, Inc. and dated June 1, 2013. All bonds were closed and funded on July 2, 2013, with proceeds being held by the U.S. Bank National Association. The bonds' proceeds will be used for property acquisition and construction at the Inspire Academies campus and were underwritten by Oppenheimer & Co., Inc. The interest rates on the bonds range from 5.25% to 6.50%, and the terms of the bonds range from ten to thirty years. As of August 31, 2015, the outstanding balance on bonds payable was \$9,675,000, consisting of bonds payable - current portion of \$145,000 and bonds payable - long-term of \$9,285,491 (net of a discount of \$263,543 and related accumulated amortization of \$19,034). As of August 31, 2014, the outstanding balance on bonds payable was \$9,815,000, consisting of bonds payable - current portion of \$140,000 and bonds payable - long-term of \$9,421,706 (net of a discount of \$263,543 and related accumulated amortization of \$10,249). The original amount of the discount at date of issuance was \$263,543, of which approximately \$64,642 was paid at date of issuance. Amortization expense related to this discount for the years ended August 31, 2015 and 2014 was \$8,785.

Issuance costs paid for these bonds at date of issuance totaled \$411,939. Amortization expense related to these costs for the years ended August 31, 2015 and 2014 was \$13,731.

Section 5.9 of the Series 2013A bond covenants establishes a debt service coverage ratio, which stipulates that available revenues (i.e., the amount of excess (deficit) of adjusted revenues over expenses) for each fiscal year must be equal to at least 1.10 times the annual debt service requirements of ERC, Inc. as of the end of the first fiscal year after the date of issuance of the bonds and annually thereafter until the bonds have been paid in full. Expenses include all operating and non-operating expenses or losses incurred during the fiscal year other than (a) interest expense, (b) depreciation and amortization, (c) extraordinary losses and (d) capital expenditures. As of August 31, 2015 and 2014, ERC, Inc. was in compliance with this covenant and all other applicable covenants contained in the loan agreement.

Future minimum principal payments on the bonds payable are as follows:

For the Year Ending August 31,	
2016	\$ 145,000
2017	155,000
2018	160,000
2019	170,000
2020	180,000
Thereafter	<u>8,865,000</u>
Total	<u>\$ 9,675,000</u>

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

Note 3 - Bonds Payable (continued)

Interest expense on bonds payable was \$501,798 and \$81,526 for the years ended August 31, 2015 and 2014, respectively. Capitalized interest was \$110,227 and \$537,368 for the years ended August 31, 2015 and 2014, respectively.

Note 4 - Operating Leases

ERC, Inc. and its affiliate have a consolidated agreement for their copier and printer operating leases that began on June 1, 2012 and expires on May 31, 2017. Copier and printer lease expenses amounted to \$102,226 and \$76,117 for the years ended August 31, 2015 and 2014, respectively.

ERC, Inc. and its affiliate have a lease for internet/telephone services and webhosting that will expire in June 2018. These lease expenses amounted to \$201,443 and \$182,507 for the years ended August 31, 2015 and 2014, respectively.

The following is a schedule of the operating lease obligations subsequent to August 31, 2015:

<u>Year Ending</u> <u>August 31,</u>	
2016	\$ 301,632
2017	301,632
2018	<u>242,973</u>
	<u>\$ 846,237</u>

Note 5 - Fair Value of Financial Instruments

ESC, Inc. and its affiliate adopted the provisions of ASC 820, "*Fair Value Measurements and Disclosures*" (formerly SFAS 157). ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market, and establishes a framework for measuring fair value in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The adoption of ASC 820 did not affect ESC, Inc. and its affiliate's financial position or results of operations. The valuation techniques required by ASC 820 are based upon observable and unobservable inputs, and ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

Note 5 - Fair Value of Financial Instruments (continued)

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority.
- Level 2 valuations are based on quoted prices in markets that are not active.
- Level 3 valuations are based on inputs that are unobservable and supported by little or no market activity.

ERC, Inc. and its affiliate have no Level 2 or Level 3 assets or liabilities.

ERC, Inc. and its affiliate's financial instruments (Level 1) are as follows at August 31:

	2015		2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and Cash Equivalents	\$ 2,375,454	\$ 2,375,454	\$ 5,497,046	\$ 5,497,046
Due from State	\$ 654,600	\$ 654,600	\$ 617,944	\$ 617,944
Due from Federal Agencies	\$ 569,887	\$ 569,887	\$ 259,850	\$ 259,850
Other Receivables	\$ 4,110	\$ 4,110	\$ 46,495	\$ 46,495
Prepaid Expenses	\$ 8,886	\$ 8,886	\$ 13,217	\$ 13,217
Financial liabilities:				
Accounts Payable	\$ 338,892	\$ 338,892	\$ 1,070,400	\$ 1,070,400
Accrued Expenses	\$ 324,397	\$ 324,397	\$ 174,523	\$ 174,523
Deferred Revenue	\$ 11,390	\$ 11,390	\$ 8,837	\$ 8,837
Bonds Payable - current portion	\$ 145,000	\$ 145,000	\$ 140,000	\$ 140,000

The carrying amounts reported in the consolidated statements of financial position approximate fair values because of the short maturities of those instruments.

Note 6 - Regulated Industry

The majority of ERC, Inc. and its affiliate's activities and revenues are a result of contracts with the Texas Education Agency (TEA). ERC, Inc. and its affiliate's operations are concentrated in the education field. As such, ERC, Inc. and its affiliate operate in a heavily regulated environment. The operations of ERC, Inc. and its affiliate are subject to administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to, TEA. Such administrative directives, rules, and regulations are subject to change by an act of Congress, an act of the state legislature, or an administrative change mandated by TEA. Funding may be changed or decreased as a result of the above legislative or administrative changes.

EDUCATIONAL RESOURCE CENTER, INC.
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NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

Note 7 - Related Party Transactions

The Charter District has a lease agreement with ERC, Inc. and its affiliate. The monthly lease payments under the agreement are \$9,167 per month through June 2021. During the years ended August 31, 2015 and 2014, the lease expense was \$110,000. This transaction is eliminated in the consolidated financial statements.

The Charter District had a net receivable from ERC, Inc. of \$127,372 and \$805,527 for building rent, administrative services, and miscellaneous purchases as of August 31, 2015 and 2014, respectively. This transaction is eliminated in the consolidated financial statements.

Note 8 - Letter of Credit

As of August 31, 2014, ERC, Inc. had a letter of credit with a local financial institution that was collateralized by a certificate of deposit for \$211,529. The beneficiary was the City of San Antonio. During the year ended August 31, 2015, the letter of credit was liquidated.

Note 9 - Health Care Coverage

During the years ended August 31, 2015 and 2014, employees of ERC, Inc. and its affiliate were covered by a health insurance plan. ERC, Inc. and its affiliate contributed a maximum of \$346 per employee per month to the plan. All premiums were paid to licensed insurers. ERC, Inc. and its affiliate's contributions towards health insurance for the years ended August 31, 2015 and 2014 were \$602,804 and \$438,682, respectively.

Note 10 - Pension Plan Obligations

Plan Description

ERC, Inc. and its affiliate contribute to the Teacher Retirement System of Texas (TRS), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan in which all risks and costs are not shared by ERC, Inc. and its affiliate but are the liability of the state of Texas. TRS provides service retirement, disability retirement, and death benefits to plan members and beneficiaries. TRS operates under the authority of provisions contained primarily in Texas Government Code, Title 8, *Public Retirement Systems*, Subtitle C, *Teacher Retirement System of Texas*, which is subject to amendment by the Texas Legislature. TRS's annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River, Austin, Texas 78701-2698 or by calling (800) 877-0123.

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

Note 10 - Pension Plan Obligations (continued)

The TRS plan differs from a single-employer plan as follows:

- Charter schools are legally separate entities from the state and each other.
- Assets contributed by one charter school or independent school district (ISD) may be used for the benefit of an employee of another ISD or charter school.
- The unfunded obligations get passed along to the other charter schools and ISDs.
- There is no withdrawal penalty for leaving the TRS system.

Total plan assets, accumulated benefit obligations, and % funded are as follows:

Total Plan Assets - \$157,261,707,241
 Accumulated Benefit Obligations - \$159,496,075,886
 The plan is 83.25% funded.

There are no collective-bargaining agreements.

Funding Policy

Under provisions in state law, plan members are required to contribute 6.7% of their annual covered salary, and the state of Texas contributes an amount equal to 6.0% of the School's covered payroll. The School's contributions to TRS for the years ended August 31, 2015 and 2014 were \$153,625 and \$138,931, respectively. There were no Non-OASDI participating surcharges. The School's contributions did not represent more than 5% of the total contributions to the plan (i.e., total plan assets). There have been no changes that would affect the comparison of employer contributions from year to year.

Note 11 - Temporarily Restricted Net Assets

As of August 31, 2015 and 2014, temporarily restricted net assets are available for the following purposes:

	2015	2014
Foundation School Program Act Revenues	\$ 8,179,295	\$ 7,330,853
College Scholarships/Fellowship Award	106,410	106,410
Total Temporarily Restricted Net Assets	\$ 8,285,705	\$ 7,437,263

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
NOTES TO FINANCIAL STATEMENTS
August 31, 2015 and 2014

Note 12 - Prior Period Restatement

During the year August 31, 2015, management received a Special Accreditation Investigation report from TEA, in which one of the outlined findings related to the recording of the administration building purchased in 2011 for \$1,060,390. The Charter District paid \$665,036 towards the purchase of the building, with the remaining portion paid by the Foundation. The total amount of the building was recorded on the Foundation's books and was classified as local funds on the schedule of capital assets in the specific purpose financial statements. The TEA concluded that the Charter District records must reflect the appropriate breakdown between state and local interests; therefore, the purchase should have reflected the portion of funds paid by the Charter District for the building and classified as state funds on the schedule of capital assets in the specific purpose financial statements. In response to this required action, management decided to use local funds to purchase back the portion of the building funded by the Charter District. Therefore, as of August 31, 2014, \$665,036 of the total building amount was transferred from the Foundation's books to ERC, Inc.'s books, with a corresponding payable to the Charter District recorded on ERC, Inc.'s books. Conversely, a receivable from ERC, Inc. for this amount was recorded on the Charter District's books. These transactions had no effect on net assets at August 31, 2014. However, to properly restate net assets by entity, the portion of depreciation expense and accumulated depreciation (\$51,819) related to the transfer of the building was also transferred from the Foundation's books to ERC, Inc.'s books, resulting in a decrease of \$51,819 in the net assets of ERC, Inc. and a corresponding increase in the net assets of the Foundation at August 31, 2014. The related party payable and receivable as of August 31, 2015 and 2014 related to this transaction was \$-0- and \$665,036, respectively, due to ERC, Inc. using local funds to purchase the building from the Charter District.

SPECIFIC-PURPOSE FINANCIAL STATEMENTS

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
STATEMENTS OF FINANCIAL POSITION
August 31, 2015 and 2014

	2015	2014
		(Restated)
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,206,968	\$ 5,390,018
Due from State	654,600	617,944
Due from Federal Agencies	379,987	259,850
Due from Related Party	212,585	805,527
Other Receivables	-	11,920
Prepaid Expense	50,848	99,848
Total Current Assets	3,504,988	7,185,107
LONG-TERM ASSETS		
Restricted Cash	815,874	816,025
Bond Issuance Costs, net	382,188	395,919
Property and Equipment, net	16,600,040	12,373,841
Total Long-Term Assets	17,798,102	13,585,785
TOTAL ASSETS	\$ 21,303,090	\$ 20,770,892
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 331,186	\$ 1,038,858
Accrued Expenses	301,676	161,434
Deferred Revenue	11,390	8,837
Due to Related Party	85,212	-
Bonds Payable - current portion	145,000	140,000
Total Current Liabilities	874,464	1,349,129
LONG-TERM LIABILITIES		
Bonds Payable - long-term, net	9,285,491	9,421,706
Total Long-Term Liabilities	9,285,491	9,421,706
TOTAL LIABILITIES	10,159,955	10,770,835
Net Assets		
Unrestricted	2,963,840	2,669,204
Temporarily Restricted	8,179,295	7,330,853
TOTAL NET ASSETS	11,143,135	10,000,057
TOTAL LIABILITIES AND NET ASSETS	\$ 21,303,090	\$ 20,770,892

See independent auditor's report.

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2015
(with comparative totals for 2014)

	2015			2014 Total
	Unrestricted	Temporarily Restricted	Total	
REVENUES AND OTHER SUPPORT				
Local Support:				
5740 Other Revenues from Local Sources	439,052	\$ -	\$ 439,052	\$ 251,088
Total Local Support	439,052	-	439,052	251,088
State Program Revenues:				
5810 Foundation School Program Act Revenues	-	10,880,747	10,880,747	7,775,372
5820 State Program Revenues Distributed by TEA	-	95,691	95,691	53,189
Total State Program Revenues	-	10,976,438	10,976,438	7,828,561
Federal Program Revenues:				
5920 Federal Revenues Distributed by TEA and USDA	-	2,232,199	2,232,199	2,381,346
5930 Federal Revenues Distributed by Other State of Texas Government Agencies (Other than TEA)	-	351,606	351,606	299,220
Total Federal Program Revenues	-	2,583,805	2,583,805	2,680,566
Net Assets Released From Restrictions				
Restrictions Satisfied By Payments	12,711,801	(12,711,801)	-	-
TOTAL REVENUE AND OTHER SUPPORT	13,150,853	848,442	13,999,295	10,760,215
EXPENSES				
11 Instruction	7,000,994	-	7,000,994	4,464,215
13 Curriculum Development and Instructional Staff Development	99,970	-	99,970	97,711
21 Instructional Leadership	120,663	-	120,663	274,746
23 School Leadership	1,408,846	-	1,408,846	1,147,652
31 Guidance, Counseling, and Evaluation Services	1,013,491	-	1,013,491	836,759
33 Health Services	29,719	-	29,719	180
34 Student Transportation	13,801	-	13,801	10,790
35 Food Services	694,588	-	694,588	692,095
41 General Administration	1,081,680	-	1,081,680	1,149,278
51 Plant Maintenance and Operations	445,879	-	445,879	320,640
52 Security and Monitoring	3,847	-	3,847	1,559
53 Data Processing	354,425	-	354,425	330,658
61 Community Services	64,000	-	64,000	265,255
71 Debt Service	524,314	-	524,314	104,042
TOTAL EXPENSES	12,856,217	-	12,856,217	9,695,580
CHANGE IN NET ASSETS	294,636	848,442	1,143,078	1,064,635
NET ASSETS, Beginning of Year	2,669,204	7,330,853	10,000,057	8,935,422
NET ASSETS, End of Year	\$ 2,963,840	\$ 8,179,295	\$ 11,143,135	\$ 10,000,057

See independent auditor's report.

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Foundation School Program Payments	\$ 10,585,463	\$ 7,943,966
Grant Payments	2,818,257	2,592,756
Miscellaneous Sources	1,055,304	490,248
Payments to Vendors for Goods and Services Rendered	(3,368,676)	(2,170,243)
Payments to Charter School Personnel for Services Rendered	(8,941,443)	(7,088,787)
Interest Payments	(501,798)	(81,526)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,647,107	1,686,414
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(4,690,308)	(7,602,402)
NET CASH USED BY INVESTING ACTIVITIES	(4,690,308)	(7,602,402)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Bonds Payable	(140,000)	(130,000)
NET CASH USED BY FINANCING ACTIVITIES	(140,000)	(130,000)
NET DECREASE IN CASH FLOWS	(3,183,201)	(6,045,988)
CASH AND CASH EQUIVALENTS, Beginning of Year	6,206,043	12,252,031
LESS RESTRICTED CASH	(815,874)	(816,025)
CASH AND CASH EQUIVALENTS, End of Year	\$ 2,206,968	\$ 5,390,018
Reconciliation of Change in Net Assets to Net Cash		
Provided by Operations:		
Change in Net Assets	\$ 1,143,078	\$ 1,064,635
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operations:		
Depreciation and Amortization	486,625	180,762
(Increase)/Decrease in Assets:		
Due from State	(36,656)	130,766
Due from Federal Agencies	(120,137)	(103,171)
Due from Related Party	592,942	-
Other Receivables	11,920	330,324
Prepaid Expense	49,000	138,911
(Decrease)/Increase in Liabilities:		
Accounts Payable	(707,672)	67,551
Accrued Expenses	140,242	(132,201)
Deferred Revenue	2,553	8,837
Due to Related Party	85,212	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,647,107	\$ 1,686,414

See independent auditor's report.

SUPPLEMENTAL INFORMATION

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
SCHEDULE OF EXPENSES
August 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
6100 Payroll Costs	\$ 9,081,685	\$ 6,956,586
6200 Professional and Contracted Services	1,216,969	876,838
6300 Supplies and Materials	1,048,397	963,929
6400 Other Operating Costs	984,852	794,185
6500 Debt	<u>524,314</u>	<u>104,042</u>
TOTAL EXPENSES	<u>\$ 12,856,217</u>	<u>\$ 9,695,580</u>

See independent auditor's report.

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
SCHEDULE OF CAPITAL ASSETS
August 31, 2015

Capital assets acquired with public funds, which constitute public property pursuant to Chapter 12 of the Texas Education Code, are as follows:

	Local	State	Federal
1110 Cash	\$ -	\$ 2,206,968	\$ -
1510 Land and Improvements	-	877,925	-
1520 Buildings and Improvements	-	11,958,089	-
1530 Furniture and Equipment	-	1,332,142	231,714
1531 Vehicles	-	53,949	-
1550 Capital Leases	-	570,210	-
1560 Library Assets	-	87,103	-
1580 Construction in Progress	-	3,417,354	-
1590 Infrastructure	-	29,561	-
Total Capital Assets	\$ -	\$ 20,533,301	\$ 231,714

Reconciliation of Property and Equipment on Schedule of Capital Assets to Statement of Financial Position:

Per Schedule of Capital Assets:

1510 Land and Improvements (State)	\$ 877,925
1520 Buildings and Improvements (State)	11,958,089
1530 Furniture and Equipment (State)	1,332,142
1530 Furniture and Equipment (Federal)	231,714
1531 Vehicles (State)	53,949
1550 Capital Leases (State)	570,210
1560 Library Assets (State)	87,103
1580 Construction in Progress (State)	3,417,354
1590 Infrastructure (State)	29,561

Plus Educational Resource Center, Inc.:

Property and Equipment, gross	691,692
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Plus Educational Resource Center Foundation:

Property and Equipment, gross	395,354
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Less Accumulated Depreciation:

The John H. Wood Jr. Charter District	(1,958,007)
Educational Resource Center, Inc.	(83,613)
Educational Resource Center Foundation	(76,235)

Total Property and Equipment per Notes to Financial Statements: \$ 17,527,238

See independent auditor's report.

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
BUDGETARY COMPARISON SCHEDULE
Year Ended August 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance From Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES AND OTHER SUPPORT				
Local Support:				
5740 Other Revenues from Local Sources	\$ 495,168	\$ 297,668	\$ 439,052	\$ 141,384
Total Local Support	<u>495,168</u>	<u>297,668</u>	<u>439,052</u>	<u>141,384</u>
State Program Revenues:				
5810 Foundation School Program Act Revenue	10,567,667	10,567,667	10,880,747	313,080
5820 State Program Revenues Distributed by	38,000	97,000	95,691	(1,309)
Total State Program Revenues	<u>10,605,667</u>	<u>10,664,667</u>	<u>10,976,438</u>	<u>311,771</u>
Federal Program Revenues:				
5920 Federal Revenues Distributed by TEA	2,023,517	2,023,517	2,232,199	208,682
5930 Federal Revenues Distributed by Other State of Texas Government Agencies	390,000	390,000	351,606	(38,394) (1)
Total Federal Program Revenues	<u>2,413,517</u>	<u>2,413,517</u>	<u>2,583,805</u>	<u>170,288</u>
TOTAL REVENUE AND OTHER SUPPORT	<u>13,514,352</u>	<u>13,375,852</u>	<u>13,999,295</u>	<u>623,443</u>
EXPENSES				
11 Instructional	8,118,468	8,118,468	7,000,994	1,117,474
13 Curriculum Development and Instructional Staff Development	75,827	101,191	99,970	1,221
21 Instructional Leadership	331,767	132,594	120,663	11,931
23 School Leadership	1,877,329	1,581,079	1,408,846	172,233
31 Guidance, Counseling and Evaluation Servi	1,016,561	1,086,052	1,013,491	72,561
33 Health Services	64,650	32,650	29,719	2,931
34 Student Transportation	2,000	14,500	13,801	699
35 Food Services	649,463	694,463	694,588	(125)
41 General Administration	1,062,010	1,024,383	1,081,680	(57,297)
51 Plant Maintenance and Operations	362,127	462,127	445,879	16,248
52 Security & Monitoring Services	2,096	3,846	3,847	(1)
53 Data Processing Services	475,896	437,841	354,425	83,416
61 Community Services	50,000	69,000	64,000	5,000
71 Debt Service	781,158	577,158	524,314	52,844
TOTAL EXPENSES	<u>14,869,352</u>	<u>14,335,352</u>	<u>12,856,217</u>	<u>1,479,135</u>
CHANGE IN NET ASSETS	<u>(1,355,000)</u>	<u>(959,500)</u>	<u>1,143,078</u>	<u>2,102,578</u>
NET ASSETS, Beginning of Year	<u>10,000,057</u>	<u>10,000,057</u>	<u>10,000,057</u>	<u>-</u>
NET ASSETS, End of Year	<u>\$ 8,645,057</u>	<u>\$ 9,040,557</u>	<u>\$ 11,143,135</u>	<u>\$ 2,102,578</u>

See independent auditor's report.

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2015

(1) Original budget was based on historical claims for a total of \$152K, but only \$116K was received during the year; therefore, revenue was lower.

See independent auditor's report.

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
August 31, 2015
(with comparative totals for 2014)

	2015					2014
Educational Resource Center, Inc.	Wood, Jr. Public Charter School	Educational Resource Center Foundation	Eliminating Entries	Total	Total	
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 61,494	\$ 2,206,968	\$ 106,992	\$ -	\$ 2,375,454	\$ 5,497,046
Due from State	-	654,600	-	-	654,600	617,944
Due from Federal Agencies	189,900	379,987	-	-	569,887	259,850
Due from Related Party	85,212	212,585	-	(297,797)	-	-
Other Receivables	4,110	-	-	-	4,110	46,495
Prepaid Expense	666	50,848	-	(42,628)	8,886	13,217
Total Current Assets	<u>341,382</u>	<u>3,504,988</u>	<u>106,992</u>	<u>(340,425)</u>	<u>3,612,937</u>	<u>6,434,552</u>
LONG-TERM ASSETS						
Restricted Cash	-	815,874	-	-	815,874	816,025
Bond Issuance Costs, net	-	382,188	-	-	382,188	395,919
Property and Equipment, net	608,079	16,600,040	319,119	-	17,527,238	13,345,271
Total Long-Term Assets	<u>608,079</u>	<u>17,798,102</u>	<u>319,119</u>	<u>-</u>	<u>18,725,300</u>	<u>14,557,215</u>
TOTAL ASSETS	<u>\$ 949,461</u>	<u>\$ 21,303,090</u>	<u>\$ 426,111</u>	<u>\$ (340,425)</u>	<u>\$ 22,338,237</u>	<u>\$ 20,991,767</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts Payable	\$ 7,706	\$ 331,186	\$ -	\$ -	\$ 338,892	\$ 1,070,400
Accrued Expenses	22,721	301,676	-	-	324,397	174,523
Deferred Revenue	-	11,390	42,628	(42,628)	11,390	8,837
Due to Related Party	212,585	85,212	-	(297,797)	-	-
Bonds Payable - current portion	-	145,000	-	-	145,000	140,000
Total Current Liabilities	<u>243,012</u>	<u>874,464</u>	<u>42,628</u>	<u>(340,425)</u>	<u>819,679</u>	<u>1,393,760</u>
LONG-TERM LIABILITIES						
Bonds Payable - long-term, net	-	9,285,491	-	-	9,285,491	9,421,706
Total Long-Term Liabilities	<u>-</u>	<u>9,285,491</u>	<u>-</u>	<u>-</u>	<u>9,285,491</u>	<u>9,421,706</u>
TOTAL LIABILITIES	<u>243,012</u>	<u>10,159,955</u>	<u>42,628</u>	<u>(340,425)</u>	<u>10,105,170</u>	<u>10,815,466</u>
Net Assets						
Unrestricted	706,449	2,963,840	277,073	-	3,947,362	2,739,038
Temporarily Restricted	-	8,179,295	106,410	-	8,285,705	7,437,263
TOTAL NET ASSETS	<u>706,449</u>	<u>11,143,135</u>	<u>383,483</u>	<u>-</u>	<u>12,233,067</u>	<u>10,176,301</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 949,461</u>	<u>\$ 21,303,090</u>	<u>\$ 426,111</u>	<u>\$ (340,425)</u>	<u>\$ 22,338,237</u>	<u>\$ 20,991,767</u>

See independent auditor's report.

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2015
(with comparative totals for 2014)

	2015					2014 Total
	Educational Resource Center, Inc.	John H. Wood, Jr. Public Charter	Educational Resource Center Foundation	Eliminating Entries	Total	
REVENUES AND OTHER SUPPORT						
Local Support:						
Other Revenue from Local Sources	\$ 2,492,550	\$ 431,924	\$ -	\$ (149,383)	\$ 2,775,091	\$ 183,083
Fundraising Revenue	21,328	-	-	-	21,328	-
Rent	65,998	5,800	44,002	(110,000)	5,800	-
Earnings from Temporary Deposits and Investments	639	1,328	34	-	2,001	2,727
Contributions - In Kind	-	-	-	-	-	100,000
Total Local Support	<u>2,580,515</u>	<u>439,052</u>	<u>44,036</u>	<u>(259,383)</u>	<u>2,804,220</u>	<u>285,810</u>
State Program Revenues:						
Foundation School Program Act Entitlements	-	10,880,747	-	-	10,880,747	7,775,372
Technology Program Lending Grant	-	58,200	-	-	58,200	-
Instructional Materials Allotment	-	32,904	-	-	32,904	49,507
State Program Revenues Distributed by TEA	-	4,587	-	-	4,587	3,682
Total State Program Revenues	<u>-</u>	<u>10,976,438</u>	<u>-</u>	<u>-</u>	<u>10,976,438</u>	<u>7,828,561</u>
Federal Program Revenues:						
Title I, Part A - Grants to Local Education Agencies	-	301,934	-	-	301,934	323,863
Title I, Part D, Subpart 2 - Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At-Risk	-	882,985	-	-	882,985	947,846
IDEA - Part B, Formula	-	205,929	-	-	205,929	183,759
National School Breakfast Program	-	295,058	-	-	295,058	312,361
National School Lunch Program	-	460,447	-	-	460,447	447,429
USDA Donated Food Commodities	-	43,223	-	-	43,223	52,317
Title II, Part A - Improving Teacher Quality State Grant	-	39,879	-	-	39,879	34,794
Title III ELA	-	2,744	-	-	2,744	1,731
Texas Title I - Priority School Grant	-	-	-	-	-	43,545
Federal Revenues Distributed by TEA	-	-	-	-	-	33,701
School Health and Related Services	-	351,606	-	-	351,606	299,220
Total Federal Program Revenues	<u>-</u>	<u>2,583,805</u>	<u>-</u>	<u>-</u>	<u>2,583,805</u>	<u>2,680,566</u>
TOTAL REVENUE AND OTHER SUPPORT	<u>\$ 2,580,515</u>	<u>\$ 13,999,295</u>	<u>\$ 44,036</u>	<u>\$ (259,383)</u>	<u>\$ 16,364,463</u>	<u>\$ 10,794,937</u>

See independent auditor's report.

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2015
(with comparative totals for 2014)

(continued)

	2015				Total	2014 Total
	Educational Resource Center, Inc.	John H. Wood, Jr. Public Charter	Educational Resource Center Foundation	Eliminating Entries		
EXPENSES						
Salaries	1,237,559	7,626,935	-	-	8,864,494	5,930,851
Benefits	112,679	895,412	-	-	1,008,091	725,573
Food/Non-Food Expenses	-	666,324	-	-	666,324	676,771
Health Insurance	43,466	559,338	-	-	602,804	438,682
Depreciation Expense	31,053	464,109	13,178	-	508,340	194,333
Interest Expense	-	501,798	-	-	501,798	81,526
General Supplies	48,384	338,762	-	-	387,146	206,637
Professional Services	356	318,281	-	-	318,637	203,792
Utilities	345	296,625	-	-	296,970	244,450
Miscellaneous Expenses	28,673	220,746	71	-	249,490	164,913
Travel Expenses	15,490	173,500	-	-	188,990	120,889
Insurance and Bonding	-	126,497	-	-	126,497	92,326
Maintenance and Repair	-	110,470	-	-	110,470	70,579
Rental Expense	8,363	211,422	-	(110,000)	109,785	76,117
Other Contract Labor	165,759	87,147	-	(149,383)	103,523	57,207
Marketing	-	62,891	-	-	62,891	266,761
Educational Service Center	-	59,963	-	-	59,963	63,190
Instructional Materials	5,487	40,287	-	-	45,774	84,157
Legal Services	-	36,245	-	-	36,245	26,913
Accounting Fees	-	33,925	-	-	33,925	32,967
Bond Amortization Expense	-	22,516	-	-	22,516	22,516
Supplies for Maintenance and Repairs	-	3,024	-	-	3,024	2,030
TOTAL EXPENSES	<u>1,697,614</u>	<u>12,856,217</u>	<u>13,249</u>	<u>(259,383)</u>	<u>14,307,697</u>	<u>9,783,180</u>
CHANGE IN NET ASSETS	882,901	1,143,078	30,787	-	2,056,766	1,011,757
NET ASSETS, Beginning of Year (Restated)	<u>(176,452)</u>	<u>10,000,057</u>	<u>352,696</u>	<u>-</u>	<u>10,176,301</u>	<u>9,164,544</u>
NET ASSETS, End of Year	<u>\$ 706,449</u>	<u>\$ 11,143,135</u>	<u>\$ 383,483</u>	<u>\$ -</u>	<u>\$ 12,233,067</u>	<u>\$ 10,176,301</u>

See independent auditor's report.

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES
For the Year Ended August 31, 2015
(with comparative totals for 2014)

	2015			2014
	Program Expenses	General and Administrative	Total	Total
Salaries	\$ 8,687,204	\$ 177,290	\$ 8,864,494	\$ 5,930,851
Benefits	987,929	20,162	1,008,091	725,573
Food/Non-Food Expenses	526,396	139,928	666,324	676,771
Health Insurance	590,748	12,056	602,804	438,682
Depreciation Expense	462,589	45,751	508,340	194,333
Interest Expense	-	501,798	501,798	81,526
General Supplies	305,845	81,301	387,146	206,637
Professional Services	223,046	95,591	318,637	203,792
Utilities	270,243	26,727	296,970	244,450
Miscellaneous Expenses	69,857	179,633	249,490	164,913
Travel Expenses	120,954	68,036	188,990	120,889
Insurance and Bonding	-	126,497	126,497	92,326
Maintenance and Repair	87,271	23,199	110,470	70,579
Rental Expense	99,904	9,881	109,785	76,117
Other Contract Labor	77,642	25,881	103,523	57,207
Marketing	17,609	45,282	62,891	266,761
Educational Service Center	52,767	7,196	59,963	63,190
Instructional Materials	36,161	9,613	45,774	84,157
Legal Services	25,371	10,874	36,245	26,913
Accounting Fees	23,747	10,178	33,925	32,967
Bond Amortization Expense	-	22,516	22,516	22,516
Supplies for Maintenance and Repairs	2,389	635	3,024	2,030
TOTAL EXPENSES	\$ 12,667,672	\$ 1,640,025	\$ 14,307,697	\$ 9,783,180

See independent auditor's report.

SINGLE AUDIT SECTION

EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
August 31, 2015

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed Through State Department of Education:			
Title I, Part A - Grants to Local Educational Agencies, Improving Basic Programs	84.010A	15610101015808 16610101015808	299,233 <u>2,701</u> 301,934
Title I, Part D, Subpart 2 - Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At-Risk	84.010A	15610103015808 16610103015808	847,426 <u>35,559</u> 882,985
Title II, Part A - Improving Teacher Quality State Grants	84.367A	15694501015808	39,879
IDEA, Part B - Special Education Grants	84.027A	156600010158086600	205,929
Title III - English Language Acquisition	84.365	14671001015950	<u>2,744</u>
Total U.S. Department of Education			<u>1,433,471</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed Through State Department of Agriculture:			
School Breakfast Program	10.553	71401501	295,058
National School Lunch Program	10.555	71301501	<u>460,447</u>
Total U.S. Department of Agriculture			<u>755,505</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$2,188,976</u></u>

**EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
August 31, 2015**

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) summarizes the expenditures of Educational Resource Center, Inc. dba The John H. Wood Jr. Public Charter District (ERC, Inc.) and its affiliate, Educational Resource Center Foundation, under programs of the federal government for the year ended August 31, 2015. Because the Schedule presents only a selected portion of the operations of ERC, Inc. and its affiliate, it is not intended to and does not present the financial position and changes in net assets of ERC, Inc. and its affiliate.

The Schedule is presented using the basis of accounting described in Note 1 of the financial statements.

Gonzalez & Walker

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Rinaldo J. Gonzalez, P.C., CPA

Randy Walker & Co., P.C.

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 Trustees
Educational Resource Center, Inc. dba The John H.
Wood, Jr. Public Charter District and Educational
Resource Center Foundation
San Antonio, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Educational Resource Center, Inc. dba The John H. Wood, Jr. Public Charter District (ERC, Inc.) and its affiliate, Educational Resource Center Foundation, (nonprofit organizations), which comprise the consolidated statement of financial position as of August 31, 2015, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered ERC, Inc. and its affiliate'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 ERC, Inc. and its affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of ERC, Inc. and its affiliate's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

We noted certain matters that we reported to the Board of Trustees and management of ERC, Inc. and its affiliate in a separate letter dated December 15, 2015

Purpose of this Report

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



San Antonio, Texas
December 15, 2015

Gonzalez & Walker

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Rinaldo J. Gonzalez, P.C., CPA

Randy Walker & Co., P.C.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Educational Resource Center, Inc. dba The
John H. Wood, Jr. Public Charter District and
Educational Resource Center Foundation
San Antonio, Texas

Report on Compliance for Each Major Federal Program

We have audited Educational Resource Center, Inc. dba The John H. Wood, Jr. Public Charter District (ERC, Inc.) and its affiliate's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of ERC, Inc. and its affiliate's major federal programs for the year ended August 31, 2015. ERC, Inc. and its affiliate's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of ERC, Inc. and its affiliate's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about ERC, Inc. and its affiliate's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of ERC, Inc. and its affiliate's compliance.

Opinion on Each Major Federal Program

In our opinion, ERC, Inc. and its affiliate complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2015.

Report on Internal Control Over Compliance

Management of ERC, Inc. and its affiliate is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered ERC, Inc. and its affiliate's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ERC, Inc. and its affiliate's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



San Antonio, Texas
December 15, 2015

**EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2015**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified	None
Significant deficiencies identified that are not considered to be material weakness(es)	None
Noncompliance material to the financial statements	None

Federal Awards

Internal control over major programs:	
Material weakness(es) identified	None
Significant deficiencies identified that are not considered to be material weakness(es)	None
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	None

Major Programs

Federal

84.027A IDEA, Part B - Special Education Grants
10.553 School Breakfast Program
10.555 National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs	\$300,000
Audit qualified as low-risk auditee	Yes

**EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2015**

SUMMARY OF AUDITOR'S RESULTS (continued)

Findings - Financial Statements Audit	None
Findings and Questioned Costs - Major Federal Award Programs Audit	None

**EDUCATIONAL RESOURCE CENTER, INC.
dba THE JOHN H. WOOD, JR. PUBLIC CHARTER DISTRICT
AND EDUCATIONAL RESOURCE CENTER FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2015**

I. PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

- None -

II. PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

- None -