

**Students**

**Integrity**

**Fiscal Responsibility**

**Learning**

**People**

**Teamwork**

**Commitment**

**Accountability**

**High Standards**



# **Four Corners Charter School**

**BOARD OF DIRECTORS' MEETING  
July 16, 2013**





**FOUR CORNERS CHARTER SCHOOL, INC.  
BOARD MEETING**

**Tuesday, July 16, 2013  
Agenda**

**Call To Order  
Roll Call**

- I. Administrative Items**
  - **Approval of Minutes from May 14, 2013**
- II. FY14 Budget**
- III. Salary Increase Presentation**
- IV. FCCS & FCCS, Inc. Engagement Letters**
- V. Adjournment**

**TeleConference:**  
1-888-468-4640  
Participation code: 1935526#

◀ **Next Meeting: *September 9, 2013*** ▶

## MEETING MINUTES

**Name of Foundation:** Four Corners Charter School, Inc.  
**Board Meeting:** May 14, 2013

**School(s):** Four Corners Charter School

*The minutes of Sunshine Law meetings need not be verbatim transcripts of the meeting. These minutes are a brief summary of the events of the meeting.*

Date:	Start	End	Next Meeting:	Next time:	Prepared by:
05.14.13	9:10 a.m.	10:17 a.m.	TBD	9:00 a.m.	S. Jaggon
<b>Meeting Location:</b>					
Four Corners Charter School 9100 Teacher Lane, Davenport, FL 33837					

Attended by:	
Jay Wheeler, Chairman Kelvin Soto, Director Bill Mathias, Director	Dan Cappola, Facilities, CSUSA Lorrie Lazeration, VP of Finance, CSUSA Lisanne Morton, Financial Analyst, CSUSA Denise Thompson, Principal, FCCS Sasha Jaggon, Governing Board Coordinator, CSUSA
<b>Absent:</b> Tod Howard, Director Tim Weisheyer, Director	Sonia Esposito, Osceola School District Cherish Benedict, Brown, Garganese, Weiss & D'Agresta, P.A. Gary Sermersheim, Osceola School District
Highlights:	

### CALL TO ORDER

Pursuant to public notice, the meeting commenced at 9:10 a.m. with a Call to Order by Chairman Wheeler. Roll call was taken and quorum was established.

### I. APPROVAL OF MINUTES

Chairman Wheeler asked the Board to review the minutes from the February 26, 2013 Governing Board meeting and note any corrections or modifications. The minutes stand.

**Motion made by Mr. Soto with a second by Mr. Mathias to approve the November 15, 2012 Governing Board minutes of the Four Corners Charter School, Inc. The motion was approved 3-0 (2 absent).**

### II. FCCS, INC. PRELIMINARY BUDGET

- Mr. Sermersheim informed the board that the budget has not been finalized for board review and will be presented at a later date.

### III. FCCS FY13 QUARTER 3 FINANCIALS

- Ms. Morton reviewed the FY13 3rd Quarter Financials for FCCS. She noted those items with significant budget variances. Variances for total Revenue were \$153,572 and total expenses were (\$93,664). This leaves a favorable net change in fund balance of \$104,021.
- Student enrollment is favorable to budget by 17 students with an average FTE of \$5,625 per student.

- FTE revenue per student is (\$58.00) less than budgeted. This resulted in a school deficit of (\$48,382).

**Motion made by Mr. Soto with a second by Mr. Mathias to approve the FCCS FY13 Quarter 3 Financials. The motion was approved 3-0 (2 absent).**

#### **IV. FCCS 2014 PRELIMINARY BUDGET**

- Ms. Lazeration reviewed the preliminary budget summary with the board and updated them on teacher pay increases.
- Mr. Mathias inquired about the difference in teacher salary increase allocation. Ms. Lazeration informed the board that the difference will come from school operating funds.

#### **V. TRANSPORTATION AGREEMENT**

- This document is a renewal of the transportation agreement between FCCS, Inc. and Lake County Schools.

**Motion made by Mr. Soto with a second by Mr. Mathias to approve the renewal of the transportation agreement between FCCS, Inc. and Lake County Schools. The motion was approved 3-0 (2 absent).**

#### **VI. 15 Year Charter Renewal**

- Dr. Esposito gave a presentation to the board about the advantages of seeking a 15 year renewal.
- She then explained the steps that need to be taken in order to obtain a 15 year renewal from the Osceola School District. The board would like to begin the process for renewal.

**Motion made by Mr. Mathias with a second by Mr. Soto to proceed with the process for obtaining a 15 year charter renewal with Osceola County Schools. The motion was approved 3-0 (2 absent).**

#### **VII. SCHOOL REPORT**

- Ms. Thompson reviewed the School Report. Current enrollment is at 1058 with a budgeted enrollment of 986. There are presently no open positions.
- Ms. Thompson then reviewed the school, community and PTO activities including the many end-of-year trips and activities students are currently taking part in.

#### **VIII. CSUSA REORGANIZATION**

- Ms. Jaggon updated the board on the reorganization that has taken place at the CSUSA corporate office.

#### **IX. AIR MECHANICS PAYMENT**

- Follow-up to payment release to air mechanics from February meeting. The Chairman confirms the balance owed has been released to Air Mechanics.

**X. ON BOARDING INFORMAITON**

- The board will be sent information about necessary steps for onboarding.

**XI. ADJOURNMENT**

**Motion made to adjourn the FCCS, Inc. Governing Board meeting. Motion was approved unanimously.**

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Jay Wheeler, Chairman

Date: \_\_\_\_\_

<b>Four Corners Charter School Comparative View Prelim vs Final Budget</b>	<b>Act-Fcst FY13</b>	<b>Prelim Budget FY14</b>	<b>Final Budget FY14</b>	<b>Prleim vs Final Budget FY14</b>
Enrollment	1,066	1,057	1,057	0
FTE Revenue per Student	5,616	5,985	5,985	(0)
<b>Revenues</b>				
FTE Revenue	5,986,429	6,326,598	6,326,598	(0)
Fed./State Grants	29,604	-	-	-
Capital Outlay Revenue	364,685	375,234	375,234	-
Board Fee Refund (over 500)	90,895	96,608	96,607	(1)
Florida Teacher Lead Program	11,251	-	-	-
School Recognition Bonus Income	99,119	-	-	-
<b>State Funded Revenue</b>	<b>6,581,984</b>	<b>6,798,440</b>	<b>6,798,439</b>	<b>(1)</b>
All Other Revenue	63,140	-	-	-
<b>Total Operating Revenue</b>	<b>6,645,124</b>	<b>6,798,440</b>	<b>6,798,439</b>	<b>(1)</b>
<b>Expenses</b>				
<b>Compensation and Benefits</b>				
Salaried Personnel	2,387,062	2,588,251	2,825,264	237,013
Hourly Wage Personnel	142,014	166,845	170,827	3,982
Tutoring	1,853	43,920	43,920	-
Bonuses	27,200	67,000	-	(67,000)
School Recognition Bonus	86,408	-	-	-
Stipends	22,485	16,000	16,000	-
Daily Substitute Teachers	74,567	50,000	50,000	-
PTO Buyout	7,080	7,080	7,080	-
Taxes and Benefits	489,932	565,247	577,590	12,343
<b>Total Compensation and Benefits</b>	<b>3,238,602</b>	<b>3,504,343</b>	<b>3,690,681</b>	<b>186,338</b>
<b>Professional Services</b>				
Legal Fees - Independent Counsel	7,103	-	-	-
Accounting Services - Audit	18,100	15,000	15,000	-
Outside Staff Development	300	1,500	1,000	(500)
CSUSA Management Fees	734,871	755,601	755,601	-
Computer Service Fees	47,250	47,250	47,250	-
Fee to County School Board	119,729	126,532	126,532	(0)
Professional Fees - Other	8,386	6,000	6,000	-
School Recognition Award Expenses	6,462	-	-	-
Advertising/Marketing Exp	8,681	14,000	14,000	-
Staff Recruitment	651	1,954	1,954	-
<b>Total Professional Services</b>	<b>951,533</b>	<b>967,837</b>	<b>967,337</b>	<b>(500)</b>
<b>Vendor Services</b>				
Contracted Pupil Transportation	178,000	178,688	178,688	-
Extra-Curricular Activity Events	5,407	4,890	4,890	-
Licenses & Permits	772	1,800	1,000	(800)
Bank Charges & Loan Fees	745	3,000	1,500	(1,500)
Contracted SPED - Non Instruction	1,000	3,000	3,000	-
Contracted Custodial Services	208,500	208,928	208,928	-
Contracted Security	-	-	-	-

Four Corners Charter School Comparative View Prelim vs Final Budget	Act-Fcst FY13	Prelim Budget FY14	Final Budget FY14	Prleim vs Final Budget FY14
<b>Total Vendor Services</b>	<b>394,424</b>	<b>400,306</b>	<b>398,006</b>	<b>(2,300)</b>
<b>Administrative Expenses</b>				
Travel / Auto	6,027	7,000	6,000	(1,000)
Airfare	664	-	600	600
Meals	216	240	240	-
Lodging	346	500	500	-
Business Expense - Other	20	-	-	-
Dues & Subscriptions	3,859	3,500	3,500	-
Printing & Copying	12,368	10,000	10,000	-
Office Supplies	3,084	3,000	3,000	-
Medical Supplies	444	400	400	-
In-house Food Service	713	600	600	-
Bad Debts	535	-	-	-
<b>Total Administrative Expenses</b>	<b>28,276</b>	<b>25,240</b>	<b>24,840</b>	<b>(400)</b>
<b>Instructional Expenses</b>				
Textbooks	48,420	17,420	50,424	33,004
Consumable Instr Supplies & Equip Students	152,684	151,962	151,962	-
Consummable Instr. Supplies & Equip.-Teachers	10,718	8,354	8,354	-
Library & Reference Books	-	2,075	2,075	-
Testing Materials	14,934	23,545	23,545	-
Instructional Supplies - Florida Lead Teacher Program	11,251	-	-	-
<b>Total Instructional Expense</b>	<b>238,008</b>	<b>203,357</b>	<b>236,361</b>	<b>33,004</b>
<b>Other Operating Expenses</b>				
Telephone & Internet	48,325	10,653	10,653	-
Postage	981	1,000	1,000	-
Electricity	126,196	140,000	130,000	(10,000)
Water & Sewer	15,174	15,575	15,575	-
Waste Disposal	51,006	51,764	51,764	-
Pest Control	4,224	7,000	5,000	(2,000)
Maintenance & Cleaning Supplies	21,715	19,029	21,720	2,691
Building Repairs & Maintenance	407,129	315,030	315,030	-
Equipment Repairs & Maintenance	3,789	4,500	3,900	(600)
Miscellaneous Expenses	478	1,800	500	(1,300)
<b>Total Other Operating Expenses</b>	<b>679,017</b>	<b>566,351</b>	<b>555,142</b>	<b>(11,209)</b>
<b>Fixed Expenses</b>				
Rent Expense	1,129,269	1,129,269	1,129,269	-
Office Equipment - Leasing Expense	17,416	17,604	17,604	-
Property & Liability Insurance	123,185	121,861	121,861	-
Depreciation	121,873	113,228	113,228	-
Amortization	-	-	-	-
<b>Total Fixed Expense</b>	<b>1,391,744</b>	<b>1,381,962</b>	<b>1,381,962</b>	<b>-</b>
<b>Capital Expenditures</b>				
Capital Expenditures (NonCap)	27,393	10,483	10,220	(263)
Capital Expenditures (Capitalized)	34,454	106,870	120,500	13,630
<b>Total Capital Expenditures</b>	<b>61,847</b>	<b>117,353</b>	<b>130,720</b>	<b>13,367</b>

<b>Four Corners Charter School Comparative View Prelim vs Final Budget</b>	<b>Act-Fcst FY13</b>	<b>Prelim Budget FY14</b>	<b>Final Budget FY14</b>	<b>Prleim vs Final Budget FY14</b>
Add back Depreciation and Amortization	121,873	113,228	113,228	-
<b>Operating Budget Surplus/(Deficit)</b>	<b>(216,454)</b>	<b>(255,080)</b>	<b>(473,381)</b>	<b>(218,301)</b>
<b>Before and Aftercare</b>				
<b>Before and Aftercare Revenue</b>	<b>79,115</b>	<b>92,600</b>	<b>92,600</b>	<b>-</b>
Aftercare Wages	51,287	39,201	39,201	-
Aftercare Taxes and Benefits	5,564	9,361	9,361	-
Aftercare Office Supplies	67	-	-	-
Aftercare Supplies	300	600	600	-
In-house Food Service - Aftercare	401	1,515	1,515	-
<b>Total Aftercare Expenses</b>	<b>57,619</b>	<b>50,677</b>	<b>50,677</b>	<b>-</b>
<b>Aftercare Surplus/(Deficit)</b>	<b>21,496</b>	<b>41,923</b>	<b>41,923</b>	<b>-</b>
<b>Total School Surplus/(Deficit)</b>	<b>(194,958)</b>	<b>(213,156)</b>	<b>(431,458)</b>	<b>(218,301)</b>



<b>Beginning Fund Balance 7/1/2012</b>	<b>2013 Forecast</b>	<b>Projected Beginning Fund Balance 7/1/2013</b>	<b>2014 Budget</b>	<b>Projected Ending Fund Balance 6/30/2014</b>
\$ 1,160,828	\$ (194,958)	\$ 965,870	\$ (431,458)	\$ 534,413

## **Changes to Four Corners 2014 Final Budget**

- Preliminary budget includes the revenue for the teacher salary pass-through but not the salary expense.
- Final budget includes the revenue and the expense for the teacher pass-through (difference of \$181,310).
- Eliminated bonus of \$67K and replaced with 3% merit increase of \$59,684.

### **Changed the following expenses to be aligned with actual/forecast**

- Reduced staff development and licenses and permit to \$1,000 each.
- Reduced bank fees to \$1,500.
- Reduced travel/auto by \$1,000.
- Added \$600 to airfare.
- Increased text book to \$50K.
- Reduced electricity to \$130,000 (2013 actual/forecast trending at \$126K)
- Reduced pest control to \$5,000.
- Increased maintenance & cleaning supplies to \$ 21,720 (2013 actual/forecast trending at \$21,715).
- Reduced equipment and repairs by \$600.
- Reduced miscellaneous expense to \$500.
- Increased capital expenditure by \$13,630 for alarm doors.

2013 Amended Budget

**OSCEOLA COUNTY COMPONENT UNIT**  
**Four Corners Charter School, Inc.**  
 June 30, 2013

	OF1 Function UFTE	General Fund			
		Budget Amounts			
		ORIGINAL	AMENDED	Difference	%
		1060.33	1065.60	5.27	%
<b>REVENUES</b>					
Federal Direct	3100			0	
Federal Through State & Local	3200			0	
State Sources	3300	5,974,021	5,995,352	21,331	0.36%
Local Sources	3400	900	570	(330)	-36.67%
<b>Total Revenues</b>		5,974,921	5,995,922	21,001	0.35%
<b>EXPENDITURES</b>					
Current:					
Instruction	5000	4,351,209	4,336,971	(14,238)	-0.33%
Pupil Personnel Services	6100			0	
Instructional Media Services	6200			0	
Instruction and Curriculum Development Services	6300			0	
Instructional Staff Training Services	6400			0	
Instruction Related Technology	6500			0	
Board	7100	8,550	8,550	0	0.00%
Administration Fees:				0	
District Holdback Fee	7201	28,171	28,079	(92)	-0.33%
Charter Holder	7202			0	
Management Company	7203	713,502	714,723	1,221	0.17%
Other	7204			0	
School Administration	7300			0	
Facilities Acquisition and Construction	7400	1,129,269	1,129,269	0	0.00%
Fiscal Services	7500			0	
Food Services	7600			0	
Central Services	7700			0	
Pupil Transportation Services	7800			0	
Operation of Plant	7900			0	
Maintenance of Plant	8100			0	
Administrative Technology Services	8200			0	
Community Services	9100			0	
Debt Service: (Function 9200)				0	
Retirement of Principal	710			0	
Interest	720			0	
Dues, Fees and Issuance Costs	730			0	
Miscellaneous Expenditures	790			0	
Capital Outlay:				0	
Facilities Acquisition and Construction	7420			0	
Other Capital Outlay	9300			0	
<b>Total Expenditures</b>		6,230,701	6,217,591	(13,110)	-0.48%
Excess (Deficiency) of Revenues Over (Under) Expenditures		(255,780)	(221,669)	34,111	-0.13%
<b>OTHER FINANCING SOURCES (USES)</b>					
Loans Incurred	3720			0	
Proceeds from the Sale of Capital Assets	3730			0	
Loss Recoveries	3740			0	
Proceeds of Forward Supply Contract	3760			0	
Special Facilities Construction Advances	3770			0	
Transfers In	3600	398,130	363,689	(34,441)	-8.65%
Transfers Out	9700			0	
<b>Total Other Financing Sources (Uses)</b>		398,130	363,689	(34,441)	-8.65%
<b>SPECIAL ITEMS</b>					
				0	
<b>EXTRAORDINARY ITEMS</b>					
Net Change in Fund Balances		142,350	142,020	(330)	-0.23%
Fund Balance - Beginning of Year	2800	1,386,566	1,386,566	(0)	0.00%
Adjustment to Fund Balance	2891			0	
Fund Balance - End of Year	2700	1,528,916	1,528,586	(330)	-0.02%

2013 Amended Budget

**OSCEOLA COUNTY COMPONENT UNIT**  
**Four Corners Charter School, Inc.**  
 June 30, 2013

	OF3 Function UFTE	Capital Outlay			
		Budget Amounts			
		ORIGINAL	AMENDED	Difference	%
		1060.33	1065.60	5.27	
<b>REVENUES</b>					
Federal Direct	3100			0	
Federal Through State & Local	3200			0	
State Sources	3300	398,130	363,689	(34,441)	-8.65%
Local Sources	3400			0	
<b>Total Revenues</b>		398,130	363,689	(34,441)	-8.65%
<b>EXPENDITURES</b>					
Current:					
Instruction	5000			0	
Pupil Personnel Services	6100			0	
Instructional Media Services	6200			0	
Instruction and Curriculum Development Services	6300			0	
Instructional Staff Training Services	6400			0	
Instruction Related Technology	6500			0	
Board	7100			0	
Administration Fees:				0	
District Holdback Fee	7201			0	
Charter Holder	7202			0	
Management Company	7203			0	
Other	7204			0	
School Administration	7300			0	
Facilities Acquisition and Construction	7410			0	
Fiscal Services	7500			0	
Food Services	7600			0	
Central Services	7700			0	
Pupil Transportation Services	7800			0	
Operation of Plant	7900			0	
Maintenance of Plant	8100			0	
Administrative Technology Services	8200			0	
Community Services	9100			0	
Debt Service: (Function 9200)				0	
Retirement of Principal	710			0	
Interest	720			0	
Dues, Fees and Issuance Costs	730			0	
Miscellaneous Expenditures	790			0	
Capital Outlay:				0	
Facilities Acquisition and Construction	7420			0	
Other Capital Outlay	9300			0	
<b>Total Expenditures</b>		0	0	0	
Excess (Deficiency) of Revenues Over (Under) Expenditures		398,130	363,689	(34,441)	-8.65%
<b>OTHER FINANCING SOURCES (USES)</b>					
Loans Incurred	3720			0	
Proceeds from the Sale of Capital Assets	3730			0	
Loss Recoveries	3740			0	
Proceeds of Forward Supply Contract	3760			0	
Special Facilities Construction Advances	3770			0	
Transfers In	3600			0	
Transfers Out	9700	(398,130)	(363,689)	(34,441)	8.65%
<b>Total Other Financing Sources (Uses)</b>		(398,130)	(363,689)	(34,441)	8.65%
<b>SPECIAL ITEMS</b>					
<b>EXTRAORDINARY ITEMS</b>					
Net Change in Fund Balances		0	0	0	
Fund Balance - Beginning of Year	2800	0		0	
Adjustment to Fund Balance	2891				
Fund Balance - End of Year	2700	0	0	0	

2014 Preliminary Budget

**OSCEOLA COUNTY COMPONENT UNIT**  
**Four Corners Charter School, Inc.**  
 June 30, 2014

	OF1 Function UFTE	General Fund			
		Budget Amounts			
		2012-2013	2013-2014	Difference	%
		1065.6	1057.12	-8.48	%
<b>REVENUES</b>					
Federal Direct	3100			0	
Federal Through State & Local	3200			0	
State Sources	3300	5,995,351	6,326,597	331,247	5.53%
Local Sources	3400	570	900	330	57.89%
<b>Total Revenues</b>		5,995,921	6,327,497	331,577	5.53%
<b>EXPENDITURES</b>					
Current:					
Instruction	5000	4,336,971	4,620,806	283,835	6.54%
Pupil Personnel Services	6100			0	
Instructional Media Services	6200			0	
Instruction and Curriculum Development Services	6300			0	
Instructional Staff Training Services	6400			0	
Instruction Related Technology	6500			0	
Board	7100	8,550	8,550	0	0.00%
Administration Fees:				0	
District Holdback Fee	7201	28,079	29,924	1,845	6.57%
Charter Holder	7202			0	
Management Company	7203	714,723	755,601	40,878	5.72%
Other	7204			0	
School Administration	7300			0	
Facilities Acquisition and Construction	7400	1,129,269	1,133,956	4,688	0.42%
Fiscal Services	7500			0	
Food Services	7600			0	
Central Services	7700			0	
Pupil Transportation Services	7800			0	
Operation of Plant	7900			0	
Maintenance of Plant	8100			0	
Administrative Technology Services	8200			0	
Community Services	9100			0	
Debt Service: (Function 9200)				0	
Retirement of Principal	710			0	
Interest	720			0	
Dues, Fees and Issuance Costs	730			0	
Miscellaneous Expenditures	790			0	
Capital Outlay:				0	
Facilities Acquisition and Construction	7420			0	
Other Capital Outlay	9300			0	
<b>Total Expenditures</b>		6,217,591	6,548,836	331,246	19.25%
Excess (Deficiency) of Revenues Over (Under) Expenditures		(221,670)	(221,339)	331	24.78%
<b>OTHER FINANCING SOURCES (USES)</b>					
Loans Incurred	3720			0	
Proceeds from the Sale of Capital Assets	3730			0	
Loss Recoveries	3740			0	
Proceeds of Forward Supply Contract	3760			0	
Special Facilities Construction Advances	3770			0	
Transfers In	3600	363,689	363,689	0	0.00%
Transfers Out	9700			0	
<b>Total Other Financing Sources (Uses)</b>		363,689	363,689	0	0.00%
<b>SPECIAL ITEMS</b>					
				0	
<b>EXTRAORDINARY ITEMS</b>					
Net Change in Fund Balances		142,019	142,350	331	0.23%
Fund Balance - Beginning of Year	2800	1,386,566	1,528,585	142,019	10.24%
Adjustment to Fund Balance	2891			0	
Fund Balance - End of Year	2700	1,528,585	1,670,935	142,350	9.31%

2014 Preliminary Budget

**OSCEOLA COUNTY COMPONENT UNIT**  
**Four Corners Charter School, Inc.**  
 June 30, 2014

	OF3 Function UFTE	Capital Outlay			
		Budget Amounts			
		2012-2013	2013-2014	Difference	%
		1065.6	1057.12	-8.48	%
<b>REVENUES</b>					
Federal Direct	3100			0	
Federal Through State & Local	3200			0	
State Sources	3300	363,689	363,689	0	0.00%
Local Sources	3400			0	
<b>Total Revenues</b>		363,689	363,689	0	0.00%
<b>EXPENDITURES</b>					
Current:					
Instruction	5000			0	
Pupil Personnel Services	6100			0	
Instructional Media Services	6200			0	
Instruction and Curriculum Development Services	6300			0	
Instructional Staff Training Services	6400			0	
Instruction Related Technology	6500			0	
Board	7100			0	
Administration Fees:				0	
District Holdback Fee	7201			0	
Charter Holder	7202			0	
Management Company	7203			0	
Other	7204			0	
School Administration	7300			0	
Facilities Acquisition and Construction	7410			0	
Fiscal Services	7500			0	
Food Services	7600			0	
Central Services	7700			0	
Pupil Transportation Services	7800			0	
Operation of Plant	7900			0	
Maintenance of Plant	8100			0	
Administrative Technology Services	8200			0	
Community Services	9100			0	
Debt Service: (Function 9200)				0	
Retirement of Principal	710			0	
Interest	720			0	
Dues, Fees and Issuance Costs	730			0	
Miscellaneous Expenditures	790			0	
Capital Outlay:				0	
Facilities Acquisition and Construction	7420			0	
Other Capital Outlay	9300			0	
<b>Total Expenditures</b>		0	0	0	
Excess (Deficiency) of Revenues Over (Under) Expenditures		363,689	363,689	0	0.00%
<b>OTHER FINANCING SOURCES (USES)</b>					
Loans Incurred	3720			0	
Proceeds from the Sale of Capital Assets	3730			0	
Loss Recoveries	3740			0	
Proceeds of Forward Supply Contract	3760			0	
Special Facilities Construction Advances	3770			0	
Transfers In	3600			0	
Transfers Out	9700	(363,689)	(363,689)	0	0.00%
<b>Total Other Financing Sources (Uses)</b>		(363,689)	(363,689)	0	0.00%
<b>SPECIAL ITEMS</b>					
<b>EXTRAORDINARY ITEMS</b>					
Net Change in Fund Balances		0	0	0	
Fund Balance - Beginning of Year	2800	0	0	0	
Adjustment to Fund Balance	2891				
Fund Balance - End of Year	2700	0	0	0	

# BERMAN HOPKINS WRIGHT & LAHAM

CPAS AND ASSOCIATES, LLP

[www.bermanhopkins.com](http://www.bermanhopkins.com)

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Melbourne, FL 32940  
Phone: 321-757-2020  
Fax: 321-242-4844

255 S. Orange Ave. • Suite 745  
Orlando, FL 32801  
Phone: 407-841-8841  
Fax: 407-841-8849

May 15, 2013

Board of Directors  
Four Corners Charter School, Inc.  
817 Bill Beck Blvd, Building 2000  
Kissimmee, FL 34744

We are pleased to confirm our understanding of the services we are to provide Four Corners Charter School, Inc. (the "Charterholder") for the year ended June 30, 2013. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Four Corners Charter School's operations (the "School") as of and for the year ended June 30, 2013. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the School's 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. As part of our engagement, we will apply certain limited procedures to the School's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Schedules of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund and All Major Special Revenue Funds.

We will report on supplementary information other than RSI that accompanies the School's financial statements as applicable. We will subject the supplementary information to the auditing procedures applied in our 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 and will provide an opinion on it in relation to the financial statements as a whole.

## **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the School is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

## **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements, and related notes. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. You agree to assume all management responsibilities for any nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.



In addition to drafting the financial statements, upon request, we will compile your Program Cost Reports in the format prescribed by the local school district. Further, we will calculate the current year depreciation expense on your capital assets. You will be required to review and approve the results of the services prior to their issuance and have a responsibility to be in a position of fact and appearance to make an informed judgment on the results. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, violations or contracts or grant agreements, or abuse that we may report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

### **Audit Procedures—Internal Controls**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the School's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Engagement Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the School; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Berman, Hopkins, Wright & LaHam, CPAs and Associates, LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to School's sponsor or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Berman, Hopkins, Wright & LaHam, CPAs and Associates, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the federal, state and local agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately June 1, 2013 and to issue our reports no later than September 20, 2013. Ross A. Whitley, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We estimate our fee for this service will be as listed in Attachment A. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2012 peer review report accompanies this letter.

With the mutual consent from Berman, Hopkins, Wright and Laham, CPAs & Associates, LLP, the Charterholder has the option of renewing this agreement for years after June 30, 2013, at the terms stated above.

We appreciate the opportunity to be of service to Four Corners Charter School, Inc. and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Respectfully,



Ross A. Whitley, CPA  
Partner  
Berman, Hopkins, Wright & LaHam CPA's and Associates, LLP

RESPONSE:

This letter correctly sets forth the understanding of Four Corners Charter School, Inc. for the year ended June 30, 2013.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Attachment A**

<b>Auditing</b>	<b>Compiled (Unaudited) Program Cost Report</b>
\$8,800	\$500

(If the school requires a single audit the additional fee will be \$2,500)



**Peer Review Program**

Administered by the National Peer Review Committee

American Institute of CPAs  
220 Leigh Farm Road  
Durham, NC 27707-8110

January 24, 2013

Phillip J Hayes, CPA  
Berman Hopkins Wright & LaHam CPAs and Associates, LLP  
8035 Spyglass Hill Rd  
Melbourne, FL 32940

Dear Mr. Hayes:

It is my pleasure to notify you that on January 23, 2013 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is December 31, 2015. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Betty Jo Charles  
Chair, National Peer Review Committee  
nprc@aicpa.org 919 402-4502

cc: Steven W Bierbrunner;Richard E. Wortmann

Firm Number: 10005046

Review Number 338266

Letter ID: 763883

# BERMAN HOPKINS WRIGHT & LAHAM

CPAS AND ASSOCIATES, LLP

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255 S. Orange Ave. • Suite 745  
Orlando, FL 32801  
Phone: 407-841-8841  
Fax: 407-841-8849

May 15, 2013

Board of Directors  
Four Corners Charter School, Inc.  
817 Bill Beck Blvd, Building 2000  
Kissimmee, FL 34744

We are pleased to confirm our understanding of the services we are to provide Four Corners Charter School, Inc. (the "Charterholder") for the year ended June 30, 2013. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Four Corners Charter School (the "School") as of and for the year ended June 30, 2013. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the School's 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. As part of our engagement, we will apply certain limited procedures to the School's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

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We will report on supplementary information other than RSI that accompanies the School's financial statements as applicable. We will subject the supplementary information to the auditing procedures applied in our 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 and will provide an opinion on it in relation to the financial statements as a whole.

## **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

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## **Management Responsibilities**

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Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

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Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, violations or contracts or grant agreements, or abuse that we may report.

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The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the federal, state and local agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately June 1, 2013 and to issue our reports no later than October 20, 2013. Ross A. Whitley, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We estimate our fee for this service will be as listed in Attachment A. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2012 peer review report accompanies this letter.

With the mutual consent from Berman, Hopkins, Wright and Laham, CPAs & Associates, LLP, the Charterholder has the option of renewing this agreement for years after June 30, 2013, at the terms stated above.

We appreciate the opportunity to be of service to Four Corners Charter School, Inc. and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Respectfully,



Ross A. Whitley, CPA  
Partner  
Berman, Hopkins, Wright & LaHam CPA's and Associates, LLP

**RESPONSE:**

This letter correctly sets forth the understanding of Four Corners Charter School, Inc. for the year ended June 30, 2013.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Attachment A**

<b>Auditing</b>
\$8,800

(If the school requires a single audit the additional fee will be \$2,500)



**Peer Review Program**

Administered by the National Peer Review Committee

American Institute of CPAs  
220 Leigh Farm Road  
Durham, NC 27707-8110

January 24, 2013

Phillip J Hayes, CPA  
Berman Hopkins Wright & LaHam CPAs and Associates, LLP  
8035 Spyglass Hill Rd  
Melbourne, FL 32940

Dear Mr. Hayes:

It is my pleasure to notify you that on January 23, 2013 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is December 31, 2015. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Betty Jo Charles  
Chair, National Peer Review Committee  
nprc@aicpa.org 919 402-4502

cc: Steven W Bierbrunner;Richard E. Wortmann

Firm Number: 10005046

Review Number 338266

Letter ID: 763883