

**FOUR CORNERS  
CHARTER SCHOOL, INC.**

**Basic Financial Statements and  
Supplemental Information**

**June 30, 2024**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Four Corners Charter School, Inc.  
Kissimmee, Florida

**Report on the Audit of the Financial Statements**

**Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Four Corners Charter School, Inc. (the "Corporation") which is a component unit of the School Board of Osceola County, Florida as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Corporation as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-8 and 27-29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's 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 the Corporation's internal control over financial reporting and compliance.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
September 30, 2024

## Management's Discussion and Analysis

As management of Four Corners Charter School, Inc. (the "Corporation"), a component unit of the School Board of Osceola County, Florida, we offer readers of the Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the fiscal year ended June 30, 2024 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the Corporation's financial activities, (c) identify changes in the Corporation's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Since the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the financial statements starting on page 9.

### Financial Highlights

- The assets of the Corporation exceeded its liabilities at the close of the most recent fiscal year by \$7,101,998.
- The Corporation's total net position decreased by \$128,653.
- As of the close of the current fiscal year, the Corporation's governmental funds reported combined ending fund balances of \$5,327,872.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,525,516.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements. The Corporation's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the Corporation that are principally supported by district, state, and federal funding (governmental activities). Basic instruction, general administration, and facilities are examples of the Corporation's governmental activities.

The government-wide financial statements include the accounts of the Corporation and those of Four Corners Charter School (the "School"), which is a division of the Corporation. All intercompany accounts and transactions have been eliminated. The Corporation is a component unit of the School Board of Osceola County, Florida.

The government-wide financial statements can be found on pages 9 - 10 of this report.

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

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

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

The Corporation maintains three individual government funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balances. The general fund, special revenue, and capital outlay fund are considered to be major funds.

The basic governmental fund financial statements can be found on pages 11 through 14 of this report.

The Corporation adopts an annual appropriated budget for its entire operations. Budgetary comparison schedules and notes to these schedules have been provided to demonstrate compliance with this budget and can be found on pages 27 through 29 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 15 of this report.

## Government-Wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of a government's financial position. In the case of the Corporation, assets exceeded liabilities by \$7,101,998 at the close of the most recent fiscal year.

The largest portion of the Corporation's net position is the unrestricted portion. Another portion of the Corporation's net position reflects its net investment in capital assets (e.g. furniture, fixtures and equipment; school buses; improvements other than buildings; leasehold improvements; IT equipment; and audio visual equipment). The Corporation uses these capital assets to provide services to students; consequently, these assets are not available for future spending. The net investment in capital assets totaled \$1,774,126 at June 30, 2024.

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

### Statement of Net Position

	Governmental Activities		
	June 30, 2024	June 30, 2023	Variance
<b>ASSETS</b>			
Current assets	\$ 6,159,379	\$ 5,838,413	\$ 320,966
Right of use leased asset	1,038,684	2,074,335	(1,035,651)
Capital assets, net of accumulated depreciation	1,774,126	1,973,740	(199,614)
Total assets	<u>8,972,189</u>	<u>9,886,488</u>	<u>(914,299)</u>
<b>LIABILITIES</b>			
Current liabilities	831,507	581,502	250,005
Noncurrent liabilities	1,038,684	2,074,335	(1,035,651)
Total current liabilities	<u>1,870,191</u>	<u>2,655,837</u>	<u>(785,646)</u>
<b>NET POSITION</b>			
Net invested in capital assets	1,774,126	1,973,740	(199,614)
Unrestricted	5,327,872	5,256,911	70,961
Total net position	<u>\$ 7,101,998</u>	<u>\$ 7,230,651</u>	<u>\$ (128,653)</u>

Current assets increased primarily due to the increase in cash and accounts receivable. The decrease in capital assets is from current year depreciation. The increase in current and other liabilities is due to the increase in accrued payroll at year end. The decrease in right of use asset and the lease liability (noncurrent liabilities) is the result of payments on the facilities sub-lease and amortization of right of use asset during the year.



## Statement of Activities

	Governmental Activities		
	2024	2023	Variance
Revenues:			
Program revenues:			
Capital grants and contributions	\$ 673,153	\$ 512,282	\$ 160,871
General revenues			
State passed through local school district	8,325,233	7,335,146	990,087
Federal passed through state	1,318,039	1,182,029	136,010
Other revenue	-	158,083	(158,083)
Interest income	56,441	30,364	26,077
Total revenues	10,372,866	9,217,904	1,154,962
Expenses:			
Basic instruction	8,335,575	6,288,913	(2,046,662)
Board of directors	6,811	7,000	189
General administration	752,529	1,178,932	426,403
Facilities	1,236,604	1,184,930	(51,674)
Fiscal services	20,000	20,000	-
Maintenance of plant	150,000	393,680	243,680
Total expenses	10,501,519	9,073,455	(1,428,064)
Change in net position	(128,653)	144,449	(273,102)
Net position - beginning	7,230,651	7,086,202	144,449
Net position - ending	\$ 7,101,998	\$ 7,230,651	\$ (128,653)

The increase in state pass through local school district revenue resulted from increased FTE counts from 948 to 1,034. The increase in federal passed through state revenue and basic instruction expenses are due to expenditures incurred under ESSER and Title grants. The capital grants increase results from a increase in capital outlays. The decrease in other revenue relates to a contribution from the charterholder in the prior year. Total expenditures were unfavorable to prior year by \$1,428,064 primarily due to increases in instruction, general administration, and maintenance of plant expenditures.

### Financial Analysis of the Government's Funds

As noted, the Corporation uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the Corporation's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Corporation's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the current fiscal year, the Corporation's governmental funds reported combined ending fund balances of \$5,327,872.

The general fund is the main operating fund of the Corporation. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$3,525,516. The combined ending fund balance of the Corporation's general fund increased by \$70,961 during the current fiscal year.

## **General Fund Budgetary Highlights**

Actual revenues were slightly more than originally budgeted as FTE count increased from 948 to 1,034. Actual general fund expenditures were less than the final budgeted due to unearned management fees. Overall, actual results produced a \$639,520 positive variance compared to budget. The budgetary information can be found on page 27 through 29 of this report.

## **Capital Asset Administration**

**Capital Assets.** The Corporation's investment in capital assets for its governmental type activities as of June 30, 2024, amounts to \$1,774,126 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures and equipment, school buses, improvements other than buildings, leasehold improvements, IT equipment, computer equipment, audio visual equipment, and non-depreciating construction in progress.

**Economic Factors.** A majority of the Corporation's funding is determined by the number of enrolled students. The Corporation is forecasting enrollment to increase to approximately 1,034 students for the 2024-25 school year.

## **Request for Information**

This financial report is designed to provide a general overview of the Corporation's finances for all those with an interest in the Corporation's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Angela Barner, Senior Accountant at the School District of Osceola County, Florida, 817 Bill Beck Boulevard, Kissimmee, Florida, 34744-4495.

Four Corners Charter School, Inc.

STATEMENT OF NET POSITION

June 30, 2024

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 5,445,143
Accounts receivable	187,699
Due from other agencies	352,307
Prepaid items	165,029
Deposits	9,201
Total current assets	<u>6,159,379</u>
<b>NONCURRENT ASSETS</b>	
Right of use leased asset	1,038,684
Capital assets, net of accumulated depreciation	
Furniture, fixtures and equipment	71,354
School buses	73,049
Improvements other than buildings	836,599
Leasehold improvements	432,408
IT equipment	219,095
Construction in progress - non depreciating	141,621
Total capital assets, net	<u>1,774,126</u>
Total assets	<u>8,972,189</u>
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Accrued payroll and other expenses	569,999
Due to management company	125,189
Accounts payable	136,319
Total current liabilities	<u>831,507</u>
<b>NONCURRENT LIABILITIES</b>	
Leased liabilities - due within one year	<u>1,038,684</u>
Total liabilities	<u>1,870,191</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,774,126
Unrestricted	5,327,872
Total net position	<u>\$ 7,101,998</u>

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

Four Corners Charter School, Inc.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Basic instruction	\$ 8,335,575	\$ -	\$ 1,318,039	\$ -	\$ (7,017,536)
Board of directors	6,811	-	-	-	(6,811)
General administration	752,529	-	-	-	(752,529)
Facilities	1,236,604	-	-	673,153	(563,451)
Fiscal services	20,000	-	-	-	(20,000)
Maintenance of plant	150,000	-	-	-	(150,000)
Total governmental activities	<u>\$ 10,501,519</u>	<u>\$ -</u>	<u>\$ 1,318,039</u>	<u>\$ 673,153</u>	<u>(8,510,327)</u>
General revenues:					
					8,325,233
					<u>56,441</u>
					<u>8,381,674</u>
					(128,653)
					<u>7,230,651</u>
					<u>\$ 7,101,998</u>

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

**Four Corners Charter School, Inc.**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**June 30, 2024**

	General Fund	Special Revenue Fund	Capital Outlay Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 5,445,143	\$ -	\$ -	\$ 5,445,143
Accounts receivable	187,699	-	-	187,699
Due from other agencies	352,307	-	-	352,307
Prepaid items	165,029	-	-	165,029
Deposits	9,201	-	-	9,201
Total assets	\$ 6,159,379	\$ -	\$ -	\$ 6,159,379
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 136,319	\$ -	\$ -	\$ 136,319
Due to management company	125,189	-	-	125,189
Accrued payroll and other expenses	569,999	-	-	569,999
Total liabilities	831,507	-	-	831,507
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid items	165,029	-	-	165,029
Deposits	9,201	-	-	9,201
Assigned	1,628,126	-	-	1,628,126
Unassigned	3,525,516	-	-	3,525,516
Total fund balances	5,327,872	-	-	5,327,872
Total liabilities and fund balances	\$ 6,159,379	\$ -	\$ -	\$ 6,159,379

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

Four Corner Charter School, Inc.

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2024

Fund balances - total governmental funds		\$ 5,327,872
The net assets reported for governmental activities in the statement of net assets is different because:		
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
		1,038,684
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:		
Furniture, fixtures and equipment, net	\$ 71,354	
School buses, net	73,049	
Improvements other than buildings, net	836,599	
Leasehold improvements, net	432,408	
IT equipment, net	219,095	
Construction in progress - non-depreciating	141,621	
Total capital assets		1,774,126
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Leased liabilities		<u>(1,038,684)</u>
Total net position of governmental activities		<u>\$ 7,101,998</u>

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

**Four Corners Charter School, Inc.**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS**

**Year Ended June 30, 2024**

	General Fund	Special Revenue Fund	Capital Outlay Fund	Total Governmental Funds
Revenues				
State passed through local school district	\$ 8,325,233	\$ -	\$ 614,703	\$ 8,939,936
Federal passed through state	-	1,318,039	-	1,318,039
Other revenue	-	-	58,450	58,450
Interest revenue	56,441	-	-	56,441
Total revenues	8,381,674	1,318,039	673,153	10,372,866
Expenditures				
Current:				
Instruction	6,741,810	1,318,039	-	8,059,849
Board of directors	6,811	-	-	6,811
General administration	752,529	-	-	752,529
Facilities	1,035,898	-	-	1,035,898
Fiscal services	20,000	-	-	20,000
Maintenance of plant	150,000	-	-	150,000
Fixed capital outlay	276,818	-	-	276,818
Total expenditures	8,983,866	1,318,039	-	10,301,905
Excess (deficiency) of revenues over (under) expenditures	(602,192)	-	673,153	70,961
Other financing sources and (uses)				
Transfer in	673,153	-	-	673,153
Transfer out	-	-	(673,153)	(673,153)
Total other financing sources (uses)	673,153	-	(673,153)	-
Net change in fund balances	70,961	-	-	70,961
Fund balances at July 1, 2023	5,256,911	-	-	5,256,911
Fund balances at June 30, 2024	\$ 5,327,872	\$ -	\$ -	\$ 5,327,872

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

Four Corners Charter School, Inc.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2024**

Net change in fund balances - total government funds		\$	70,961
The change in net assets reported for governmental activities in the statement of activities is different because:			
Governmental funds report fixed capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Total fixed capital outlay	\$	276,818	
Less: Depreciation		<u>(476,432)</u>	
			<u>(199,614)</u>
Change in net position of governmental activities		\$	<u>(128,653)</u>

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



**Four Corners Charter School, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES**

1. Reporting entity

Four Corners Charter School, Inc. (the "Corporation"), which is a component unit of the School District of Osceola County, Florida is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the Corporation is the Board of Directors, which is comprised of five members.

The Corporation was formed to operate Four Corners Charter School (the "School") in Osceola County, Florida. The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under charter of the sponsoring school district, the School District of Osceola County, Florida (the "District"). The current charter is effective until June 30, 2031. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the Corporation in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the Corporation with public funds and any unencumbered public funds revert back to the District. The Corporation is considered a component unit of the School District of Osceola County, Florida.

2. Government-wide and fund financial statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all of the nonfiduciary activities of the Corporation. As part of the consolidation process, all interfund activities are eliminated from these statements. Both statements report only governmental activities as the Corporation does not engage in any business type activities.

Net position, the difference between assets and liabilities, as presented in the statement of net position, are subdivided into three categories: net investment in capital assets, restricted net position, and unrestricted net position. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, laws or regulations of other governments, or enabling legislation.

The statement of activities presents a comparison between the direct and indirect expenses of a given function and its program revenues, and displays the extent to which each function contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function.

Indirect expenses are costs the Corporation has allocated to various functions. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions.

Four Corners Charter School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

**NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

2. Government-wide and fund financial statements (continued)

Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues.

Separate fund financial statements report detailed information about the Corporation's governmental funds. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. The Corporation reports the general fund, special revenues, and capital outlay fund as its major funds. Reconciliations are provided that converts the results of governmental fund accounting to the government-wide presentation.

3. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized when a liability is incurred.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Corporation considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made.

Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. However, principal and interest on general long-term debt is recorded as expenditure only when payment is due.

The Corporation's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board ("GASB"). Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Four Corners Charter School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

**NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

3. Measurement focus, basis of accounting, and financial statement presentation (continued)

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Corporation reports the following major governmental funds:

General Fund - the general operating fund of the Corporation and is used to account for all financial resources not required to be accounted for in another fund.

Special Revenue Fund – to account for the proceeds of specific revenue sources restricted or committed to the expenditures for a specific purpose, including all federal grant revenues passed through the School District (i.e., Title I and Title IV, ESSER II & III, etc.).

Capital Outlay Fund - in accordance with the guidelines established by the District, this fund accounts for all resources for the leasing and acquisition of capital facilities by the Corporation to the extent funded by capital outlay funds.

The Corporation has contracted operations of the School to a commercial management company. The management company accounts for certain school level assets, liabilities, revenues and expenses that are not a part of the Corporation. These items, including the functional classification of expenses, are not reported in the Corporation's financial statements.

4. Cash

The Corporation's cash consists of a checking accounts held at financial institutions. Deposits are held and maintained by the District. The Corporation does not have any cash equivalents.

5. Interfund receivables, payable and transfers

Interfund receivables and payables represent activity between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year and are referred to as either due to/from other funds. The capital outlay fund transferred \$673,153 to the general fund for payment of rent expense related to the facilities sub-lease (see Note E-2).

Four Corners Charter School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

**NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

6. Prepaid items and deposits

Payments made to vendors for services that will benefit periods beyond June 30, 2024 are reported as prepaid items and deposits in both the government-wide and fund financial statements.

7. Capital assets

Capital assets are reported in the applicable governmental columns on the government-wide financial statements. Capital assets are defined by the Corporation as assets with an individual cost of more than \$750 or a total invoice cost of greater than \$5,000 and an estimated useful life of greater than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the Corporation are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (years)</u>
Furniture, fixtures and equipment	5
School buses	5
Improvements other than building	10
IT equipment	3
Computer software	3
Audio visual equipment	5
Right to use lease assets	3

8. Leases

The School has a lease for its facilities. The School recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. At the commencement of a lease, the School initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the useful life.

Four Corners Charter School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

**NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

9. Accrued compensated absences

The Corporation's policy permits employees to accumulate earned but unused paid time off, which is eligible for payment upon separation from services. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Payments for compensated absences are generally paid out of the General Fund.

10. Revenue sources

Revenues for current operations are received primarily from the State of Florida passed through the District pursuant to the funding provisions included in the Corporation's charter agreement with the District. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program.

Funding for the schools is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted FTE students reported by the schools during the designated FTE student survey periods.

The Corporation receives federal awards for the enhancement of various educational programs. The assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have requirements whereby the issuance of grant funds is withheld until qualifying eligible expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

11. Expenses

A commercial management company operates the School pursuant to a long-term contract with the Corporation. The management company is responsible for payment of virtually all operating expenses. Functional details of the Corporation's expenditures have not been presented in the financial statements as they are reported in the School's financial statements.

12. Income taxes

The Corporation is a component unit of the School Board of Osceola County, Florida and therefore as a government is not required to file an income tax return.

Four Corners Charter School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

**NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

13. Use of estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

14. Excess of expenditure over appropriations

Florida Education Finance Program (FEFP) and other federal and state funds are forwarded to the management company for use in school operations. The Corporation does not reimburse the management company for expenditures incurred in excess of revenue received, unless a budgeted deficit is approved by the Board. Any amounts in excess of the approved budget are considered to be contributed by the management company. For the year ended June 30, 2024, there was no sponsorship recognized by the School from the management company.

15. Fund balance classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Corporation is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable fund balance - amounts that are not in spendable form (such as inventory and prepaid items) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the Corporation itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the Corporation takes the same highest level action to remove or change the constraint.

**Four Corners Charter School, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

15. Fund balance classification (continued)

For the year ended June 30, 2024, the breakout of the fund balance is shown below:

Assigned fund balance - amounts the Corporation intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates the authority. The amount assigned by the Board of Directors is made up of the facility use fee \$1,478,126 as well as \$150,000 set aside each year to facilities and maintenance.

Unassigned fund balance - amounts that are available for any purpose. No other fund except the general fund can report positive amounts of unassigned fund balance.

	<u>General Fund</u>
Nonspendable	
Prepaid items	\$ 165,029
Deposits	9,201
Assigned	
Facilities and maintenance	150,000
Facilities and fees	1,478,126
Unassigned	3,525,516
	<u>\$ 5,327,872</u>

The Corporation would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

16. New GASB pronouncements

GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB 101 increases the usefulness of governments' financial statements by requiring recognition of liabilities for compensated absences that previously were not recognized as an obligation of the government. The provisions in GASB 101 will be implemented in the year ended June 30, 2025. The Corporation is evaluating the effect of this new standard on its financial statements.

**Four Corners Charter School, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE B - CASH**

*Custodial Credit Risk* - Custodial credit risk is the risk that in the event of bank failure, the Corporation's deposits may not be returned to it. The Corporation does not have a formal policy regarding custodial credit risk. The bank balance of the Corporation's deposits was \$5,565,758 at June 30, 2024. The deposits are insured by the FDIC up to \$250,000 per entity. Monies invested in amounts greater than the insurance coverage are secured by amounts required by the Florida Security for Public Deposits Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Corporation pursuant to section 280.08, Florida Statutes.

**NOTE C - CAPITAL ASSETS**

Changes in capital assets were as follows for the year ended June 30, 2024:

	Balance at 2023	Additions	Deletions	Balance at 2024
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 141,621	\$ -	\$ 141,621
Capital assets depreciated:				
Furniture, fixtures and equipment	\$ 1,580,939	\$ 39,523	\$ -	\$ 1,620,462
School buses	177,549	-	-	177,549
Improvements other than buildings	1,319,871	22,288	-	1,342,159
Leasehold improvements	2,673,752	-	-	2,673,752
IT equipment	1,990,137	73,386	-	2,063,523
Computer equipment	89,983	-	-	89,983
Audio visual equipment	37,392	-	-	37,392
Total assets depreciated	<u>7,869,623</u>	<u>\$ 135,197</u>	<u>\$ -</u>	<u>8,004,820</u>
Less accumulated depreciation:				
Furniture, fixtures and equipment	1,507,839	\$ 41,269	\$ -	1,549,108
School buses	55,800	48,700	-	104,500
Improvements other than buildings	377,577	127,983	-	505,560
Leasehold improvements	2,217,321	24,023	-	2,241,344
IT equipment	1,616,216	228,212	-	1,844,428
Computer equipment	88,006	1,977	-	89,983
Audio visual equipment	33,124	4,268	-	37,392
Total accumulated depreciation	<u>5,895,883</u>	<u>\$ 476,432</u>	<u>\$ -</u>	<u>6,372,315</u>
Total governmental activities capital assets, net	<u>\$ 1,973,740</u>			<u>\$ 1,774,126</u>



**Four Corners Charter School, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE C - CAPITAL ASSETS (continued)**

Depreciation expense for the year ended June 30, 2024 was charged to functions of the Corporation as follows: basic instruction - \$275,726, facilities - \$200,706.

**NOTE D - CONCENTRATIONS**

Revenue sources

As stated in Note A-10, the Corporation receives revenues for current operations primarily from the State of Florida through the District. The following is a schedule of revenue sources and amounts:

Sources	Amounts
School District of Osceola County:	
Base funding	\$ 5,584,315
Class size reduction	1,088,379
Discretionary local effort	512,600
Discretionary millage compression allocation	322,645
Supplemental academic instruction	311,640
Educational enrichment share	253,891
Student transportation	116,317
Safe schools	80,003
Exceptional student education guaranteed allocation	60,654
Mental health assistance allocation	57,048
Prior year funding adjustment	(3,809)
Subtotal	8,383,683
ESSER III	965,749
Capital outlay funds	614,703
Title I	232,548
ESSER II	63,709
School recognition	34,404
Title IV	21,629
Subtotal	1,932,742
Total School Board of Osceola County, Florida	10,316,425
Interest income	56,441
Total revenues	\$ 10,372,866

**Four Corners Charter School, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE E - COMMITMENTS AND CONTINGENCIES**

1. Management service contract

In February 2020, the Corporation extended its management agreement, which originally commenced on July 1, 2006. The extension is for a term of five years commencing on July 1, 2020. The contract terminates the earlier of June 30, 2025 or the termination date of the charter if the District chooses to terminate or not to renew.

The management company will manage and operate the School during the term of the agreement and is guaranteed a fee of \$500,000 plus contingent incentive fees. The guaranteed fee is adjusted annually by the current Consumer Price Index. The incentive fees are calculated as the difference between the guaranteed fee and 13% of FEFP operational revenues, and subject to performance requirements as detailed in the management agreement. Current year management fees charged to operations totaled \$648,245. Any unearned incentive fees will be retained by the Corporation. Unearned incentive management fees totaling \$601,112 were retained by the Corporation for the year ended June 30, 2024.

2. Facilities sub-lease

The real property, buildings, and other assets, which comprise the Corporation's facilities, are owned by the District. Construction of the buildings was financed by the issuance of \$8,315,000 principal amount of Certificates of Participation, Series 2000A and \$6,385,000 principal amount of Certificates of Participation, Series 2000B (the "Certificates"), which are obligations of the District.

On April 19, 2005, the District issued \$12,095,000 principal amount of Certificates of Participation, Series 2005. The proceeds were used to refund a portion of the outstanding Series 2000 Certificates maturing on and after August 1, 2011 (the "Refunded Certificates") and, therefore, refinanced a portion of the cost of the acquisition, construction and equipping of the Series 2000 Facilities and reduced the corresponding basic lease payments due under the lease.

On August 7, 2015, the District issued \$8,310,000 principal amount of Certificates of Participation, Series 2015. The proceeds were used to refund the outstanding Series 2005 Certificates maturing on or after February 2016. The Series 2015 Certificates were issued to reduce the basic lease payments due under the lease and mature in August 2024.

The Corporation is entitled to use the facilities under a sub-lease agreement with the District that requires annual payments in amounts equal to the annual debt service payments on the Certificates. Such annual payments range from \$1,035,651 to \$1,045,730 for the Corporation. At the end of the term of the charter including renewals, if any, possession of the facilities will revert to the District which will be liable for all future payments.

**Four Corners Charter School, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE E - COMMITMENTS AND CONTINGENCIES (continued)**

2. Facilities sub – lease (continued)

The School follows GASB Statement No. 87 for *Leases*. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Future minimum lease payments and the present value of the minimum lease payments as of June 30 are as follows:

	Principal	Interest	Total
2025	\$ 1,025,000	\$ 13,684	\$ 1,038,684

**NOTE F - RISK MANAGEMENT**

The Corporation and School are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. Under the plan for property insurance, the liability is \$25,000 per occurrence. There have been no significant reductions in insurance coverage during fiscal year 2024. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

**NOTE G - RELATED PARTIES**

1. Due to management company

The Corporation has entered into an agreement with a management company for professional services to manage and operate the School (See Note E-1). All monies received by revenue, grants and revenue allocations are initially deposited with the Corporation. The Corporation retains funds in order to pay for management fees. As of June 30, 2024, the Corporation has an outstanding payable due to the management company in the amount \$125,189.

**Four Corners Charter School, Inc.**  
**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2024**

**NOTE H - SUBSEQUENT EVENTS**

In accordance with GASB Codification Section 2250.106, the Corporation has evaluated subsequent events and transactions for potential recognition or disclosure through September 30, 2024, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTAL INFORMATION**

**Four Corners Charter School, Inc.**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**

**Year Ended June 30, 2024**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenue				
State passed through local school district	\$ 7,215,506	\$ 8,325,233	\$ 8,325,233	\$ -
Other revenue	20,000	56,441	-	(56,441)
Interest revenue	-	-	56,441	56,441
Total revenues	7,235,506	8,381,674	8,381,674	-
Expenditures				
Instruction	5,344,381	7,018,628	6,741,810	276,818
Board of directors	7,000	7,000	6,811	189
General administration	1,175,584	1,346,243	752,529	593,714
Facilities	1,055,651	1,081,515	1,035,898	45,617
Fiscal services	20,000	20,000	20,000	-
Maintenance of plant	150,000	150,000	150,000	-
Fixed capital outlay	-	-	276,818	(276,818)
Total expenditures	7,752,616	9,623,386	8,983,866	639,520
Excess (deficiency) of revenues over (under) expenditures	(517,110)	(1,241,712)	(602,192)	639,520
Other financing sources (uses)				
Transfers in	510,110	673,153	673,153	-
Total other financing sources (uses)	510,110	673,153	673,153	-
Net change in fund balances	(7,000)	(568,559)	70,961	639,520
Fund balance at July 1, 2023	5,256,911	5,256,911	5,256,911	-
Fund balance at June 30, 2024	\$ 5,249,911	\$ 4,688,352	\$ 5,327,872	\$ 639,520

See accompanying note to required supplemental information.

**Four Corners Charter School, Inc.**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL OUTLAY FUND**

**Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
State passed through local school district	\$ 730,305	\$ 614,703	\$ 614,703	\$ -
Other revenue	-	58,450	58,450	-
Total revenue	<u>730,305</u>	<u>673,153</u>	<u>673,153</u>	<u>-</u>
Expenditures				
Facilities	-	-	-	-
Maintenance of plant	-	-	-	-
Fixed capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	730,305	673,153	673,153	-
Other financing sources				
Transfers out	<u>(695,629)</u>	<u>(664,125)</u>	<u>(673,153)</u>	<u>(9,028)</u>
Total other financing sources	<u>(695,629)</u>	<u>(664,125)</u>	<u>(673,153)</u>	<u>(9,028)</u>
Net change in fund balances	34,676	9,028	-	(9,028)
Fund balance at July 1, 2023	-	-	-	-
Fund balance at June 30, 2024	<u>\$ 34,676</u>	<u>\$ 9,028</u>	<u>\$ -</u>	<u>\$ (9,028)</u>

See accompanying note to required supplemental information.

**Four Corners Charter School, Inc.**

**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**

**June 30, 2024**

**NOTE A - BUDGETARY BASIS OF ACCOUNTING**

Annual budgets are adopted for the entire operations and may be amended by the Board of Directors (the "Board"). The budgets presented for fiscal year ended June 30, 2024, have been amended according to Board procedures. Budgets are adopted on the modified accrual basis of accounting. The legal level of budgetary control is the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general fund and each major fund for which a legally adopted budget exists.



**SUPPLEMENTAL INFORMATION**



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Cori G. Novinich  
Bob P. Marchewka  
Ric Perez  
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American Institute of  
Certified Public  
Accountants

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

To the Board of Directors  
Four Corners Charter School, Inc.  
Kissimmee, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Four Corners Charter School, Inc. (the "Corporation") which is a component unit of the School Board of Osceola County, Florida, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated September 30, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

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

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
September 30, 2024



**Partners**

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Certified Public  
Accountants

Florida Institute of  
Certified Public  
Accountants

**MANAGEMENT LETTER**

To the Board of Directors  
Four Corners Charter School, Inc.  
Kissimmee, Florida

**Report on the Financial Statements**

We have audited the financial statements of Four Corners Charter School, Inc. (the "Corporation") which is a component unit of the School Board of Osceola County, Florida, as of and for the fiscal year ended June 30, 2024, and have issued our report thereon dated September 30, 2024.

**Auditor's Responsibility**

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

**Other Reporting Requirements**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report, which is dated September 30, 2024, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with our audit, the Corporation did not have prior year findings.

**Official Title**

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the Corporation is *Four Corners Charter School, Inc. (and the School, which is a division of Four Corners Charter School, Inc., 490863)*, which is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes.

## **Financial Condition and Management**

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the Corporation has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Corporation did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

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

## **Transparency**

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the Corporation maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the Corporation maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

## **Additional Matters**

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

## **Purpose of this Letter**

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

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
September 30, 2024

## **MANAGEMENT FINDINGS, RECOMMENDATIONS AND RESPONSES**

For the year ended June 30, 2024 there were no management findings, recommendations or responses.