FOUR CORNERS CHARTER SCHOOL (A division of Four Corners Charter School, Inc.)

Basic Financial Statements and Supplemental Information

June 30, 2021

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Four Corners Charter School (the "School"), a division of Four Corners Charter School Inc. (the "Charterholder"), which is a component unit of the School Board of Osceola County, Florida as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2021, 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.

As described in Note A-1, the accompanying financial statements referred to above present only the financial position of Four Corners Charter School at June 30, 2021, and the results of its operation for the year then ended, and is not intended to be a complete presentation of the Charterholder.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated September 20, 2021, on our consideration of the School'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 School'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 School's internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 20, 2021

Management's Discussion and Analysis

As management of Four Corners Charter School (the "School"), a division of Four Corners Charter School, Inc. (the "Charterholder"), which is a component unit of the School Board of Osceola County, Florida, we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2021 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the School's financial activities, (c) identify changes in the School'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 School exceeded its liabilities at the close of the most recent fiscal year by $714,796 (net position).
- The School's total net position decreased by $101,128.
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balances of $39,480, a increase of $7,008 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $12,234.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements have 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 School's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the School'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 School is improving or deteriorating.

The statement of activities presents information showing how the School'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 School that are principally supported by district, state, and federal funding (governmental activities). Basic instruction, exceptional instruction, and school administration are examples of the School's governmental activities.

The government-wide financial statements include only the School itself. The School is a division of the Charterholder which is a component unit of the School Board of Osceola County, Florida. The School Board of Osceola County, Florida includes the operations of the Charterholder in its operational results.

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

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the operations of the School 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 for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the School. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the School's own programs.

The basic fiduciary fund financial statement can be found on page 15 of this report.

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 16 of this report.

Government-Wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the School's financial position. In the case of the School, for the years ended June 30, 2021 and 2020, assets exceeded liabilities by $714,796 and $815,924 (net position), respectively.

The unrestricted portion of the School's net position consists primarily of the cash and accounts receivable. Another portion of the School's net position reflects its net investment in capital assets (e.g., furniture, fixtures and equipment, improvements other than buildings, information technology equipment, computer software, and audio visual equipment). The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

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

	Governmental Activities		
	June 30, 2021	**June 30, 2020**	**Variance**
ASSETS			
Current and other assets	$ 1,497,758	$ 966,481	$ 531,277
Capital assets, net of accumulated depreciation	740,842	817,837	(76,995)
Total assets	2,238,600	1,784,318	454,282
LIABILITIES			
Current and other liabilities	1,488,466	934,009	554,457
Noncurrent liabilities	35,338	34,385	953
Total liabilities	1,523,804	968,394	555,410
NET POSITION			
Invested in capital assets	740,842	817,837	(76,995)
Unrestricted	(26,046)	(1,913)	(24,133)
Total net position	$ 714,796	$ 815,924	$ (101,128)

Current assets increased as a result of the timing of cash on hand and amounts due from the Charterholder and other agencies at year end. The capital assets net of accumulated depreciation decreased due to depreciation being greater than current year additions of capital assets. Total liabilities increased at year end as a result of amounts due to management company.

	Governmental Activities		
	2021	2020	Variance
Revenues:			
Program revenues:			
Charges for services	$ -	$ 93,496	$ (93,496)
Operating grants and contributions	149,481	398,103	(248,622)
Capital grants and contributions	663,661	477,566	186,095
General revenues:			
State passed through local school district	7,320,794	6,820,770	500,024
Other revenues	$ 376,426	166,744	209,682
Total revenues	8,510,362	7,956,679	553,683
Expenses:			
Basic instruction	3,466,312	3,767,424	301,112
Exceptional instruction	89,806	117,085	27,279
Guidance services	75,706	71,612	(4,094)
Health services	81,865	38,532	(43,333)
Other pupil services	270,141	172,056	(98,085)
Curriculum development	-	3,136	3,136
Staff development	4,040	24,592	20,552
Instruction related technology	161,034	132,381	(28,653)
Board of directors	14,587	17,957	3,370
School administration	837,354	568,574	(268,780)
Fiscal services	952,571	600,459	(352,112)
Central services	31,490	2,416	(29,074)
Transportation	216,676	213,288	(3,388)
Operation of plant	1,754,927	1,991,763	236,836
Maintenance of plant	563,648	349,581	(214,067)
Community service	91,333	91,953	620
Total expenses	8,611,490	8,162,809	(448,681)
Change in net position	(101,128)	(206,130)	105,002
Net position - beginning	815,924	1,022,054	(206,130)
Net position - ending	$ 714,796	$ 815,924	$ (101,128)

The decrease to operating grants and contributions resulted from decreases in title grant funding from the current year. The increase in state passed through revenues results from increased for FTE counts from 946 to 1017. The increase in other revenues is due to increase in state revenue. The Capital grants increase results from an increase in capital outlays. The decrease in basic instruction, increase in school administration, decrease in operation of plant expenses, and increase in maintenance of plant relate to increases or decreases in expenses as a result of Covid.

Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a School's net resources available for spending at the end of the fiscal year.

As of the current fiscal year, the School's governmental funds reported combined ending fund balance of $39,480.

The general fund is the main operating fund of the School. At the end of the current fiscal year, the unassigned balance of the general fund was $12,234.

The fund balance of the School's general fund increased by $7,008 during the current fiscal year ended June 30, 2021, due to increases in revenues exceeding increases in expenses..

General Fund Budgetary Highlights

Actual revenues were slightly less than originally budgeted revenues although FTE enrollment count increased from 946 to 1017. Increase in pupil personnel, administrative and fiscal services was offset by decreases in plant operations and maintenance. Overall the School ended the year with a favorable budget variance of approximately $273,000. The final approved general fund budget is equal to the actual general fund statement of revenues, expenditures, and changes in fund balances for the year. The budgetary information can be found on pages 29 through 31 of this report.

Capital Asset Administration

Capital Assets. The School's investment in capital assets for its governmental activities as of June 30, 2021, amounts to $740,842 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures and equipment, improvements other than buildings, information technology equipment, computer software, and audio visual equipment. Additional information on the School's capital assets can be found in Note C.

Economic Factors and Next Year's Budget

In fiscal year 2021, the State of Florida increased its Florida Education Finance Program (FEFP) base funding, to include a teacher salary increase pool of $500 million and mental health initiative allocations. The capital outlay funding pool increased to $169.6 million.

For fiscal year 2022, the Florida Education Finance Program funding and the capital outlay revenue assumed at a flat rate in comparison to the current rate per student. The teacher salary allocation will continue to be a part of the base FEFP funding. A 2% merit increase for all staff was included in the budget. All other expenditures are budgeted in alignment with enrollment changes and the school's strategic objectives.

Request for Information

This financial report is designed to provide a general overview of Four Corners Charter School's finances for all those with an interest in the School's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Vivien Tsirkas, Controller, Charter Schools USA, 800 Corporate Dr., Suite 700, Fort Lauderdale, Florida 33334.

Four Corners Charter School
(A division of Four Corners Charter School, Inc.)

STATEMENT OF NET POSITION

June 30, 2021

		Governmental Activities
ASSETS		
CURRENT ASSETS		
Cash	$	412,639
Due from charterholder		861,082
Due from other agencies		-
Accounts receivable		196,791
Deposits		5,398
Prepaid items		21,848
Total current assets		1,497,758
CAPITAL ASSETS		
Capital assets, net of accumulated depreciation		
Furniture, fixtures and equipment		129,822
Improvements other than buildings		418,284
IT equipment		184,559
Software		8,177
Total capital assets		740,842
Total assets		2,238,600
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable		38,558
Due to management company		740,514
Due to charterholder		213,363
Deferred revenue		30,188
Accrued payroll and other expenses		465,843
Total current liabilities		1,488,466
LONG-TERM LIABILITIES		
Compensated absences payable - due within one year		26,504
Compensated absences payable - due in more than one year		8,834
Total liabilities		1,523,804
NET POSITION		
Net investment in capital assets		740,842
Unrestricted		(26,046)
Total net position	$	714,796

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

Four Corners Charter School
(A division of Four Corners Charter School, Inc.)

STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:					
Basic instruction	$ 3,466,312	$ -	$ 149,481	$ -	$ (3,316,831)
Exceptional instruction	89,806	-	-	-	(89,806)
Guidance services	75,706	-	-	-	(75,706)
Health services	81,865	-	-	-	(81,865)
Other pupil services	270,141	-	-	-	(270,141)
Staff development	4,040	-	-	-	(4,040)
Instruction related technology	161,034	-	-	-	(161,034)
Board of directors	14,587	-	-	-	(14,587)
School administration	837,354	-	-	-	(837,354)
Fiscal services	952,571	-	-	-	(952,571)
Central services	31,490	-	-	-	(31,490)
Transportation	216,676	-	-	-	(216,676)
Operation of plant	1,754,927	-	64,430	663,661	(1,026,836)
Maintenance of plant	563,648	-	-	-	(563,648)
Community service	91,333	-	-	-	(91,333)
Total governmental activities	$ 8,611,490	$ -	$ 213,911	$ 663,661	(7,733,918)

General revenues:	
State passed through local school district	7,320,794
Other revenues	311,996
Total general revenues	7,632,790
Change in net position	(101,128)
Net position at July 1, 2020	815,924
Net position at June 30, 2021	$ 714,796

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

Four Corners Charter School
(A division of Four Corners Charter School, Inc.)

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021

	General Fund	Special Revenue Fund	Capital Outlay Fund	Total Governmental Funds
ASSETS				
Cash	$ 412,639	$ -	$ -	$ 412,639
Due from charterholder	861,082	-	-	861,082
Accounts receivable	196,791	-	-	196,791
Deposits	5,398	-	-	5,398
Prepaid items	21,848	-	-	21,848
Total assets	$ 1,497,758	$ -	$ -	$ 1,497,758
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to charterholder	$ 213,363	$ -	$ -	$ 213,363
Due to management company	740,514	-	-	740,514
Accounts payable	38,558	-	-	38,558
Accrued payroll and other expenses	465,843	-	-	465,843
Total liabilities	1,458,278	-	-	1,458,278
FUND BALANCES				
Nonspendable				
Deposits	5,398	-	-	5,398
Prepaid items	21,848	-	-	21,848
Unassigned	12,234	-	-	12,234
Total fund balances	39,480	-	-	39,480
Total liabilities and fund balances	$ 1,497,758	$ -	$ -	$ 1,497,758

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

Four Corner Charter School
(A division of Four Corners Charter School, Inc.)

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

June 30, 2021

Fund balances - total governmental funds		$ 39,480
The net assets reported for governmental activities in the statement of net assets is different because:		
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	$ 129,822	
Improvements other than buildings, net	418,284	
IT equipment, net	184,559	
Software	8,177	
Total capital assets		740,842
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(35,338)	
Deferred revenue	(30,188)	(65,526)
Total net position of governmental activities		$ 714,796

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

Four Corner Charter School
(A division of Four Corners Charter School, Inc.)

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

Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Outlay Fund	Total Governmental Funds
Revenues				
Federal passed through state	$ -	$ 149,481	$ -	$ 149,481
State passed through local school district	7,320,794	-	663,661	7,984,455
Other revenues	406,613	-	-	406,613
Total revenues	7,727,407	149,481	663,661	8,540,549
Expenditures				
Current:				
Basic instruction	3,089,147	149,481	-	3,238,628
Exceptional instruction	89,806	-	-	89,806
Guidance services	75,706	-	-	75,706
Health services	81,865	-	-	81,865
Other pupil services	270,141	-	-	270,141
Staff development	4,040	-	-	4,040
Instruction related technology	161,034	-	-	161,034
Board of directors	14,587	-	-	14,587
School administration	837,354	-	-	837,354
Fiscal services	952,571	-	-	952,571
Central services	31,490	-	-	31,490
Transportation	216,677	-	-	216,677
Operation of plant	1,091,266	-	663,661	1,754,927
Maintenance of plant	563,648	-	-	563,648
Community services	91,333	-	-	91,333
Fixed capital outlay	149,734	-	-	149,734
Total expenditures	7,720,399	149,481	663,661	8,533,541
Excess (deficiency) of revenues over (under) expenditures	7,008	-	-	7,008
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Net change in fund balances	7,008	-	-	7,008
Fund balances at July 1, 2020	32,472	-	-	32,472
Fund balances at June 30, 2021	$ 39,480	$ -	$ -	$ 39,480

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

Four Corners Charter School
(A division of 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, 2021

Net change in fund balances - total governmental funds		$ 7,008
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	$ 149,734	
Less: depreciation	(226,732)	(76,998)
Long-term liabilities are not due and payable in the current period and therefore are not reported in funds. Those liabilities consist of:		
Accrued compensation	(950)	
Deferred revenue	(30,188)	(31,138)
Change in net position of governmental activities		$ (101,128)

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

Four Corners Charter School
(A division of Four Corners Charter School, Inc.)

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND

June 30, 2021

	Internal Fund
ASSETS	
Cash	$ 118,322
Total assets	$ 118,322
LIABILITIES	
Due to students	$ 118,322
Total liabilities	$ 118,322

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

NOTE A - SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

Four Corners Charter School, (the "School"), is a division of Four Corners Charter School, Inc. (the "Charterholder"), which is a component unit of the School Board of Osceola County, Florida, 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 School is the not-for-profit corporation's Board of Directors, which is comprised of five members. The financial information presented in these financial statements is only that of the School.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the School Board of Osceola County, Florida (the "District"). The current charter is effective until June 30, 2031 and may be extended for an additional two years upon approval of the District. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In that case, the District is required to notify the School in writing at least ninety days prior to the charter's expiration. During the term of the charter, any property purchased by the School with public funds and any unencumbered public funds revert back to the District. The School is considered to be part of the Charterholder, which is a component unit of the District.

The School's entire workforce is provided by the management company; therefore, all employee benefits are provided by the management company.

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 School. As part of the consolidation process, all interfund activities are eliminated from these statements. Both statements report only the governmental activities as the School does not engage in any business type activities.

Net position, the difference between assets and liabilities, as presented in the statement of net position, is subdivided into three categories: net investment in capital assets, restricted net position, and unrestricted net position. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws or regulations of other governments, or enabling legislation.

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

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

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 School has allocated to various functions. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions.

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 School'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 School reports the general fund, special revenue fund, and capital outlay fund as its major funds. A reconciliation is 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 School 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.

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

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

Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. However, expenditures related to compensated absences are only recorded when due.

The School'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. 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.

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 School reports the following major governmental funds:

General Fund - the general operating fund of the School. It 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).

Capital Outlay Fund - in accordance with guidelines established by The School District of Osceola County, Florida, this fund accounts for all resources for the leasing or acquisition of capital facilities by the School to the extent funded by capital outlay funds.

Additionally, the School reports the following fiduciary fund type:

Agency Fund - the internal activity fund, which accounts for the student activities, fundraisers, and other monies collected and maintained on behalf of the students at the School. Fiduciary funds are not included in the government wide financial statements.

Agency (fiduciary) funds are purely custodial in nature (assets equal liabilities) and as such do not have a measurement focus. Agency funds use the accrual basis of accounting to recognize receivables and payables.

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

4. Cash

Cash consists of cash on hand at the School and checking accounts held at a financial institution. The School has no cash equivalents.

5. Receivables

The School's receivables consist primarily of other third party amounts and amounts due from the Charterholder. The School's management determined that 100% of receivables are fully collectible. Therefore, no allowance for doubtful accounts has been provided.

6. Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 2021 are recorded as prepaid items 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 School 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 School are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (years)
Furniture, fixtures and equipment	5
Improvements other than buildings	5-10
IT equipment	3
Computer software	3
Audio visual equipment	5

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

8. Accrued compensated absences

The School'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.

9. Revenue recognition

Student funding is provided by the State of Florida through the District. Such funding is recorded as State passed through local school district in the government-wide financial statements and fund financial statements and is net of 5% administration fee retained by the School District. This funding is received on a prorate basis over the twelve-month period and is adjusted for changes in full-time equivalent (FTE) student population.

10. Revenue sources

Revenues for current operations are received primarily from the State of Florida passed through the District to the Charterholder and then to the School pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of (FTE) students and related data to the District. Under the provisions of Section 1011.62, 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 School is adjusted during the year to reflect revised calculations by the FDOE under the Florida Education Finance Program and actual weighted FTE students reported by the School during designated FTE student survey periods.

The School receives federal awards for the enhancement of various educational programs. This 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 expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

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

11. Income taxes

The School is a component unit of the Charterholder, which 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.

12. 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.

13. 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 Charterholder 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, 2021, a sponsorship of $100,000 was recognized by the School from the management company.

14. Fund balance classification

The School follows Government Accounting Standard ("GASB") No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions.* This Statement provides more clearly defined fund balance classifications and also sets a hierarchy which details how the School may spend funds based on certain constraints. The following are the fund balance classifications used in the governmental fund financial statements:

Nonspendable: This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School classifies inventories, prepaid items, long-term notes receivable and deposits as nonspendable since they are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: This classification includes amounts that are restricted for specific purposes by external parties such as grantors and creditors or are imposed by law through constitutional provisions or enabling legislation.

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

14. Fund balance classification (continued)

Committed: This classification includes amounts that can be used for specific purposes voted on through formal action of the Board of Directors (the highest level of decision making authority). The committed amount cannot be used for any other purpose unless the Board of Directors removes or changes the commitment through formal action.

Assigned: This classification includes amounts that the Board of Directors intends to use for a specific purpose but they are neither restricted nor committed. The School classifies existing fund balance to be used in the subsequent year's budget for elimination of a deficit as assigned.

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

When the School incurs expenditures for which restricted or unrestricted fund balance is available, the School would consider restricted funds to be spent first. When the School has expenditures for which committed, assigned or unassigned fund balance is available, the School would consider committed funds to be spent first, and then assigned funds and lastly unassigned funds.

15. New GASB implementation

GASB issued Statement No. 84, *Fiduciary Activities*, which establishes criteria for the identification of fiduciary activities and provides guidance on reporting those activities. An activity meeting the criteria should be reported in a fiduciary fund. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The new GASB did not have an impact on the financial statements as the School did not have any funds which met the criteria.

16. New GASB pronouncements

The GASB issued Statement No. 87, *Leases*, which establishes new guidance for lease accounting for lessees and lessors and eliminates the classification of leases into operating or capital leases. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Lessees will recognize a lease liability and an intangible right to use lease asset. Lessors will recognize a lease receivable and a deferred inflow of resources. The new guidance is effective for fiscal 2022.

The School is evaluating the effect of these new standards on its financial statements.

NOTE B - CASH

Custodial Credit Risk - Custodial credit risk is the risk that in the event of bank failure, the School's deposits may not be returned to it. The School does not have a formal policy regarding custodial credit risk. The deposits are insured by the FDIC up to $250,000 per entity. At June 30, 2021, the School's cash balance was $376,233 in excess of FDIC coverage. The School has no history of loss due to exceeding coverage limitations.

NOTE C - CAPITAL ASSETS

Changes in capital assets were as follows for the year ended June 30, 2021:

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021
Capital assets depreciated:				
Furniture, fixtures and equipment	$ 1,471,272	$ 41,379	$ -	$ 1,512,651
Improvements other than buildings	599,950	11,646	-	611,596
IT equipment	1,338,981	87,408	-	1,426,389
Computer software	80,682	9,301	-	89,983
Audio visual equipment	37,392	-	-	37,392
Total assets depreciated	3,528,277	$ 149,734	$ -	3,678,011
Less accumulated depreciation:				
Furniture, fixtures and equipment	1,306,846	$ 75,983	$ -	1,382,829
Improvements other than buildings	132,823	60,489	-	193,312
IT equipment	1,178,466	89,135	-	1,267,601
Computer software	80,682	1,124	-	81,806
Audio visual equipment	11,621	-	-	11,621
Total accumulated depreciation	2,710,438	$ 226,731	$ -	2,937,169
Total governmental activities capital assets, net	$ 817,839			$ 740,842

Depreciation expense for the year ended June 30, 2021 was charged to functions of the School as follows:

Basic instruction	$ 226,731
Operation of plant	-
	$ 226,731

NOTE D - LONG-TERM LIABILITIES

Changes in long-term liabilities:

	Balance at July 1, 2020	Additions	Reductions	Balance at June 30, 2021	Due within one year
Accrued compensation	$ 34,388	$ 950	$ -	$ 35,338	$ 26,504
Total long-term liabilities	$ 34,388	$ 950	$ -	$ 35,338	$ 26,504

NOTE E - RELATED PARTIES

1. Due from / (due to) management company

The School has entered into an agreement with a management company for professional services. Under terms of the agreement, the management company will manage and operate the School (See Note G-1). The management company charges the School for certain expenses paid on behalf of the School and for any operating advances. In addition, the School is required to pay a guaranteed fee and a contingent incentive fee when certain criteria are met. As of June 30, 2021, the School's balance sheet reflects a payable due to the management company in the amount of $740,514.

2. Due from / (due to) charterholder

All monies received by revenue, grants and revenue allocations are initially deposited with the Charterholder. The Charterholder retains funds in order to pay for certain operating expenses such as lease payments, long term maintenance of the facility, transportation costs, and management fees. At June 30, 2021, the balance sheet reflects a receivable due from Charterholder in the amount of $861,082.

NOTE F - CONCENTRATIONS

Revenue sources

As stated in Note A-10, the School 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 Board of Osceola County:	
Base funding	$ 4,743,598
Class size reduction	1,270,543
Supplemental academic instruction	223,249
Discretionary millage compression allocation	252,780
Instructional materials	76,822
Exceptional student education guaranteed allocation	47,487
Safe schools	55,563
Digital classroom allocation	1,729
Proration to funds available	(21,783)
Mental health assistance allocation	35,680
Total funds compression allocation	54,837
Student transportation	59,192
Reading allocation	44,793
Discretionary local effort	358,082
Teacher salary increase allocation	154,195
Prior year funding adjustment	(1,113)
Emergency funding order adjustment	(62,067)
Florida teacher classroom supply allocation	13,603
Florida teacher lead program	13,604
Subtotal	7,320,794
Capital outlay funds	663,661
ESSER revenue	87,528
Title federal revenue	61,953
Total passed through the School District of Osceola County, Florida	8,133,936
Other revenue:	
Other revenues	376,426
	$ 8,510,362

The administration fee paid to the District during the year ended June 30, 2021 totaled $133,257 and is reflected as a general administration expense/expenditure in the accompanying financial statements.

NOTE G - COMMITMENTS AND CONTINGENCIES

1. Management service contract

On February, 2020, the School 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. The management company is guaranteed a fee of $500,000 plus contingent incentive fees. The incentive fees are calculated as the difference between the guaranteed fee and 13% of FEFP operational revenues, and subject to performance requirements detailed in the management agreement. Current year management fees charged to operations totaled $446,075. The management company may earn an additional incentive fee of 2% of FEFP operational revenues in the event the School attains or maintains a High Performing Charter School as designated by Florida statutes. Any unearned incentive fees will be retained by the Charterholder. Unearned incentive management fees totaling $407,354 were retained by the Charterholder for the year ended June 30, 2021.

2. Facilities sub-lease

The real property, buildings, and other assets, which comprise the School'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 equipment of 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.

NOTE G - COMMITMENTS AND CONTINGENCIES (continued)

2. Facilities sub-lease (continued)

The School 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 School. At the end of the term of the charter including renewals, if any, possession of the School facilities will revert to the District which will be liable for all future payments.

Current year facilities expense charged to operations totaled $1,055,346. This amount is included in the "Operation of plant" functional expense category on the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances. A portion of the facility use fee in the amount of $663,661 was reimbursed through capital outlay funds.

Aggregate remaining rental commitments, including all extensions, under this sub-lease agreement are summarized as follows at June 30:

2022	$	1,037,448
2023		1,036,883
2024		1,035,651
2025		1,038,684
	$	4,148,666

NOTE H - RISK MANAGEMENT

The School is 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 School's liability is $25,000 per occurrence. There have been no significant reductions in insurance coverage during fiscal year 2021. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

NOTE I - RISKS AND UNCERTAINTIES

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School's financial condition, liquidity, and future results of operations. Management is actively monitoring the global pandemic situation.

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REQUIRED SUPPLEMENTAL INFORMATION

Four Corners Charter School
(A division of Four Corners Charter School, Inc.)

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

Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenue				
State sources	$ 8,037,996	$ 7,432,241	$ 7,320,794	$ (111,447)
Local sources	255,934	484,136	406,613	(77,523)
Total revenues	8,293,930	7,916,377	7,727,407	(188,970)
Expenditures				
Instruction				
Basic instruction	3,249,087	3,179,793	3,089,147	90,646
Exceptional instruction	141,014	110,279	89,806	20,473
Instruction support service				
Pupil personnel services	314,649	250,516	427,712	(177,196)
Instruction related technology	140,590	163,643	161,034	2,609
Instructional staff training services	30,414	39,158	4,040	35,118
Administrative services	464,326	539,805	837,354	(297,549)
Transportation	219,769	219,769	216,677	3,092
Plant operations and maintenance	2,190,103	2,278,201	1,654,914	623,287
Operations of noninstructional services				
Board services	19,245	22,038	14,587	7,451
Fiscal services	1,125,242	1,125,900	952,571	173,329
Central services	3,155	5,502	31,490	(25,988)
Community services	65,741	146,233	91,333	54,900
Fixed capital outlay	41,250	101,232	149,734	(48,502)
Total expenditures	8,004,585	8,182,069	7,720,399	461,670
Net change in fund balances	289,345	(265,692)	7,008	272,700
Fund balance at July 1, 2020	(476,797)	(775,342)	32,472	509,269
Fund balance at June 30, 2021	$ (187,452)	$ (1,041,034)	$ 39,480	$ 781,969

See accompanying note to required supplemental information.

Four Corners Charter School
(A division of Four Corners Charter School, Inc.)

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUND

Year Ended June 30, 2021

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenue				
Federal passed through state	$ 259,971	$ 243,628	$ 149,481	$ (94,147)
Total revenues	259,971	243,628	149,481	(94,147)
Expenditures				
Instruction	259,971	243,628	149,481	94,147
Total expenditures	259,971	243,628	149,481	94,147
Net change in fund balances	-	-	-	-
Fund balance at July 1, 2020	-	-	-	-
Fund balance at June 30, 2021	$ -	$ -	$ -	$ -

See accompanying note to required supplemental information.

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

June 30, 2021

NOTE A - BUDGETARY INFORMATION

Annual budgets are adopted for the entire operation and may be amended by the Board of Directors (the "Board"). 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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INDEPENDENT AUDITORS' 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.
Davenport, 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, each major fund, and the aggregate remaining fund information of Four Corners Charter School (the "School"), a division of Four Corners Charter School, Inc. (the "Charterholder"), which is a component unit of the School Board of Osceola County, Florida, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 20, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School'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 School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 20, 2021

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Florida Institute of Certified Public Accountants

MANAGEMENT LETTER

To the Board of Directors

Four Corners Charter School, Inc.
Davenport, Florida

Report on the Financial Statements

We have audited the financial statements of Four Corners Charter School (the "School"), a division of Four Corners Charter School, Inc. (the "Charterholder"), as of and for the fiscal year ended June 30, 2021, and have issued our report thereon dated September 20, 2021.

Auditors' 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 Auditors' 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 that report, which is dated September 20, 2021, 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 School 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 and the school code assigned by the Florida Department of Education is *Four Corners Charter School* (490863), a division of Four Corners Charter School, Inc., 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, requires us to apply appropriate procedures and communicate whether or not the School 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 Four Corners Charter School 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 School. It is management's responsibility to monitor the School'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 School 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 School 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 abuse, that have occurred, or are likely to have occurred, that have 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 Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, Four Corners Charter School's management, Four Corners Charter School, Inc., the Board of Directors, others within the School Board of Osceola County, and applicable management 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 20, 2021

MANAGEMENT FINDINGS, RECOMMENDATIONS AND RESPONSES

For the year ended June 30, 2021, there were no management findings, recommendations and responses.