

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

**Basic Financial Statements and
Supplemental Information**

June 30, 2025

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 8
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet - Governmental Funds	11
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	14
Statement of Fiduciary Assets and Liabilities - Custodial Fund	15
Statement of Changes in Fiduciary Net Position - Custodial Fund	16
Notes to Financial Statements	17 - 28
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	29
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Special Revenue Fund	30
Notes to Required Supplemental Information	31
SUPPLEMENTAL INFORMATION	
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 <i>GOVERNMENT AUDITING STANDARDS</i>	32-33
MANAGEMENT LETTER	34-35
MANAGEMENT FINDINGS, RECOMMENDATIONS AND RESPONSES	36



INDEPENDENT AUDITOR'S REPORT

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga

Winter Park, FL 32789
501 S. New York Ave.
Phone: 407-644-5811
www.mosskrusick.com

Clearwater, FL 33761
29605 US Hwy 19 North
Phone: 727-785-7460

N. Palm Beach, FL 33408
631 US Highway One
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Phone: 305-445-7956

Miramar, FL 33025
11450 Interchange Circle
Phone: 954-435-4222

To the Board of Directors
Four Corners Charter School, Inc.
Davenport, 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 (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, 2025, and the related notes to the financial statements, which collectively comprise the School'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 School, as of June 30, 2025, 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 School, 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 School'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 School'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 School'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 29-31 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 22, 2025 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.

Other Reporting Required by *Government Auditing Standards* (continued)

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 22, 2025

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, 2025 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 \$2,407,028 (net position).
- The School's total net position increased by \$718,134.
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balances of \$985,733, an increase of \$607,598 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$842,831.

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.

Custodial Funds. Custodial fund is used to report assets held in a fiduciary capacity for the benefit of external parties, such as parent-teacher organizations or student clubs. The School has one custodial fund which is a student activity fund. This fund is formed for educational and school purposes. The custodial fund financial statement can be found on pages 15 - 16 of this report. The assets and liabilities of this fund are not included in the government-wide statement of net position. In its fiduciary capacity, the School is responsible for ensuring that the assets reported in this fund are used only for their intended purpose.

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 17 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, 2025 and 2024, assets exceeded liabilities by \$2,407,628 and \$1,688,894 (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, 2025	June 30, 2024	Variance
ASSETS			
Current assets	\$ 1,653,036	\$ 1,093,335	\$ 559,701
Right of use asset	-	1,038,684	(1,038,684)
Capital assets, net of accumulated depreciation	1,460,339	1,358,594	101,745
Total assets	<u>3,113,375</u>	<u>3,490,613</u>	<u>(377,238)</u>
LIABILITIES			
Current liabilities	667,303	715,200	(47,897)
Noncurrent liabilities	39,044	1,086,519	(1,047,475)
Total liabilities	<u>706,347</u>	<u>1,801,719</u>	<u>(1,095,372)</u>
NET POSITION			
Invested in capital assets	1,460,339	1,358,594	101,745
Unrestricted	946,689	330,300	616,389
Total net position	<u>\$ 2,407,028</u>	<u>\$ 1,688,894</u>	<u>\$ 718,134</u>

Current assets increased as a result of the amounts due from the Charterholder at year end. The capital assets net of accumulated depreciation increased due to current year additions of capital assets being greater than current year depreciation. Right of use asset and total liabilities decreased at year end as a result of amortization of and payments on facilities sub-lease.

	Governmental Activities		
	2025	2024	Variance
Revenues:			
Program revenues:			
Operating grants and contributions	\$ 613,417	\$ 1,345,057	\$ (731,640)
Capital grants and contributions	682,957	614,703	68,254
General revenues:			
State passed through local school district	9,097,198	8,349,002	748,196
Other revenues	488,776	409,055	79,721
Total revenues	<u>10,882,348</u>	<u>10,717,817</u>	<u>164,531</u>
Expenses:			
Basic instruction	4,201,336	3,300,629	(900,707)
Exceptional instruction	298,565	107,331	(191,234)
Guidance services	91,620	61,912	(29,708)
Health services	29,567	19,120	(10,447)
Other pupil services	600,313	311,347	(288,966)
Curriculum development	-	19,214	19,214
Staff development	16,573	21,699	5,126
Instruction related technology	204,536	180,504	(24,032)
Board of directors	19,407	18,015	(1,392)
School administration	1,314,493	2,657,787	1,343,294
Fiscal services	1,371,626	1,256,009	(115,617)
Central services	20,308	16,493	(3,815)
Transportation	229,663	438,109	208,446
Operation of plant	1,240,427	2,239,474	999,047
Maintenance of plant	415,747	261,238	(154,509)
Community service	110,033	76,099	(33,934)
Total expenses	<u>10,164,214</u>	<u>10,984,980</u>	<u>820,766</u>
Changes in net position	718,134	(267,163)	985,297
Net position - beginning	1,688,894	1,956,057	(267,163)
Net position - ending	<u>\$ 2,407,028</u>	<u>\$ 1,688,894</u>	<u>\$ 718,134</u>

The decrease to operating grants and contributions resulted from decreases in Title funding and ESSER grant funding ending in the current year. The increase in state passed through revenues results from increased FTE counts from 1,034 to 1,104. The increase in other revenues is due to higher before and aftercare fees in the current year. The capital grants increase results from an increase in capital outlays. Total expenditures were favorable to prior year by \$820,766 primarily due to school administration and operation of plant related to increased staff salaries, basic instruction, other pupil services, and fiscal services.

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 \$985,733.

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 \$842,831.

The fund balance of the School's general fund increased by \$607,598 during the current fiscal year ended June 30, 2025, due to increases in revenues exceeding increases in expenses.

General Fund Budgetary Highlights

State sources revenues were unfavorable to the original budget due to less FEFP revenue than originally expected. Local sources revenues were favorable to the original budget due to an increase in before and aftercare fees. Total General Fund revenues were \$425,370 below the original budget. Total General Fund expenditures were favorable to the original budget by \$620,220 primarily due to favorable decreases in plant operations, central services, and instruction. Overall, the School ended the year with a change in fund balance that was favorable to the original budget.

Capital Asset Administration

Capital Assets. The School's investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$1,460,339 (net of accumulated depreciation). This investment in capital assets includes school buses, furniture, fixtures and equipment, improvements other than buildings, information technology equipment, computer software, audio visual equipment and construction in progress. Additional information on the School's capital assets can be found in Note C.

Economic Factors and Next Year's Budget

In fiscal year 2025, the State of Florida continued to include a teacher salary increase allocation of \$1.25 billion. The capital outlay funding pool ended up at \$230 million.

For fiscal year 2026, the funding for teacher salaries and other instructional personnel will be \$1.36 billion. Additionally, the State of Florida approved an increase to the base funding allocation and capital outlay. A 3% merit increase for all staff was included in the budget. All other expenditures are budgeted in alignment with the 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 Michael Valdes, 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, 2025

		Governmental Activities
ASSETS		
CURRENT ASSETS		
Cash	\$	1,223,028
Due from charterholder		256,893
Due from other agencies		9,373
Accounts receivable		20,840
Deposits		3,618
Prepaid items		139,284
Total current assets		1,653,036
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation		
School buses		73,049
Furniture, fixtures and equipment		252,759
Improvements other than buildings		892,230
IT equipment		242,301
Total capital assets		1,460,339
Total assets		3,113,375
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable		55,363
Due to management company		170,485
Accrued payroll and other expenses		441,455
Total current liabilities		667,303
LONG-TERM LIABILITIES		
Compensated absences payable - due within one year		29,283
Compensated absences payable - due in more than one year		9,761
Total liabilities		706,347
NET POSITION		
Net investment in capital assets		1,460,339
Unrestricted		946,689
Total net position	\$	2,407,028

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, 2025

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	\$ 4,201,336	\$ -	\$ 613,417	\$ -	\$ (3,587,919)
Exceptional instruction	298,565	-	-	-	(298,565)
Guidance services	91,620	-	-	-	(91,620)
Health services	29,567	-	-	-	(29,567)
Other pupil services	600,313	-	-	-	(600,313)
Staff development	16,573	-	-	-	(16,573)
Instruction related technology	204,536	-	-	-	(204,536)
Board of directors	19,407	-	-	-	(19,407)
School administration	1,314,493	-	-	-	(1,314,493)
Fiscal services	1,371,626	-	-	-	(1,371,626)
Central services	20,308	-	-	-	(20,308)
Transportation	229,663	-	-	-	(229,663)
Operation of plant	1,240,427	-	-	682,957	(557,470)
Maintenance of plant	415,747	-	-	-	(415,747)
Community service	110,033	-	-	-	(110,033)
Total governmental activities	<u>\$ 10,164,214</u>	<u>\$ -</u>	<u>\$ 613,417</u>	<u>\$ 682,957</u>	<u>(8,867,840)</u>
General revenues:					
State passed through local school district					9,097,198
Other revenues					488,776
Total general revenues					<u>9,585,974</u>
Change in net position					718,134
Net position at July 1, 2024					<u>1,688,894</u>
Net position at June 30, 2025					<u>\$ 2,407,028</u>

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, 2025

	General Fund	Special Revenue Fund	Capital Outlay Fund	Total Governmental Funds
ASSETS				
Cash	\$ 1,223,028	\$ -	\$ -	\$ 1,223,028
Due from charterholder	200,178	-	56,715	256,893
Accounts receivable	20,840	-	-	20,840
Due from other agencies	-	9,373	-	9,373
Due from other funds	66,088	-	-	66,088
Deposits	3,618	-	-	3,618
Prepaid items	139,284	-	-	139,284
Total assets	\$ 1,653,036	\$ 9,373	\$ 56,715	\$ 1,719,124
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	\$ -	\$ 9,373	\$ 56,715	\$ 66,088
Due to management company	170,485	-	-	170,485
Accounts payable	55,363	-	-	55,363
Accrued payroll and other expenses	441,455	-	-	441,455
Total liabilities	667,303	9,373	56,715	733,391
FUND BALANCES				
Nonspendable				
Deposits	3,618	-	-	3,618
Prepaid items	139,284	-	-	139,284
Unassigned	842,831	-	-	842,831
Total fund balances	985,733	-	-	985,733
Total liabilities and fund balances	\$ 1,653,036	\$ 9,373	\$ 56,715	\$ 1,719,124

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, 2025

Fund balances - total governmental funds	\$	985,733
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:		
School buses, net	\$	73,049
Furniture, fixtures and equipment, net		252,759
Improvements other than buildings, net		892,230
IT equipment, net		<u>242,301</u>
Total capital assets		1,460,339
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences		<u>(39,044)</u>
Total net position of governmental activities	\$	<u><u>2,407,028</u></u>

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, 2025

	General Fund	Special Revenue Fund	Capital Outlay Fund	Total Governmental Funds
Revenues				
Federal passed through state	\$ -	\$ 613,417	\$ -	\$ 613,417
State passed through local school district	9,097,198	-	682,957	9,780,155
Other revenues	488,776	-	-	488,776
Total revenues	<u>9,585,974</u>	<u>613,417</u>	<u>682,957</u>	<u>10,882,348</u>
Expenditures				
Current:				
Basic instruction	3,189,709	613,417	-	3,803,126
Exceptional instruction	298,565	-	-	298,565
Guidance services	91,620	-	-	91,620
Health services	29,567	-	-	29,567
Other pupil services	600,313	-	-	600,313
Staff development	16,573	-	-	16,573
Instruction related technology	202,022	-	-	202,022
Board of directors	19,407	-	-	19,407
School administration	1,323,285	-	-	1,323,285
Fiscal services	1,371,626	-	-	1,371,626
Central services	20,308	-	-	20,308
Transportation	205,313	-	-	205,313
Operation of plant	1,084,288	-	156,139	1,240,427
Maintenance of plant	415,747	-	-	415,747
Community services	110,033	-	-	110,033
Fixed capital outlay	-	-	526,818	526,818
Total expenditures	<u>8,978,376</u>	<u>613,417</u>	<u>682,957</u>	<u>10,274,750</u>
Net change in fund balances	607,598	-	-	607,598
Fund balances at July 1, 2024	378,135	-	-	378,135
Fund balances at June 30, 2025	<u>\$ 985,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 985,733</u>

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, 2025

Net change in fund balances - total governmental funds	\$	607,598
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	\$	526,818
Less: depreciation		<u>(425,073)</u>
		101,745
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		<u>8,791</u>
Change in net position of governmental activities	\$	<u><u>718,134</u></u>

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 NET POSITION - CUSTODIAL FUND

June 30, 2025

	<u>Custodial Fund</u>
ASSETS	
Cash	<u>\$ 127,533</u>
Total assets	<u>\$ 127,533</u>
FIDUCIARY NET POSITION	
Restricted for:	
Individuals and organizations	<u>\$ 127,533</u>
Total net fiduciary position	<u>\$ 127,533</u>

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 CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUND

Year Ended June 30, 2025

	<u>Custodial Fund</u>
<i>ADDITIONS</i>	
Donations	\$ 212,675
Total additions	212,675
<i>DEDUCTIONS</i>	
Supplies and gifts	201,069
Total deductions	201,069
Change in fiduciary net position	11,606
Fiduciary net position - beginning	115,927
Fiduciary net position - ending	\$ 127,533

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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.

As of June 30, 2025, Four Corners Charter School, Inc. (the "Charterholder") ceased operations and the School's charter was transferred to Renaissance Charter School, Inc, who will operate the School in fiscal year 2026.

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.

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.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

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

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.

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.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

**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 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, ESSER, etc.).

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 custodial fund type:

Custodial Fund - to account for resources of the school internal funds which are used to administer funds collected in connection with parent-teacher and student organization fund-raisers.

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

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, 2025 are recorded as prepaid items in both the government-wide and fund financial statements.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

7. Capital assets

Capital assets are reported in the applicable governmental columns on the governmentwide 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:

<u>Asset Class</u>	<u>Estimated Useful Lives (years)</u>
Furniture, fixtures and equipment	5
Improvements other than buildings	5-10
IT equipment	3
Computer software	3
School buses	5
Audio visual equipment	5
IT infrastructure	10

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.

9. 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.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

10. 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.

11. 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

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.

12. 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.

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.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

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 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, 2025, there was no sponsorship recognized by the School from the management company.

15. 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.

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.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

16. Accounting pronouncements implemented

GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. GASB 102 enhanced transparency by requiring disclosures about risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration refers to a lack of diversity in significant inflows or outflows of resources, while a constraint is a limitation imposed by external parties or formal action of the government's highest decision-making authority. The Statement required disclosure when such conditions make the government vulnerable to a substantial impact and when related events have occurred, begun to occur, or are more likely than not to occur within 12 months of the issuance of the financial statements. The provisions of GASB 102 were implemented in the year ended June 30, 2025. The adoption of this standard had no significant impact on the School's financial statements.

17. New GASB pronouncements

GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. GASB 103 aims to enhance the effectiveness of the financial reporting model by improving key components such as Management's Discussion and Analysis (MD&A), the presentation of proprietary fund statements, and the reporting of unusual or infrequent items. It also introduces standardized definitions for operating and nonoperating revenues and expenses, and requires separate presentation of major component units and budgetary comparison information as required supplementary information (RSI). The provisions of GASB 103 are effective for fiscal years beginning after June 15, 2025 and will be implemented in the year ended June 30, 2026. The School is evaluating the effect of this new standard on its financial statements.

GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB 104 enhances transparency by requiring separate disclosures of specific types of capital assets in the notes to financial statements. These include lease assets (GASB 87), intangible right-to-use assets (GASB 94), subscription-based IT assets (GASB 96), and other intangible assets, all disclosed by major class. Additionally, GASB 104 introduces disclosure requirements for capital assets held for sale - defined as assets the government has decided to sell and for which it is probable the sale will be finalized within one year of the financial statement date. Governments must disclose the historical cost, accumulated depreciation, and any related debt for which such assets are pledged as collateral. The provisions of GASB 104 are effective for fiscal years beginning after June 15, 2025 and will be implemented in the year ended June 30, 2026. The School is evaluating the effect of this new standard 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, 2025, the School's cash balance was \$1,121,072 in excess of FDIC coverage. The School has no history of loss due to exceeding coverage limitations.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE C - CAPITAL ASSETS

Changes in capital assets were as follows for the year ended June 30, 2025:

	Balance at July 1, 2024	Additions	Deletions	Transfers	Balance at June 30, 2025
Capital assets not being depreciated					
Construction in progress	\$ 141,621	\$ -	\$ -	\$ (141,621)	\$ -
Capital assets depreciated:					
School buses	121,749	-	-	-	121,749
Furniture, fixtures and equipment	1,587,234	223,024	-	-	1,810,258
Improvements other than buildings	1,342,159	66,940	-	141,621	1,550,720
IT equipment	2,063,523	203,328	-	-	2,266,851
Computer software	89,983	-	-	-	89,983
Audio visual equipment	37,392	-	-	-	37,392
IT infrastructure	-	33,526	-	-	33,526
Total assets depreciated	<u>5,242,040</u>	<u>\$ 526,818</u>	<u>\$ -</u>	<u>\$ 141,621</u>	<u>5,910,479</u>
Less accumulated depreciation:					
School buses	\$ 24,350	\$ 24,350	\$ -	\$ -	\$ 48,700
Furniture, fixtures and equipment	1,527,622	29,876	-	-	1,557,498
Improvements other than buildings	505,560	145,762	-	-	651,322
IT equipment	1,840,160	222,571	-	-	2,062,731
Computer software	89,983	-	-	-	89,983
Audio visual equipment	37,392	-	-	-	37,392
IT infrastructure	-	2,514	-	-	2,514
Total accumulated depreciation	<u>4,025,067</u>	<u>\$ 425,073</u>	<u>\$ -</u>	<u>\$ -</u>	<u>4,450,140</u>
Total governmental activities capital assets, net	<u>\$ 1,358,594</u>				<u>\$ 1,460,339</u>

Depreciation expense for the year ended June 30, 2025 was charged to functions of the School as follows:

Basic instruction	\$ 425,073
-------------------	------------

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE D – COMPENSATED ABSENCES

The following is a summary of changes in compensated absences for the year ended June 30, 2025:

	Balance at July 1, 2024	Additions	Reductions	Balance at June 30, 2025	Due within one year
Accrued compensation	\$ 47,835	\$ -	\$ 8,791	\$ 39,044	\$ 29,283
Total long-term liabilities	<u>\$ 47,835</u>	<u>\$ -</u>	<u>\$ 8,791</u>	<u>\$ 39,044</u>	<u>\$ 29,283</u>

Charter school employees accrue vacation and sick leave based on length of service, subject to certain limitations regarding the amount that will be paid upon termination. At June 30, 2025, the estimated liability for compensated absences totaled \$39,044. Of this amount, \$29,283 is estimated to be paid in the coming fiscal year. For governmental activities, compensated absences are generally liquidated with resources of the General Fund.

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, 2025, the School's balance sheet reflects a payable due to the management company in the amount of \$170,485.

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, 2025, the balance sheet reflects a receivable due from the Charterholder in the amount of \$256,893.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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	\$ 6,065,033
Class size reduction	1,135,854
Discretionary local effort	484,581
Discretionary millage compression allocation	354,218
Supplemental academic instruction	397,911
Educational enrichment share	270,946
Student transportation	113,659
Safe schools	99,454
Exceptional student education guaranteed allocation	84,035
Mental health assistance allocation	68,964
Prior year funding adjustment	(1,073)
Other state revenue	23,616
Subtotal	9,097,198
ESSER III	310,090
Capital outlay funds	682,957
Title I	280,346
Title IV	22,981
Subtotal	1,296,374
Total passed through the School District of Osceola County, Florida	10,393,572
Other revenue:	
Other revenues	488,776
	\$ 10,882,348

The administration fee paid to the District during the year ended June 30, 2025 totaled \$98,202 and is reflected as a general administration expense/expenditure in the accompanying financial statements.

A significant decline in funding from the School Board could have a material impact on future operations.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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. In accordance with the transfer of the charter on June 30, 2025, the District did not renew the School's management agreement.

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 \$668,989. 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 \$693,326 were retained by the Charterholder for the year ended June 30, 2025 and are included in fiscal services in the accompanying financial statements.

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 matured in August 2024.

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 \$1,240,427. 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 \$156,139 was reimbursed through capital outlay funds.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE G - COMMITMENTS AND CONTINGENCIES (continued)

2. Facilities sub-lease (continued)

The School follows GASB Statement No. 87 for *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. 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 government's leasing activities.

As of June 30, 2025, the sub-lease has been fully paid off.

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 2025. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

NOTE I – SUBSEQUENT EVENTS

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 22, 2025, which is the date the financial statements were available to be issued.

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenue				
State sources	\$ 9,825,943	\$ 9,097,198	\$ 9,097,198	\$ -
Local sources	185,401	488,776	488,776	-
Total revenues	10,011,344	9,585,974	9,585,974	-
Expenditures				
Instruction				
Basic instruction	3,619,240	3,189,709	3,189,709	-
Exceptional instruction	94,049	298,565	298,565	-
Instruction support service				
Pupil personnel services	464,077	721,500	721,500	-
Instruction related technology	161,690	202,022	202,022	-
Instructional staff training services	17,468	16,573	16,573	-
Administrative services	745,452	1,323,285	1,323,285	-
Transportation	178,038	205,313	205,313	-
Plant operations and maintenance	2,516,640	1,500,035	1,500,035	-
Staff services				
Board services	26,195	19,407	19,407	-
Fiscal services	675,717	1,371,626	1,371,626	-
Central services	795,919	20,308	20,308	-
Community services	114,917	110,033	110,033	-
Fixed capital outlay	189,194	-	-	-
Total expenditures	9,598,596	8,978,376	8,978,376	-
Net change in fund balances	412,748	607,598	607,598	-
Fund balance at July 1, 2024	378,135	378,135	378,135	-
Fund balance at June 30, 2025	\$ 790,883	\$ 985,733	\$ 985,733	\$ -

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenue				
Federal passed through state	\$ 860,224	\$ 613,417	\$ 613,417	\$ -
Total revenues	860,224	613,417	613,417	-
Expenditures				
Basic instruction	860,224	613,417	613,417	-
Total expenditures	860,224	613,417	613,417	-
Net change in fund balances	-	-	-	-
Fund balance at July 1, 2024	-	-	-	-
Fund balance at June 30, 2025	\$ -	\$ -	\$ -	\$ -

See accompanying note to required supplemental information.

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

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

June 30, 2025

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



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

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga

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 and each major fund of Four Corners Charter School (the "School"), a division of Four Corners Charter School, Inc. as of and for the year ended June 30, 2025, 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 22, 2025.

Winter Park, FL 32789
501 S. New York Ave.
Phone: 407-644-5811
www.mosskrusick.com

Report on 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.

Clearwater, FL 33761
29605 US Hwy 19 North
Phone: 727-785-7460

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.

N. Palm Beach, FL 33408
631 US Highway One
Phone: 561-848-9300

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.

Miami Lakes, FL 33016
7900 NW 155th Street
Phone: 305-445-7956

Report on 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*

Miramar, FL 33025
11450 Interchange Circle
Phone: 954-435-4222

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 22, 2025



MANAGEMENT LETTER

Partners

W. Ed Moss, Jr.
Joe M. Krusick
Ric Perez
Cori G. Novinich
Renee C. Varga

Winter Park, FL 32789
501 S. New York Ave.
Phone: 407-644-5811
www.mosskrusick.com

Clearwater, FL 33761
29605 US Hwy 19 North
Phone: 727-785-7460

N. Palm Beach, FL 33408
631 US Highway One
Phone: 561-848-9300

Miami Lakes, FL 33016
7900 NW 155th Street
Phone: 305-445-7956

Miramar, FL 33025
11450 Interchange Circle
Phone: 954-435-4222

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, 2025, and have issued our report thereon dated September 22, 2025.

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; the audit requirements of 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 those reports and schedule, which are dated September 22, 2025, 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 determine that Four Corners Charter School did not meet any of the conditions described in section 218.503(1), Florida Statutes.

Financial Condition and Management (continued)

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 fraud, waste, or abuse, that have occurred, or are 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 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 22, 2025

MANAGEMENT FINDINGS, RECOMMENDATIONS AND RESPONSES

For the year ended June 30, 2025, there were no management findings, recommendations and responses.