

**P.M. WELLS CHARTER
ACADEMY
(A division of the Foundation
for Osceola Education, Inc.)**

**Basic Financial Statements and
Supplemental Information**

**Year Ended
June 30, 2025**

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INDEPENDENT AUDITOR'S REPORT

Partners

W. Ed Moss, Jr.
Joe M. Krusick
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To the Board of Directors
The Foundation for Osceola Education, Inc.
Kissimmee, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of P.M. Wells Charter Academy (the "School"), a division of The Foundation for Osceola Education, Inc. (the "Charterholder"), which is a component unit of the School District 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.

Substantial Doubt about the School's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the School will continue as a going concern. As discussed in Note H to the financial statements, the School ceased operations on June 30, 2025 as it did not have enough students to receive funds to make required lease payments and to cover operating expenses, and the School was closed. Management's evaluation of the events and conditions regarding those matters are also described in Note H. Our opinion is not modified with respect to that matter.

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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 28–30 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering P.M Wells Charter Academy's internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 30, 2025

Management's Discussion and Analysis

As management of P.M. Wells Charter Academy School (the "School"), a division of the Foundation for Osceola Education, Inc. (the "Charterholder"), which is a component unit of the School District 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.

Because 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 Basic Financial Statements found starting on page 9.

Financial Highlights

- The assets of the School exceeded its liabilities at the close of the most recent fiscal year by \$170,329 (net position).
- The School's total net position decreased by \$351,113 during the year.
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balances of \$86,996, a decrease of \$292,645 in comparison with the prior year.
- The School ceased operations on June 30, 2025, citing declining enrollment, teacher shortages and challenges with finding certified teachers. The decision to close was made by the Charterholder and Board of Trustees.
- The School's financial statements presented herein reflect the financial position and activities of the School at the close of business on June 30, 2025 immediately before the School's closure on that day. See Note C regarding the subsequent transfer of the School's assets to the District.

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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the 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). Instruction and food services are examples of the School's governmental activities.

The government-wide financial statements include only the School itself, which is a division of the Charterholder. The School District of Osceola County, Florida includes the operations of the School 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.

Government funds. Government 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 government 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, special revenue, and capital outlay funds, all of which are considered to be major funds.

The School adopts an annual appropriated budget for its funds. Budgetary comparison schedules have been provided to demonstrate compliance with this budget and can be found on pages 29 to 31 of this report.

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the School's financial position. In the case of the School, assets exceeded liabilities by \$170,329 at June 30, 2025, compared to \$521,442 at June 30, 2024.

A portion of the School's net position reflects those invested in capital assets (e.g., improvements, furniture, fixtures, and equipment, IT equipment, and computer software), less any related debt used to acquire those assets that is still outstanding. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

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

P.M. Wells Charter Academy Statement of Net Position

	Governmental Activities		
	June 30, 2025	June 30, 2024	Variance
ASSETS			
Current and other assets	\$ 194,500	\$ 732,731	\$ (538,231)
Right of use leased assets	-	3,984,432	(3,984,432)
Capital assets, net of accumulated depreciation	83,333	141,801	(58,468)
Total assets	<u>277,833</u>	<u>4,858,964</u>	<u>(4,581,131)</u>
LIABILITIES			
Current and other liabilities	107,504	353,090	(245,586)
Noncurrent liabilities	-	3,984,432	(3,984,432)
Total liabilities	<u>107,504</u>	<u>4,337,522</u>	<u>(4,230,018)</u>
NET POSITION			
Invested in capital assets	83,333	141,801	(58,468)
Unrestricted	86,996	379,641	(292,645)
Total net position	<u>\$ 170,329</u>	<u>\$ 521,442</u>	<u>\$ (351,113)</u>

Current assets decreased mainly due to amortization and depreciation of the right of use lease and capital assets, respectively. Cash decreased mainly due to the timing of payments and lower funding from federal grants such as ESSER and GEER. Current liabilities decreased due to timing of payments of accrued salaries due to the School closing and the reduction of the lease liability. Net position decreased due to current year depreciation, and in unrestricted net assets due to a decrease in overall funding.

**P.M. Wells Charter Academy
Statement of Activities**

	Governmental Activities		
	2025	2024	Variance
Revenues:			
Program revenues:			
Charges for services	\$ 67,583	\$ 86,124	\$ (18,541)
Operating grants and contributions	251,265	1,045,780	(794,515)
Capital grants and contributions	249,285	246,644	2,641
General revenues:			
State passed through local school district	3,120,742	3,180,562	(59,820)
Other revenues	94,617	103,976	(9,359)
Total revenues	<u>3,783,492</u>	<u>4,663,086</u>	<u>(879,594)</u>
Expenses:			
Instruction	1,795,517	2,535,739	740,222
Student personnel services	24,420	23,656	(764)
Curriculum development	-	378	378
Board of directors	21,000	18,300	(2,700)
General administration	22,516	26,541	4,025
School administration	283,829	512,621	228,792
Fiscal services	529,956	497,453	(32,503)
Central services	36,902	35,913	(989)
Operation of plant	1,196,552	1,114,715	(81,837)
Maintenance of plant	65,135	69,878	4,743
Community services	86,923	52,905	(34,018)
Administrative technology	71,855	17,598	(54,257)
Total expenses	<u>4,134,605</u>	<u>4,905,697</u>	<u>771,092</u>
Change in net position	(351,113)	(242,611)	(108,502)
Net position - beginning	521,442	764,053	(242,611)
Net position - ending	<u>\$ 170,329</u>	<u>\$ 521,442</u>	<u>\$ (351,113)</u>

The School saw a decrease in revenues of \$879,594 due to the decrease of ESSER and GEER funding which greatly impacted operating grants and contributions. Total expenses decreased mainly due to the decreases in instruction and school administration expenses due to the School closing.

Governmental activities. Governmental activities decreased the School's net position by \$351,113 for the year ended June 30, 2025. Governmental activities decreased the School's net position by \$242,611 for the year ended June 30, 2024.

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.

The general fund is the chief operating fund of the School. At the end of the current fiscal year, the School had a unassigned fund balance of \$23,096, and a committed balance for capital renovations of \$63,900.

The fund balance of the School's general fund decreased by \$292,645 during the current fiscal year ended June 30, 2025, primarily due to the decrease in operating grants and contributions in the current year.

Capital assets. The School's investment in capital assets for its governmental activities as of June 30, 2025 amounts to \$83,333 (net of accumulated depreciation). This investment in capital assets includes buildings and fixed equipment, improvements other than buildings, furniture fixture and equipment, information technology equipment, and computer software. Additional information on the School's capital assets can be found in Note C.

General Fund Budgetary Highlights

Total revenues were lower than the final budget for the year ended June 30, 2025 due to lower FEFP revenue than anticipated. Actual expenditures were favorable to budgeted amounts due to savings in facilities and acquisition, general administration, central services, and administrative technology, resulting from the decreased number of students and teachers and less than anticipated renovations to the School due to the School closing. Operation of plant increased as rent amounts are budgeted in the facilities line. Overall, the School ended the year with a change in fund balance that was unfavorable to the final budget by \$166,045.

Economic Factors

As of June 30, 2025, the School closed and ceased operations for the upcoming year. Therefore, a budget is not required for 2025-2026.

Request for Information

This financial report is designed to provide a general overview of P.M. Wells Charter Academy'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 Kerry Avery, Executive Director, Foundation for Osceola Education, 2310 New Beginnings Road, Suite 118, Kissimmee, Florida 34744.

P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)

STATEMENT OF NET POSITION

Year Ended June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash	\$ 63,954
Accounts receivable	130,546
Total current assets	<u>194,500</u>
NONCURRENT ASSETS	
Capital assets, net of accumulated depreciation	
Improvements other than buildings	15,108
Furniture, fixtures and equipment	46,938
Information technology equipment	21,287
Total capital assets	<u>83,333</u>
Total assets	<u>277,833</u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Accounts payable	33,830
Due to management company	73,674
Total liabilities	<u>107,504</u>
NET POSITION	
Investment in capital assets	83,333
Unrestricted	86,996
Total net position	<u>\$ 170,329</u>

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

P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, 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:					
Instruction	\$ 1,795,517	\$ -	\$ 251,265	\$ -	\$ (1,544,252)
Board of directors	21,000	-	-	-	(21,000)
General administration	22,516	-	-	-	(22,516)
School administration	283,829	-	-	-	(283,829)
Fiscal services	529,956	-	-	-	(529,956)
Central services	36,902	-	-	-	(36,902)
Student personnel services	24,420	-	-	-	(24,420)
Operation of plant	1,196,552	-	-	249,285	(947,267)
Maintenance of plant	65,135	-	-	-	(65,135)
Community services	86,923	67,583	-	-	(19,340)
Administrative technology	71,855	-	-	-	(71,855)
Total governmental activities	\$ 4,134,605	\$ 67,583	\$ 251,265	\$ 249,285	(3,566,472)
General revenues:					
State passed through local school district					3,120,742
Other revenues					94,617
Total general revenues					3,215,359
Change in net position					(351,113)
Net position at July 1, 2024					521,442
Net position at June 30, 2025					\$ 170,329

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

P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)

BALANCE SHEET - GOVERNMENTAL FUNDS

Year Ended June 30, 2025

	General Fund	Special Revenue Fund	Capital Outlay Fund	Total Governmental Funds
ASSETS				
Cash	\$ 63,954	\$ -	\$ -	\$ 63,954
Accounts receivable	-	130,546	-	130,546
Due from other funds	130,546	-	-	130,546
Total assets	\$ 194,500	\$ 130,546	\$ -	\$ 325,046
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 33,830	\$ -	\$ -	\$ 33,830
Due to other funds	-	130,546	-	130,546
Due to management company	73,674	-	-	73,674
Total liabilities	107,504	130,546	-	238,050
 FUND BALANCES				
Committed				
Capital renovations	63,900	-	-	63,900
Unassigned	23,096	-	-	23,096
Total fund balances	86,996	-	-	86,996
Total liabilities and fund balances	\$ 194,500	\$ 130,546	\$ -	\$ 325,046

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

**P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)**

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

Year Ended June 30, 2025

Fund balances - total governmental funds	\$	86,996
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The net position reported for governmental activities in the statement of net position 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:

Buildings and fixed equipment, net of \$277,304 accumulated depreciation	-
Improvements other than buildings, net of \$479,528 accumulated depreciation	15,108
Furniture, fixtures and equipment, net of \$605,851 accumulated depreciation	46,938
Computer software, net of \$16,213 accumulated depreciation	-
Information technology equipment, net of \$1,109,402 accumulated depreciation	21,287

Total capital assets	83,333
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Total net position of governmental activities	\$ 170,329
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The accompanying notes are an integral part of these financial statements.

P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, 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	\$ -	\$ 251,265	\$ -	\$ 251,265
State passed through local school district	3,120,742	-	249,285	3,370,027
Other revenues	162,200	-	-	162,200
Total revenues	<u>3,282,942</u>	<u>251,265</u>	<u>249,285</u>	<u>3,783,492</u>
Expenditures				
Current:				
Instruction	1,514,275	251,265	-	1,765,540
Student personnel services	24,420	-	-	24,420
Board of directors	21,000	-	-	21,000
General administration	22,516	-	-	22,516
School administration	261,523	-	-	261,523
Fiscal services	529,956	-	-	529,956
Central services	36,902	-	-	36,902
Operation of plant	947,267	-	249,285	1,196,552
Maintenance of plant	58,950	-	-	58,950
Community services	86,923	-	-	86,923
Administrative technology	71,855	-	-	71,855
Total expenditures	<u>3,575,587</u>	<u>251,265</u>	<u>249,285</u>	<u>4,076,137</u>
Net change in fund balances	(292,645)	-	-	(292,645)
Fund balances at July 1, 2024	379,641	-	-	379,641
Fund balances at June 30, 2025	<u>\$ 86,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,996</u>

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

P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, 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 government funds		\$ (292,645)
The change in net position 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.		
Depreciation	<u>(58,468)</u>	
Total capital assets		<u>(58,468)</u>
Change in net position of governmental activities		<u>\$ (351,113)</u>

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

P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE A - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

P.M. Wells Charter Academy, (the "School") is a division of the Foundation for Osceola Education, Inc. (the "Charterholder"), which is a component unit of the School District of Osceola County, Florida, and is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The governing body of the School is the Charterholder's Board of Directors (the "Board"), which is composed of forty-six members. The financial information presented is that of P.M. Wells Charter Academy only. The School's entire workforce is provided by the management company; therefore, all employee benefits are provided by the management company.

The general operating authority of P.M. Wells Charter Academy is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, which is the School District of Osceola County, Florida (the "District"). The current charter is for a term of ten school years commencing with the 2011 - 2012 school year. During 2022, the charter was renewed for another 10-year term until 2032. The charter may be renewed as provided in Section 1002.33, Florida Statutes, upon mutual consent of the parties and execution of a written renewal. 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 which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered to be a division of the Charterholder. On June 30, 2025, the School ceased operations and closed.

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 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, are subdivided into three categories: amounts invested in capital assets, restricted net assets, and unrestricted net assets. Net assets are 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. As of June 30, 2025, there were no net assets classified as restricted in the statement of net position.

**P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE A - REPORTING ENTITY AND SUMMARY OF 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. Three of the School's funds were deemed 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, considered to be sixty days. 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.

**P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

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

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States 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.

The governmental fund financial statements present fund balances based on the provisions of GASB Statement 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 have not been restricted, committed or assigned for a specific purpose within the general fund.

The details of the fund balances are included in the Governmental Fund Balance Sheet on page 11.

**P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

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

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, then assigned funds and lastly unassigned funds.

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 that are legally restricted to expenditures for specified purposes, including all federal grant revenues passed through the School District (i.e., Title 1, 21st Century Grant, Title IV, and ESSER/GEER).

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.

4. Cash

Cash is made up of cash on hand at the School and checking accounts held at a financial institution. The School has no cash equivalents. The School has committed cash of \$63,900, which is for future renovation of capital assets.

5. Receivables

The School's receivables consist of amounts due from other agencies and the local school district. After reviewing the individual account balances, the School's management has determined that 100% of receivables are fully collectible. Therefore, no allowance for doubtful accounts has been provided.

**P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

6. Interfund receivables and payables

Activities between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds.

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 initial individual cost of more than \$750 and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition values 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 asset 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>
Buildings and fixed equipment	5 - 15
Improvements other than buildings	5 - 7
Furniture, fixtures and equipment	5 - 7
Computer software	3
Information technology equipment	3 - 7

8. Prepaid items

Payment made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items in both government-wide and fund financial statements.

9. Compensated absences

The School's policy permits employees to accumulate earned but unused paid time off, which is eligible for payment upon separation from service. 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. As of June 30, 2025, there are no compensated absences recorded.

**P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

10. Revenue recognition

Student funding is provided by the State of Florida through the School 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 full-time equivalent (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.

12. Income taxes

The School is a charter school under the Foundation for Osceola Education, Inc., which qualifies as a tax-exempt organization, and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

**P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

13. Use of estimates

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

14. 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.

15. 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.

**P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

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

15. New GASB pronouncements (continued)

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 School maintains its cash balances in a financial institution insured by the Federal Deposit Insurance Corporation ("FDIC"). Under the FDIC program, all of the School's cash balances maintained in accounts of the financial institution are fully guaranteed by the FDIC up to \$250,000.

At June 30, 2025, the School's cash balance did not exceed the FDIC coverage. If the cash balance did exceed, the School's deposits are part of the Qualified Public Deposit program and are insured for more than the \$250,000 FDIC limit. The School has no history of loss due to exceeding coverage limitations.

**P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE C - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance at July 1, 2024	Additions	Deletions	Balance at June 30, 2025
Capital assets depreciated:				
Buildings and fixed equipment	\$ 277,304	\$ -	\$ -	\$ 277,304
Improvements other than buildings	494,636	-	-	494,636
Furniture, fixtures and equipment	652,789	-	-	652,789
Computer software	16,213	-	-	16,213
Information technology equipment	1,130,689	-	-	1,130,689
Total assets depreciated	<u>2,571,631</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,571,631</u>
Less accumulated depreciation:				
Buildings and fixed equipment	277,304	\$ -	\$ -	277,304
Improvements other than buildings	473,343	6,185	-	479,528
Furniture, fixtures and equipment	583,545	22,306	-	605,851
Computer software	16,213	-	-	16,213
Information technology equipment	1,079,425	29,977	-	1,109,402
Total accumulated depreciation	<u>2,429,830</u>	<u>\$ 58,468</u>	<u>\$ -</u>	<u>2,488,298</u>
Total governmental activities capital assets, net	<u>\$ 141,801</u>			<u>\$ 83,333</u>

Depreciation expense was charged to functions of the School as follow:

Basic instruction	\$ 29,977
School administration	22,306
Operation of plant	6,185
	<u>\$ 58,468</u>

The capital assets were transferred to the District in conjunction with the sale of the School building to the District subsequent to June 30, 2025.

**P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE D - 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 District of Osceola County:	
Base funding	\$ 2,251,223
Education enrichment share	98,627
Discretionary millage	128,943
Discretionary local WFTF	196,425
ESE guaranteed allocation	47,552
Class size reduction funds	390,734
Safe school	36,202
Proration to funds available	(27,617)
Prior year funding adjustment	(1,347)
Subtotal	3,120,742
Capital outlay funding	249,285
Title federal revenue	113,376
21st Century Grant revenue	121,695
ESSER & GEER revenue	16,194
Total passed through the School District of Osceola County	3,621,292
Other revenue:	
Community service fees	67,583
Other state revenue	79,554
Miscellaneous revenue	15,063
	\$ 3,783,492

The administration fee paid to the District during the year ended June 30, 2025 totaled \$36,902 and is reflected as a general administration expense/expenditure in the accompanying financial statements. A significant decline in funding from the School District could have a material impact on future operations.

**P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE E - COMMITMENTS AND CONTINGENCIES

Management service contract

The School entered into a management agreement, commencing on July 1, 2021, with a management company (the "Company"). The agreement is for a term of five years commencing with the 2021-2022 school year. The contract terminates the earlier of June 30, 2026 or the termination date of the charter if the District chooses to terminate it.

The Company managed and operated the School during the term of the agreement. The Company was paid ten percent of FEFP Funding received for each school year per the contract. Beginning the 2023-2024 school year, the Company was eligible to earn a total of an additional two percent of FEFP Funding if they exceed the targets set in the contract. Current year management fees charged to operations totaled \$312,074. As of June 30, 2025, the School's balance sheet reflects a payable due to the management company in the amount of \$73,674.

NOTE F - LEASES

1. Facilities sub-lease

The real property, buildings, and other assets which comprise the School facilities, are owned by the Charterholder. Construction of the buildings was financed by the issuance of \$9,075,000 Series 2001A and \$350,000 Series 2001B Industrial Development Revenue Bonds, which are obligations of the Charterholder.

In March 2016, the Charterholder issued \$4,380,000 principal amount of Industrial Development Revenue Financing Bonds, Series 2016A, and \$2,205,000 principal amount of Taxable Industrial Development Revenue Financing Bonds, Series 2016B. The proceeds were used to refund the outstanding Series 2001 bonds. The Series 2016 bonds were issued to reduce the basic lease payments due under the lease and mature in August 2031 (Series 2016A) and August 2022 (Series 2016B). The Series 2016B bond was fully paid off during the year ended 2023.

The School is entitled to use the facilities under a sub-lease agreement with the Charterholder that requires annual payments in amounts equal to the annual debt service payments on the bonds.

Such annual payments range from \$474,310 to \$586,787. At the end of the charter, including renewals, if any, possession of the School facilities will revert to the Charterholder who will be liable for all future payments.

During the year ended June 30, 2025, a total facility use fee of \$586,787 was paid. Portions of the facility use fee of \$249,285 were reimbursed through capital outlay funds.

**P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE F - LEASES (continued)

1. Facilities sub-lease (continued)

In fiscal 2022, the School implemented 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 governments' leasing activities.

At implementation of GASB Statement No. 87, Leases, the School, as the lessee, recognized a lease asset of \$4,565,000 and lease liability of \$4,565,000. As of June 30, 2025, the present value of the lease obligation is \$3,365,000. At the end of fiscal year 2025, the lease was terminated as the corresponding bonds were paid off by the District.

2. Copier Leases

During the fiscal year 2022, the School entered into a copier lease agreement with Supergroup Services LLC. The agreement is for a period of 63 months with monthly payments of \$645 . During the fiscal year 2024, the School entered into a new copier lease with Peac Solutions for a period of 63 months with monthly payments of \$3,450.

At implementation of GASB Statement No. 87, Leases, the School, as the lessee, recognized a lease asset of \$186,419 and lease liability of \$186,419. As of June 30, 2025, the present value of the lease obligation is \$165,936. At the end of fiscal year 2025, the copier leases were terminated with the closure of the School.

NOTE G - 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, general liabilities, and natural disasters for which the School carries commercial insurance. Under the plan for property insurance, the School's liability is \$100,000 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.

**P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

NOTE G - RISK MANAGEMENT (continued)

Following the closure of the School on June 30, 2025, the management company assumed responsibility for winding down the School's operations and related financial obligations following its closure.

NOTE H - 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 30, 2025 which is the date the financial statements were available to be issued.

The School ceased operations on June 30, 2025, due to declining enrollment, teacher shortages, and challenges with finding certified teachers. The decision to close the School was made by the Charterholder and Board of Trustees.

REQUIRED SUPPLEMENTAL INFORMATION

P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, 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		
Revenues				
State and local revenue	\$ 3,538,247	\$ 3,429,017	\$ 3,120,742	\$ (308,275)
Local sources	87,400	59,360	162,200	102,840
Gross school revenue	<u>3,625,647</u>	<u>3,488,377</u>	<u>3,282,942</u>	<u>(205,435)</u>
Expenditures				
Instruction	1,547,566	1,453,747	1,514,275	(60,528)
Student personnel services	30,000	20,000	24,420	(4,420)
Board of directors	18,300	18,300	21,000	(2,700)
General administration	30,700	34,708	22,516	12,192
School administration	350,945	239,309	261,523	(22,214)
Facilities and acquisition	559,825	559,825	-	559,825
Fiscal services	493,987	403,068	529,956	(126,888)
Central services	36,000	37,651	36,902	749
Operation of plant	525,927	683,194	947,267	(264,073)
Maintenance of plant	70,000	55,000	58,950	(3,950)
Community services	35,000	7,932	86,923	(78,991)
Administrative technology	64,458	102,243	71,855	30,388
Total expenditures	<u>3,762,708</u>	<u>3,614,977</u>	<u>3,575,587</u>	<u>39,390</u>
Net change in fund balances	<u>(137,061)</u>	<u>(126,600)</u>	<u>(292,645)</u>	<u>(166,045)</u>
Fund balance at July 1, 2024	<u>379,641</u>	<u>379,641</u>	<u>379,641</u>	<u>-</u>
Fund balance at June 30, 2025	<u><u>\$ 242,580</u></u>	<u><u>\$ 253,041</u></u>	<u><u>\$ 86,996</u></u>	<u><u>\$ (166,045)</u></u>

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

P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, 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		
Revenues				
Federal passed through state	\$ 380,412	\$ 291,923	\$ 251,265	\$ (40,658)
Gross school revenue	380,412	291,923	251,265	(40,658)
Expenditures				
Instruction	380,412	291,923	251,265	40,658
Total expenditures	380,412	291,923	251,265	40,658
Net change in fund balances	-	-	-	-
Fund balance at July 1, 2024	-	-	-	-
Fund balance at June 30, 2025	\$ -	\$ -	\$ -	\$ -

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

**P.M. Wells Charter Academy
(A division of The Foundation for Osceola Education, Inc.)**

NOTE TO REQUIRED SUPPLEMENTAL INFORMATION

June 30, 2025

NOTE A - BUDGETARY INFORMATION

Budgetary basis of accounting

Annual budgets are adopted for the entire operations and may be amended by the Board of Directors (the "Board"). The budgets presented for the fiscal year ended June 30, 2025, have been amended according to Board procedures. Budgets are adopted on the modified accrual basis of accounting. The legal level of budgetary control is the fund level.

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

SUPPLEMENTAL INFORMATION



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
The Foundation for Osceola Education, Inc.
Kissimmee, Florida

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

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 P.M. Wells Charter Academy, a division of the Foundation for Osceola Education, Inc. (the “Charterholder”), which is a component unit of the School District 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 P.M. Wells Charter Academy’s basic financial statements, and have issued our report thereon dated September 30, 2025.

Report on Internal Control Over Financial Reporting

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

In planning and performing our audit of the financial statements, we considered P.M. Wells Charter Academy’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 P.M. Wells Charter Academy’s internal control. Accordingly, we do not express an opinion on the effectiveness of P.M. Wells Charter Academy’s internal control.

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

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.

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

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.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Moss, Krusick & Associates, LLC

Winter Park, Florida
September 30, 2025



MANAGEMENT LETTER

Partners

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

To the Board of Directors
The Foundation for Osceola Education, Inc.
Kissimmee, Florida

Report on the Financial Statements

We have audited the financial statements of P.M. Wells Charter Academy (the "School"), a division of the Foundation for Osceola Education, Inc. (the "Charterholder"), which is a component unit of the School District of Osceola County, Florida as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated September 30, 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 and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated September 30, 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. There were no findings and recommendations made in the preceding annual financial audit report.

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 of the entity is *P.M. Wells Charter Academy, 0881*, which is a division of The Foundation for Osceola Education, Inc., which is a component unit of the School District of Osceola County.

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Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection without audit, we determined that the 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 the review of the 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, abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, P.M. Wells Charter Academy's management, The Foundation for Osceola Education, Inc., the School District of Osceola County, the Board of Directors, 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 30, 2025

MANAGEMENT FINDINGS, RECOMMENDATIONS, AND RESPONSES

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