

**THE FOUNDATION FOR
OSCEOLA EDUCATION, INC.**

**Financial Statements
and
Supplemental Information**

Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Foundation for Osceola Education, Inc. (the "Foundation"), 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 Foundation'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 Foundation, 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 Foundation 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 Foundation'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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 Foundation'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 Foundation'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, and pension and retirement information on pages 3–8 and 47–52 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 November 12, 2025, on our consideration of the Foundation'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 Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Foundation for Osceola Education, Inc.'s internal control over financial reporting and compliance.

Moss, Krusick & Associates, LLC

Winter Park, Florida
November 12, 2025

Management's Discussion and Analysis

As management of the Foundation for Osceola Education, Inc. (the "Foundation"), which is a component unit of the School District of Osceola County, Florida, we offer readers of the Foundation's financial statements this narrative overview and analysis of the financial activities of the Foundation 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 Foundation's financial activities, (c) identify changes in the Foundation'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 on page 9.

Financial Highlights

- The assets of the Foundation exceeded its liabilities at the close of the most recent fiscal year by \$7,749,632 which is a increase of \$2,169,735 from the prior year.
- As of the close of the current fiscal year, the Foundation's governmental funds reported combined ending fund balances of \$13,040,683.
- At the end of the current fiscal year, unassigned fund surplus for the general fund was \$8,864,395 or 173 percent of total general fund expenditures, compared to 63 percent for the prior year.
- During the current fiscal year, total long term liabilities decreased by \$3,702,688, due to the bond for PM Wells being paid off with the sale of the school.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Foundation's financial statements which are comprised of 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.

Government-Wide Financial Analysis

The information in the government-wide financial statements includes all assets and liabilities using the accrual basis of accounting (and reports depreciation on capital assets), which is similar to the basis of accounting used by most private-sector companies.

The change in net position (the difference between total assets and total liabilities) over time is one indicator of whether the Foundation's financial health is improving or deteriorating. However, you need to consider other nonfinancial factors in making an assessment of the Foundation's health, such as changes in enrollment, changes in the state's funding of educational costs, and changes in the economy, etc., to assess the overall health of the Foundation.

The Foundation's total net positions were as follows at June 30.

	Governmental Activities		
	2025	2024	Change
Current and other assets	\$ 14,157,639	\$ 13,672,017	\$ 485,622
Right of use leased assets	-	204,432	(204,432)
Capital assets and other assets, net of accumulated depreciation	1,119,965	4,876,349	(3,756,384)
Total assets	<u>15,277,604</u>	<u>18,752,798</u>	<u>(3,475,194)</u>
Deferred outflows	<u>1,340,845</u>	<u>1,582,314</u>	<u>(241,469)</u>
Current and other liabilities	1,142,571	3,026,455	(1,883,884)
Net pension liability	6,288,484	6,727,059	(438,575)
Long term liabilities outstanding	<u>475,519</u>	<u>4,178,207</u>	<u>(3,702,688)</u>
Total liabilities	<u>7,906,574</u>	<u>13,931,721</u>	<u>(6,025,147)</u>
Deferred inflows	<u>962,243</u>	<u>823,494</u>	<u>138,749</u>
Invested in capital assets	1,119,965	1,045,268	74,697
Restricted	2,423,688	4,020,340	(1,596,652)
Unrestricted	<u>4,205,979</u>	<u>514,289</u>	<u>3,691,690</u>
Total net position	<u>\$ 7,749,632</u>	<u>\$ 5,579,897</u>	<u>\$ 2,169,735</u>

Net position increased primarily due to the positive change in net position of approximately \$2,170,000 noted on page 5. The increase in current assets is primarily attributed to decreases in leased, capital and other assets. The decrease in the right of use and capital assets was due to the sale of PM Wells and the termination of the copy machine and building leases, and the transfer of all other assets associated with PM Wells. The decrease in current liabilities relates primarily to timing of payments due to other agencies. The decrease in deferred outflows and net pension liability and increase deferred inflows relates primarily to changes in net pension and OPEB liabilities. The decrease in long-term liabilities is the result of the sale of PM Wells and payment of debt to the District. The increase in unrestricted net position results primarily from increases in revenue from the sale of PM Wells.

The Foundation's changes in net position for the fiscal years ended June 30, 2025 and 2024, are as follows:

	Governmental Activities		
	2025	2024	Change
Revenues:			
Program revenues:			
Base funding	\$ 8,391,347	\$ 8,267,004	\$ 124,343
Education enrichment share	361,862	379,136	(17,274)
Safe school	132,823	119,469	13,354
ESE guaranteed allocation	345,109	321,611	23,498
Discretionay local effort	732,121	740,529	(8,408)
Class size reduction funds	1,457,139	1,519,497	(62,358)
Discretionary millage compression allocation	473,073	481,838	(8,765)
Teacher salary increase allocation	-	200,302	(200,302)
Prior year funding adjustment	(1,347)	(709)	(638)
Prior year audit adjustment	(3,167)	(10,263)	7,096
Proration to funds available	(102,936)	-	(102,936)
Subtotal	11,786,024	12,018,414	(232,390)
Capital outlay distribution	914,607	917,970	(3,363)
Capital improvements	159,996	200,000	(40,004)
Title grant	545,243	648,796	(103,553)
21st Century Grant revenue	121,695	199,972	(78,277)
ESSER & GEER revenue	170,146	1,616,822	(1,446,676)
IDEA Grant revenue	85,202	-	85,202
Other federal revenue	25,963	-	25,963
Sales tax	-	65,076	(65,076)
School recognition	-	200,018	(200,018)
Total	13,808,876	15,867,068	(2,058,192)
Grants	555,740	565,842	(10,102)
Contributions	3,825,095	3,302,273	522,822
Program services	3,000	3,000	-
Fundraising	621,005	633,111	(12,106)
Interest income	319,383	310,256	9,127
Other revenue	1,376,513	1,253,560	122,953
Gain from sale of PM Wells	3,898,974	-	3,898,974
Total revenues	24,408,586	21,935,110	2,473,476
Expenses:			
Program expenses:			
Instruction	9,718,514	10,802,256	1,083,742
School administration	2,370,407	2,524,732	154,325
Facilities acquisition and construction	2,071,452	1,012,808	(1,058,644)
Operating of plant	2,766,760	2,567,218	(199,542)
Community services	5,184,844	5,004,017	(180,827)
Interest on long-term debt	126,874	145,539	18,665
Total expenses	22,238,851	22,056,570	(182,281)
Change in net position	\$ 2,169,735	\$ (121,460)	\$ 2,291,195

The increase in total revenue is directly attributable to the sale of PM Wells, offset by the reduction of ESSER/GEER for Bellalago and PM Wells as the grant ended in 2025.

The total expenses increased due to an increase in facilities acquisition and construction, operating of plant, and community services, mainly in-kind expenses.

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

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

The statement of activities presents information showing how the Foundation'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, earned but unused vacation leave, and pensions).

Both of the government-wide financial statements distinguish functions of the Foundation that are principally supported by school board, state, and federal funding (governmental activities) and charges for services from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Foundation include but are not limited to basic instruction, exceptional instruction, health services, media services, transportation, and food services.

The government-wide financial statements include only the Foundation itself, which includes operations of its two charter schools, Bellalago and PM Wells.

The government-wide financial statements can be found on pages 9 and 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 Foundation, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the operations of the Foundation 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 Foundation maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the general, special revenue, debt service and capital projects funds.

The Foundation adopts an annual appropriated budget. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

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 a government's financial position. In the case of Foundation, it had positive fund positions of \$7,749,632 at June 30, 2025, and \$5,579,897 at June 30, 2024.

Governmental activities. Governmental activities increased Foundation net position by \$2,169,735 for 2025, and decreased net position by \$121,460 for 2024.

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the Foundation's governmental funds reported a combined ending fund surplus of \$13,040,683. Of this amount, \$8,864,395 constitutes unassigned fund surplus, which is the amount available for spending at the government's discretion.

The general fund is the chief operating fund of the Foundation. At the end of the current fiscal year, the unassigned fund surplus of the general fund was \$8,864,395.

The fund balance of the Foundation's general fund increased by \$5,896,087 during the current fiscal year.

General Fund Budgetary Highlights

Actual revenue exceeded original budgeted revenue by \$4,082,339 while actual expenditures exceeded original budgeted expenditures by \$3,455,537. In-kind donations of office supplies and volunteer services accounted for \$2,887,278 of the increase in both revenues and expenditures. Historically, the Foundation has not budgeted for these noncash items. The Board of Directors has approved a motion to adjust the 2025 general fund budget to the actual 2025 general fund year end financials. Thus, the final approved general fund budget is equal to the general fund statements of revenues, expenditures, and changes in fund balances.

Capital Asset and Debt Administration

Capital assets. The Foundation's investment in capital assets net of related debt for its governmental activities as of June 30, 2025, amounted to \$1,119,965. This investment in capital assets includes buildings and fixed equipment, furniture, fixtures, and computer software. The capital assets of PM Wells were transferred to the District in conjunction with the sale of the School building to the District subsequent to June 30, 2025

Debt. At the end of the current fiscal year, the Foundation had long-term obligations payable in the amount of \$138,887 of EIDL loan. The debt associated with PM Wells building was paid off in conjunction with the sale of the School.

Economic Factors

State and federal funding which principally support the Foundation are determined by the number of enrolled students. Enrollment for the 2024/2025 decreased in comparison to the 2023/2024 school year. The Foundation expects to see increases in enrollment for the 2025/2026 school year.

Request for Information

This financial report is designed to provide a general overview of Foundation finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to The Foundation for Osceola Education, Inc., 2310 New Beginnings Road Suite 118, Kissimmee, FL 34744.

The Foundation for Osceola Education, Inc.

STATEMENT OF NET POSITION

June 30, 2025

	Governmental Activities
Current assets:	
Cash and cash equivalents	\$ 5,675,120
Cash and cash equivalents - restricted	1,097,785
Investments	4,602,242
Due from other agencies	2,153,823
Accounts receivable	183,054
Prepaid items	9,844
Beneficial interest in assets held by others - restricted	435,771
Total current assets	<u>14,157,639</u>
Capital assets, net	<u>1,119,965</u>
Total assets	<u>15,277,604</u>
Deferred outflows, related to changes in the net pension and OPEB liability	<u>1,340,845</u>
Current liabilities:	
Accounts payable	183,121
Compensated absences due within one year	21,703
Accrued expenses	126,168
Due to other agencies	550,070
Accrued interest	4,186
Due to management company	73,674
EIDL due within one year	3,912
Other liabilities	179,737
Total current liabilities	<u>1,142,571</u>
Long term liabilities:	
Compensated absences due after one year	340,544
EIDL due within more than one year	134,975
Net pension and OPEB liability	6,288,484
Total liabilities	<u>7,906,574</u>
Deferred inflows:	
Deferred revenue	326,025
Related to changes in the net pension liability	636,218
	<u>962,243</u>
Net position:	
Investment in capital assets, net of related debt	1,119,965
Restricted:	
Other purposes - Take Stock in Children	435,771
Other purposes - Scholarships	119,161
Other purposes - Community Foundation	978,624
Capital outlay	890,132
Unrestricted	4,205,979
Total net position	<u>\$ 7,749,632</u>

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

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	\$ 9,718,514	\$ 206,419	\$ 948,249	\$ -	\$ (8,563,846)
School administration	2,370,407	-	-	-	(2,370,407)
Facilities acquisition and construction	2,071,452	-	-	838,269	(1,233,183)
Operation and maintenance of plant	2,766,760	-	-	249,285	(2,517,475)
Community services	5,184,844	67,583	5,004,840	-	(112,421)
Interest on long-term debt	126,874	-	-	-	(126,874)
Total governmental activities	<u>\$ 22,238,851</u>	<u>\$ 274,002</u>	<u>\$ 5,953,089</u>	<u>\$ 1,087,554</u>	<u>(14,924,206)</u>
General revenues:					
State passed through local school district					11,786,024
Interest and investment income					319,383
Other local revenues					1,089,560
Gain from sale of PM Wells					<u>3,898,974</u>
Total general revenues					<u>17,093,941</u>
Change in net position					2,169,735
Net position at July 1, 2024					<u>5,579,897</u>
Net position at June 30, 2025					<u>\$ 7,749,632</u>

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

The Foundation for Osceola Education, Inc.

**BALANCE SHEET -
GOVERNMENTAL FUNDS**

June 30, 2025

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,576,140	\$ 98,980	\$ -	\$ -	\$ 5,675,120
Cash - restricted	1,097,785	-	-	-	1,097,785
Investments	1,331,098	2,461,366	-	809,778	4,602,242
Accounts receivable	52,508	-	-	-	52,508
Due from other agency	2,153,823	-	-	-	2,153,823
Due from charterholder	-	130,546	-	-	130,546
Prepaid items	9,844	-	-	-	9,844
Beneficial interest in assets held by others - restricted	435,771	-	-	-	435,771
Total assets	\$ 10,656,969	\$ 2,690,892	\$ -	\$ 809,778	\$ 14,157,639
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 79,837	\$ -	\$ 103,284	\$ 183,121
Accrued expenses	55,312	70,855	-	-	126,167
Due to other agencies	9,938	540,132	-	-	550,070
Accrued interest payable	4,187	-	-	-	4,187
Due to management company	-	73,674	-	-	73,674
Other current liabilities	179,737	-	-	-	179,737
Total liabilities	249,174	764,498	-	103,284	1,116,956
Fund balances:					
Nonspendable:					
Prepaid items	9,844	-	-	-	9,844
Restricted					
Take stock in children	435,771	-	-	-	435,771
Community foundation	978,624	-	-	-	978,624
Scholarships	119,161	-	-	-	119,161
Special revenue	-	1,926,394	-	-	1,926,394
Capital outlay	-	-	-	586,062	586,062
Capital projects	-	-	-	120,432	120,432
Unassigned	8,864,395	-	-	-	8,864,395
Total fund balances	10,407,795	1,926,394	-	706,494	13,040,683
Total liabilities and fund balances	\$ 10,656,969	\$ 2,690,892	\$ -	\$ 809,778	\$ 14,157,639

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

The Foundation for Osceola Education, Inc.

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

June 30, 2025

Fund balances - total governmental funds \$ 13,040,683

The net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not a financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Buildings and fixed equipment, net of \$369,531 accumulated depreciation	\$ 484,843	
Furniture, fixtures and equipment, net of \$985,749 accumulated depreciation	271,245	
Computer software, net of \$32,172 accumulated depreciation	-	
IT equipment, net of \$1,109,403 accumulated depreciation	21,287	
Improvements other than buildings, net of \$551,132 accumulated depreciation	<u>342,590</u>	1,119,965

Long-term liabilities, including bonds payable, net pension and OPEB liabilities, and deferred inflows/outflows, are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences	(362,247)	
Net pension and OPEB liabilities	(5,583,857)	
Deferred revenue	(326,025)	
EIDL loan	<u>(138,887)</u>	<u>(6,411,016)</u>

Total net position of governmental activities \$ 7,749,632

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

The Foundation for Osceola Education, Inc.

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

Year Ended June 30, 2025

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues					
Federal passed through state	\$ -	\$ 948,249	\$ -	\$ -	\$ 948,249
State passed through local school district	-	11,786,024	-	914,607	12,700,631
Grants	555,740	-	-	-	555,740
Contributions	3,825,095	-	-	-	3,825,095
Program services	3,000	-	-	-	3,000
Fundraising	716,759	-	-	-	716,759
Interest and investment income	-	284,207	35,176	-	319,383
Other local revenues	654,245	183,753	-	172,947	1,010,945
Total revenues	5,754,839	13,202,233	35,176	1,087,554	20,079,802
Expenditures					
Current:					
Basic instruction	-	7,324,082	-	-	7,324,082
School administration	-	916,471	-	-	916,471
Operation of plant	-	1,814,861	-	249,285	2,064,146
Community services	5,111,846	86,923	-	-	5,198,769
Exceptional instruction	-	795,978	-	-	795,978
Guidance services	-	230,325	-	-	230,325
Health services	-	49,503	-	-	49,503
Other pupil services	-	212,897	-	-	212,897
Media services	-	10,737	-	-	10,737
Curriculum development	-	224,323	-	-	224,323
Board of directors	-	72,600	-	-	72,600
General administration	-	1,255,655	-	-	1,255,655
Fiscal services	-	529,956	-	-	529,956
Central services	-	36,902	-	-	36,902
Staff services	-	5,480	-	-	5,480
Planning and research	-	954	-	-	954
Maintenance of plant	-	153,104	-	-	153,104
Psychological services	-	71,855	-	-	71,855
Instructional media	-	84,996	-	-	84,996
Instructional staff training	-	191,570	-	-	191,570
Instructional related technology	-	54,119	-	-	54,119
Facilities	-	911,135	-	1,168,782	2,079,917
Student personnel services	-	24,420	-	-	24,420
Plant operation	-	-	-	54,272	54,272
Fixed capital outlay	-	48,286	-	-	48,286
Debt service:					
Principal	3,807	-	3,780,000	-	3,783,807
Interest	3,984	-	130,073	-	134,057
Total expenditures	5,119,637	15,107,132	3,910,073	1,472,339	25,609,181
Excess (deficiency) of revenues over (under) expenditures	635,202	(1,904,899)	(3,874,897)	(384,785)	(5,529,379)
Other financing sources (uses):					
Transfers in	-	825,318	2,663,613	-	3,488,931
Transfers out	(2,151,461)	-	-	(825,318)	(2,976,779)
Proceeds from sale of PM Wells	10,700,000	-	-	-	10,700,000
Donation expense	(3,000,000)	-	-	-	(3,000,000)
Loss on transfer of PM Wells assets	(287,654)	-	-	-	(287,654)
Total other financing sources (uses)	5,260,885	825,318	2,663,613	(825,318)	7,924,498
Net change in fund balances	5,896,087	(1,079,581)	(1,211,284)	(1,210,103)	2,395,119
Fund balances at July 1, 2024	4,511,708	3,005,975	1,211,284	1,916,597	10,645,564
Fund balances at June 30, 2025	\$ 10,407,795	\$ 1,926,394	\$ -	\$ 706,494	\$ 13,040,683

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

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 governmental funds \$ 2,395,119

The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	\$ 239,650	
Current year depreciation	(285,584)	
Loss on sale and disposal of asset	(1,981)	(47,915)

The issuance of long-term debt (e.g., bonds, notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items:

Principal payments on long-term debt	3,783,807	
Current year amortization of deferred gain	13,412	
Current year amortization of bond premium	7,183	
Loss on transfer of PM Wells	(3,513,372)	
Write off on bond related items	(27,248)	263,782

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Changes in:

Net pension and OPEB liabilities	438,575	
Deferred outflows related to net pension and OPEB liabilities	(109,302)	
Deferred inflows related to net pension and OPEB liabilities	(312,523)	
Compensated absences	(362,247)	(345,497)

Governmental funds report deferred revenues as received during the current year. However, in the statement of activities, the revenues are not recognized until they are earned.

(95,754)

Change in net assets of governmental activities

\$ 2,169,735

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