



Students

Integrity

Fiscal Responsibility

Learning

People

Teamwork

Commitment

Accountability

High Standards

**Four Corners Charter School, Inc.
Board Meeting**

**Tuesday, November 18, 2014
at 3:00 p.m.**



**Four Corners Charter School, Inc.
Board Meeting
Tuesday, November 18, 2014
at 3:00 p.m.**

Agenda

**Call to Order
Roll Call**

- I. Administrative Items**
 - Approval of Minutes from October 7, 2014
- II. School Report**
 - Four Corners Charter School
- III. Financials**
 - FCCS Financial Report & Variance Analysis - CSUSA
 - FCCS 1st Quarter Board Report – Osceola District
 - FCCS FY 13-14 Audited Financial Statements – Osceola District
- IV. New Business**
- V. Old Business**
 - Board Compliance: Governance Training
 - Technology Bandwidth
- VI. Public Comments**
- VII. Adjournment**

Teleconference Number:

1-800-747-5150
Access Code: 1917921#

◀ Next Meeting: TBD ▶

MEETING MINUTES

Name of Foundation: Four Corners Charter School, Inc.
Board Meeting: Tuesday, October 7, 2014
School(s): Four Corners Charter School

The minutes of Sunshine Law meetings need not be verbatim transcripts of the meeting. These minutes are a brief summary of the events of the meeting.

Date:	Start	End	Next Meeting:	Next time:	Prepared by:
October 7, 2014	3:07 p.m.	4:02 p.m.	November 17, 2014	3:00 p.m.	D. Nash
Meeting Location:					
Osceola County District Office, 809 Bill Beck Blvd. Kissimmee, FL 34744					

Attended by:	
<p>Board Members: Tim Weisheyer, Chairman Jay Wheeler, Director Kelvin Soto, Director</p> <p>Absent: Bill Mathias, Director</p>	<p>Other Attendees: Joseph Childers, Assistant Principal at Four Corner Charter School Dorothy Nash, Governing Board Coordinator, CSUSA Keisha Smith, Director of Board Governance, CSUSA Charmaine Dookan, Financial Analyst, CSUSA Lianne Morton, Manager Financial Planning & Analysis, CSUSA Angela Barner, Sr. Accountant, Osceola District Gary, Sermersheim, Finance, Osceola School District L. Robin McKinney, Associate Board Attorney Dr. Sonia Esposito, Osceola School District Ross Whitley, Auditor, Berman Hopkins Wright & LaHam, CPAs & Associates, LLP</p>

CALL TO ORDER

Pursuant to public notice, the meeting commenced at 3:07 p.m. with a Call to Order by Chairman Tim Weisheyer. Roll call was taken and quorum established.

I. ADMINISTRATIVE

Approval of August 21, 2014 Minutes

ACTION: Motion was made by Jay Wheeler and seconded by Kelvin Soto to approve the minutes of the August 21, 2014, Four Corners Charter School, Inc. meeting. Motion was approved by 3-0.

II. SCHOOL RELATED REPORTS

- Assistant Principal Childers presented the Four Corners Charter School report to the board.
- Assistant Principal Childers reported enrollment at 1062 students and reported on some of the PTC Events and spoke of highlights

ESOL/Out of Field Waivers

- The ESOL/Out of Field Waivers were presented at the FCCS Board Meeting approving the following teachers: Margaret Avent, Jennifer Martin, Crystal Bullard,

Shontal Camacho, Brittany Goldman, Suzanna Hammon, Michelle Holmes, Katherine Lumley, Leslie Mawatari, Carla Redillo, Jennifer L. Richards, April Herring, Karen Maginnis, and Jason Bailey

ACTION: Motion made by Jay Wheeler and seconded by Kelvin Soto to approve the ESOL/Out of Field Waivers for Four Corners Charter School as presented. The motion was approved 3-0.

III. FINANCIAL REPORT

- Charmaine Dookan presented the June 30th Year End Financial Report and Variance Analysis for Four Corners Charter School to the board.

Jay wheeler stated he would like for the finance report to include numbered line items so it's easier to follow along when finances are being presented.

ACTION: Motion was made by Jay Wheeler and seconded by Kelvin Soto to approve the June 30th Year End Financial Report and Variance Analysis for Four Corners Charter School as presented. Motion was approved by 3-0.

FCCS Audit Results

- Ross Whitley Auditor with Berman Hopkins Wright & LaHam, CPAs & Associates, LLP Presented the June 30th Year End Audit Results for Four Corners Charter School.
- Ross Whitley reported there were no findings from a financial and compliance perspective in Four Corners Charter School Audit Report

Jay Wheeler made commendations to CSUSA and especially the finance staff for stellar work done from the very beginning of the relationship on accurate management of the finances and required reports.

ACTION: Motion made by Jay Wheeler and seconded by Kelvin Soto to approve the June 30th Year End Audit Results for Four Corners Charter School as presented. The motion was approved 3-0.

IV. NEW BUSINESS

Technology Quotes

- Assistant Principal Childers presented quotes from vendor CDW-G for laptop carts for Four Corners Charter School

ACTION ITEM: Four Corners Charter School Board Members requested that information is presented at the next meeting on the costs and ability to upgrade the Technology Bandwidth at the school.

ACTION: Motion made by Jay Wheeler and seconded by Kelvin Soto to approve the Technology Quote for 3 laptop Carts in the amount of \$ 82,823.41 for Four Corners Charter School as presented. The motion was approved 3-0.

2014-2015 School Improvement Plan

- Assistant Principal Childers presented the 2014-2015 SIP to the board
- The 2014-2015 SIP included among other things Laptop Carts, Infrastructure of Bandwidth for PC's, and the recruitment of more people to serve on Four Corners Charter School Governing Board.

ACTION: Motion made by Jay Wheeler and seconded by Kelvin Soto to approve the 2014 – 2015 School Improvement Plan for Four Corners Charter School as presented. The motion was approved 3-0.

V. OLD BUSINESS

- Governance Training: Reminder

VI. PUBLIC COMMENTS

- There were no public comments

VII. ADJOURNMENT

ACTION: Motion was made by Jay wheeler and seconded by Kelvin Soto to adjourn the Four Corners Charter School Inc., board meeting. Motion was approved by 3-0.

Tim Weisheyer, Chairman

Date: _____

GREAT
By CHOICE

School Report
Four Corners Charter School



**Governing Board
School Report**



Denise Thompson

Overview

Monthly School Reports provided for Governing Board updates on key deliverables and highlights at each school.

School Name

Four Corners Charter School

Enrollment (2014-2015)

	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE				
Total Enrollment		1061	1051	1062	1064											
Budgeted Enrollment		986	986	986	986											

Enrollment Forecast (2015-2016)

	JAN	FEB	MAR	APR	MAY	JUNE	JULY			
Recommits										
New Applicants										
Wait List										
Budgeted Enrollment										

Withdrawals (please use numerals)

	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE			
Moving		32	6	5	8										
Curriculum															
Schedule Conflicts															
Discipline															
Not Satisfied w/Leadership															
Not Satisfied w/Teachers															
Home Schooled															
Home/District School															
Private School															
Friend/Sibling															
Extracurricular															
No Reason Given															
Other/Transportation		10	4												
Total Student Withdrawals	0	42	10	5	8	0	0	0	0	0	0				

Additional Enrollment information	
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Staffing Updates

	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE				
New Staff			0	0											
Open Position: Grade/Subject			Math MS and Science MS	Math MS and Science MS											
Other Staff Updates: (Training/Professional Development/ Leading Edge)	CMA Breakdown, Cross Curricular Instruction, Special Supporting Common Core														

PTO/PTC Activities: (Provide a snapshot of some notable events and activities)

Event/Activity	Date	Description
Solastic Book Fair	10/23-10/31	Students are able to purchase books for reading on campus.
Family Carrabbas Night	30-Oct	Families come to school for fun and are provided a Carrabbas meal at a low cost per ticket
Multicultural Night	24-Oct	Students perform traditional dance or songs from their heritage. Classes are assigned countries and provide tastes of the foods.
Fall Pictures	10-Oct	Student school pictures taken
Fall Picture retakes and class photos	14-Nov	Student K-5 have class photos taken.
Family Open House	30-Oct	Parent come out to visit classrooms and see teachers. Report Cards for Q1 were distributed

Other Updates: (If applicable)

SAC Committee Meeting:	SAC/PTC Meetings: 9/23,,10/21,
QUEST Visit Results:	Visit: 10/28 Student engagement and Vocabulary were Highly Effective. Improve on: Higher Order Questioning
Technology:	Bells repaired, Server upgrade occurring
Facilities:	Wall is completed to divide two Kindergraten classes
Community Activities:	Family Carrabbas Night, Multicultural Night

Charter Schools USA
FOUR CORNERS CHARTER SCHOOL
Actual vs. Budget vs. Forecast Variance Analysis
As of the Period Ending September 30, 2014

	YTD						Explanation (15% and \$2,000)	% \$ Annual					
	YTD	Actual	Budget	Variance	%	Variance		\$ YTD Effect	Annual Forecast	Annual Budget	Variance	Variance	\$ Annual Effect
ENROLLMENT (per school's record)		1,048	1,050	(2)		0%			1,072	1,050	22	2%	
ENROLLMENT (per funding source)		1,050	1,050	0		0%	\$ 384		1,072	1,050	22	2%	\$ 135,302
ENROLLMENT (accrued/deferred)		(2)	-	-		0%	\$ (3,459)		-	-	-	0%	
RATE PER STUDENT	\$	6,150	\$ 6,150	\$ 0		0%	0		\$ 6,150	\$ 6,150	\$ 0	0%	\$ 0
REVENUES													
Earned Capitation													
State/Local Per Student Funding	\$	1,611,324	\$ 1,614,399	\$ (3,075)		0%			\$ 6,592,899	\$ 6,457,596	\$ 135,303	2%	
Florida Teacher Lead Program		16,127	-	16,127		100%	Offset by Expense below		16,127	-	16,127	100%	
Capital Outlay Funding		84,694	95,581	(10,887)		-11%			364,586	382,325	(17,739)	-5%	
District Fee Refund (>250 students)		24,539	24,600	(61)		0%			101,354	98,401	2,953	3%	
Total Earned Capitation		1,736,684	1,734,580	2,104		0%			7,074,966	6,938,322	136,644	2%	
Before and Aftercare Revenue		23,983	14,000	9,983		71%	Higher participation than anticipated		100,394	76,041	24,353	32%	
Miscellaneous Income		2,272	-	2,272		100%	2014 E-rate Revenue		34,768	32,496	2,272	7%	
TOTAL REVENUES		1,762,939	1,748,580	14,359		1%			7,210,128	7,046,859	163,269	2%	
EXPENSES													
Cost of Compensation													
School Leadership		37,800	37,000	(800)		-2%			151,200	148,000	(3,200)	-2%	
Administrative		19,425	20,065	640		3%			79,619	80,259	640	1%	
Teachers		378,573	406,022	27,449		7%			2,189,983	2,233,119	43,136	2%	
ESE/Special Education		21,215	35,612	14,397		40%	1 position coded in Ins Aide + late start		184,371	195,868	11,497	6%	
Resource Teachers		4,959	4,665	(294)		-6%			26,981	25,658	(1,323)	-5%	
Guidance		6,999	7,418	419		6%			39,230	40,799	1,569	4%	
Substitute Teachers		16,771	10,032	(6,739)		-67%	Higher usage of subs than budgeted due to open teacher position		54,976	54,976	(0)	0%	
Aides - Instructional		19,108	16,431	(2,677)		-16%	Includes 1 ESE position to be reclassified		93,043	90,369	(2,674)	-3%	
Other Support/Aides		2,995	-	(2,995)		-100%	Position budgeted in Plant Operations		0	-	(0)	-100%	
Aftercare		9,570	6,138	(3,432)		-56%	Higer cost due to higher participation		39,115	33,761	(5,354)	-16%	
Nurse		3,312	3,451	139		4%			18,839	18,978	140	1%	
Plant Operations		7,906	12,642	4,736		37%	Actual coded to Other Support		50,132	50,567	435	1%	
Tutoring		1,885	312	(1,573)		-504%			20,000	20,000	0	0%	
Bonuses		-	-	-		0%			8,000	8,000	-	0%	
Stipends		1,250	50,701	49,451		98%			202,803	202,803	(0)	0%	
Total Taxes & Benefits		117,746	105,430	(12,316)		-12%			500,055	495,002	(5,053)	-1%	
Total Cost of Compensation		649,514	715,919	66,405		9%			3,658,346	3,698,159	39,813	1%	

Charter Schools USA
FOUR CORNERS CHARTER SCHOOL
Actual vs. Budget vs. Forecast Variance Analysis
As of the Period Ending September 30, 2014

	YTD	YTD				Explanation (15% and \$2,000)	Annual Forecast	Annual Budget	Variance	% Variance	\$ Annual Effect
		Actual	Budget	Variance	% Variance						
Professional Services											
Legal Fees - Independent Counsel		-	125	125	100%	500	500	(0)	0%		
Accounting Services - Audit	5,000		6,772	1,772	26%	11,000	11,000	(0)	0%		
Outside Staff Development		-	580	580	100%	3,071	3,071	0	0%		
CSUSA Management Fees	192,852		192,851	(1)	0%	771,406	771,406	0	0%		
Computer Service Fees	18,741		18,747	6	0%	76,069	74,989	(1,080)	-1%		
Fee to County School Board	32,226		32,288	62	0%	132,105	129,152	(2,953)	-2%		
Professional Fees - Other	4,907		646	(4,261)	-660%	5,918	2,585	(3,333)	-129%	CSUSA the Origins Workshop not budgeted	
Advertising/Marketing Exp	552		526	(26)	-5%	2,104	2,104	0	0%		
3 Total Professional Services	254,278		252,535	(1,743)	-1%	1,002,173	994,807	(7,366)	-1%		
Vendor Services											
Contracted Pupil Transportation		36,036	36,032	(4)	0%	198,158	198,158	-	0%		
Extra-Curricular Activity Events		960	1,000	40	4%	4,000	4,000	0	0%		
Licenses & Permits		540	1,000	460	46%	1,000	1,000	0	0%		
Bank Charges & Loan Fees		580	300	(280)	-93%	2,320	1,200	(1,120)	-93%		
Contracted SPED - Non Instruction		-	182	182	100%	1,000	1,000	0	0%		
Contracted Custodial Services		52,233	54,741	2,508	5%	218,964	218,964	(0)	0%		
4 Total Vendor Services	90,349		93,255	2,906	3%	425,442	424,322	(1,120)	0%		
Administrative Expenses											
Travel / Auto / Meals / Lodging/Airfare		422	2,650	2,228	84%	10,600	10,600	(0)	0%		
Business Expense - Other		1,450	-	(1,450)	-100%	1,450	-	(1,450)	-100%	Summit transportation	
Dues & Subscriptions		143	750	607	81%	3,000	3,000	0	0%		
Printing & Copying		2,156	5,000	2,844	57%	16,835	20,000	3,165	16%		
Office Supplies		5,854	688	(5,166)	-751%	5,854	2,750	(3,104)	-113%	Toners	
Medical Supplies		663	100	(563)	-563%	663	400	(263)	-66%		
In-house Food Service		234	105	(129)	-123%	600	600	(0)	0%		
In-house Food Service - Aftercare		-	122	122	100%	500	500	(0)	0%		
5 Total Administrative Services	10,922		9,415	(1,507)	-16%	39,502	37,850	(1,652)	-4%		
Instruction Expense											
Textbooks		9,790	46,166	36,376	79%	50,424	50,424	(0)	0%		
Instructional Licenses		14,417	11,500	(2,917)	-25%	25,000	25,000	(0)	0%		
Consumable Instr. Supplies & Equip.-Student		90,416	78,518	(11,898)	-15%	100,000	100,000	0	0%		
Consumable Instr. Supplies & Equip.-Teacher		9,104	3,940	(5,164)	-131%	15,761	15,761	0	0%		
Library & Reference Books		-	220	220	100%	451	451	0	0%		
Testing Materials		507	817	310	38%	31,700	31,700	0	0%		
Instructional Supplies - Florida Lead Teacher		16,127	-	(16,127)	-100%	16,127	-	(16,127)	-100%	Offset by Revenue above	
6 Total Instruction Expense	140,361		141,161	800	1%	239,463	223,336	(16,127)	-7%		

Charter Schools USA
FOUR CORNERS CHARTER SCHOOL
Actual vs. Budget vs. Forecast Variance Analysis
As of the Period Ending September 30, 2014

	YTD						\$ YTD Effect	Explanation (15% and \$2,000)	Annual Forecast	Annual Budget	Variance	% Variance	\$ Annual Effect
	YTD	Actual	Budget	Variance	% Variance								
Other Operating Expenses													
Telephone/Internet/Cable/Satellite		14,878	14,812	(66)	0%			59,248	59,248	(0)	0%		
Postage & Express Mail		1,056	371	(685)	-185%			1,056	1,000	(56)	-6%		
Electricity & Natural Gas		40,738	38,204	(2,534)	-7%			155,352	152,818	(2,534)	-2%		
Water & Sewer		5,449	3,384	(2,065)	-61%	Includes prior year charges		15,600	13,535	(2,065)	-15%		
Waste Disposal		13,118	11,111	(2,007)	-18%			51,763	51,763	0	0%		
Pest Control		730	1,329	599	45%			5,000	5,000	(0)	0%		
Maintenance & Cleaning Supplies		3,151	6,250	3,099	50%			25,000	25,000	0	0%		
Building Repairs & Maintenance		110,149	78,620	(31,529)	-40%			315,230	315,230	0	0%		
Equipment Repairs & Maintenance		397	375	(22)	-6%			1,500	1,500	(0)	0%		
Miscellaneous Expenses		428	75	(353)	-471%			428	300	(128)	-43%		
7 Total Other Operating Expenses		190,094	154,531	(35,563)	-23%			630,177	625,394	(4,783)	-1%		
Fixed Expenses													
Office Equipment - Leasing Expense		7,290	8,100	810	10%			32,400	32,400	0	0%		
Property & Liability Insurance		41,565	19,930	(21,635)	-109%			81,961	79,720	(2,241)	-3%		
Rent Expense		282,689	282,689	-	0%			1,130,756	1,130,756	(0)	0%		
8 Total Fixed Expenses		331,544	310,719	(20,825)	-7%			1,245,118	1,242,876	(2,242)	0%		
TOTAL EXPENSES		1,667,062	1,677,535	10,473	1%			7,240,220	7,246,744	6,524	0%		
Operating Surplus/(Deficit)		95,877	71,045	24,832	35%			(30,093)	(199,885)	169,792	85%		
Non-Operating Expenses													
Capital Expenditures (NonCap)		5,757	15,367	9,610	63%			28,262	28,262	0	0%		
Capital Expenditures (Capitalized)		129,210	108,308	(20,902)	-19%			151,086	151,086	(0)	0%		
11 CHANGE IN FUND BALANCE		(39,090)	(52,630)	13,540	26%			(209,441)	(379,233)	169,792	45%		

Four Corners Charter School, Inc.
Governmental Balance Sheet
September 30, 2014

	Account Number	Fund Types				Total
		OF1 GENERAL	OF2 DEBT SERVICE	OF3 CAPITAL PROJECTS	OF4 SPECIAL REVENUE	
ASSETS						
Cash and Cash Equivalents	1110	3,057,837.70	0.00	60,764.00	0.00	3,118,601.70
Investments	1160	0.00	0.00	0.00	0.00	0.00
Taxes Receivable	1120	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	1130	1,534.87	0.00	0.00	0.00	1,534.87
Interest Receivable	1170	0.00	0.00	0.00	0.00	0.00
Due from Reinsurer	1180	0.00	0.00	0.00	0.00	0.00
Deposits Receivable	1210	0.00	0.00	0.00	0.00	0.00
Due from Other Funds	1140	0.00	0.00	0.00	0.00	0.00
Due from Other Agencies	1220	0.00	0.00	0.00	0.00	0.00
Inventory	1150	0.00	0.00	0.00	0.00	0.00
Prepaid Items	1230	0.00	0.00	0.00	0.00	0.00
Total Assets		3,059,372.57	0.00	60,764.00	0.00	3,120,136.57
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Salaries, Benefits and Payroll Taxes Payable	2110	0.00	0.00	0.00	0.00	0.00
Payroll Deductions and Withholdings	2170	0.00	0.00	0.00	0.00	0.00
Accounts Payable	2120	1,122,000.20	0.00	0.00	0.00	1,122,000.20
Judgments Payable	2130	0.00	0.00	0.00	0.00	0.00
Construction Contracts Payable	2140	0.00	0.00	0.00	0.00	0.00
Construction Contracts Payable-Retained	2150	0.00	0.00	0.00	0.00	0.00
Matured Interest Payable	2190	0.00	0.00	0.00	0.00	0.00
Due to Fiscal Agent	2240	0.00	0.00	0.00	0.00	0.00
Sales Tax Payable	2260	0.00	0.00	0.00	0.00	0.00
Estimated Liability Self Insurance	2270	0.00	0.00	0.00	0.00	0.00
Accrued Interest Payable	2210	0.00	0.00	0.00	0.00	0.00
Deposits Payable	2220	0.00	0.00	0.00	0.00	0.00
Due to Other Agencies	2230	0.00	0.00	0.00	0.00	0.00
Due to Other Funds	2160	0.00	0.00	0.00	0.00	0.00
Deferred Revenue	2410	0.00	0.00	0.00	0.00	0.00
Total Liabilities		1,122,000.20	0.00	0.00	0.00	1,122,000.20
FUND BALANCES						
Total Fund Balances	2700	1,937,372.37	0.00	60,764.00	0.00	1,998,136.37
Total Liabilities and Fund Balances		3,059,372.57	0.00	60,764.00	0.00	3,120,136.57

Four Corners Charter School, Inc. Revenue & Expenditures - Budget And Actual September 30, 2014	GENERAL FUND				
	OF1	Budget Amounts		Actual	Percentage of Current Budget
	Account Number	Original 1050.25	Current 1050.25		
REVENUES					
Federal Direct	3100	0.00	0.00	0.00	0.00%
Federal Through State	3200	0.00	0.00	0.00	0.00%
State Sources	3300	6,459,134.00	6,459,134.00	1,622,861.82	25.13%
Local Sources	3400	900.00	900.00	165.54	18.39%
Total Revenues		6,460,034.00	6,460,034.00	1,623,027.36	25.12%
EXPENDITURES					
Current:					
Instruction	5000	4,758,546.12	4,758,546.00	1,189,636.53	25.00%
Pupil Personnel Services	6100	0.00	0.00	0.00	0.00%
Instructional Media Services	6200	0.00	0.00	0.00	0.00%
Instruction and Curriculum Development Services	6300	0.00	0.00	0.00	0.00%
Instructional Staff Training Services	6400	0.00	0.00	0.00	0.00%
Instructional Related Technology	6500	0.00	0.00	0.00	0.00%
Board	7100	8,550.00	8,550.00	0.00	0.00%
General Administration	7200	802,156.49	802,156.00	192,851.52	24.04%
School Administration	7300	0.00	0.00	0.00	0.00%
Facilities Acquisition and Construction	7410	1,130,756.27	1,130,756.00	282,689.07	25.00%
Fiscal Services	7500	0.00	0.00	0.00	0.00%
Food Services	7600	0.00	0.00	0.00	0.00%
Central Services	7700	0.00	0.00	0.00	0.00%
Pupil Transportation Services	7800	0.00	0.00	0.00	0.00%
Operation of Plant	7900	0.00	0.00	0.00	0.00%
Maintenance of Plant	8100	0.00	0.00	0.00	0.00%
Administrative Tech Services	8200	0.00	0.00	0.00	0.00%
Community Services	9100	0.00	0.00	0.00	0.00%
Debt Service	9200	0.00	0.00	0.00	0.00%
Total Expenditures		6,700,008.88	6,700,008.00	1,665,177.12	24.85%
Excess (Deficiency) of Revenues Over (Under) Expenditures		(239,974.88)	(239,974.00)	(42,149.76)	17.56%
OTHER FINANCING SOURCES (USES)					
Long-term Debt Proceeds & Sales of Capital Assets	3700	0.00	0.00	0.00	
Transfers In	3600	382,324.87	382,325.00	0.00	
Transfers Out	9700	0.00	0.00	0.00	
Total Other Financing Sources (Uses)		382,324.87	382,325.00	0.00	
FUND BALANCE					
Net Change in Fund Balance		142,349.99	142,351.00	(42,149.76)	
Fund Balance, July 01, 2014	2800	1,979,522.13	1,979,522.13	1,979,522.13	
Adjustment to Fund Balance	2891	0.00	0.00	0.00	
Fund Balance, June 30, 2015	2700	2,121,872.12	2,121,873.13	1,937,372.37	

Four Corners Charter School, Inc. Revenue & Expenditures - Budget And Actual September 30, 2014		DEBT SERVICE FUNDS				
		OF2 Account Number	Budget Amounts		Actual	Percentage of Current Budget
			Original	Current		
			1050.25	1050.25		
REVENUES						
Federal Direct	3100	0.00	0.00	0.00	0.00%	
Federal Through State	3200	0.00	0.00	0.00	0.00%	
State Sources	3300	0.00	0.00	0.00	0.00%	
Local Sources	3400	0.00	0.00	0.00	0.00%	
Total Revenues		0.00	0.00	0.00	0.00%	
EXPENDITURES						
Current:						
Instruction	5000	0.00	0.00	0.00	0.00%	
Pupil Personnel Services	6100	0.00	0.00	0.00	0.00%	
Instructional Media Services	6200	0.00	0.00	0.00	0.00%	
Instruction and Curriculum Development Services	6300	0.00	0.00	0.00	0.00%	
Instructional Staff Training Services	6400	0.00	0.00	0.00	0.00%	
Instructional Related Technology	6500	0.00	0.00	0.00	0.00%	
Board	7100	0.00	0.00	0.00	0.00%	
General Administration	7200	0.00	0.00	0.00	0.00%	
School Administration	7300	0.00	0.00	0.00	0.00%	
Facilities Acquisition and Construction	7410	0.00	0.00	0.00	0.00%	
Fiscal Services	7500	0.00	0.00	0.00	0.00%	
Food Services	7600	0.00	0.00	0.00	0.00%	
Central Services	7700	0.00	0.00	0.00	0.00%	
Pupil Transportation Services	7800	0.00	0.00	0.00	0.00%	
Operation of Plant	7900	0.00	0.00	0.00	0.00%	
Maintenance of Plant	8100	0.00	0.00	0.00	0.00%	
Administrative Tech Services	8200	0.00	0.00	0.00	0.00%	
Community Services	9100	0.00	0.00	0.00	0.00%	
Debt Service	9200	0.00	0.00	0.00	0.00%	
Total Expenditures		0.00	0.00	0.00	0.00%	
Excess (Deficiency) of Revenues Over (Under) Expenditures			0.00	0.00	0.00%	
OTHER FINANCING SOURCES (USES)						
Long-term Debt Proceeds & Sales of Capital Assets	3700	0.00	0.00	0.00		
Transfers In	3600	0.00	0.00	0.00		
Transfers Out	9700	0.00	0.00	0.00		
Total Other Financing Sources (Uses)		0.00	0.00	0.00		
FUND BALANCE						
Net Change in Fund Balance		0.00	0.00	0.00		
Fund Balance, July 01, 2014	2800	0.00	0.00	0.00		
Adjustment to Fund Balance	2891	0.00	0.00	0.00		
Fund Balance, June 30, 2015	2700	0.00	0.00	0.00		

Four Corners Charter School, Inc. Revenue & Expenditures - Budget And Actual September 30, 2014		CAPITAL PROJECTS FUNDS				
		OF3 Account Number	Budget Amounts		Actual	Percentage of Current Budget
			Original 1050.25	Current 1050.25		
REVENUES						
Federal Direct	3100	0.00	0.00	0.00	0.00%	
Federal Through State	3200	0.00	0.00	0.00	0.00%	
State Sources	3300	382,325.00	382,325.00	60,764.00	15.89%	
Local Sources	3400	0.00	0.00	0.00	0.00%	
Total Revenues		382,325.00	382,325.00	60,764.00	15.89%	
EXPENDITURES						
Current:						
Instruction	5000	0.00	0.00	0.00	0.00%	
Pupil Personnel Services	6100	0.00	0.00	0.00	0.00%	
Instructional Media Services	6200	0.00	0.00	0.00	0.00%	
Instruction and Curriculum Development Services	6300	0.00	0.00	0.00	0.00%	
Instructional Staff Training Services	6400	0.00	0.00	0.00	0.00%	
Instructional Related Technology	6500	0.00	0.00	0.00	0.00%	
Board	7100	0.00	0.00	0.00	0.00%	
General Administration	7200	0.00	0.00	0.00	0.00%	
School Administration	7300	0.00	0.00	0.00	0.00%	
Facilities Acquisition and Construction	7410	0.00	0.00	0.00	0.00%	
Fiscal Services	7500	0.00	0.00	0.00	0.00%	
Food Services	7600	0.00	0.00	0.00	0.00%	
Central Services	7700	0.00	0.00	0.00	0.00%	
Pupil Transportation Services	7800	0.00	0.00	0.00	0.00%	
Operation of Plant	7900	0.00	0.00	0.00	0.00%	
Maintenance of Plant	8100	0.00	0.00	0.00	0.00%	
Administrative Tech Services	8200	0.00	0.00	0.00	0.00%	
Community Services	9100	0.00	0.00	0.00	0.00%	
Debt Service	9200	0.00	0.00	0.00	0.00%	
Total Expenditures		0.00	0.00	0.00	0.00%	
Excess (Deficiency) of Revenues Over (Under) Expenditures		382,325.00	382,325.00	60,764.00	15.89%	
OTHER FINANCING SOURCES (USES)						
Long-term Debt Proceeds & Sales of Capital Assets	3700	0.00	0.00	0.00		
Transfers In	3600	0.00	0.00	0.00		
Transfers Out	9700	(382,325.00)	(382,325.00)	0.00		
Total Other Financing Sources (Uses)		(382,325.00)	(382,325.00)	0.00		
FUND BALANCE						
Net Change in Fund Balance		0.00	0.00	60,764.00		
Fund Balance, July 01, 2014	2800	0.00	0.00	0.00		
Adjustment to Fund Balance	2891	0.00	0.00	0.00		
Fund Balance, June 30, 2015	2700	0.00	0.00	60,764.00		

**FOUR CORNERS
CHARTER SCHOOL, INC.**

**Basic Financial Statements and
Supplemental Information**

**For the year ended
June 30, 2014**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund information of Four Corners Charter School, Inc. (the "Corporation") and a component unit of the School Board of Osceola County, Florida as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Corporation, as of June 30, 2014, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental 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 24, 2014 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

September 24, 2014
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Management's Discussion and Analysis

As management of Four Corners Charter School, Inc. (the "Corporation") a component unit of the School Board of Osceola County, Florida, we offer readers of the Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the fiscal year ended June 30, 2014 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the Corporation's financial activities, (c) identify changes in the Corporation's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Since the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the basic financial statements found starting on page 8.

Financial Highlights

- The assets of the Corporation exceeded its liabilities at the close of the most recent fiscal year by \$3,698,680.
- The Corporation's total net position increased by \$8,383.
- As of the close of the current fiscal year, the Corporation's governmental funds reported combined ending fund balances \$1,979,522.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$740,385.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements include only the Corporation itself, which is a component unit of the School District of Osceola County, Florida. The School District of Osceola County, Florida includes the operations of the Corporation in their operational results.

The government-wide financial statements can be found on pages 8 and 9 of this report.

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

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

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

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

The basic governmental fund financial statements can be found on pages 10 through 13 of this report.

The Corporation adopts an annual appropriated budget for its entire operations. Budgetary comparison schedules and notes to these schedules have been provided to demonstrate compliance with this budget and can be found on pages 26 through 28 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 14 of this report.

Government-wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of a government's financial position. In the case of the Corporation, assets exceeded liabilities by \$3,698,680 at the close of the most recent fiscal year.

The largest portion of the Corporation's net position is the unrestricted portion. Another portion of the Corporation's net position reflects its investment in capital assets (e.g., leasehold improvements; furniture, fixtures and equipment; improvements other than buildings; and IT equipment). The Corporation uses these capital assets to provide services to students; consequently, these assets are not available for future spending. The investment in capital assets totaled \$1,719,158 at June 30, 2014.

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

Four Corners Charter School, Inc. Statement of Net Position

	<u>Governmental Activities</u>		
	<u>2014</u>	<u>2013</u>	<u>Variance</u>
ASSETS			
Current assets	\$2,474,165	\$3,460,113	\$ (985,948)
Capital assets, net of accumulated depreciation	1,719,158	1,938,523	(219,365)
Total assets	<u>4,193,323</u>	<u>5,398,636</u>	<u>(1,205,313)</u>
LIABILITIES			
Current liabilities	494,643	1,708,339	(1,213,696)
Total liabilities	<u>494,643</u>	<u>1,708,339</u>	<u>(1,213,696)</u>
NET POSITION			
Net investment in capital assets	1,719,158	1,938,523	(219,365)
Unrestricted	1,979,522	1,751,774	227,748
Total net position	<u>\$3,698,680</u>	<u>\$3,690,297</u>	<u>\$ 8,383</u>

Current assets and liabilities decreased from prior year due to the timing of the facility lease payments and management fees made subsequent to year end. Capital assets decreased from prior year due to current year depreciation expense.

Four Corners Charter School, Inc.
Statement of Activities

	Governmental Activities		
	2014	2013	Variance
Revenues:			
Program revenues:			
Operating grants and contributions	\$ 461,745	\$ 363,689	\$ 98,056
General revenues:			
State passed through local school district	6,370,880	6,094,471	276,409
Other revenues	7,556	-	7,556
Interest income	652	573	79
Total revenues	<u>6,840,833</u>	<u>6,458,733</u>	<u>382,100</u>
Expenses:			
Basic instruction	4,769,021	4,521,713	247,308
Board of directors	6,800	-	6,800
General administration	714,983	677,165	37,818
Facilities	1,341,646	1,336,686	4,960
Total expenses	<u>6,832,450</u>	<u>6,535,564</u>	<u>296,886</u>
Change in net position	8,383	(76,831)	85,214
Net position - beginning	<u>3,690,297</u>	<u>3,767,128</u>	<u>(76,831)</u>
Net position - ending	<u>\$ 3,698,680</u>	<u>\$ 3,690,297</u>	<u>\$ 8,383</u>

State passed through local school district revenues and basic instruction expenses both increased due to an overall increase in funding from the state of Florida. Operating grants and contributions increased due to an increase in capital outlay funding. General administration expenditure increased due to higher administration fees being calculated based on increased funding.

Financial Analysis of the Government's Funds

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

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

As of the current fiscal year, the Corporation's governmental funds reported combined ending fund balances of \$1,979,522.

The general fund is the main operating fund of the Corporation. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$740,385.

The fund balance of the Corporation's general fund increased by \$227,748 during the current fiscal year.

General Fund Budgetary Highlights

Actual general fund revenues exceeded budgeted revenues by \$29,869 because there was an increase in enrollment that led to an unanticipated increase in earned revenues. Budgeted general fund expenditures exceeded actual expenditures by \$287,592 because expenditures related to the facilities and general administration were less than projected. As a result, the budgeted increase in fund balance exceeded the actual increase in fund balance by \$317,461. The budgetary information can be found on pages 26 through 28 of this report.

Capital Asset and Debt Administration

Capital Assets. The Corporation's investment in capital assets for its governmental type activities as of June 30, 2014, amounts to \$1,719,158 (net of accumulated depreciation). This investment in capital assets includes furniture, fixtures and equipment, improvements other than buildings, leasehold improvements, and IT equipment.

Economic Factors. A majority of the Corporation's funding is determined by the number of enrolled students. The Corporation is forecasting enrollment to remain at capacity at approximately 1,050 students for the 2014-15 school year.

Request for Information

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

Four Corners Charter School, Inc.

STATEMENT OF NET POSITION

June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash	\$ 2,471,872
Accounts receivable	2,293
Total current assets	<u>2,474,165</u>
CAPITAL ASSETS	
Capital assets, net of accumulated depreciation	
Furniture, fixtures and equipment	45,542
Improvements other than buildings	4,235
Leasehold improvements	1,579,747
IT equipment	89,634
Total capital assets	<u>1,719,158</u>
Total assets	<u>4,193,323</u>
LIABILITIES AND NET POSITION	
LIABILITIES	
Due to management company	494,643
Total liabilities	<u>494,643</u>
NET POSITION	
Investment in capital assets	1,719,158
Unrestricted	1,979,522
Total net position	<u>\$ 3,698,680</u>

The accompanying notes are an integral part of this financial statement.

Four Corners Charter School, Inc.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Basic instruction	\$ 4,769,021	\$ -	\$ -	\$ -	\$ (4,769,021)
Board of directors	6,800	-	-	-	(6,800)
General administration	714,983	-	-	-	(714,983)
Facilities	1,341,646	-	461,745	-	(879,901)
Total governmental activities	<u>\$ 6,832,450</u>	<u>\$ -</u>	<u>\$ 461,745</u>	<u>\$ -</u>	<u>(6,370,705)</u>
General revenues:					
					6,370,880
					7,556
					652
					<u>6,379,088</u>
					8,383
					<u>3,690,297</u>
					<u>\$ 3,698,680</u>

The accompanying notes are an integral part of this financial statement.

Four Corners Charter School, Inc.

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2014

	General Fund	Capital Outlay Fund	Total Governmental Funds
ASSETS			
Cash	\$ 2,471,872	\$ -	\$ 2,471,872
Accounts receivable	2,293	-	2,293
Total assets	\$ 2,474,165	\$ -	\$ 2,474,165
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to management company	\$ 494,643	\$ -	\$ 494,643
Total liabilities	494,643	-	494,643
FUND BALANCES			
Assigned	1,239,137	-	1,239,137
Unassigned	740,385	-	740,385
Total fund balances	1,979,522	-	1,979,522
Total liabilities and fund balances	\$ 2,474,165	\$ -	\$ 2,474,165

The accompanying notes are an integral part of this financial statement.

Four Corners Charter School, Inc.

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

June 30, 2014

Fund balances - total governmental funds \$ 1,979,522

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:

Furniture, fixtures and equipment, net	\$ 45,542	
Improvements other than buildings, net	4,235	
Leasehold improvements, net	1,579,747	
IT equipment, net	<u>89,634</u>	
Total capital assets		<u>1,719,158</u>
Total net position of governmental activities		<u>\$ 3,698,680</u>

The accompanying notes are an integral part of this financial statement.

Four Corners Charter School, Inc.

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

For the year ended June 30, 2014

	General Fund	Capital Outlay Fund	Total Governmental Funds
Revenues			
State passed through local school district	\$ 6,370,880	\$ 461,745	\$ 6,832,625
Other revenues	8,208	-	8,208
Total revenues	<u>6,379,088</u>	<u>461,745</u>	<u>6,840,833</u>
Expenditures			
Current:			
Basic instruction	4,651,947	-	4,651,947
Board of directors	6,800	-	6,800
General administration	714,983	-	714,983
Facilities	1,120,293	-	1,120,293
Fixed capital outlay	119,062	-	119,062
Total expenditures	<u>6,613,085</u>	<u>-</u>	<u>6,613,085</u>
Excess (deficiency) of revenues over (under) expenditures	(233,997)	461,745	227,748
Other financing sources and (uses)			
Transfers in	461,745	-	461,745
Transfers out	-	(461,745)	(461,745)
Total other financing sources (uses)	<u>461,745</u>	<u>(461,745)</u>	<u>-</u>
Net change in fund balances	227,748	-	227,748
Fund balances at July 1, 2013	<u>1,751,774</u>	<u>-</u>	<u>1,751,774</u>
Fund balances at June 30, 2014	<u>\$ 1,979,522</u>	<u>\$ -</u>	<u>\$ 1,979,522</u>

The accompanying notes are an integral part of this financial statement.

Four Corners Charter School, Inc.

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

For the year ended June 30, 2014

Net change in fund balances - total government funds		\$	227,748
The change in net position reported for governmental activities in the statement of activities is different because:			
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Total fixed capital outlay	\$	119,062	
Less: depreciation		<u>(338,427)</u>	<u>(219,365)</u>
Change in net position of governmental activities		\$	<u>8,383</u>

The accompanying notes are an integral part of this financial statement.

Four Corners Charter School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

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

The Corporation was formed to operate Four Corners Charter School (the "School") in Osceola County, Florida. The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under charter of the sponsoring school district, the School District of Osceola County, Florida (the "District"). The current charter is effective until June 30, 2014. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the Corporation in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. In the event of termination of the charter, any property purchased by the Corporation with public funds and any unencumbered public funds revert back to the District. The Corporation is considered a component unit of the School District of Osceola County, Florida.

2. Government-wide and fund financial statements

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

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

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

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

Four Corners Charter School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

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

Four Corners Charter School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

4. Cash

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

5. Interfund receivables, payables and transfers

Interfund receivables and payables represent activity between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year and are referred to as either due to/from other funds. The capital outlay fund transferred \$461,745 to the general fund for payment of rent expense related to the facilities sub-lease (see Note E-2).

6. Capital assets

Capital assets are reported in the governmental columns on the government-wide financial statements. Capital assets are defined by the Corporation as assets with an initial individual cost of more than \$750 or a total invoice cost of greater than \$5,000 and an estimated useful life of greater than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair market 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 the asset lives are not capitalized.

Four Corners Charter School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

6. Capital assets (continued)

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Furniture, fixtures and equipment	5 - 7
Improvements other than buildings	7 - 10
IT equipment	3
Computer equipment	3
Audio visual equipment	5 - 7

7. Revenue sources

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

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

8. Expenses

A commercial management company operates the School pursuant to a long-term contract with the Corporation. The management company is responsible for payment of virtually all operating expenses. Actual expenses paid by the management company may differ significantly from amounts paid and expensed by the Corporation. For this reason, functional detail of the Corporation's expenditures is not available and has not been presented in the financial statements.

Four Corners Charter School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Income taxes

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

10. Use of estimates

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

11. Fund balance classification

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

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

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

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

For the year ended June 30, 2014, the breakout of the fund balance is shown below:

	<u>General Fund</u>
Assigned	
Facilities and maintenance	\$ 150,000
Facilities use fee	1,089,137
Unassigned	<u>740,385</u>
	<u>\$ 1,979,522</u>

Four Corners Charter School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Fund balance classification (continued)

Assigned fund balance - amounts the Corporation intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates the authority. The amount assigned by the Board of Directors is made up of the facility use fee \$1,089,137, as well as \$150,000 set aside each year to facilities and maintenance.

Unassigned fund balance - amounts that are available for any purpose. Positive amounts are only reported in the general fund.

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

NOTE B - CASH

Custodial Credit Risk - Custodial credit risk is the risk that in the event of bank failure, the Corporation's deposits may not be returned to it. The Corporation does not have a formal policy regarding custodial credit risk. The bank balance of the Corporation's deposits was \$3,944,999.56 at June 30, 2014. The deposits are insured by the FDIC up to \$250,000 per entity. Monies invested in amounts greater than the insurance coverage are secured by amounts required by the Florida Security for Public Deposits Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the Corporation pursuant to section 280.08, Florida Statutes.

Four Corners Charter School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE C - CAPITAL ASSETS

Changes in capital assets activity were as follows:

	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014
Capital assets depreciated:				
Furniture, fixtures and equipment	\$1,057,305	\$ 2,825	\$ -	\$ 1,060,130
Improvements other than buildings	34,167	-	-	34,167
Leasehold improvements	2,193,298	-	-	2,193,298
IT equipment	477,750	116,237	-	593,987
Computer equipment	77,232	-	-	77,232
Audio visual equipment	1,555	-	-	1,555
Total assets depreciated	<u>3,841,307</u>	<u>\$ 119,062</u>	<u>\$ -</u>	<u>3,960,369</u>
Less accumulated depreciation:				
Furniture, fixtures and equipment	993,001	\$ 21,587	\$ -	1,014,588
Improvements other than buildings	27,909	2,023	-	29,932
Leasehold improvements	394,221	219,330	-	613,551
IT equipment	408,866	95,487	-	504,353
Computer equipment	77,232	-	-	77,232
Audio visual equipment	1,555	-	-	1,555
Total accumulated depreciation	<u>1,902,784</u>	<u>\$ 338,427</u>	<u>\$ -</u>	<u>2,241,211</u>
Total governmental activities capital assets, net	<u>\$1,938,523</u>			<u>\$ 1,719,158</u>

Depreciation expense for the year ended June 30, 2014 was charged to functions of the Corporation as follows:

Basic instruction	\$ 117,074
Facilities	<u>221,353</u>
	<u>\$ 338,427</u>

Four Corners Charter School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE D - CONCENTRATIONS

Revenue sources

As stated in Note A-7, the Corporation receives revenues for current operations primarily from the State of Florida passed through the District. The following is a schedule of revenue sources and amounts:

<u>Source</u>	<u>Amount</u>
School Board of Osceola County, Florida:	
Base funding	\$ 4,181,124
Class size reduction	1,219,918
Discretionary local effort	239,915
Supplemental academic instruction	231,915
Discretionary millage compression allocation	161,315
Instructional materials	86,353
Exceptional student education guaranteed allocation	39,058
Safe schools	19,576
Discretionary lottery	10,227
Additional allocation	3,713
Teacher Salary Allocation	181,684
Proration to funds available	<u>(19,580)</u>
Subtotal	6,355,218
Capital outlay funds	461,745
Florida teacher lead program	<u>15,662</u>
Total School Board of Osceola County, Florida	6,832,625
Other revenues	7,556
Interest income	<u>652</u>
Total revenues	<u><u>\$ 6,840,833</u></u>

Four Corners Charter School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE E - COMMITMENTS AND CONTINGENCIES

1. Management service contract

On September 16, 2010, the Corporation entered into a new management agreement. The agreement is for a term of four years commencing on July 1, 2011. The contract terminates the earlier of June 30, 2015 or the termination date of the charter if the District chooses to early terminate or not to renew when expired.

The management company will manage and operate the School during the term of the agreement and is guaranteed a fee of \$370,000 plus contingent incentive fees. The incentive fees are calculated as the difference between the guaranteed fee and 12% of FEFP operational revenues, and subject to performance requirements as detailed in the management agreement. Current year management fees charged to operations totaled \$714,983.

2. Facilities sub-lease

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

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

The Corporation is entitled to use the facilities under a sub-lease agreement with the District that requires annual payments in amounts equal to the annual debt service payments on the Certificates. Such annual payments range from \$648,896 to \$1,118,156 for the Corporation. At the end of the term of the charter including renewals, if any, possession of the facilities will revert to the District which will be liable for all future payments.

Four Corners Charter School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE E - COMMITMENTS AND CONTINGENCIES (continued)

2. Facilities sub-lease (continued)

Current year facilities lease expense charged to operations totaled \$1,120,293. This amount is included in the "Facilities" functional expense category on the accompanying statement of activities and statement of revenues, expenditures and changes in fund balances. A portion of the facility use fee in the amount of \$461,745 was reimbursed through capital outlay funds.

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

2015	\$ 1,112,756
2016	1,113,556
2017	1,118,156
2018	1,110,363
2019	1,110,513
2020-2024	<u>5,565,819</u>
	<u>\$ 11,131,163</u>

NOTE F - RISK MANAGEMENT

The Corporation and School are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the School carries commercial insurance. Under the plan for property insurance, the liability is \$25,000 per occurrence. There have been no significant reductions in insurance coverage during fiscal year 2014. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

NOTE G - RELATED PARTIES

1. Due to management company

The Corporation has entered into an agreement with a management company for professional services to manage and operate the School (See Note E-1). All monies received by revenue, grants and revenue allocations are initially deposited with the Corporation. The Corporation retains funds in order to pay for management fees. As of June 30, 2014, the Corporation has an outstanding payable due to the management company in the amount \$494,643.

Four Corners Charter School, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

NOTE G - RELATED PARTIES (continued)

2. Due to school district

All monies received by revenue, grants and revenue allocations are initially deposited with the Corporation. The Corporation retains funds in order to pay for lease payments to the District (see Note E-2). At June 30, 2014, the balance sheet reflects no payable due to the school district.

3. Due to Four Corners Charter School

All monies received by revenue, grants and revenue allocations are initially deposited with the Corporation. The Corporation retains funds in order to pay for facility maintenance. At June 30, 2014, the balance sheet reflects a payable due to Four Corners Charter School in the amount of \$0.

NOTE H - SUBSEQUENT EVENTS

The Corporation has evaluated subsequent events through September 24, 2014 the date which the financial statements were available for issuance, and has determined that no material events occurred that would require additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Four Corners Charter School, Inc.

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

For the year ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
State passed through local school district	\$ 6,326,597	\$ 6,341,010	\$ 6,370,880	\$ 29,870
Other revenues	900	8,209	8,208	(1)
Total revenues	<u>6,327,497</u>	<u>6,349,219</u>	<u>6,379,088</u>	<u>29,869</u>
Expenditures				
Current:				
Basic instruction	4,620,806	4,651,947	4,651,947	-
Board of directors	8,550	6,800	6,800	-
General administration	785,525	788,912	714,983	73,929
Facilities	1,133,956	1,333,956	1,120,293	213,663
Fixed capital outlay	-	119,062	119,062	-
Total expenditures	<u>6,548,837</u>	<u>6,900,677</u>	<u>6,613,085</u>	<u>287,592</u>
Deficiency of revenues under expenditures	(221,340)	(551,458)	(233,997)	317,461
Other financing sources				
Transfers in	<u>363,689</u>	<u>461,745</u>	<u>461,745</u>	<u>-</u>
Net change in fund balance	142,349	(89,713)	227,748	317,461
Fund balance at July 1, 2013	<u>1,751,774</u>	<u>1,751,774</u>	<u>1,751,774</u>	<u>-</u>
Fund balance at June 30, 2014	<u>\$ 1,894,123</u>	<u>\$ 1,662,061</u>	<u>\$ 1,979,522</u>	<u>\$ 317,461</u>

The accompanying notes are an integral part of this financial statement.

Four Corners Charter School, Inc.

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

For the year ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
State passed through local school district	\$ 363,689	\$ 461,745	\$ 461,745	\$ -
Other financing uses				
Transfers out	(363,689)	(461,745)	(461,745)	-
Net change in fund balance	-	-	-	-
Fund balance at July 1, 2013	-	-	-	-
Fund balance at June 30, 2014	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this financial statement.

Four Corners Charter School, Inc.

NOTE TO REQUIRED SUPPLEMENTAL INFORMATION

June 30, 2014

NOTE A - BUDGETARY BASIS OF ACCOUNTING

1. Budgetary basis of accounting

Annual budgets are adopted for the entire operations and may be amended by the Board of Directors (the "Board"). The budgets presented for fiscal year ended June 30, 2014, 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.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund information of Four Corners Charter School, Inc. (the "Corporation") and a component unit of the School Board of Osceola County, Florida, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated September 24, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

September 24, 2014
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of Four Corners Charter School, Inc. (the "Corporation"); a component unit of the School Board of Osceola County, Florida, as of and for the fiscal year ended June 30, 2014, and have issued our report thereon dated September 24, 2014.

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.

Other Reporting Required by *Government Auditing Standards*

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 that report, which is dated September 24, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.850, Rules of the Auditor General, which governs the conduct of charter school and similar entity audits performed in the State of Florida.

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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Financial Condition

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

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

Transparency

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

Other Matters

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

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

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity. The official title of the Corporation is Four Corners Charter School, Inc., which is a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Corporation's management, Board of Directors, others within the Corporation, the School Board of Osceola County, Florida, the State of Florida Office of the Auditor General, Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, and other regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

September 24, 2014
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Prior Year Findings, Recommendations and Other Matters

13-01 Amend Annual Operating Budget

Criteria: Section 1002.33(9)j of the Florida Statutes requires that the governing body of the charter school adopt an annual budget. This budget should be amended if management believes expenditures will exceed actual appropriations.

Condition: During the current year, actual expenditures exceeded final budgeted appropriations of the general fund by \$88,525.

Effect: The School's actual expenditures exceeded budgeted appropriations.

Auditors' recommendation: It is our recommendation that the School amend their budget to ensure that all of the School's expenditures do not exceed the budget. These expenditures should include all estimated accruals, contributed services and assets.

Status at June 30, 2014: **Corrected.**