FRANKLIN ACADEMY BOYNTON BEACH CHARTER SCHOOL

BOYNTON BEACH, FLORIDA

(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC. AND SUBSIDIARY)

BASIC FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S REPORT AND SUPPLEMENTAL INFORMATION

JUNE 30, 2026

FRANKLIN ACADEMY BOYNTON BEACH CHARTER SCHOOL
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2026

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FRANKLIN ACADEMY BOYNTON BEACH CHARTER SCHOOL
(A Charter School Under Franklin Academy Foundation, Inc. and Subsidiary)

7882 Military Trail
Boynton Beach, FL 33463
(561) 767-4700

2025-2026

BOARD OF DIRECTORS

Dr. David Thomas, Chair
Mrs. Alexandra Lonsdale
Mrs. Debbie Orshefsky
Dr. Jaqueline Greenberg

SCHOOL ADMINISTRATION

Alison L'Etoile, Principal

OTHER CORPORATE OFFICERS

Philip Hall, Deputy Director

Verdeja • Alvarez
Certified Public Accountants & Advisors
Octavio F. Verdeja, Founder - 1971

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Franklin Academy Boynton Beach
Boynton Beach, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin Academy Boynton Beach (the "School"), a charter School under Franklin Academy Foundation, Inc. and Subsidiary, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin Academy Boynton Beach, as of June 30, 2026, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information

and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2026 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School's internal control over financial reporting and compliance.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2026

Management's Discussion and Analysis
Franklin Academy Boynton Beach
(A Charter School Under Franklin Academy Foundation, Inc. and Subsidiary)
June 30, 2026

The corporate officers of Franklin Academy Boynton Beach (the "School") have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2026.

FINANCIAL HIGHLIGHTS

1. The net position of the School as of June 30, 2026 was $16,127,115.
2. At year-end, the School had current assets on hand of $17,497,396.
3. The net position of the School increased by $2,839,986 during the year.
4. The unassigned fund balance at year end was $10,789,508.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements, which together provide different views of the same underlying financial activity.

Government-wide financial statements

The government-wide financial statements — the Statement of Net Position and the Statement of Activities — report information on all of the School's activities using the accrual basis of accounting, in a manner similar to a private-sector business, and present a longer-term view of the School's finances. The Statement of Net Position presents the School's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position; over time, increases or decreases in net position serve as one indicator of whether the School's financial position is improving or deteriorating. The Statement of Activities presents how net position changed during the fiscal year, with revenues and expenses reported when the underlying event occurs regardless of the timing of related cash flows. These statements can be found on pages 10–11 of this report.

Fund financial statements

Unlike the government-wide statements, the fund financial statements focus on near-term inflows and outflows of spendable resources and on the balances of spendable resources available at year end — information useful in assessing the School's near-term financing requirements. All of the School's funds are governmental funds, and the Board adopts an annual appropriated budget for its governmental funds; a budgetary comparison statement is provided for the general fund and each major special revenue fund with a legally adopted budget to demonstrate compliance. The notes to the financial statements, which provide additional information essential to a full understanding of the government-wide and fund data, can be found on pages 16–25.

FINANCIAL SUMMARY

The following tables present condensed financial information derived from the government-wide financial statements, comparing the fiscal years ended June 30, 2026 and 2025.

Condensed Statement of Net Position

	2026	2025
Cash	$ 14,161,827	$11,490,172
Restricted cash	2,925,122	2,841,557
Due from other agencies	410,447	65,243
Due from Franklin Academy Foundation, Inc.	5,029,103	4,904,445
Capital Assets, net	17,002,487	18,030,761
Total Assets	$ 39,528,986	$ 37,332,178
Salaries and wages payable	$ 946,778	$894,586
Accounts payable	44,609	123,147
Accrued interest	447,530	457,686
Bonds payable	21,962,954	22,569,630
Total Liabilities	23,401,871	24,045,049
Net Position:		
Restricted by bond	2,477,592	2,383,871
Restricted - lunch program	439,534	318,159
Restricted - student activities	1,573,509	140,474
Unrestricted	11,636,480	10,444,625
Total Net Position	16,127,115	13,287,129
Total Liabilities and Net Position	$ 39,528,986	$ 37,332,178

Condensed Statement of Revenues, Expenses, and Changes in Net Position

REVENUES	2026	2025
Program Revenues		
Capital Grants and Contributions	$ 2,746,245	$ 1,468,433
Federal sources	1,328,837	2,102,916
Lunch Program fees	2,394	7,938
General Revenues		
Local Sources (FTE and other non specific)	13,291,552	13,058,352
Other Revenues	641,503	659,569
Total Revenues	$ 18,010,531	$ 17,297,208
EXPENSES		
Instruction	$ 7,659,574	$7,323,921
Instructional and student support services	457,765	620,797
General administration	122,440	144,084
School administration	1,645,781	1,646,758
Fiscal services	949,905	1,003,114
Food services	814,860	812,080
Pupil transportation	296,799	288,023
Operation of plant	1,690,341	1,766,198
Maintenance of plant	98,112	95,277
Administrative technology services	145,453	123,010
Extracurricular activities	210,725	209,929
Interest expense	1,078,790	1,103,088
Total Expenses	$ 15,170,545	$ 15,136,279
Increase in Net Position	2,839,986	2,160,929
Net Position at Beginning of Year	13,287,129	11,126,200
Net Position at End of Year	$ 16,127,115	$ 13,287,129

DETAILED ANALYSIS OF FINANCIAL INFORMATION

Government-wide financial analysis

Total net position increased by $2,839,986 during fiscal year 2026, from $13,287,129 to $16,127,115. This increase resulted from total revenues of $18,010,531 against total expenses of $15,170,545.

Total revenues increased by $713,323 (4.1%) compared to the prior year. Capital grants and contributions increased by $1,277,812, this reflects the additional local capital improvement revenue collected by the District from higher property tax collections,. Local sources (FTE) revenue increased by $233,200,. Federal sources revenue decreased by $774,079, due to a wind-down of COVID-era relief program that is no longer being drawn down.

Total expenses increased by $34,266 (0.2%) compared to the prior year and were relatively stable overall. Instruction expense increased by $335,653, the slight increase was due in part to salary increases, while Instructional and student support services expense decreased slightly by $163,032. Individually insignificant line-item changes are not separately discussed.

Major fund financial analysis — General Fund

At June 30, 2026, the General Fund reported an ending fund balance of $10,789,508, compared to an ending fund balance of $8,812,127 at June 30, 2025, a change of $1,977,381, which is due in large part to FTE funding. The General Fund is the School's primary operating fund; substantially all General Fund revenue is distributed by the District through the Florida Education Finance Program (FEFP), which uses state formulas together with local property taxes (required local effort) established annually by the Florida Legislature to determine the School's funding.

Major fund financial analysis — Special Revenue Fund

At June 30, 2026, the Special Revenue Fund reported an ending fund balance of $2,499,364, compared to an ending fund balance of $1,725,555 at June 30, 2025, a change of $773,809, the increase is due in large part to NSLP funding that was received in excess of food expenditures. These funds are restricted.

Major fund financial analysis — Debt Service Fund

At June 30, 2026, the Debt Service Fund reported an ending fund balance of $2,477,592, compared to an ending fund balance of $2,383,871 at June 30, 2025, a change of $93,721. Funds were transferred in from a non-major fund for debt service.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

The School's investment in capital assets at June 30, 2026 was $17,002,487, net of accumulated depreciation, consisting of land, buildings and improvements, computer equipment and software, and furniture, fixtures and equipment. During the year, the School added $308,234 in capital assets — $118,139 in building improvements, $71,910 in computer equipment and software, and $118,185 in furniture, equipment, and textbooks — with no retirements. Depreciation expense of $1,336,508 was recorded during the year, resulting in a net decrease in capital assets of $1,028,274.

The School's bonds payable decreased by $606,676 during the year, from $22,569,630 to $21,962,954, reflecting a scheduled principal payment of $609,400 on the Educational Facilities Revenue Bonds, Series 2016A, partially offset by $2,724 of bond discount amortization; no new debt was issued during the year. $609,400 of the outstanding balance is due within one year. As described in Note 7, the bonds contain restrictive covenants related to the debt service coverage ratio, days-cash-on-hand requirements, and student enrollment and reporting requirements; in the event of default, the maturity of the bonds may be accelerated and the underlying collateral may be subject to foreclosure. The School was in compliance with the bond covenants.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The following facts, decisions, or conditions, known to management as of the date the financial statements were issued, are expected to have a significant effect on the School's financial position or to produce results in future periods that are significantly different from the current year:

- Student count is expected to remain consistent in the next period.
- The formula for determining funding for education is set by Statute. State funds to charter schools are provided primarily by legislative appropriations from the State's general revenue funds under the Florida Education Finance Program (FEFP), and the State funding for operations is primarily from sales, gasoline, and corporate income taxes. Additionally, the level of tourism in the State heavily influences the amount of taxes collected. Significant changes in State revenue collections could directly impact future School revenue allocations.

REQUESTS FOR INFORMATION

This financial report is intended to provide a general overview of the finances of the Charter School. Requests for additional information may be addressed to Alison L'Etoile, at 7882 Military Trail, Boynton Beach, Florida, 33463.

FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
STATEMENT OF NET POSITION
JUNE 30, 2026

ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$	14,161,827
Restricted cash, held by trustee		2,925,122
Due from other agencies		410,447
TOTAL CURRENT ASSETS		17,497,396
Due from Franklin Academy Foundation, Inc.		5,029,103
Capital assets, non- depreciable		1,970,000
Capital assets, depreciable		27,056,240
Less: accumulated depreciation		(12,023,753)
		17,002,487
TOTAL ASSETS	$	39,528,986
LIABILITIES		
CURRENT LIABILITIES		
Salaries and wages payable	$	946,778
Accounts payable and accrued expenses		44,609
Accrued interest		447,530
TOTAL CURRENT LIABILITIES		1,438,917
Long-term debt:		
Revenue bond payable within one year		609,400
Revenue bond payable in more than one year		21,353,554
TOTAL LIABILITIES		23,401,871
NET POSITION		
Restricted by bond		2,477,592
Restricted - lunch program		439,534
Unrestricted		11,636,480
TOTAL NET POSITION		16,127,115
TOTAL LIABILITIES AND NET POSITION	$	39,528,986

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

FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

		Program Revenues			
Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:					
Instruction	$ 7,659,574	$ -	357,738	$ -	$ (7,301,836)
Instructional and student support services	457,765	-	3,626	-	(454,139)
General administration	122,440	-	-	-	(122,440)
School administration	1,645,781	-	-	-	(1,645,781)
Fiscal services	949,905	-	-	-	(949,905)
Food services	814,860	2,394	933,841	-	121,375
Transportation	296,799	-	-	-	(296,799)
Operation of plant	1,690,341	-	-	2,726,673	1,036,332
Maintenance of plant	98,112	-	-	19,572	(78,540)
Extracurricular activities	210,725	-	33,632	-	(177,093)
Administrative technology services	145,453	-	-	-	(145,453)
Interest expense	1,078,790	-	-	-	(1,078,790)
Total Governmental Activities	$15,170,545	$ 2,394	$ 1,328,837	$ 2,746,245	$ (11,093,069)
	GENERAL REVENUES:				
	FTE and other nonspecific revenues				13,291,552
	Interest and other miscellaneous local revenue sources				641,503
	Total general revenues				13,933,055
	Change in Net Position				2,839,986
	NET POSITION - BEGINNING				13,287,129
	NET POSITION - ENDING				$ 16,127,115

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

FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2026

	General Fund	Special Revenue Funds	Non-major Governmental Funds	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash	$ 11,662,463	$ 2,499,364	$ -	$ -	$ 14,161,827
Restricted cash, held by trustee	-	-	-	2,925,122	2,925,122
Due from other agencies	-	82,870	327,577	-	410,447
Due from fund	82,870	-	-	-	82,870
TOTAL ASSETS	$ 11,745,333	$ 2,582,234	$ 327,577	$ 2,925,122	$ 17,580,266
LIABILITIES					
Salaries and wages payable	$ 946,778	$ -	$ -	$ -	$ 946,778
Accounts payable and accrued expenses	44,609	-	-	-	44,609
Accrued interest	-	-	-	447,530	447,530
Due to fund	-	82,870	-	-	82,870
TOTAL LIABILITIES	991,387	82,870	-	447,530	1,521,787
Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCE					
Restricted - lunch program	-	439,534	-	-	439,534
Restricted - referendum	-	1,573,509	-	-	1,573,509
Restricted - capital outlay	-	-	327,577	-	327,577
Restricted - Sales surtax	-	486,321	-	-	486,321
Restricted - debt service	-	-	-	2,477,592	2,477,592
Unassigned	10,753,946	-	-	-	10,753,946
	10,753,946	2,499,364	327,577	2,477,592	16,058,479
TOTAL LIABILITIES AND FUND BALANCE	$ 11,745,333	$ 2,582,234	$ 327,577	$ 2,925,122	$ 17,580,266

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

FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Total Fund Balance - Governmental Funds	$ 16,058,479
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	17,002,487
Long-term receivables in governmental activities are financial assets but are not reported in the governmental funds.	5,029,103
Long term debt in governmental activities are financial obligations but are not reported in the governmental funds.	(21,962,954)
Total Net Position - Governmental Activities	$ 16,127,115

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

FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Special Revenue Funds	Non-major Governmental Funds	Debt Service Fund	Total Governmental Funds
REVENUES					
State capital outlay funding	$ -	$ -	$ 831,517	$ -	$ 831,517
State passed through local	10,782,396	-	-	-	10,782,396
Local sources	-	3,150,903	1,200,205	-	4,351,108
Federal Sources	-	1,348,409	33,632	-	1,382,041
Lunch program fees	-	-	-	-	-
Charges and other revenues	663,469	-	-	-	663,469
TOTAL REVENUES	$ 11,445,865	$ 4,499,312	$ 2,065,354	$ -	$ 18,010,531
EXPENDITURES					
Current					
Instruction	$ 4,941,482	$ 2,558,563	$ -	$ -	$ 7,500,045
Instructional and student support services	293,765	164,000	-	-	457,765
General administration	122,440	-	-	-	122,440
School administration	1,173,859	-	-	-	1,173,859
Fiscal services	949,905	-	-	-	949,905
Food services	-	814,860	-	-	814,860
Pupil transportation	296,799	-	-	-	296,799
Operation of plant	863,869	-	121,415	-	985,284
Maintenance of plant	14,480	50,000	33,632	-	98,112
Administrative technology services	145,453	-	-	-	145,453
Extracurricular activities	72,645	138,080	-	-	210,725
Capital Outlay:					
Other capital outlay	-	-	308,234	-	308,234
Debt service:					
Repayment of principal	504,691	-	-	104,709	609,400
Amortization of bond premium/discount	-	-	-	(2,724)	(2,724)
Interest	-	-	1,078,790	-	1,078,790
TOTAL EXPENDITURES	$ 9,379,388	$ 3,725,503	$ 1,542,071	$ 101,985	$ 14,748,947
Excess (deficit) of revenues over expenditures	2,066,477	773,809	523,283	(101,985)	3,261,584
Other Financing Sources (uses)					
Transfers in (out)	-	-	(195,706)	195,706	-
Due from Franklin Academy Foundation, Inc.	(124,658)	-	-	-	(124,658)
Net change in fund balance	1,941,819	773,809	327,577	93,721	3,136,926
Fund balance at beginning of year	8,812,127	1,725,555	-	2,383,871	12,921,553
Fund balance at end of year	$ 10,753,946	$ 2,499,364	$ 327,577	$ 2,477,592	$ 16,058,479

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

FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Net Change in Fund Balance - Governmental Funds	$	3,136,926
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlays		308,234
Depreciation expense		(1,336,508)
Increases in long-term receivables is an other financing source in the governmetal funds, but increases long-term assets in the statement of net position. This is the net amount by which long-term receivables increased in the current period.		
Increase in long-term receivables		124,658
Repayments of long term debt are expenditures in the governmental funds, but the repayment reduces long term liabilities in the statement of net position. Amortization of debt premiums or discounts are not reported in the governmental funds, but increase or decrease liabilities in the statement of net position.		
Repayments of principal		609,400
Amortization of discount		(2,724)
	$	2,839,986

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

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Franklin Academy Boynton Beach (the "School"), is a charter school located in the school district of the School Board of Palm Beach County, Florida (the "District"). The Schools charter is held by Franklin Academy Foundation, Inc. and Subsidiary, a not-for-profit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act. The governing body of the School is the board of directors of Franklin Academy Foundation, Inc. and Subsidiary, which is composed of four members and also governs other charter schools. The board of directors has determined that no component unit exist that would require inclusion in the School financial statement.

The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter granted by the sponsoring district, the School Board of Palm Beach County, Florida. The current charter expires on June 30, 2028 and is renewable for an additional term pursuant to law and/or by a mutual written agreement between the School and the District. At the end of the term of the charter, the District may choose not to renew the charter under the grounds specified in the charter in which case the District is required to notify the School in writing at least 90 days prior to the charters expiration. During the term of the charter, the District may terminate the charter if good cause is shown.

The School's location is in Boynton Beach, Florida for children from kindergarten through eighth grade and is funded by the District. These financial statements are for the year ended June 30, 2026, when a total of approximately 1,226 students were enrolled for the school year.

Basis of Presentation

The School's accounting policies conform to accounting principles generally accepted in the United States as applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

Deferred Outflow/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

Government-wide and Fund Financial Statements

Government Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report information about the School as a whole. Any internal interfund activity has been eliminated from these financial statements. Both statements report only governmental activities as the School does not engage in any business type activities.

NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

Government-wide and Fund Financial Statements (Continued)

Government Wide Financial Statements

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (l) charges for services which report fees; (2) operating grants such as the National School Lunch Program, Federal grants, and other state allocations; and (3) capital grants specific to capital outlay.

In addition, revenues not classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues and other miscellaneous sources.

Fund Financial Statements

Fund financial statements are provided for governmental funds. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, and liabilities, deferred inflows of resources, equity, revenues and expenditures. The School reports the following major governmental funds with all non-major funds aggregated in a single column:

General Fund - is the School's primary operating fund. It accounts for all financial resources of the school, except those required to be accounted for in another fund.

Special Revenue Fund - accounts for specific revenue, such as Federal or State grants, federal lunch program and COVID emergency relief funds that are legally restricted to expenditure for particular purposes. Also includes the School’s internal accounts related to student athletics, class and club activities, and other school organizations.

Debt Service Fund - accounts for the resources accumulated and payments made for principal and interest on long-term debt of the School.

Measurement Focus and Basis of Accounting

The financial statements of the School are prepared in accordance with generally accepted accounting principles (GAAP). The School's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) Codification of Accounting and Financial Reporting Guidance.

The government-wide statements report using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The School recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when the school provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. Most donations are examples of non-exchange transactions. Revenues from grants and donations are recognized on the accrual basis, in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 60 days of the end of the fiscal year.

Florida Education Finance Program (FEFP) revenues are recognized when received. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Charges for services and fees are recognized when cash is collected as amounts are not measurable. When grant terms provide that the expenditure of funds is the prime factor for determining eligibility for federal, state, and other grant funds, revenue is recognized at the time the expenditure is made. Expenditures are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported as expenditures in the year due.

Budgets and Budgetary Accounting

In compliance with Florida Statutes, the Board of Directors adopts an annual budget using the modified accrual basis of accounting. During the fiscal year, expenditures were controlled at the object level (e.g. salaries and benefits, purchased services, materials and supplies and capital outlay) within each activity (e.g. instruction, pupil personnel services and school administration). Revisions to the annual budget are approved by the Board.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with a maturity of three months or less.

Inter-fund Transfers

Inter-fund receivables/payables ("due from/to") are short-term balances that represent reimbursements between funds for payments made by one fund on behalf of another fund.

Due from Other Governments or Agencies

Amounts due to the School by other governments or agencies are for grants or programs under which the services have been provided by the School.

Capital Assets

The School's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the statement of net position in the government-wide financial statements. Donated capital assets are recorded at their estimated fair market value on the date donated. The School generally capitalizes assets with a cost of $500 or more. Building improvements, additions and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in the government wide financial statements. Proceeds received from the sale of or disposal of capital assets are recorded as other financing sources in the fund financial statements. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	15-40 Years
Furniture, Equipment and Software	5 Years
Textbooks	3 Years

NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

Compensated Absences

For all full-time, regular, 10-month employees (meaning employees whose position requires them to work only during the academic school year, approximately 10 months of the year), PTO is accrued at the rate of 8 hours per month. Each fiscal year (July 1 through June 30), 10-month employees are eligible to earn up to a maximum of 80 hours of PTO. At the end of a fiscal year, exempt 10-month employees are eligible for PTO buyback for up to five (5) days of accrued but unused PTO. PTO buyback is at the substitute teacher rate in effect at the time of the buyback. Under the School's policy, any unused PTO at the end of the fiscal year expires and is not carried forward.

In accordance with GASB Statement No. 101, Compensated Absences, the School records a liability for PTO as it is earned by employees because it is attributable to services already rendered, accumulates, and is more likely than not to be either used for time off or paid through the School's buyback provision. Because unused PTO does not carry over beyond the fiscal year and is not paid out, no liability for PTO is recorded at year-end.

The School also provides certain days to be used for specific personal matter such as family death and jury duty. Because the use of such days is contingent upon those events taking place and such events are out of the control of both the employer and the employee, there is no accrual for such days.

Revenue Sources

Revenues for current operations are received primarily from the State through the District pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33, Florida Statutes, the School will report the number of full-time equivalent (FTE) students and related data to the District. Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of the full-time equivalent (FTE) students and related data to the Florida Department of Education (FDOE) for funding through the FEFP. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the FEFP and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. After review and verification of FTE reports and supporting documentation, the FDOE may adjust subsequent fiscal period allocations of FEFP funding for prior year errors disclosed by its review as well as to prevent statewide allocations from exceeding the amount authorized by the Legislature. Normally, such adjustments are treated as reductions of revenue in the year the adjustment is made.

The School receives state funds through the District under charter school capital outlay funding pursuant to Section 1013.62, Florida Statutes. Funds are based on a capital outlay plan submitted to the District and are to be used for lease of school facilities. In addition, the School may receive a portion of the local capital improvement ad valorem tax revenues levied by the District.

Finally, the School also receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to and approved by various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred. Any excess amounts are recorded as deferred revenues until expended. Additionally, other revenues may be derived from various fundraising activities and certain other programs.

NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

Net Position and Fund Balance Classifications

Government-wide financial statements

Equity is classified as net position and displayed in three (3) components:

- Net investment in capital assets - and long-term receivables consists of capital assets net of accumulated depreciation and long-term receivables, reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
- Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors or laws or regulations of other governments.
- Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets and long-term receivables."

When both restricted and unrestricted resources are available for a specific purpose, it is the District's policy to use restricted resources first, until exhausted, before using unrestricted resources.

Fund financial statements

Under GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

- Non-spendable - includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Consists of fund balance associated with inventories, and prepaid expenses.
- Restricted - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restricted balances at year-end relate to bonds issued, and amounts for programs.
- Committed - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School's Board of Directors. There are no committed fund balances at year-end.
- Assigned - fund balance classification are intended to be used by the School's management for specific purposes but do not meet the criteria to be classified as restricted or committed. There are no assigned fund balances at year-end.
- Unassigned - portion of the fund balance that has not been restricted, committed or assigned for a specific purpose. This is the residual classification for the School's general fund.

Committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

Restricted Assets

Restricted assets include money market accounts that are related to amounts that the School is required to segregate in connection with the issuance of bonds, including capitalized interest fund and reserve requirements. The Trust Indenture requires the establishment of Funds for the bonds and accounts within such funds, all of which shall be special trust funds and accounts held by the Trustee. At June 30, 2026, the composition of restricted balances is as follows:

Debt Service Reserve		
Bond Interest Account	$	268,512
Principal Account		460,758
Bond Revenue Fund		443,092
Debt Service Reserve		1,752,760
	$	2,925,122

Income Taxes

Franklin Academy Foundation, Inc. and Subsidiary qualifies as a tax-exempt organization under Internal Revenue Code Section 501 (c)(3), and is, therefore, exempts from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 30, 2026, which is the date the financial statements were available to be issued.

Adopted Accounting Pronouncements

GASB Statement No. 103, Financial Reporting Model Improvements – During fiscal year 2026, the School implemented GASB Statement No. 103, which establishes revised requirements for management's discussion and analysis, budgetary comparison information, and certain financial statement presentation matters. The implementation of this Statement did not affect amounts reported in the School's financial statements.

GASB Statement No. 104, Disclosure of Certain Capital Assets – During fiscal year 2026, the School implemented GASB Statement No. 104, which requires separate disclosure of certain types of capital assets and establishes disclosure requirements for capital assets held for sale. The implementation of this Statement did not affect amounts reported in the School's financial statements.

NOTE 2- CASH, OPERATING UNRESTRICTED

Deposits

The School's policy is to maintain its cash and cash equivalents in major banks and in high grade investments. As of June 30, 2026, the carrying amount of the School's operating deposits was $14,161,827 and the respective bank balances totaled $14,161,827.

Deposits at FDIC-insured institutions are insured up to $250,000 per depositor, per financial institution. The School is a charter school under Franklin Academy Foundation, Inc. and Subsidiary, which also operates various other charter schools. All bank accounts are opened under the account ownership of Franklin Academy Foundation, Inc. and Subsidiary, therefore, bank balances at times may potentially be in excess of FDIC coverage. As of June 30, 2026, bank balances in potential excess of FDIC coverage totaled $13,911,827.

NOTE 3 – DUE FROM OTHER AGENCIES

The amounts due from other agencies included in the accompanying statement of net position and balance sheet – governmental funds consist mainly of amounts due from the District under Capital Outlay, which total $410,447. These receivables are considered to be fully collectable and as such. No allowance for uncollectible accounts is recorded.

NOTE 4 – Capital Assets

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2026:

	Balance July 1, 2025	Additions	Retirements	Balance June 30, 2026
Capital Assets, not being depreciated				
Land	$ 1,970,000	$ -	$ -	$ 1,970,000
Capital assets, depreciable:				
Buildings and improvements	22,188,810	118,139	-	22,306,949
Computer equipment and software	1,247,263	71,910	-	1,319,173
Furniture, equipment and textbooks	3,311,933	118,185	-	3,430,118
Total Capital Assets	$ 28,718,006	$ 308,234	$ -	$ 29,026,240
Less Accumulated Depreciation:				
Buildings and improvements	$ (7,047,424)	$ (705,057)	$ -	$ (7,752,481)
Computer equipment and software	(1,122,176)	(471,922)	-	(1,594,098)
Furniture, equipment and textbooks	(2,517,645)	(159,529)	-	(2,677,174)
Total Accumulated Depreciation	(10,687,245)	(1,336,508)	-	(12,023,753)
Capital Assets, net	$ 18,030,761	$ (1,028,274)	$ -	$ 17,002,487

Depreciation expense for the year ended June 30, 2026 was $1,336,508, of which $159,529 was allocated to instruction, $471,922 was allocated to school administration and $705,056 was allocated to operation of plant.

NOTE 5 – MANAGEMENT

The School uses Franklin Academy Foundation Inc., (the holder of the School's charter) to provide complete administrative and management services to all Franklin Academy schools. These services include but are not limited to: administration of support services (facility maintenance, food service, transportation, etc.); governmental compliance reporting; coordination of legal support for school operations; district management/liaison; parent customer service; grant application/management; charter application development/submission/approval; site selection/development; construction project management; school marketing/enrollment management; financing management; and public relations. Based on the School's Administrative Services agreement with Franklin Academy Foundation, Inc., the School was charged $740 per student in 2025-2026. During the year, the School had expenses totaling $914,344.

In addition, Building Hope Services, LLC., a professional charter school management company, provides accounting and human resources management services to the School including, but not limited to, regulatory compliance, maintenance of the books and records, bookkeeping, budgeting and financial reporting. The agreement between the School and the management company calls for a fee of $50 per full time equivalent (FTE) student per year. The agreement can be terminated at any time by the board with 30 day notice. During the year ended June 30, 2026, the School incurred approximately $28,484 in management fees. Building Hope Services, LLC. is located at 1830 SE 4th Ave., Fort Lauderdale, FL 33016.

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of up to 5% of the qualifying revenues of the School and up to and including 250 students. For the year ended June 30, 2026, administrative fees totaled $105,280.

NOTE 6 - RELATED PARTY TRANSACTIONS

The School transacts with its charter holder, Franklin Academy Foundation, Inc. and has recorded such transactions as long-term receivables from Franklin Academy Foundation, Inc. At June 30, 2026, the School had a long-term receivable of $5,029,103.

Changes in long-term receivable balances were as follows:

	Balance July 1, 2025	Additions	Collections	Balance June 30, 2026
Franklin Academy Foundation, Inc.	$ 4,904,445	$ 344,050	$ (219,392)	$ 5,029,103
Total Long Term Receivables	$ 4,904,445	$ 344,050	$ (219,392)	$ 5,029,103

NOTE 7 — LONG TERM DEBT

Revenue Bond

Educational Facilities Revenue Bonds, Series 2016A and 2016B — The Florida Development Finance Corporation (the "issuer") issued Educational Facilities Revenue Bond, Series 2016A, in aggregate principal amount $50,625,000 (the "Series 2016A Bonds") and Franklin Academy Foundation, Inc. issued Taxable Educational Facilities Revenue Bond Series 2016B, in the aggregate principal amount of $195,000 (the "Series 2016B Bonds"). The bonds were used to (i) finance or refinance the acquisition, construction, rehabilitation, improvement and equipping of the Facilities for the School in Boynton Beach, Florida (Boynton Beach Project) and for Franklin E in Cooper City, Florida (Cooper City Project) (ii) the funding of capitalized interest on the Bond; (iii) the funding of a debt service reserve fund for the Bond; and (iv) certain cost of issuance of the Series

NOTE 7 — LONG TERM DEBT (CONTINUED)

Revenue Bond (Continued)

2016 Bonds. The Series 2016A Bonds are subject to redemption prior to their stated maturity in part, randomly, from Mandatory Sinking Account Payments.

Interest is payable annually beginning July 2017. The bonds are secured by mortgage interest on the projects to the benefit of US National Association (the "Trustee") and assignment of payments (the "Pledge Revenue") to the Trustee pursuant to the Indenture of Trust dated August 1, 2016. These Bonds are subject to interest rates ranging from 4.00% to 6.00%

The bonds contain restrictive covenants related to debt service coverage ratio, days cash on hands requirements, student enrollment and reporting requirements. In the event of default, the maturity can be accelerated and/or the underlying collateral may be subject to foreclosure.

Approximately 53% of the bond activity is allocable to the School for the Boynton Beach project.

Revenue bond debt service requirement, for the full bond to be shared by both Schools, maturity are as follows:

Series 2016 A Bonds:

Year	Principal	Interest
2027	$ 1,205,000	$ 2,020,338
2028	1,255,000	1,966,431
2029	1,315,000	1,905,394
2030	1,375,000	1,841,506
2031	1,445,000	1,774,531
2032-2036	8,310,000	7,750,825
2037-2041	10,505,000	5,486,494
2042-2046	13,405,000	2,515,125
2047	3,095,000	77,375
	$ 41,910,000	$ 25,338,019

The Bonds were issued at a discount which was deferred and is being amortized over the life of the bonds using the effective interest method. The Bonds payable are presented net of the applicable discount. Amortization of bond discount during the year amounted to $2,724.

Long term debt activity for the School, for the year ended June 30, 2026 was as follows:

Governmental activities:	Beginning Balance	Addition	Advanced/ (Payments)	Amortization	Ending Balance	Due within One Year
Educational Facilities Revenue Bonds, Series 2016A	$ 22,626,609	$ -	$ (609,400)	$ -	$ 22,017,209	$ 609,400
Bond Discount	(56,979)	-	-	2,724	(54,255)	-
Total	$ 22,569,630	$ -	$ (609,400)	$ 2,724	$ 21,962,954	$ 609,400

NOTE 8 - INTER-FUND TRANSFERS

Inter-fund transfers in government funds as of June 30, 2026 consists of the following:

	Capital Outlay Funds	Debt Service Fund
Transfer from Capital Outlay to Debt Service Fund for debt service	$ (195,706)	$ 195,706
Total Transfers, net	$ (195,706)	$ 195,706

Due from (due to) balance are as follows:

	Special Revenue Fund	General Fund
Due to General Fund from Special Revenue Fund for Capital Outlay	$ (82,870)	$ 82,870
Total Due from (Due to)	$ (82,870)	$ 82,870

NOTE 9 - COMMITMENTS, CONTINGENCIES AND CONCENTRATIONS

The School receives substantially all of its funding from the District under the Florida Education Finance Program (FEFP), which is based in part on a computation of the number of full-time equivalent (FTE) students attending different instructional programs. The accuracy of FTE student data submitted by individual schools and used in the FEFP computations is subject to audit by the state and, if found to be in error, could result in refunds to the state or in decreases to future funding allocations. Additionally, the School receives various forms of federal, state and local funding which are subject to financial and compliance audits. It is the opinion of management that the amount of funding, if any, which may be remitted back to the state due to errors in the FTE student data or the amount of grant expenditures which may be disallowed by grantor agencies would not be material to the financial position of the School.

NOTE 10 - RISK MANAGEMENT

The School is exposed to various risks of loss related to torts, thefts of, damage to and destruction of assets, errors and omissions and natural disasters for which the School carries commercial insurance. Settlement amounts have not exceeded insurance coverage for the past years. In addition, there were no reductions in insurance coverage from those in the prior year.

NOTE 11— DEFINED CONTRIBUTION RETIREMENT PLAN

The School's personnel are eligible to participate in a defined contribution 401(k) plan covering employees who meet certain age and tenure requirements. Under the Plan, the School provides a match of the employee's contribution up to 2.5% of the employee's compensation. The School contributed to the Plan $58,179 for the year ended June 30, 2026. The School does not exercise any control or fiduciary responsibility over the Plans' assets.

REQUIRED SUPPLEMENTAL INFORMATION

FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2026

	Governmental Fund				
	Original Budget	Final Budget	Actual	Final to Original Budget Variance	Actual to Final Budget Variance
REVENUES					
State capital outlay funding	$ 1,796,773	$ 831,517	$ 831,517	$ (965,256)	$ -
State passed through local	13,167,478	10,782,396	10,782,396	(2,385,082)	-
Federal Sources	-	1,382,041	1,382,041	1,382,041	-
Local sources	-	4,351,108	4,351,108	4,351,108	-
Lunch program fees	-	-	-	-	-
Charges and other revenues	657,000	663,469	663,469	6,469	-
Total Revenues	$ 15,621,251	$ 18,010,531	$ 18,010,531	$ 2,389,280	$ -
CURRENT EXPENDITURES					
Governmental Activities					
Instruction	$ 7,664,158	$ 7,500,045	$ 7,500,045	$ (164,113)	$ -
Instructional and student support services	627,605	457,765	457,765	(169,840)	-
General administration	9,800	122,440	122,440	112,640	-
School administration	1,162,996	1,173,859	1,173,859	10,863	-
Fiscal services	1,061,567	949,905	949,905	(111,662)	-
Central services	34,290			(34,290)	-
Food services	950,000	814,860	814,860	(135,140)	-
Pupil transportation	390,128	296,799	296,799	(93,329)	-
Operation of plant	1,167,799	985,284	985,284	(182,515)	-
Maintenance of plant	104,400	98,112	98,112	(6,288)	-
Administrative technology services	119,500	145,453	145,453	25,953	-
Extracurricular activities	-	210,725	210,725	210,725	-
Other capital outlay	-	308,234	308,234	308,234	-
Debt service	1,796,773	1,685,466	1,685,466	(111,307)	-
Total Current Expenditures	$ 15,089,016	$ 14,748,947	$ 14,748,947	$ (340,069)	$ -
Excess of Revenues Over Expenditures	532,235	3,261,584	3,261,584	2,729,349	-
Other financing sources (uses):					
Long term advances from FAF	-	(124,658)	(124,658)	(124,658)	-
Net change in fund balance	$ 532,235	$ 3,136,926	$ 3,136,926	$ 2,604,691	$ -

See accompanying note to the required supplementary information.

FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund				
	Original Budget	Final Budget	Actual	Final to Original Budget Variance	Actual to Final Budget Variance
REVENUES					
State passed through local	$ 13,167,478	$ 10,782,396	$ 10,782,396	$ (2,385,082)	$ -
Local sources	-	-	-	-	-
Charges and other revenues	648,000	663,469	663,469	15,469	-
TOTAL REVENUES	$ 13,167,478	$ 11,445,865	$ 11,445,865	$ (1,721,613)	$ -
EXPENDITURES					
Current:					
Instruction	$ 7,655,158	$ 4,941,482	$ 4,941,482	$ (2,713,676)	$ -
Instructional and student support services	627,605	293,765	293,765	(333,840)	-
General administration	9,800	122,440	122,440	112,640	-
School administration	1,162,996	1,173,859	1,173,859	10,863	-
Fiscal services	1,061,567	949,905	949,905	(111,662)	-
Cental services	34,290	-	-	(34,290)	-
Pupil transportation	390,128	296,799	296,799	(93,329)	-
Operation of plant	1,167,799	863,869	863,869	(303,930)	-
Maintenance of plant	104,400	14,480	14,480	(89,920)	-
Administrative technology services	119,500	145,453	145,453	25,953	-
Extracurricular activities	-	72,645	72,645	72,645	
Other capital outlay	-	-	-	-	-
Repayment of principal	-	504,691	504,691	504,691	-
Total Current Expenditures	12,333,243	9,379,388	8,874,697	(2,953,855)	(504,691)
Excess of Revenues Over Expenditures	834,235	2,066,477	2,571,168	1,232,242	504,691
Other financing sources (uses):					
Long term advances from FAF	-	(124,658)	(124,658)	(124,658)	-
Net change in fund balance	$ 834,235	$ 1,941,819	$ 2,446,510	$ 1,107,584	$ 504,691

See accompanying note to the required supplementary information.

FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Special Revenue Fund				
	Original Budget	Final Budget	Actual	Final to Original Budget Variance	Actual to Final Budget Variance
REVENUES					
Federal Sources	$ 950,000	$ 1,348,409	$ 1,348,409	$ 398,409	$ -
Capital outlay funding	1,796,773	3,150,903	3,150,903	1,354,130	-
Charges and other revenues	9,000	-	-	(9,000)	-
Lunch program fees	-	-	-	-	-
TOTAL REVENUES	2,755,773	4,499,312	4,499,312	1,743,539	-
EXPENDITURES					
Current:					
Instruction	9,000	2,558,563	2,558,563	2,549,563	-
Instructional and student support services	-	164,000	164,000	164,000	-
Food services	950,000	814,860	814,860	(135,140)	-
Pupil transportation	-	-	-	-	-
Operation of plant	1,796,773	-	-	(1,796,773)	-
Extracurricular activities	-	138,080	138,080	138,080	-
Total Current Expenditures	2,755,773	3,725,503	3,725,503	969,730	-
Excess of Revenues Over Expenditures	-	773,809	773,809	773,809	-
Net change in fund balance	$ -	$ 773,809	$ 773,809	$ 773,809	$ -

See accompanying note to the required supplementary information.

FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Debt Service Fund				
	Original Budget	Final Budget	Actual	Final to Original Budget Variance	Actual to Final Budget Variance
REVENUES					
Interest income	$ -	$ -	$ -	$ -	$ -
TOTAL REVENUES	$ -	$ -	$ -	$ -	$ -
Debt Service:					
Redemption of principal	$ -	$ 104,709	$ 104,709	$ 104,709	$ -
Amortization of bond premium	-	(2,724)	(2,724)	(2,724)	-
Interest	-	-	-	-	-
TOTAL EXPENDITURES	-	101,985	101,985	101,985	-
Excess (deficit) of Revenues Over Expenditures	-	(101,985)	(101,985)	(101,985)	-
Other financing sources (uses):					
Transfers in (out)	-	195,706	195,706	195,706	-
Net change in fund balance	$ -	$ 93,721	$ 93,721	$ 93,721	$ -

See accompanying note to the required supplementary information.

FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2026

NOTE A – BUDGETARY INFORMATION

Budgetary Basis of Accounting

The School's annual budget is adopted for the entire operations at the combined governmental level and may be amended by the Board. The budget presented for the year ended June 30, 2026, has been prepared according to Board procedures. During the fiscal year, expenditures were controlled at the fund level.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general and special revenue funds for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).

Significant Budgetary Variances

Funding variances from the original budget arise from lower than expected salary costs. In addition, the School received additional capital outlay funding that was not originally budgeted for.

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Certified Public Accountants & Advisors
Octavio F. Verdeja, Founder - 1971

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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
Franklin Academy Boynton Beach
Boynton Beach, 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 and the aggregate remaining fund information of Franklin Academy Boynton Beach (the "School"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated September 30, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Verdeja · Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2026

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MANAGEMENT LETTER

Board of Directors
Franklin Academy Boynton Beach
Boynton Beach, Florida

Report on the Financial Statements

We have audited the financial statements of Franklin Academy Boynton Beach (the "School"), as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 30, 2026.

Auditor's Responsibility

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; and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and 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 30, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no findings and recommendations in the preceding financial audit report.

Official Title

Section 10.854(1)(e)5, Rules of the Auditor General, requires the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is Franklin Academy Boynton Beach, 4020.

Financial Condition and Management

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

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financials condition assessment procedures for the Franklin Academy Boynton Beach . It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Transparency

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

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, and the School Board of Palm Beach County, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Verdeja - Alvarez, LLP

Coral Gables, Florida
September 30, 2026

CERTIFIED PUBLIC ACCOUNTANTS