FRANKLIN ACADEMY F

PEMBROKE PINES, FLORIDA
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC. AND SUBSIDIARY)
W/L# 5046
(A CHARTER SCHOOL AND COMPONENT UNIT OF THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA)

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

JUNE 30, 2026

FRANKLIN ACADEMY F
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2026

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FRANKLIN ACADEMY F CHARTER SCHOOL
(A charter school under Franklin Academy Foundation, Inc. and Subsidiary) W/L# 5046

5000 SW 207th Terrace
Pembroke Pines, FL 33332

2025-2026

BOARD OF DIRECTORS

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Certified Public Accountants & Advisors
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Franklin Academy F Charter School
Pembroke Pines, 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 F Charter School (the "School"), a charter school under Franklin Academy Foundation, Inc. and Subsidiary, which is a component unit of the District School Board of Broward County, 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 F Charter School, 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 Matters

As described in Note 1, the accompanying financial statements referred to above present only the financial position of the School as of June 30, 2026, and the respective changes in financial position or the year then ended, and is not intended to be a complete presentation of Franklin Academy Foundation, Inc. and Subsidiary. These financial statements do not purport to and do not present fairly the financial position of Franklin Academy Foundation, Inc. and Subsidiary as of June 30, 2026 and its changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 28, 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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 28, 2026

Management's Discussion and Analysis
Franklin Academy F
(A charter school Under Franklin Academy Foundation, Inc. and Subsidiary)
June 30, 2026

The corporate officers of Franklin Academy F 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 school's net position deficit as of June 30, 2026 was $6,020,864.
2. At year-end, the School had current assets on hand of $3,077,530.
3. The fund balance of the School increased by $2,398,032 during the year.
4. The unassigned fund balance at year end was $2,352,610.

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 are presented in accordance with GASB Codification Section 2200 and 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 11–12 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 governmental fund financial statements can be found on pages 13–16, and 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 17–26.

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	$ 1,320,852	$ 1,193,928
Due from other agencies	1,756,678	1,143,509
Capital assets, net	382,182	316,086
Right-of-use assets, net	41,855,244	43,274,066
Total Assets	$ 45,314,956	$ 45,927,589
Salaries and wages payable	$ 677,838	$ 686,501
Accounts payable	1,660	35,606
Due to Franklin Academy Foundation, Inc.	1,844,662	1,177,968
Right-of-use liability	48,811,660	48,811,660
Total Liabilities	51,335,820	50,711,735
Net Position:		
Net investment in capital and right-of-use assets	(6,574,234)	(5,221,508)
Restricted	45,422	40,429
Unrestricted	507,948	396,933
Total Net Position (Deficit)	(6,020,864)	(4,784,146)
Total Liabilities and Net Position (Deficit)	$ 45,314,956	$ 45,927,589

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

REVENUES	2026	2025
Program Revenues		
Capital Grants and Contributions	$ 1,039,785	$ 846,685
Federal sources	810,052	2,043,017
Charges and other revenue	518,357	39,280
General Revenues		
Local Sources (FTE and other non specific revenues)	9,800,445	9,955,270
Total Revenues	$ 12,168,639	$ 12,884,252
EXPENSES		
Instruction	$ 5,988,720	$ 6,404,309
Instructional and student support services	334,034	368,700
Curriculum development	8,089	47,066
General administration	228,131	235,586
School administration	603,480	596,840
Fiscal services	666,772	729,994
Food services	465,988	425,463
Pupil transportation	508,149	492,723
Operation of plant	2,294,806	2,283,804
Maintenance of plant	49,511	151,275
Interest expense, right-of-use liability	2,257,677	2,294,420
Total Expenses	13,405,357	14,030,180
(Decrease) in Net Position	(1,236,718)	(1,145,928)
Net Position (Deficit) at Beginning of Year	(4,784,146)	(3,638,218)
Net Position (Deficit) at End of Year	$ (6,020,864)	$ (4,784,146)

DETAILED ANALYSIS OF FINANCIAL INFORMATION

Government-wide financial analysis

The School's net deficit position increased by $1,236,718 during fiscal year 2026, from $(4,784,146) to $(6,020,864). The increase in the deficit resulted from total expenses of $13,405,357 exceeding total revenues of $12,168,639 by $1,236,718, a change of $(92,790) compared to the prior year's increase in net deficit of $(1,143,928).

The net deficit position is primarily the result of accounting for the School's facility lease under GASB Statement No. 87, Leases. Net investment in capital and right-of-use assets was $(6,574,234) at June 30, 2026, because the right-of-use liability of $48,811,660 exceeds the combined net carrying value of capital assets and the right-of-use asset. During the year the School recognized $1,418,822 of non-cash amortization of the right-of-use asset, reported in operation of plant, in addition to $2,257,677 of lease interest expense. Total non-cash GASB 87 expense in excess of actual lease payments was $1,336,190. Excluding this non-cash excess, the School's net position would have decreased by $99,472 rather than

$1,236,718, and unrestricted net position increased by $111,015 during the year, reflecting the School's positive operating performance.

Total revenues decreased by $715,613 (5.6%) compared to the prior year. Federal sources decreased by $1,232,965 (60.4%), from $2,043,017 to $810,052, due to a wind down of the COVID-era relief grants. This decrease was partially offset by a $479,077 increase in charges and other revenue, from $39,280 to $518,357, this is due to a gift from the parent company of the School, and a $193,100 (22.8%) increase in capital grants and contributions, reflecting higher state charter school capital outlay funding. Local sources (FTE) revenue decreased modestly by $154,825 (1.6%).

Total expenses decreased by $622,823 (4.4%) compared to the prior year. The most significant decreases were in instruction, which fell by $415,589 (6.5%), and maintenance of plant, which decreased by $99,764 (66.8%). Fiscal services decreased by $63,222 (8.7%) and curriculum development declined by $38,977 (82.8%). These decreases were partially offset by increases in food services of $40,525 (9.5%) and pupil transportation of $15,426 (3.1%). 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 $2,352,610, compared to $1,574,901 at June 30, 2025, an increase of $777,709. The increase reflects an excess of revenues over expenditures of $111,015, together with a $666,694 net increase in the long-term payable due to Franklin Academy Foundation, Inc., reported as an other financing source. The General Fund is the School's primary operating fund; $9,800,445 of its $10,318,802 in total revenues was 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. The entire General Fund balance of $2,352,610 is unassigned and available for spending at the School's discretion.

Major fund financial analysis — Special Revenue Fund
The Special Revenue Fund reported no fund balance at June 30, 2026 or June 30, 2025, because its revenues are recognized as allowable expenditures are incurred. In fiscal year 2026, Special Revenue Fund revenues of $810,052 — consisting entirely of federal National School Lunch Program and Title 1 grant funding — equaled fund expenditures of $810,052. This compares to total Special Revenue Fund revenues and expenditures of $759,694 in fiscal year 2025.

The School's nonmajor governmental fund (capital outlay) received $1,039,785 of state capital outlay funding and incurred $1,034,792 of lease interest expense, resulting in a net increase in fund balance of $4,993; the restricted fund balance of $45,422 at June 30, 2026 represents accumulated capital outlay funds restricted for facility purposes.

SIGNIFICANT CAPITAL ASSET AND RIGHT-OF-USE ASSET AND LIABILITY ACTIVITY

The School's investment in capital assets at June 30, 2026 was $382,182, net of accumulated depreciation of $1,913,041, consisting of building improvements, furniture, equipment and software, and textbooks. During the year, the School added $344,992 in capital assets with no retirements. Depreciation expense of $278,896 was recorded during the year, of which $93,755 was allocated to school administration and $185,141 to instruction, resulting in a net increase in capital assets of $66,096. The School has no outstanding debt associated with its capital assets.

The School leases its facility at 5000 SW 207th Terrace, Pembroke Pines, Florida, from Erudite Properties, LLC, whose sole member is Franklin Academy Foundation, Inc. The lease, which the School shares with Franklin Academy Pembroke Pines High School with payments allocated approximately 50% to each school, began January 30, 2020, has an initial term expiring December 31, 2055 with two five-year renewal options, and was executed pursuant to the $88,665,000 Educational Facilities Lease Revenue Bonds, Series 2020, issued by Capital Trust Agency. For fiscal year 2026, the School's allocated lease payments totaled $2,340,309.

The right-of-use asset was $41,855,244 at June 30, 2026, net of accumulated amortization of $7,094,110, reflecting amortization of $1,418,822 during the year allocated to operation of plant. The right-of-use liability remained at $48,811,660 at both June 30, 2026 and June 30, 2025; the full $2,257,677 of interest expense was recognized on the liability with no principal reduction in the current year, consistent with the lease amortization schedule in Note 7.

The School's long-term payable to Franklin Academy Foundation, Inc. increased by $666,694 during the year, from $1,177,968 to $1,844,662, reflecting net new advances from the Foundation. As described in Note 6, the Foundation previously assumed $1,100,000 of the School's payables to affiliated schools as a recoverable grant, repayable only if the School meets certain financial conditions; management has determined those conditions have not been met to date.

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:

- As described in Note 7, substantially all of the School's funding is received from the District under the Florida Education Finance Program (FEFP), which is based in part on full-time equivalent (FTE) student counts that are subject to audit by the State. If FTE data is found to be in error, the School could be required to refund funds to the State or could see decreases in future funding allocations; management believes any such amount would not be material to the School's financial position.
- As described in Note 4, the District has agreed to repay previously withheld referendum funds to the charter holder in three annual installments. The School's allocated share of the total outstanding amount was $1,109,559 as of June 30, 2026, which was not recognized as revenue pending collection.
- The School will continue to report a net deficit position while non-cash amortization of the right-of-use asset and lease interest expense recognized under GASB Statement No. 87 exceed the School's other net resources. Management believes the School has adequate enrollment and financing resources to address the deficit.
- The School's share of the facility lease is allocated with Franklin Academy Pembroke Pines High School based on relative student enrollment; a change in relative enrollment would change the School's share of lease payments.

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 Diane Showalter, Principal, at 5000 SW 207th Terrace, Pembroke Pines, Florida 33332.

FRANKLIN ACADEMY F
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC. AND SUBSIDIARY)
STATEMENT OF NET POSITION
JUNE 30, 2026

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash	$ 1,320,852
Due from other agencies	1,756,678
TOTAL CURRENT ASSETS	3,077,530
Capital assets, net	382,182
Right-of-use assets, net	41,855,244
TOTAL ASSETS	$ 45,314,956
LIABILITIES	
CURRENT LIABILITIES	
Salaries and wages payable	$ 677,838
Accounts payable	1,660
TOTAL CURRENT LIABILITIES	679,498
Due to Franklin Academy Foundation. Inc.	1,844,662
Right-of-use liability	48,811,660
TOTAL LIABILITIES	51,335,820
NET POSITION	
Net investment in capital and right-of-use assets	(6,574,234)
Restricted	45,422
Unrestricted	507,948
TOTAL NET POSITION (DEFICIT)	(6,020,864)
TOTAL LIABILITIES AND NET POSITION (DEFICIT)	$ 45,314,956

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

FRANKLIN ACADEMY F
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC. AND SUBSIDIARY)
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 Assets
Governmental Activities:					
Instruction	$ 5,988,720	$ -	$ 153,445	$ -	$ (5,835,275)
Instructional and student support services	334,034	-	190,620	-	(143,414)
Curriculum development	8,089	-	-	-	(8,089)
General administration	228,131	-	-	-	(228,131)
School administration	603,480	-	-	-	(603,480)
Fiscal services	666,772	-	-	-	(666,772)
Food services	465,988	-	465,987	-	(1)
Pupil transportation	508,149	-	-	-	(508,149)
Operation of plant	2,294,806	-	-	1,039,785	(1,255,021)
Maintenance of plant	49,511	-	-	-	(49,511)
Interest expense, right-of-use liability	2,257,677	-	-	-	(2,257,677)
Total Governmental Activities	$ 13,405,357	$ -	$ 810,052	$ 1,039,785	$ (11,555,520)

General revenues:	
FTE and other nonspecific revenues	$ 9,800,445
Local and other miscellaneous local revenue sources	518,357
Total general revenues	10,318,802
Change in Net Position	(1,236,718)
Net position (deficit), beginning	(4,784,146)
Net position (deficit), ending	$ (6,020,864)

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

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

	General Fund	Non Major Governmental Funds	Total Govermental Funds
ASSETS			
Cash	$ 1,320,852	$ -	$ 1,320,852
Due from other agencies	1,636,964	119,714	1,756,678
Due from fund	74,292	-	74,292
TOTAL ASSETS	$ 3,032,108	$ 119,714	$ 3,151,822
LIABILITIES			
Salaries and wages payable	$ 677,838	$ -	$ 677,838
Account payable	1,660	-	1,660
Due to fund	-	74,292	74,292
TOTAL LIABILITIES	679,498	74,292	753,790
FUND BALANCE			
Restricted	-	45,422	45,422
Unassigned	2,352,610	-	2,352,610
TOTAL FUND BALANCE	2,352,610	45,422	2,398,032
TOTAL LIABILITIES AND FUND BALANCE	$ 3,032,108	$ 119,714	$ 3,151,822

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

FRANKLIN ACADEMY F
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC. AND SUBSIDIARY)
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Total Fund Balance - Governmental Funds		$ 2,398,032
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.		
	Capital assets	2,295,223
	Accumulated depreciation	(1,913,041)
Long-term liabilities are not due in the current period and, accordingly, are not reported as fund liabilities.		
	Long-term liabilities	(1,844,662)
Right-of-use assets and liabilities used in governmental activities are not financial resouces and, therefore, are not reported in the fund		
	Right-of-use asset, net	41,855,244
	Right-of-use liability	(48,811,660)
Total Net Position - Governmental Activities		$ (6,020,864)

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

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

	General Fund	Non Major Governmental Funds	Total Governmental Funds
REVENUES			
State capital outlay funding	$ -	$ 1,039,785	$ 1,039,785
State passed through local	9,800,445	-	9,800,445
Federal Sources	-	810,052	810,052
Charges and other revenues	518,357	-	518,357
TOTAL REVENUES	$ 10,318,802	$ 1,849,837	$ 12,168,639
EXPENDITURES			
Current:			
Instruction	$ 5,650,134	$ 153,445	$ 5,803,579
Instructional and student support services	143,414	190,620	334,034
Curriculum development	8,089	-	8,089
General administration	228,131	-	228,131
School administration	509,725	-	509,725
Fiscal services	666,772	-	666,772
Food services	1	465,987	465,988
Pupil transportation	508,149	-	508,149
Operation of plant	875,984	-	875,984
Maintenance of plant	49,511	-	49,511
Capital Outlay:			
Other capital outlay	344,992	-	344,992
Debt service:			
Interest expense- right-of-use liability	1,222,885	1,034,792	2,257,677
TOTAL EXPENDITURES	10,207,787	1,844,844	12,052,631
Excess (deficit) of revenues over expenditures	111,015	4,993	116,008
OTHER FINANCING SOURCES (USES)			
Change in L/T amounts due to Franklin Academy Foundation, Inc.	666,694	-	666,694
	666,694	-	666,694
NET CHANGE IN FUND BALANCE	777,709	4,993	782,702
Fund Balance at beginning of year	1,574,901	40,429	1,615,330
Fund Balance at end of year	$ 2,352,610	$ 45,422	$ 2,398,032

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

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

Change in Fund Balance - Governmental Funds		$ 782,702
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	344,992
	Depreciation expense	(278,896)
Increases in long term payables are revenue in the governmental funds, but increases long term liabilies in the statement of net position. This is the amount by which long term payables increased, net of decreases in the current period.		
	Increases in long-term payables, net	(666,694)
In the statement of activities, amortization of the right-to-use asset is reported as an expense over the estimated life of the lease, however, in the governmental funds report it is not included as an expense.		
	Amortization expense	(1,418,822)
Change in Net Position of Governmental Activities		$ (1,236,718)

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

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Franklin Academy F (the "School"), is a component unit of the School Board of Broward 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 exists that would require inclusion in the School's financial statements.

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 Broward County, Florida. The current charter expires on June 30, 2032 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 Pembroke Pines, 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 923 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 statement include both the government-wide and fund financial statements.

Deferred Outflows/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

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)

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: (1) 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.

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

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.

Long –Term Receivable and Debt

In the government-wide financial statements, long-term receivables, debt and other long-term obligations are reported as assets or liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

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 government-wide statements. Proceeds received from the sale of or disposal of capital assets are recorded as other financing sources in the fund financial statements.

NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

Capital Assets (Continued)

Estimated useful lives, in years, for depreciable assets are as follows:

Building Improvements	5 Years
Furniture, Equipment and Software	5 Years
Textbooks	3 Years

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.

NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

Revenue Sources (Continued)

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.

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 - consists of capital assets net of accumulated depreciation 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."

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:

- Nonspendable - 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, which totaled $0 at June 30, 2026.
- 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 fund balance of the School totaled $40,429 at June 30, 2026 and consisted of funds restricted for specific purposes.
- 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.

NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

Fund financial statements (Continued)

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.

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, exempt 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 28, 2026, which is the date the financial statements were available to be issued.

NOTE 2 – CAPITAL AND RIGHT-OF-USE ASSETS

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

Capital Assets	Balance July 1, 2025	Additions	Retirements	Balance June 30, 2026
Buildings and improvements	$ 111,359	$ -	$ -	$ 111,359
Computer equipment and software	710,785	96,215	-	807,000
Furniture, equipment and textbooks	1,128,087	248,777	-	1,376,864
Total Capital Assets	$ 1,950,231	$ 344,992	$ -	$ 2,295,223
Less Accumulated Depreciation				
Buildings and improvements	$ (38,188)	$ (5,487)	$ -	$ (43,675)
Computer equipment and software	(639,724)	(70,562)	-	(710,286)
Furniture, equipment and textbooks	(956,233)	(202,847)	-	(1,159,080)
Total Accumulated Depreciation	(1,634,145)	(278,896)	-	(1,913,041)
Capital Assets, net	$ 316,086	$ 66,096	$ -	$ 382,182

Depreciation expense for the year ended June 30, 2026 was $278,896, of which $93,755 was allocated to school administration and $185,141 was allocated to instruction.

NOTE 2 – CAPITAL AND RIGHT-OF-USE ASSETS (Continued)

Changes in right-of-use assets, related to the School facility were as follows for the period ended June 30, 2026:

	July 1, 2025	Additions	Modifications	Retirements	June 30, 2026
Right-of-use Asset	$ 48,949,354	$ -	$ -	$ -	$ 48,949,354
Total Capital Assets	48,949,354	-	-	-	48,949,354
Less Accumulated Amortization:					
Right-of-use Asset	(5,675,288)	(1,418,822)	-	-	(7,094,110)
Total Accumulated Amortization	(5,675,288)	(1,418,822)	-	-	(7,094,110)
Right-of-use asset, net	$ 43,274,066	$ (1,418,822)	$ -	$ -	$ 41,855,244

NOTE 3 – DEPOSITS AND INVESTMENTS

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 deposits was $1,320,852 and the respective bank balances totaled $1,320,852.

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 $1,070,852.

NOTE 4 – DUE FROM OTHER AGENCIES

The amounts due from other agencies included in the accompanying statement of net position and balance sheet – governmental funds mainly consist of amounts due from the District under the Referendum, which total $39,824, under Retro Referendum, which total $39,824, and under Declining Enrollment Supplement, which totaled $69,513. In addition, amounts were also due from State of Florida under the Capital Outlay Program, which totaled $63,942. As of June 30, 2026, management has not recorded an allowance for these amounts.

In 2018, the District obtained funding through a voter-approved referendum within Broward County. The District did not share funding with the Charter schools operating within the District's jurisdiction. The District has entered into a formal agreement with the Charter holder to repay the withheld referendum funds over a period of three years. As per the agreement, the funds are no longer subject to restrictions on the use of the funds, as long as they are spent for a lawful purpose under Florida Statues. Under this agreement, the District will make three yearly installment payments to the Charter holder, consisting of both principal and interest. The total outstanding amount due to the Charter holder as of June 30, 2026 is $5,732,601, a portion of which was allocated to the School totaling $1,109,559. Due to uncertainty regarding the collectability of the funds, management has elected to only record funds as they are received. As such the School has recorded amounts due from other agencies in the accompanying statement of net position and balance sheet – governmental funds of $1,109,559.

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 made payments totaling $642,890.

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 up to 1,500 students with a reduction of $10 per student for every additional 500 students. 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 $20,802 in management fees. Building Hope Services, LLC. is located at 1830 SE 4th Ave., Fort Lauderdale, FL 33016.

NOTE 6 –RELATED PARTY TRANSACTIONS

The School shared its campus with Franklin Academy Pembroke Pines High School, another charter school under Franklin Academy Foundation, Inc. and Subsidiary. Certain funding provided to the School was shared by the two schools. In addition, certain costs are allocated to each school using a logical basis such as the ratio of FTE for each school. In addition, the School had a long-term payable to Franklin Academy Foundation, Inc:

	Balance July 1, 2025	Payable/ Increases	Payments/ Decreases	Balance June 30, 2026
Franklin Academy Foundation, Inc.	$ (1,177,968)	$ (1,957,480)	$ 1,290,786	$ (1,844,662)
Total Long Term Receivable (Payable)	$ (1,177,968)	$ (1,957,480)	$ 1,290,786	$ (1,844,662)

During the year ended June 30, 2019, Franklin Academy Foundation, Inc. assumed $850,000 of the School's payable to Franklin Academy 3 as a recoverable grant. In addition, during the year ended June 30, 2015, Franklin Academy Foundation, Inc. assumed $250,000 of the School's payable to Franklin Academy Cooper City as a recoverable grant. Repayment of these grants is contingent on the school subsequently meeting certain financial conditions. To date, management has determined that the school has not met the requirements for repayment under the grant terms. The maximum amount the School may be required to pay in the future should the meet the requirements for repayments is $1,100,000.

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 withheld by the School District totaled of $100,264.

NOTE 7 – COMMITMENTS, CONTINGENCIES AND CONCENTRATIONS

On January 30, 2020 the School began sharing in a lease with Erudite Properties, LLC, a Florida limited liability company, the sole member of which is Franklin Academy Foundation, Inc. This lease was executed pursuant to an Educational Facilities Lease Revenue Bond and covers an initial term expiring on December 31, 2055, with an option to renew for two additional periods of five years. Initial fixed annual payments under this agreement are specified in the agreement to cover the debt service of the bond. Lease payments were allocated between the two schools. The allocation used for 2026, was approximately 50% for the School and 50% for Franklin Academy Pembroke Pines High School. For 2026, rent expense for the School under this lease totaled $2,340,309.

On July 1, 2022, the School implemented GASB Statement No. 87 *Leases,* and as a result recorded a lease right of use asset and liability in these financial statements for the facility lease, based on the current student count and allocation. The School used an interest rate of 4.5% based on the average incremental borrowing rate of Franklin Academy Foundation, Inc. to discount the annual lease payments and recognize the intangible right to use this asset and the lease liability as of July 1, 2022. During the year ended June 30, 2023, management recalculated the right of use asset and liability in these financial statements, in order to more accurately reflect debt service amounts due. As such, management modified the recorded asset and liability. The interest expense was $2,257,677 and the amortization of the right-to-use asset was $1,418,822 for the year ended June 30, 2026.

Future minimum payments for the lease to be shared with Franklin Academy Pembroke Pines High School are as follows:

Fiscal Year End,	Principal	Interest	Total	
2027	-	2,387,115	2,387,115	
2028	73,554	2,361,303	2,434,857	
2029	296,404	2,187,151	2,483,555	
2030	360,729	2,172,497	2,533,226	
2031	429,023	2,154,867	2,583,890	
2032-2036	3,323,198	10,392,404	13,715,602	(Total for 5 Year Period)
2037-2041	5,754,665	9,388,466	15,143,131	(Total for 5 Year Period)
2042-2046	8,964,345	7,754,896	16,719,241	(Total for 5 Year Period)
2047-2051	13,165,462	5,293,932	18,459,394	(Total for 5 Year Period)
2052-2056	16,444,280	1,775,249	18,219,529	(Total for 5 Year Period)
	$ 48,811,660	$ 45,867,880	$ 94,679,540	

Changes in long-term right-of-use liability during the year are as follows:

	Balance July 1, 2025	Additions	Modifications	Decreases	Balance June 30, 2026
Right-of-use liability - Facilities	$ 48,811,660	$ -	$ -	$ -	$ 48,811,660
	$ 48,811,660	$ -	$ -	$ -	$ 48,811,660

NOTE 7 – COMMITMENTS, CONTINGENCIES AND CONCENTRATIONS (Continued)

Contingencies and Concentrations

On January 30, 2020, Capital Trust Agency (the "issuer") issued Educational Facilities Lease Revenue Bonds, Series 2020, in aggregate principal amount $88,665,000. The bond was used to fund a loan by the issuer to Erudite Properties LLC, a Florida limited liability company, the sole member of which is Franklin Academy Foundation, Inc. Loan proceeds were used to (i) finance or refinance the acquisition, construction, rehabilitation, improvement and equipping of the Facilities for the School and for Franklin Academy Pembroke Pines High School in Pembroke Pines, Florida (Pembroke Pines 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 2020 Bonds. The School's and Franklin Academy Pembroke Pines High School's lease payment are used by Erudite Properties, LLC to service the debt on the bond.

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 8 – 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 9 – INTER-FUND TRANSFERS

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

	General Fund	Capital Outlay Fund
Due from (due to) fund balances are as follows:		
Due to General Fund from Capital Outlay for Capital Outlay	74,292	(74,292)
Total Due from (due to)	$ 74,292	$ (74,292)

NOTE 10 – 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 $31,186 for the year ended June 30, 2026. The School does not exercise any control or fiduciary responsibility over the Plan's assets.

REQUIRED SUPPLEMENTAL INFORMATION

FRANKLIN ACADEMY F
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC. AND SUBSIDIARY)
BUDGETARY SCHEDULES – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	All Governmental Funds				
	Original Budget	Final Budget	Actual	Final to Original Budget Variance	Actual to Final Budget Variance
REVENUES					
State capital outlay funding	$ -	$ 1,039,785	$ 1,039,785	$ 1,039,785	$ -
State passed through local	9,583,961	9,800,445	9,800,445	216,484	-
Federal Sources	669,547	810,052	810,052	140,505	-
Charges and other revenues	2,708,511	518,357	518,357	(2,190,154)	-
Total Revenues	$ 12,962,019	$ 12,168,639	$ 12,168,639	$ (793,380)	$ -
CURRENT EXPENDITURES					
Instruction	$ 6,656,416	$ 5,803,579	$ 5,803,579	$ (852,837)	$ -
Instructional and student support services	275,428	334,034	334,034	58,606	-
Curriculum development	-	8,089	8,089	8,089	-
General administration	12,800	228,131	228,131	215,331	-
School administration	754,575	509,725	509,725	(244,850)	-
Fiscal services	792,266	666,772	666,772	(125,494)	-
Food services	425,000	465,988	465,988	40,988	-
Pupil transportation	508,450	508,149	508,149	(301)	-
Operation of plant	873,248	875,984	875,984	2,736	-
Maintenance of plant	151,802	49,511	49,511	(102,291)	-
Other capital outlay	-	344,992	344,992	344,992	-
Administrative technical services	171,725	-	-	(171,725)	-
Interest expense- right-of-use liability	2,340,309	2,257,677	2,257,677	(82,632)	-
TOTAL CURRENT EXPENDITURES	12,962,019	12,052,631	12,052,631	(909,388)	-
Excess of Revenues Over Expenditures	-	116,008	116,008	116,008	-
Other financing sources (uses):					
L/T amounts due to (from) Franklin Academy Foundation, Inc.	-	666,694	666,694	666,694	-
	-	666,694	666,694	666,694	-
Net change in fund balance	$ -	$ 782,702	$ 782,702	$ 782,702	$ -

See accompanying notes to the required supplemental information.

FRANKLIN ACADEMY F
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC. AND SUBSIDIARY)
BUDGETARY SCHEDULES – 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	$ 9,583,961	$ 9,800,445	$ 9,800,445	$ 216,484	$ -
Charges and other revenues	1,714,846	518,357	518,357	(1,196,489)	-
TOTAL REVENUES	$ 11,298,807	$ 10,318,802	$ 10,318,802	$ (980,005)	$ -
EXPENDITURES					
Instruction	$ 6,411,869	$ 5,650,134	$ 5,650,134	$ (761,735)	$ -
Instructional and student support services	275,428	143,414	143,414	(132,014)	-
Curriculum development	-	8,089	8,089	8,089	-
General administration	12,800	228,131	228,131	215,331	-
School administration	754,575	509,725	509,725	(244,850)	-
Fiscal services	792,266	666,772	666,772	(125,494)	-
Food services	-	1	1	1	-
Pupil transportation	508,450	508,149	508,149	(301)	-
Operation of plant	873,248	875,984	875,984	2,736	-
Maintenance of plant	151,802	49,511	49,511	(102,291)	-
Other capital outlay	-	344,992	344,992	344,992	-
Administrative technical services	171,725	-	-	(171,725)	-
Interest expense- right-of-use liability	1,346,644	1,222,885	1,222,885	(123,759)	-
TOTAL CURRENT EXPENDITURES	$ 11,298,807	$ 10,207,787	$ 10,207,787	$ (1,091,020)	$ -
Excess of Revenues Over Expenditures	-	111,015	111,015	111,015	-
Other financing sources (uses):					
L/T amounts due to (from) Franklin Academy Foundation, Inc.	-	666,694	666,694	666,694	-
	-	666,694	666,694	666,694	-
Net change in fund balance	$ -	$ 777,709	$ 777,709	$ 777,709	$ -

See accompanying notes to the required supplemental information.

FRANKLIN ACADEMY F
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC. AND SUBSIDIARY)
NOTES TO THE REQUIRED SUPPLEMENTAL 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, was not amended during the fiscal year.

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. During the fiscal year, expenditures were controlled at the object level (e.g., salaries, purchased services, and capital outlay).

Significant budgetary variances

The large variance in charges and other revenues related to less than expected revenues from contributions and other revenue that the School initially expected to receive. In addition, Instructional expenditures were lower than originally budgeted, due to lower than projected salary increases.

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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 of
Franklin Academy F
Pembroke Pines, 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, each major fund and the aggregate remaining fund information of Franklin Academy F (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 28, 2026.

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 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

Coral Gables, Florida
September 28, 2026

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MANAGEMENT LETTER

Board of Directors of
Franklin Academy F
Pembroke Pines, Florida

Report on the Financial Statements

We have audited the financial statements of Franklin Academy F (the "School"), a non-major component unit of the District School Board of Broward County, Florida, as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 28, 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 28, 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. Corrections have been made to address the findings and recommendations in the preceding financial report, except as noted in the tabulation below.

Tabulation of Uncorrected Audit Findings		
Current Year	2024-2025 FY	2023-2024 FY
2026-001	2025-001	

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Franklin Academy F and #065046.

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 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 School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment procedures applied in connection with our audit, has lead us to believe that the School's overall financial condition as of June 30, 2026 is not deteriorating.

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 have the following recommendations:

2026-1: Total Deficit in Net Position

Observation

Pursuant to Sections 218.39(5), Florida Statutes, the auditor must notify each member of the governing body for which a fund balance deficit in total or for that portion of a fund balance not classified as restricted, committed, or nonspendable, or a total or unrestricted net assets deficit, as reported on the fund financial statements of entities required to report under governmental financial reporting standards or on the basic financial statements of entities required to report under not-for-profit financial reporting standards, for which sufficient resources of the local governmental entity, charter school, charter technical career center, or district school board, as reported on the fund financial statements, are not available to cover the deficit.

Condition

The School has a total net position deficit of $6,020,864 at June 30, 2026.

Cause

Although the School reflected a positive fund balance during the year and at year end, the School reflected a deficit in net position due to their investments in capital assets and right-of-use assets during the current year.

Effect

A continued deficit position may impair the School's ability to meet future obligations and maintain operations.

Recommendation

The School needs to continue to properly budget its expected expenditures and revenues for the following school year so that it can continue to improve its financial position.

Management response

The school's negative fund balance is primarily the result of accounting entries required under GASB Statement No. 87 (related to leases) and the amortization of bond-related items. These are non-cash

accounting adjustments that do not reflect actual cash flow or operational performance. Despite the appearance of a negative fund balance on paper, the school remains in strong financial health. Operational revenues and expenditures are well-managed, and the school continues to meet all financial obligations. The required entries are technical in nature and do not impact the school's day-to-day financial stability or its ability to deliver educational services.

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 Broward County, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 28, 2026