FRANKLIN ACADEMY SUNRISE

SUNRISE, FLORIDA
(A CHARTER SCHOOL UNDER FRANKLIN
ACADEMY FOUNDATION, INC. AND SUBSIDIARY)
W/L#5010
(A CHARTER SCHOOL AND COMPONENT UNIT OF
THE SCHOOL BOARD OF BROWARD COUNTY,
FLORIDA)

FINANCIAL STATEMENTS, INDEPENDENT
AUDITOR'S REPORT

JUNE 30, 2026

FRANKLIN ACADEMY SUNRISE
FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2026

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FRANKLIN ACADEMY SUNRISE
(A charter school under Franklin Academy Foundation, Inc. and Subsidiary) W/L# 5010

4500 NW 103rd Avenue
Sunrise, Florida 33351

2025-2026

BOARD OF DIRECTORS

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Mrs. Alexandra Lonsdale
Mrs. Debbie Orshefsky
Dr. Jaqueline Greenberg

SCHOOL ADMINISTRATION

Mrs. Shaina Dillman, Principal

OTHER CORPORATE OFFICERS

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Verdeja • Alvarez
Certified Public Accountants & Advisors
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Franklin Academy Sunrise
Sunrise, 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 Sunrise (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 Sunrise, 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 Opinion

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 Academy'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 Academy's internal control over financial reporting and compliance.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 28, 2026

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

The corporate officers of Franklin Academy Sunrise 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 as of June 30, 2026 was $4,785,771.
2. At year-end, the School had current assets on hand of $6,495,116.
3. The total combined fund balance at year end was $5,404,369.

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* are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between the four is reported as *net positions*. Over time increases or decreases in net position may serve as an indicator of whether the financial position of the School is improving or deteriorating.

The *Statement of Activities* presents information on how the School's net position changed during the fiscal year. All changes in net position are reported when the underlying event occurs without regard to the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 10-11 of this report.

Fund Financial Statements

A "fund" is a collection of related accounts grouped to maintain control over resources that have been segregated for specific activities, projects, or objectives. The School like other state and local governments uses fund accounting to ensure and report compliance with finance-related legal requirements.

All of the funds of the School are governmental funds. *Government Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Government Fund financial statements, however, focus on *near-term* inflows and outflows of spendable resources, as well as on the balances of spendable resources which are available at the end of the fiscal year. Such information may be used to evaluate a government's requirements for near-term financing.

The Board of the School adopts an annual appropriated budget for its major governmental funds. A budgetary comparison statement has been provided for the major governmental funds to demonstrate compliance with the School's budget.

The basic governmental fund financial statements can be found on pages 12-15 of this report.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 16-26 of this report.

FINANCIAL SUMMARY

	Net Position	
	2026	2025
Cash	$ 4,934,261	$ 5,966,167
Due from other agencies	1,560,855	1,302,150
Due from Franklin Academy Foundation, Inc.	3,843,805	1,326,510
Deposit	91,311	91,311
Capital assets and right-of-use, net	29,542,873	31,206,924
Total Assets	$ 39,973,105	$ 39,893,062
Salaries and wages payable	$ 947,069	$ 911,400
Accounts payable and accrued expenses	143,678	264,220
Right-of-use liability, current and non-current	34,096,587	34,781,629
Total Liabilities	35,187,334	35,957,249
Net Position:		
Net investment in capital assets, deposits and long-term receivable	(618,598)	(2,156,884)
Restricted	77,977	-
Unrestricted	5,326,392	6,092,697
Total Net Position	4,785,771	3,935,813
Total Liabilities and Net Position	$ 39,973,105	$ 39,893,062

REVENUES	2026	2025
Program Revenues		
Capital grants and contributions	$ 1,657,426	$ 1,256,778
Federal sources	1,062,969	1,918,166
Lunch program fees	27,277	41,453
General Revenues		
Local sources (FTE and other non specific)	14,819,090	14,293,094
Other revenues	479,708	494,437
Total Revenues	$ 18,046,470	$ 18,003,928
EXPENSES		
Instruction	$ 8,465,171	$ 8,200,280
Instructional and student support services	408,201	357,773
General administration	4,206	-
School administration	1,341,185	1,394,454
Fiscal services	1,063,171	1,092,491
Food services	751,262	695,041
Pupil transportation	361,974	391,534
Operation of plant	2,921,268	2,999,699
Maintenance of plant	123,574	238,813
Extracurricular and student activities	205,341	220,213
Interest expense	1,551,159	1,579,941
Total Expenses	17,196,512	17,170,239
Increase in Net Position	849,958	833,689
Net Position at Beginning of Year	3,935,813	3,102,124
Net Position at End of Year	$ 4,785,771	$ 3,935,813

DETAILED ANALYSIS OF FINANCIAL INFORMATION

Government-wide financial analysis

Total net position increased by $849,958 during fiscal year 2026, from $3,935,813 to $4,785,771. This increase resulted from total revenues of $18,046,470 against total expenses of $17,196,512. A slight increase occurred due to an increase in enrollment which contributed to the increase in revenue that outpaced the increase in instructional costs.

Total revenues increased by $42,542 (0.2%) compared to the prior year. Local sources revenue increased by $525,996, as the school increased enrollment and the state raised the per student amount slightly. Federal sources revenue decreased by $855,197, this is mainly due to COVID-era relief program that is no longer being drawn down. Capital grants and contributions increased by $400,648, due to the increase in funding received by the district.

Total expenses increased by $26,273 (0.2%) compared to the prior year. Instruction expense increased by $264,891, due to an increase in teacher salaries. Maintenance of plant expense decreased by $115,239 and operation of plant expense decreased by $78,431, as the School did not need to make as many repairs as in the prior year. 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 $5,326,392, all of which is unassigned and available for spending at the School's discretion, compared to an ending fund balance of $6,024,819 at June 30, 2025, a decrease of $698,427, due in part because of additional advances made to the Franklin Academy Foundation, Inc. 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 $0. The School fully utilized funding from federal and local sources for their intended use during the year.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

The School's investment in capital assets at June 30, 2026 was $657,312, net of accumulated depreciation, consisting of furniture, fixtures, and computer equipment; the School carries no debt associated with capital assets. During the year, depreciation expense of $392,690 was recorded. There were no significant additions or disposals.

The School's right-of-use asset related to its facility lease totaled $28,885,561, net of accumulated amortization, at June 30, 2026; amortization expense of $1,604,753 was recorded during the year. The related right-of-use liability decreased by $685,042 during the year, from $34,781,629 to $34,096,587, reflecting scheduled principal payments under the facility lease (see Note 7).

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 4, a portion of the amount due from the District under the 2018 voter-approved referendum — $1,246,922 of a total outstanding balance of $5,732,601 — is subject to uncertainty regarding collectability. All balances are believed to be fully collectable.
- Total funding is expected to increase slightly for capital outlay and FEFP revenues.
- Student count is expected to increase slightly, the overall effect will be a moderate increase in revenues.

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 Shaina Dillman, 4500 NW 103rd Avenue, Sunrise, Florida 33351.

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

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash	$ 4,934,261
Due from other agencies	1,560,855
TOTAL CURRENT ASSETS	6,495,116
Capital assets, net	657,312
Right-of-use assets, net	28,885,561
Due from Franklin Academy Foundation, Inc.	3,843,805
Deposits	91,311
TOTAL ASSETS	$ 39,973,105
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Salaries and wages payable	$ 947,069
Accounts payable and accrued expenses	143,678
Right-of-use liability, current portion	773,587
TOTAL CURRENT LIABILITIES	1,864,334
Right-of-use liability, non-current	33,323,000
TOTAL LIABILITIES	35,187,334
NET POSITION	
Net investment in deposits, long term receivable, capital and right-of-use assets (deficit)	(618,598)
Restricted	77,977
Unrestricted	5,326,392
TOTAL NET POSITION	4,785,771
TOTAL LIABILITIES AND NET POSITION	$ 39,973,105

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

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

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:					
Instruction	$ 8,465,171	$ -	$ 448,538	$ -	$ (8,016,633)
Instructional and student support services	408,201	-	66,615	-	(341,586)
School administration	1,341,185	-	-	-	(1,341,185)
Fiscal services	1,063,171	-	-	-	(1,063,171)
Food services	751,262	27,277	547,816	-	(176,169)
Pupil transportation	361,974	-	-	-	(361,974)
Operation of plant	2,921,268	-	-	1,657,426	(1,263,842)
Maintenance of plant	123,574	-	-	-	(123,574)
Extracurricular and student activities	205,341	-	-	-	(205,341)
Interest expense	1,551,159	-	-	-	(1,551,159)
Total Governmental Activities	$ 17,196,512	$ 27,277	$ 1,062,969	$ 1,657,426	$ (14,448,840)

GENERAL REVENUES:	
FTE and other non specific revenues	$ 14,819,090
Interest and other miscellaneous local revenue sources	479,708
	15,298,798
Change in Net Position	849,958
NET POSITION - BEGINNING	3,935,813
NET POSITION - ENDING	$ 4,785,771

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

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

	General Fund	Special Revenue Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash	$ 4,934,261	$ -	$ -	$ 4,934,261
Due from other agencies	1,246,923	235,955	77,977	1,560,855
Due from fund	235,955	-	-	235,955
TOTAL ASSETS	$ 6,417,139	$ 235,955	$ 77,977	$ 6,731,071
LIABILITIES				
Salaries and wages payable	$ 947,069	$ -	$ -	$ 947,069
Accounts payable and accrued expenses	143,678	-	-	143,678
Due to fund	-	235,955	-	235,955
TOTAL LIABILITIES	1,090,747	235,955	-	1,326,702
FUND BALANCE				
Restricted	-	-	77,977	77,977
Unassigned	5,326,392	-	-	5,326,392
TOTAL FUND BALANCE	5,326,392	-	77,977	5,404,369
TOTAL LIABILITIES AND FUND BALANCE	$ 6,417,139	$ 235,955	$ 77,977	$ 6,731,071

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

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

Total Fund Balance - Governmental Funds		$ 5,404,369
Amounts reported for governmental activities in the statement of net position 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	4,923,507
	Accumulated depreciation	(4,266,195)
Right-of-use assets and liabilities used in governmental activities are not financial resources and, therefore, are not reported in the fund		
	Right-of-use asset, net	28,885,561
	Right-of-use liability	(34,096,587)
Long-term assets are not due and receiveable in the current period and, therefore, are not reported in the funds.		
	Long term receivable	3,843,805
	Deposits	91,311
Total Net Position - Governmental Activities		$ 4,785,771

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

FRANKLIN ACADEMY SUNRISE
(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	Non-Major Governmental Funds	Special Revenue Fund	Total Governmental Funds
REVENUES				
State capital outlay funding	$ -	$ 1,657,426	$ -	$ 1,657,426
State passed through local school sources	11,612,418	-	-	11,612,418
Local sources	1,246,922	-	1,959,750	3,206,672
Federal sources	-	-	1,062,969	1,062,969
Lunch program fees	27,277	-	-	27,277
Charges and other revenue	479,708	-	-	479,708
TOTAL REVENUES	$ 13,366,325	$ 1,657,426	$ 3,022,719	$ 18,046,470
EXPENDITURES				
Current				
Instruction	$ 5,851,907	$ -	$ 2,408,288	$ 8,260,195
Instructional and student support services	341,586	-	66,615	408,201
General administration	4,206	-	-	4,206
School administration	1,153,471	-	-	1,153,471
Fiscal services	1,063,171	-	-	1,063,171
Food services	203,446	-	547,816	751,262
Pupil transportation	361,974	-	-	361,974
Operation of plant	1,316,515	-	-	1,316,515
Maintenance of plant	123,574	-	-	123,574
Extracurricular and student activities	205,341	-	-	205,341
Capital Outlay:				
Other capital outlay	333,392	-	-	333,392
Debt service:				
Principal payments- right-of-use liability	-	685,042	-	685,042
Interest expense- right-of-use liability	588,874	962,285	-	1,551,159
TOTAL EXPENDITURES	11,547,457	1,647,327	3,022,719	16,217,503
EXCESS OF REVENUES OVER EXPENDITURES	1,818,868	10,099	-	1,828,967
OTHER FINANCING SOURCES USES				
Advances to Franklin Academy Foundation, Inc.	(2,517,295)	-	-	(2,517,295)
	(2,517,295)	-	-	(2,517,295)
NET CHANGE IN FUND BALANCE	(698,427)	10,099	-	(688,328)
Fund balance at beginning of year	6,024,819	67,878	-	6,092,697
Fund balance at end of year	$ 5,326,392	$ 77,977	$ -	$ 5,404,369

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

FRANKLIN ACADEMY SUNRISE
(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 STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Change in Fund Balance - Governmental Funds		$ (688,328)
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	333,392
	Depreciation expense	(392,690)
In the statement of activities, amortization of the right-of-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	(1,604,753)
The proceeds from loans, right-to-use and capital leases provide current financial resources to governmental funds, but increases long-term liabilities in the statement of net assets. Repayment of advance principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
	Repayments of principal	685,042
Increases in long term receivables is a revenue in governmental funds, but increases the long term asset in the statement of net position. This is the amount by which the long term receivable increased in the current period.		
	Increase in L/T receivable	2,743,537
	Collections of L/T receivable	(226,242)
Change in Net Position of Governmental Activities		$ 849,958

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

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

Franklin Academy Sunrise (the "School"), is a component unit of the School Board of Broward County, Florida (the "District"). The School's 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, 2031 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 Sunrise, 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 approximately 1,387 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.
Franklin Academy Sunrise.

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.

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

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 Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as 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

NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

Capital Assets (Continued)

other financing sources in the fund financial statements. Estimated useful lives, in years, for depreciable assets are as follows:

Building Improvements	15 Years
Furniture, Equipment and Software	5-6 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 deposits, long-term receivable, capital and right-of-use 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. At June 30, 2026, the balance of this classification of net assets was a deficit balance of $618,598.
- 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.
- 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 relates to reserves required by the landlord for property maintenance and repairs. Restricted balances at June 30, 2026 totaled $77,977.
- 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. The assigned fund balance at year-end, if any, relates to the School's internal fund for student athletics and class and club activities.
- 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)

Revenue Sources (Continued)

Committed amounts would be reduced first, followed by assigned amounts, and then fund 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.

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 – CAPITAL ASSETS

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

	Balance July 1, 2025	Additions	Retirements	Balance June 30, 2026
Capital Assets:				
Building and improvements	$ 260,059	$ 9,704	$ -	$ 269,763
Computer equipment and software	1,120,580	82,948	-	1,203,528
Furniture, equipment and textbooks	3,209,476	240,740	-	3,450,216
Total Capital Assets	$ 4,590,115	$ 333,392	$ -	$ 4,923,507
Less Accumulated Depreciation:				
Building and improvements	$ (22,425)	$ (17,804)	$ -	$ (40,229)
Computer equipment and software	(994,594)	(113,719)	-	(1,108,313)
Furniture, equipment and textbooks	(2,856,486)	(261,167)	-	(3,117,653)
Total Accumulated Depreciation	(3,873,505)	(392,690)	-	(4,266,195)
Capital Assets, net	$ 716,610	$ (59,298)	$ -	$ 657,312

Depreciation expense for the year ended June 30, 2026 was $392,690, of which $187,714 was allocated to school administration and $204,976, was allocated to instruction.

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

	Balance July 1, 2025	Additions	Retirements	Balance June 30, 2026
Right-of-use asset	$ 36,909,326	$ -	$ -	$ 36,909,326
Total capital assets	36,909,326	-	-	36,909,326
Less: accumulated amortization:				
Right-of-use asset	(6,419,012)	(1,604,753)	-	(8,023,765)
Total accumulated amortization	(6,419,012)	(1,604,753)	-	(8,023,765)
Right-of-use asset, net	$ 30,490,314	$ (1,604,753)	$ -	$ 28,885,561

Amortization expense for the year ended June 30, 2026 totaled $1,604,753 and was allocated to operation of plant.

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 $4,934,261 and the respective bank balances totaled $4,935,324.

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 $4,685,324.

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 2018 Referendum Settlement, which totaled $1,246,923, and amounts due from State of Florida under the Capital Outlay Program, which totaled $77,977. These receivables are considered to be fully collectible and as such, no allowance for uncollectible accounts is recorded.

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 $1,246,922. Due to uncertainty regarding the collectability of the funds, management has elected to only record funds as they are collected. As such the School has recorded amounts due from other agencies in the accompanying statement of net position and balance sheet – governmental funds of $1,560,855.

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 $1,027,187.

During the year, the Foundation entered into an agreement with Half Rock Educational Group ("HREG"). HREG provides consulting services to the School including, but not limited to, Curriculum, facility planning, vendor management, legal compliance, organizational and strategic support. The agreement calls for a fee on a per student basis and is in effect through the 2028-2029 school year, and may continue for any renewal term. The agreement with HREG allows them to contract with third-party vendors. HREG contracted with Building Hope Services, 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 can be terminated at any time by the board with 30 day notice. Building Hope Services is located at 1830 SE 4th Ave., Fort Lauderdale, FL 33016.

NOTE 6 – RELATED PARTY TRANSACTIONS

Pursuant to the Charter School contract with the School District, the District withholds an administrative fee of 5% of the qualifying revenues of the School. For the year ended June 30, 2026, administrative fees withheld by the School District totaled $39,352.

The School transfers funds to/from the Franklin Academy Foundation and records such transfers as long-term payables to Franklin Academy Foundation, Inc. At June 30, 2026, the total note receivable from Franklin Academy Foundation, Inc. was $3,843,805 with no specific repayment terms. The following summarized activity during the year:

	Balance July 1, 2025	Additions	Collections	Balance at June 30, 2026
Franklin Academy Foundation, Inc.	$ 1,326,510	$ 2,743,537	$ (226,242)	$ 3,843,805
Total long-term receivables	$ 1,326,510	$ 2,743,537	$ (226,242)	$ 3,843,805

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The School entered into a lease and development agreement with AP Properties 2019, LLC for its 81,000 square feet main campus facility. Initial fixed annual payments under this agreement (based on $12.34 per square foot) are approximately $1,050,000 adjusted annually based on the lease schedule, plus additional property expenses including repairs, maintenance and insurance. The agreement continues through June 2044 with an option to renew for up to two additional ten year periods. For 2026, the School made rent payments which totaled $2,236,200.

On July 1, 2021, 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 the Organization to discount the annual lease payments and recognize the intangible right to use this asset and the lease liability as of July 1, 2021. The interest expense was $1,518,521 and the amortization of the right-to-use asset was $1,604,753 for the year ended June 30, 2026.

Future minimum payments for the lease are as follows:

Fiscal Year End	Principal	Interest	Total
2027	773,587	1,518,521	$ 2,292,108
2028	867,623	1,481,785	2,349,408
2029	967,448	1,440,700	2,408,148
2030	1,073,341	1,394,999	2,468,340
2031	1,185,655	1,155,801	2,341,456
2032-2036	7,861,155	5,770,125	13,631,280
2037-2041	11,840,684	3,581,836	15,422,520
2042-2045	9,527,094	682,914	10,210,008
	$ 34,096,587	$ 17,026,681	$ 51,123,268

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

	Balance July 1, 2025	Additions	Retirements	Balance June 30, 2026
Right-of-use liability	$ 34,781,629	$ -	$ (685,042)	$ 34,096,587
Total right-of-use liability	$ 34,781,629	$ -	$ (685,042)	$ 34,096,587

Contingencies

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 participates in a number of federal, state and local grants which are subject to financial and compliance audits. It is the opinion of management that the amount of revenue, 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 – 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 $53,053 for the year ended June 30, 2026. The School does not exercise any control or fiduciary responsibility over the Plans' assets.

NOTE 10 – INTER-FUND BALANCES

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. Inter-fund balances in governmental funds of June 30, 2026 consist of the following:

	General Fund	Special Revenue Fund
Due to General Fund from Special Revenue for Federal programs	$ 235,955	$ (235,955)
Total due from (due to)	$ 235,955	$ (235,955)

REQUIRED SUPPLEMENTAL INFORMATION

FRANKLIN ACADEMY SUNRISE
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2026

	Governmental Funds				
	Original Budget	Final Budget	Actual	Final to Original Budget Variance	Actual to Final Budget Variance
REVENUES					
Program Revenues					
State capital outlay funding	$ 1,465,469	$ 1,657,426	$ 1,657,426	$ 191,957	$ -
Federal sources	917,000	1,062,969	1,062,969	145,969	-
Lunch program fees	-	27,277	27,277	27,277	-
General Revenues				-	-
FTE and other nonspecific revenues	14,285,741	14,819,090	14,819,090	533,349	-
Charges and other revenues	112,202	479,708	479,708	367,506	-
TOTAL REVENUES	$ 16,780,412	$ 18,046,470	$ 18,046,470	$ 1,266,058	$ -
EXPENDITURES					
Current					
Instruction	$ 8,681,931	$ 8,260,195	$ 8,260,195	$ (421,736)	$ -
Instructional and student support services	361,550	408,201	408,201	46,651	-
General administration	15,000	4,206	4,206	(10,794)	-
School administration	1,526,398	1,153,471	1,153,471	(372,927)	-
Fiscal services	1,124,720	1,063,171	1,063,171	(61,549)	-
Food services	542,000	751,262	751,262	209,262	-
Pupil transportation	375,000	361,974	361,974	(13,026)	-
Operation of plant	1,405,204	1,316,515	1,316,515	(88,689)	-
Extracurricular and student activities	-	205,341	205,341	205,341	-
Maintenance of plant	316,267	123,574	123,574	(192,693)	-
Extracurricular and student activities	159,000	-	-	(159,000)	-
Capital Outlay:				-	-
Other capital outlay	-	333,392	333,392	333,392	-
Debt service:				-	-
Principal payments- right-of-use liability	-	685,042	685,042	685,042	-
Interest expense- right-of-use liability	2,236,200	1,551,159	1,551,159	(685,041)	-
TOTAL EXPENDITURES	$ 16,743,270	$ 16,217,503	$ 16,217,503	$ (525,767)	$ -
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING USES	37,142	1,828,967	1,828,967	1,791,825	-
OTHER FINANCING USES					
Collection from Franklin Academy Foundation, Inc.	-	(2,517,295)	(2,517,295)	(2,517,295)	-
NET CHANGE IN FUND BALANCE	$ 37,142	$ (688,328)	$ (688,328)	$ (725,470)	$ -

See accompanying note to the required supplementary information.

FRANKLIN ACADEMY SUNRISE
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – 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	$ 14,285,741	$ 11,612,418	$ 11,612,418	$ (2,673,323)	$ -
Local sources	-	1,246,922	1,246,922	1,246,922	-
Lunch program fees	-	27,277	27,277	27,277	-
Charges and other revenue	112,202	479,708	479,708	367,506	-
TOTAL REVENUES	$ 14,397,943	$ 13,366,325	$ 13,366,325	$ (1,031,618)	$ -
EXPENDITURES					
Instruction	$ 8,306,931	$ 5,851,907	$ 5,851,907	$ (2,455,024)	$ -
Instructional and student support services	361,550	341,586	341,586	(19,964)	-
General administration	15,000	4,206	4,206	(10,794)	-
School administration	1,526,398	1,153,471	1,153,471	(372,927)	-
Fiscal services	1,124,720	1,063,171	1,063,171	(61,549)	-
Food services	-	203,446	203,446	203,446	-
Pupil transportation	375,000	361,974	361,974	(13,026)	-
Operation of plant	1,405,204	1,316,515	1,316,515	(88,689)	-
Maintenance of plant	316,267	123,574	123,574	(192,693)	-
Administrative technical services	159,000	-	-	(159,000)	-
Extracurricular and student activities	-	205,341	205,341	205,341	-
Debt service:				-	-
Other capital outlay	-	333,392	333,392	333,392	-
Interest expense	-	588,874	588,874	588,874	-
TOTAL EXPENDITURES	13,590,070	11,547,457	11,547,457	(2,042,613)	-
EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING USES	807,873	1,818,868	1,818,868	1,010,995	-
OTHER FINANCING USES					
Collections of L/T receivables	-	(2,517,295)	(2,517,295)	(2,517,295)	-
NET CHANGE IN FUND BALANCE	$ 807,873	$ (698,427)	$ (698,427)	$ (1,506,300)	$ -

See accompanying note to the required supplementary information.

FRANKLIN ACADEMY SUNRISE
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – 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	$ 917,000	$ 1,062,969	$ 1,062,969	$ 145,969	$ -
Local sources	-	1,959,750	1,959,750	1,959,750	-
TOTAL REVENUES	$ 917,000	$ 3,022,719	$ 3,022,719	$ 2,105,719	$ -
EXPENDITURES					
Instruction	$ 375,000	$ 2,408,288	$ 2,408,288	$ 2,033,288	$ -
Instructional and student support services	-	66,615	66,615	66,615	-
Food services	542,000	547,816	547,816	5,816	-
TOTAL EXPENDITURES	917,000	3,022,719	3,022,719	2,105,719	-
NET CHANGE IN FUND BALANCE	$ -	$ -	$ -	$ -	$ -

See accompanying note to the required supplementary information.

FRANKLIN ACADEMY SUNRISE
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
NOTES TO 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 earned school recognition funds and acceleration funds, an increase in Title I allocation and referendum per student revenue as well as additional local capital improvement revenue collected by virtue of higher tax revenue collected at the district. Expenses decreased due to lower than expected salary costs.

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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 of
Franklin Academy Sunrise
Sunrise, 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 Sunrise (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

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 28, 2026

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MANAGEMENT LETTER

Board of Directors of
Franklin Academy Sunrise
Sunrise, Florida

Report on the Financial Statements

We have audited the financial statements of Franklin Academy Sunrise (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. There were no findings and recommendations made in the preceding annual financial report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Franklin Academy Sunrise and #065010.

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 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 Broward 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 28, 2026

CERTIFIED PUBLIC ACCOUNTANTS