

**FRANKLIN ACADEMY BOYNTON BEACH
CHARTER SCHOOL**
BOYNTON BEACH, FLORIDA
(A CHARTER SCHOOL UNDER FRANKLIN
ACADEMY FOUNDATION, INC. AND
SUBSIDIARY)

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

JUNE 30, 2025

FRANKLIN ACADEMY BOYNTON BEACH CHARTER SCHOOL
BASIC FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
JUNE 30, 2025

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

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

2024-2025

BOARD OF DIRECTORS

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

SCHOOL ADMINISTRATION

Alison L'Etoile, Principal

OTHER CORPORATE OFFICERS

Scott E. Sznitken, Executive Director



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Franklin Academy Boynton Beach
Boynton Beach, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin Academy Boynton Beach (the "School"), a charter School under Franklin Academy Foundation, Inc. and Subsidiary, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Franklin Academy Boynton Beach, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 20, 2025 on our consideration of the School’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School’s internal control over financial reporting and compliance.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 20, 2025

Management’s Discussion and Analysis
Franklin Academy Boynton Beach
(A Charter School Under Franklin Academy Foundation, Inc. and Subsidiary)
June 30, 2025

The corporate officers of Franklin Academy Boynton Beach (the “School”) have prepared this narrative overview and analysis of the School’s financial activities for the fiscal year ended June 30, 2025.

FINANCIAL HIGHLIGHTS

1. The net position of the School as of June 30, 2025 was \$13,328.
2. At year-end, the School had current assets on hand of \$14,396,972.
3. The net position of the School increased by \$2,202,265 during the year.
4. The unassigned fund balance at year end was \$8,812,127.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the School’s basic financial statements. The School’s financial statements for the year ended June 30, 2025 are presented in accordance with GASB Codification Section 2200. The financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the 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 and liabilities. The difference between the two is reported as *net position*. 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 as soon as the underlying event resulting in the change 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. *Governmental Funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

Governmental 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.

Prior to the start of the School’s fiscal year, the Board of the School adopts an annual budget for all of its governmental funds, if applicable. A budgetary comparison statement has been provided for the School’s 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 - 25 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a charter school's financial position. In the case of the School, the net position was \$13,328,465 at the close of the fiscal year. A summary of the School's net position as of June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Cash	\$ 11,490,172	\$7,455,578
Restricted cash	2,841,557	2,751,163
Due from other agencies	65,243	1,136,194
Due from Franklin Academy Foundation, Inc.	4,945,781	5,028,015
Capital Assets, net	<u>18,030,761</u>	<u>19,123,177</u>
Total Assets	<u>\$ 37,373,514</u>	<u>\$ 35,494,127</u>
Salaries and wages payable	\$ 894,586	\$677,869
Accounts payable	123,147	69,958
Accrued interest	457,686	467,434
Bonds payable	<u>22,569,630</u>	<u>23,152,666</u>
Total Liabilities	24,045,049	24,367,927
Net Position:		
Restricted by bond	2,383,871	2,283,729
Restricted - referendum	-	978,256
Restricted - lunch program	318,159	139,528
Restricted - student activities	140,474	86,362
Unrestricted	<u>10,444,625</u>	<u>7,638,325</u>
Total Net Position	13,287,129	11,126,200
Total Liabilities and Net Position	<u>\$ 37,332,178</u>	<u>\$ 35,494,127</u>

At the end of the year, the School is able to report positive balances in total net position.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2025 and 2024 were as follows:

REVENUES	<u>2025</u>	<u>2024</u>
Program Revenues		
Capital Grants and Contributions	\$ 1,468,433	\$ 1,003,838
Federal sources	2,102,916	2,669,005
Lunch Program fees	7,938	11,818
General Revenues		
Local Sources (FTE and other non specific)	13,058,352	15,544,423
Other Revenues	659,569	610,358
Total Revenues	<u>\$ 17,297,208</u>	<u>\$ 19,839,442</u>
EXPENSES		
Instruction	\$ 7,323,921	\$6,843,019
Instructional and student support services	620,797	408,789
General administration	144,084	123,003
School administration	1,646,758	1,532,123
Fiscal services	1,003,114	957,347
Food services	812,080	764,807
Pupil transportation	288,023	338,187
Operation of plant	1,766,198	1,720,376
Maintenance of plant	95,277	163,994
Administrative technology services	123,010	90,074
Extracurricular activities	209,929	251,659
Interest expense	1,103,088	1,125,710
Total Expenses	<u>\$ 15,136,279</u>	<u>\$ 14,319,088</u>
Increase in Net Position	2,160,929	5,520,354
Net Position at Beginning of Year	<u>11,126,200</u>	<u>5,605,846</u>
Net Position at End of Year	<u>\$ 13,287,129</u>	<u>\$ 11,126,200</u>

Student enrollment remained steady compared to prior year. The School's revenues decreased by \$2,542,234 and expenses increased by \$775,855. The School had an increase in its net position of \$2,202,265, for the year.

ACCOMPLISHMENTS

Franklin Academy in Boynton Beach successfully completed its twelfth year in 2024-2025, maintaining its "B"-rating and witnessing significant student gains. The campus was vibrant with various parent and community events, including the Fall Festival, Winter and Spring Concerts, Veterans Day Ceremony, Fun Run, Field Day, End-of-Year Carnival, and three graduations on May 25th. Our Student Government Association (SGA) achieved remarkable success at the state convention, with our SGA President winning Middle School Student of the Year, our Secretary winning the Middle School Speech Contest for the second consecutive year and earning multiple first-place awards in categories such as Community Service, Faculty and Staff Relations, and more. Additionally, we maintained our Gold Medallion Council status

for the 10th consecutive year. These accomplishments are a testament to the hard work and dedication of our entire school community.

SCHOOL LOCATION

Franklin Academy Foundation, Inc. owns the facility located at 7882 Military Trail, Boynton Beach, Florida 33463.

CAPITAL IMPROVEMENT REQUIREMENT

The School maintains a continuous capital improvements program to enhance facilities and update fixtures and equipment as required.

SCHOOL ENROLLMENT

This past year, the School had approximately 1,200 students enrolled in grades kindergarten through eighth grade.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND

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

GOVERNMENTAL FUNDS

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

Most of the School's operations are funded in the General Fund. The majority of the General Fund revenues are distributed to the School by the District through the Florida Education Finance Program (FEFP), which uses formulas to distribute state funds and an amount of local property taxes (i.e., required local effort) established each year by the Florida Legislature.

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of \$8,812,127. The fund balance unassigned and available for spending at the School's discretion is \$8,812,127.

CAPITAL ASSETS

The School's investment in capital assets as of June 30, 2025 amounts to \$18,030,761 (net of accumulated depreciation). This investment in capital assets includes, land building and improvements, furniture, fixtures and computer equipment. The School had \$21,960,230 in long-term debt related to capital assets.

REQUESTS FOR INFORMATION

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

GOVERNMENTAL FUND BUDGET ANALYSIS

Prior to the start of the School's fiscal year, the Board of the Charter School adopted an annual budget. A budgetary comparison statement has been provided for the governmental funds to demonstrate compliance with the School's budget.

	Governmental Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State capital outlay funding	\$ 3,350,921	\$ 1,468,433	\$ 1,468,433
State passed through local	10,726,196	10,811,853	10,811,853
Federal Sources	450,000	2,102,916	2,102,916
Local sources	-	2,246,499	2,246,499
Lunch program fees	-	7,938	7,938
Charges and other revenues	-	659,569	659,569
Total Revenues	<u>\$ 14,527,117</u>	<u>\$ 17,297,208</u>	<u>\$ 17,297,208</u>
CURRENT EXPENDITURES			
Governmental Activities			
Instruction	\$ 7,437,451	\$ 7,078,660	\$ 7,078,660
Instructional and student support services	475,845	620,797	620,797
General administration	12,800	144,084	144,084
School administration	939,790	1,126,967	1,126,967
Fiscal services	1,191,199	1,003,114	1,003,114
Central services	64,052		
Food services	450,000	812,080	812,080
Pupil transportation	352,080	288,023	288,023
Operation of plant	1,006,209	1,061,142	1,061,142
Maintenance of plant	13,617	95,277	95,277
Administrative technology services	861,251	123,010	123,010
Extracurricular activities	-	209,929	209,929
Other capital outlay	-	377,692	377,692
Debt service	1,066,886	1,686,124	1,686,124
Total Current Expenditures	<u>\$ 13,871,180</u>	<u>\$ 14,626,899</u>	<u>\$ 14,626,899</u>
Excess of Revenues Over Expenditures	<u>655,937</u>	<u>2,670,309</u>	<u>2,670,309</u>
Other financing sources (uses):			
Long term advances from FAF	<u>-</u>	<u>82,234</u>	<u>82,234</u>
Net change in fund balance	<u>\$ 655,937</u>	<u>\$ 2,752,543</u>	<u>\$ 2,752,543</u>

The budgets for the year ending June 30, 2025 were developed based on the School's anticipated revenues and expenditures and the expected student population for the school year. Refer to the budgetary comparison schedules on pages 26-28 for additional information.

**FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
STATEMENT OF NET POSITION
JUNE 30, 2025**

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 11,490,172
Restricted cash, held by trustee	2,841,557
Due from other agencies	65,243
TOTAL CURRENT ASSETS	<u>14,396,972</u>
Due from Franklin Academy Foundation, Inc.	4,945,781
Capital assets, non- depreciable	1,970,000
Capital assets, depreciable	26,748,006
Less: accumulated depreciation	<u>(10,687,245)</u>
	<u>18,030,761</u>
TOTAL ASSETS	<u><u>\$ 37,373,514</u></u>
LIABILITIES	
CURRENT LIABILITIES	
Salaries and wages payable	\$ 894,586
Accounts payable and accrued expenses	123,147
Accrued interest	457,686
TOTAL CURRENT LIABILITIES	<u>1,475,419</u>
Long-term debt:	
Revenue bond payable within one year	609,400
Revenue bond payable in more than one year	21,960,230
TOTAL LIABILITIES	<u>24,045,049</u>
NET POSITION	
Restricted by bond	2,383,871
Restricted - lunch program	318,159
Restricted - student activities	140,474
Unrestricted	10,444,625
TOTAL NET POSITION	<u>13,287,129</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 37,332,178</u></u>

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

FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 7,323,921	\$ -	\$ 925,736	\$ -	\$ (6,398,185)
Instructional and student support services	620,797	-	54,185	-	(566,612)
General administration	144,084	-	-	-	(144,084)
School administration	1,646,758	-	-	-	(1,646,758)
Fiscal services	1,003,114	-	-	-	(1,003,114)
Food services	812,080	7,938	981,536	-	177,394
Transportation	288,023	-	-	-	(288,023)
Operation of plant	1,766,198	-	141,459	1,468,433	(156,306)
Maintenance of plant	95,277	-	-	-	(95,277)
Extracurricular activities	209,929	-	-	-	(209,929)
Administrative technology services	123,010	-	-	-	(123,010)
Interest expense	1,103,088	-	-	-	(1,103,088)
Total Governmental Activities	\$15,136,279	\$ 7,938	\$ 2,102,916	\$ 1,468,433	\$ (11,556,992)
GENERAL REVENUES:					
FTE and other nonspecific revenues					13,058,352
Interest and other miscellaneous local revenue sources					<u>659,569</u>
Change in Net Position					2,160,929
NET POSITION - BEGINNING					<u>11,126,200</u>
NET POSITION - ENDING					<u>\$ 13,287,129</u>

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

FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Funds	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash	\$ 11,031,539	\$ 458,633	\$ -	\$ 11,490,172
Restricted cash, held by trustee	-	-	2,841,557	2,841,557
Due from other agencies	-	65,243	-	65,243
Due from fund	65,243	-	-	65,243
TOTAL ASSETS	<u>\$ 11,096,782</u>	<u>\$ 523,876</u>	<u>\$ 2,841,557</u>	<u>\$ 14,462,215</u>
LIABILITIES				
Salaries and wages payable	\$ 894,586	\$ -	\$ -	\$ 894,586
Accounts payable and accrued expenses	123,147	-	-	123,147
Accrued interest	-	-	457,686	457,686
Due to fund	-	65,243	-	65,243
TOTAL LIABILITIES	<u>1,017,733</u>	<u>65,243</u>	<u>457,686</u>	<u>1,540,662</u>
Deferred Inflows of Resources	-	-	-	-
FUND BALANCE				
Restricted - lunch program	-	318,159	-	318,159
Restricted - student activities	-	140,474	-	140,474
Restricted - referendum	1,266,922	-	-	1,266,922
Restricted - debt service	-	-	2,383,871	2,383,871
Unassigned	8,770,791	-	-	8,770,791
	<u>10,037,713</u>	<u>458,633</u>	<u>2,383,871</u>	<u>12,880,217</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 11,055,446</u>	<u>\$ 523,876</u>	<u>\$ 2,841,557</u>	<u>\$ 14,420,879</u>

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

**FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT
OF NET POSITION
JUNE 30, 2025**

Total Fund Balance - Governmental Funds	\$ 12,880,217
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.	18,030,761
Long-term receivables in governmental activities are financial assets but are not reported in the governmental funds.	4,945,781
Long term debt in governmental activities are financial obligations but are not reported in the governmental funds.	(22,569,630)
Total Net Position - Governmental Activities	<u>\$ 13,287,129</u>

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

FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Funds	Non-major Governmental Funds	Debt Service Fund	Total Governmental Funds
REVENUES					
State capital outlay funding	\$ -	\$ -	\$ 1,468,433	\$ -	\$ 1,468,433
State passed through local	10,811,853	-	-	-	10,811,853
Local sources	2,246,499	-	-	-	2,246,499
Federal Sources	-	1,961,457	141,459	-	2,102,916
Lunch program fees	-	7,938	-	-	7,938
Charges and other revenues	340,879	264,041	-	54,649	659,569
TOTAL REVENUES	\$ 13,399,231	\$ 2,233,436	\$ 1,609,892	\$ 54,649	\$ 17,297,208
EXPENDITURES					
Current					
Instruction	\$ 5,174,668	\$ 1,903,992	\$ -	\$ -	\$ 7,078,660
Instructional and student support services	567,849	52,948	-	-	620,797
General administration	144,084	-	-	-	144,084
School administration	1,126,967	-	-	-	1,126,967
Fiscal services	1,003,114	-	-	-	1,003,114
Food services	-	812,080	-	-	812,080
Pupil transportation	288,023	-	-	-	288,023
Operation of plant	919,683	-	141,459	-	1,061,142
Maintenance of plant	95,277	-	-	-	95,277
Administrative technology services	123,010	-	-	-	123,010
Extracurricular activities	-	209,929	-	-	209,929
Capital Outlay:					
Other capital outlay	377,692	-	-	-	377,692
Debt service:					
Repayment of principal	-	-	-	585,760	585,760
Amortization of bond premium/discount	-	-	-	(2,724)	(2,724)
Interest	-	-	-	1,103,088	1,103,088
TOTAL EXPENDITURES	\$ 9,820,367	\$ 2,978,949	\$ 141,459	\$ 1,686,124	\$ 14,626,899
Excess (deficit) of revenues over expenditures	3,578,864	(745,513)	1,468,433	(1,631,475)	2,670,309
Other Financing Sources (uses)					
Transfers in (out)	(263,184)	-	(1,468,433)	1,731,617	-
Due from Franklin Academy Foundation, Inc.	82,234	-	-	-	82,234
Net change in fund balance	3,397,914	(745,513)	-	100,142	2,752,543
Fund balance at beginning of year	6,639,799	1,204,146	-	2,283,729	10,127,674
Fund balance at end of year	<u>\$ 10,037,713</u>	<u>\$ 458,633</u>	<u>\$ -</u>	<u>\$ 2,383,871</u>	<u>\$ 12,880,217</u>

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

**FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balance - Governmental Funds \$ 2,752,543

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	377,692
Depreciation expense	(1,470,108)

Increases in long-term receivables is an other financing source in the governmental funds, but increases long-term assets in the statement of net position. This is the net amount by which long-term receivables increased in the current period.

Increase in long-term receivables	(82,234)
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Repayments of long term debt are expenditures in the governmental funds, but the repayment reduces long term liabilities in the statement of net position. Amortization of debt premiums or discounts are not reported in the governmental funds, but increase or decrease liabilities in the statement of net position.

Repayments of principal	585,760
Amortization of discount	(2,724)

\$	2,160,929
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The accompanying notes are an integral part of this financial statement.

**FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
NOTES TO FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – ORGANIZATION AND OPERATIONS

Reporting Entity

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

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

The School's location is in Boynton Beach, Florida for children from kindergarten through eighth grade and is funded by the District. These financial statements are for the year ended June 30, 2025, when a total of approximately 1,200 students were enrolled for the school year.

Basis of Presentation

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

Deferred Outflow/Inflows of Resources

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

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

Government-wide and Fund Financial Statements

Government Wide Financial Statements

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

**FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
NOTES TO FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

Government-wide and Fund Financial Statements (Continued)

Government Wide Financial Statements

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (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 or State grants, federal lunch program and COVID emergency relief funds that are legally restricted to expenditure for particular purposes. Also includes the School's internal accounts related to student athletics, class and club activities, and other school organizations.

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

Measurement Focus and Basis of Accounting

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

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

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

**FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
NOTES TO FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

Measurement Focus and Basis of Accounting (Continued)

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

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

Budgets and Budgetary Accounting

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

Cash and Cash Equivalents

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

Inter-fund Transfers

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

Due from Other Governments or Agencies

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

Capital Assets

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

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

**FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

Compensated Absences

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

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

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

Revenue Sources

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

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

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

**FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

Net Position and Fund Balance Classifications

Government-wide financial statements

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

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

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

Fund financial statements

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

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

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

**FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – ORGANIZATION AND OPERATIONS (Continued)

Restricted Assets

Restricted assets include money market accounts that are related to amounts that the School is required to segregate in connection with the issuance of bonds, including capitalized interest fund and reserve requirements. The Trust Indenture requires the establishment of Funds for the bonds and accounts within such funds, all of which shall be special trust funds and accounts held by the Trustee. At June 30, 2025, the composition of restricted balances is as follows:

<u>Debt Service Reserve</u>	
Bond Interest Account	\$ 15
Principal Account	38,726
Bond Revenue Fund	1,008,327
Debt Service Reserve	1,752,545
Accrued Bond Interest	41,944
	<u>\$ 2,841,557</u>

Income Taxes

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

Use of Estimates

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

Subsequent Events

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 20, 2025, which is the date the financial statements were available to be issued.

Adopted Accounting Pronouncements

During the year ended June 30, 2025, the School implemented the provisions of GASB Statement No. 101, Compensated Absences. GASB 101 establishes a single recognition and measurement model for liabilities related to compensated absences, including vacation, sick leave, and other paid time off, that is attributable to services already rendered and accumulates for use in future periods. Under GASB 101, a liability is recognized if it is more likely than not that the leave will be used for time off or otherwise paid to the employee. Implementation of GASB 101 did not have a material impact on the School’s financial statements.

**FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2- CASH, OPERATING UNRESTRICTED

Deposits

The School's policy is to maintain its cash and cash equivalents in major banks and in high grade investments. As of June 30, 2025, the carrying amount of the School's operating deposits was \$11,490,172 and the respective bank balances totaled \$11,520,330.

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, 2025, bank balances in potential excess of FDIC coverage totaled \$11,270,330.

NOTE 3 – DUE FROM OTHER AGENCIES

The amounts due from other agencies included in the accompanying statement of net position and balance sheet – governmental funds consist mainly of amounts due from the District under Capital Outlay, which total \$65,243. These receivables are considered to be fully collectable and as such. No allowance for uncollectible accounts is recorded.

NOTE 4 – Capital Assets

The following schedule provides a summary of changes in capital assets, acquired substantially with public funds, for the year ended June 30, 2025:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025
Capital Assets, not being depreciated				
Land	\$ 1,970,000	\$ -	\$ -	\$ 1,970,000
Capital assets, depreciable:				
Buildings and improvements	22,077,333	111,477	-	22,188,810
Computer equipment and software	1,159,274	87,989	-	1,247,263
Furniture, equipment and textbooks	3,133,707	178,226	-	3,311,933
Total Capital Assets	<u>\$ 28,340,314</u>	<u>\$ 377,692</u>	<u>\$ -</u>	<u>\$ 28,718,006</u>
Less Accumulated Depreciation:				
Buildings and improvements	\$ (6,177,498)	\$ (869,926)	\$ -	\$ (7,047,424)
Computer equipment and software	(938,894)	(183,282)	-	(1,122,176)
Furniture, equipment and textbooks	(2,100,745)	(416,900)	-	(2,517,645)
Total Accumulated Depreciation	<u>(9,217,137)</u>	<u>(1,470,108)</u>	<u>-</u>	<u>(10,687,245)</u>
Capital Assets, net	<u>\$ 19,123,177</u>	<u>\$ (1,092,416)</u>	<u>\$ -</u>	<u>\$ 18,030,761</u>

Depreciation expense for the year ended June 30, 2025 was \$1,470,108, of which \$245,261 was allocated to instruction, \$519,791 was allocated to school administration and \$705,056 was allocated to operation of plant.

**FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

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 2024-2025. During the year, the School made payments totaling \$881,044.

In addition, Building Hope Services, LLC., a professional charter school management company, provides accounting and human resources management services to the School including, but not limited to, regulatory compliance, maintenance of the books and records, bookkeeping, budgeting and financial reporting. The agreement between the School and the management company calls for a fee of \$50 per full time equivalent (FTE) student per year. The agreement can be terminated at any time by the board with 30 day notice. During the year ended June 30, 2025, the School incurred approximately \$68,000 in management fees. Building Hope Services, LLC. is located at 1225 SE 2nd Avenue, Fort Lauderdale, Florida, 33316.

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, 2025, administrative fees totaled \$103,896.

NOTE 6 - RELATED PARTY TRANSACTIONS

The School transacts with its charter holder, Franklin Academy Foundation, Inc. and has recorded such transactions as long-term receivables from Franklin Academy Foundation, Inc. At June 30, 2025, the School had a long-term receivable of \$4,945,781.

Changes in long-term receivable balances were as follows:

	Balance July 1, 2024	Additions	Collections	Balance June 30, 2025
Franklin Academy Foundation, Inc.	\$ 5,028,015	\$ 165,800	\$ (248,034)	\$ 4,945,781
Total Long Term Receivables	<u>\$ 5,028,015</u>	<u>\$ 165,800</u>	<u>\$ (248,034)</u>	<u>\$ 4,945,781</u>

NOTE 7 — LONG TERM DEBT

Revenue Bond

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

**FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 7 — LONG TERM DEBT (CONTINUED)

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

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

Revenue Bond (Continued)

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

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

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

Series 2016 A Bonds:		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 1,160,000	\$ 2,067,638
2027	1,205,000	2,020,338
2028	1,255,000	1,966,431
2029	1,315,000	1,905,394
2030	1,375,000	1,841,506
2031-2035	7,935,000	8,136,644
2036-2040	10,015,000	5,992,456
2041-2045	12,765,000	3,169,375
2046-2047	6,045,000	305,875
	<u>\$ 43,070,000</u>	<u>\$ 27,405,656</u>

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

Long term debt activity for the School, for the year ended June 30, 2025 was as follows:

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Addition</u>	<u>Advanced/ (Payments)</u>	<u>Amortization</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Educational Facilities Revenue						
Bonds, Series 2016A	\$ 23,212,369	\$ -	\$ (585,760)	\$ -	\$22,626,609	\$ 609,400
Bond Discount	(59,703)	-	-	2,724	(56,979)	-
Total	<u>\$ 23,152,666</u>	<u>\$ -</u>	<u>\$ (585,760)</u>	<u>\$ 2,724</u>	<u>\$22,569,630</u>	<u>\$ 609,400</u>

**FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 8 - INTER-FUND TRANSFERS

Inter-fund transfers in government funds as of June 30, 2025 consists of the following:

	General Fund	Capital Outlay Funds	Debt Service Fund
Transfer from Capital Outlay to Debt Service Fund for debt service	\$ -	\$ (1,468,433)	\$ 1,468,433
Transfer from General Fund to Debt Service Fund to cover debt service	(263,184)	-	263,184
Total Transfers, net	\$ (263,184)	\$ (1,468,433)	\$ 1,731,617

Due from (due to) balance are as follows:

	Special Revenue Fund	General Fund
Due to General Fund from Special Revenue Fund for Capital Outlay	\$ (65,243)	\$ 65,243
Total Due from (Due to)	\$ (65,243)	\$ 65,243

NOTE 9 - COMMITMENTS, CONTINGENCIES AND CONCENTRATIONS

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

NOTE 10 - RISK MANAGEMENT

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

NOTE 11— DEFINED CONTRIBUTION RETIREMENT PLAN

The School's personnel are eligible to participate in a defined contribution 401(k) plan covering employees who meet certain age and tenure requirements. Under the Plan, the School provides a match of the employee's contribution up to 2.5% of the employee's compensation. The School contributed to the Plan \$56,152 for the year ended June 30, 2025. The School does not exercise any control or fiduciary responsibility over the Plans' assets.

REQUIRED SUPPLEMENTAL INFORMATION

**FRANKLIN ACADEMY BOYNTON BEACH
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET
AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	General Fund		
	Original Budget	Final Budget	Actual
REVENUES			
State passed through local	\$ 10,726,196	\$ 10,811,853	\$ 10,811,853
Local sources	-	2,246,499	2,246,499
Charges and other revenues	-	340,879	340,879
TOTAL REVENUES	\$ 10,726,196	\$ 13,399,231	\$ 13,399,231
EXPENDITURES			
Current:			
Instruction	\$ 5,153,416	\$ 5,174,668	\$ 5,174,668
Instructional and student support services	475,845	567,849	567,849
General administration	12,800	144,084	144,084
School administration	939,790	1,126,967	1,126,967
Fiscal services	1,191,199	1,003,114	1,003,114
Central services	64,052	-	-
Pupil transportation	352,080	288,023	288,023
Operation of plant	1,006,209	919,683	919,683
Maintenance of plant	13,617	95,277	95,277
Administrative technology services	861,251	123,010	123,010
Other capital outlay	-	377,692	377,692
Total Current Expenditures	10,070,259	9,820,367	9,820,367
Excess of Revenues Over Expenditures	655,937	3,578,864	3,578,864
Other financing sources (uses):			
Transfers in (out)	-	(263,184)	(263,184)
Long term advances from FAF	-	82,234	82,234
Net change in fund balance	\$ 655,937	\$ 3,397,914	\$ 3,397,914

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

**FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Special Revenue Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Federal Sources	\$ 450,000	\$ 1,961,457	\$ 1,961,457
State capital outlay funding	2,284,035	-	-
Charges and other revenues	-	264,041	264,041
Lunch program fees	-	7,938	7,938
TOTAL REVENUES	2,734,035	2,233,436	2,233,436
EXPENDITURES			
Current:			
Instruction	2,284,035	1,903,992	1,903,992
Instructional and student support services	-	52,948	52,948
Food services	450,000	812,080	812,080
Pupil transportation	-	-	-
Operation of plant	-	-	-
Extracurricular activities	-	209,929	209,929
Total Current Expenditures	2,734,035	2,978,949	2,978,949
Excess of Revenues Over Expenditures	-	(745,513)	(745,513)
Net change in fund balance	\$ -	\$ (745,513)	\$ (745,513)

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.

**FRANKLIN ACADEMY BOYNTON BEACH
(A CHARTER SCHOOL UNDER FRANKLIN ACADEMY FOUNDATION, INC.)
BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025**

	Debt Service Fund		
	Original Budget	Final Budget	Actual
REVENUES			
Interest income	\$ -	\$ 54,649	\$ 54,649
TOTAL REVENUES	\$ -	\$ 54,649	\$ 54,649
Debt Service:			
Redemption of principal	\$ 655,937	\$ 585,760	\$ 585,760
Amortization of bond premium	-	(2,724)	(2,724)
Interest	-	1,103,088	1,103,088
TOTAL EXPENDITURES	655,937	1,686,124	1,686,124
Excess (deficit) of Revenues Over Expenditures	(655,937)	(1,631,475)	(1,631,475)
Other financing sources (uses):			
Transfers in (out)	-	1,731,617	1,731,617
Net change in fund balance	\$ (655,937)	\$ 100,142	\$ 100,142

Notes to Budgetary Comparison Schedule

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. Amendments to the budget can only be made with the approval of the Board of Directors.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Franklin Academy Boynton Beach
Boynton Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund and the aggregate remaining fund information of Franklin Academy Boynton Beach (the "School"), as of and for the year ended June 30, 2025, 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 20, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 20, 2025



MANAGEMENT LETTER

Board of Directors
Franklin Academy Boynton Beach
Boynton Beach, Florida

Report on the Financial Statements

We have audited the financial statements of Franklin Academy Boynton Beach (the "School"), as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated September 20, 2025.

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 20, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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

Official Title

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

Financial Condition and Management

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

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

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

Transparency

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

Additional Matters

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

Purpose of this Letter

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

Verdeja - Alvarez, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 20, 2025