HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

International Studies Academy Middle School
(A charter school under International Studies Charter High School, Inc.)
W/L #5556
(A charter school and Component Unit of the School Board of Broward County, Florida)

Hollywood, Florida

Financial Statements and
Independent Auditors' Report
June 30, 2026

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International Studies Academy Middle School
(A charter school under International Studies Charter High School, Inc.)

W/L #5556

2650 Van Buren Street
Hollywood, FL 33020

2025-2026

BOARD OF DIRECTORS

Eleonora Cuesta, Board Chair & Director
Roger Pardo, Director
Corinne Pollini, Director
Jose Ramon Puroy, Director
Sofia Ruiz del Arbol Moro, Director, resigned effective August 6, 2025

SCHOOL ADMINISTRATOR

Jennifer Jaynes, Principal

HLB GRAVIER, LLP
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
International Studies Academy Middle School
Hollywood, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of International Studies Academy Middle School (the "School"), a charter school under International Studies Charter High School, Inc., which is a component unit of the District School Board of Broward County, as of, and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of International Studies Academy Middle School as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of International Studies Charter High School, Inc., 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.

Auditors' 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 and *Government 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 and *Government 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.

Emphasis of a Matter – Presentation

As described in Note 1, the accompanying financial statements referred to above present only the financial position and change in financial position of International Studies Academy Middle School that is attributable to the transactions of the School and is not intended to be a complete presentation of International Studies Charter High School, Inc. These financial statements do not purport to, and do not, present fairly the financial position of International Studies Charter High School, Inc., 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. Our opinion is not modified with respect to this matter.

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 on pages 5 through 9 and 30 through 32 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2026, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.



Coral Gables, Florida
September 30, 2026

CERTIFIED PUBLIC ACCOUNTANTS

Management's Discussion and Analysis
International Studies Academy Middle School
(A charter school under International Studies Charter High School, Inc.)
June 30, 2026

The corporate officers of International Studies Charter High School, Inc., have prepared this narrative overview and analysis of the School's financial activities for the fiscal year ended June 30, 2026.

About the School

International Studies Academy Middle School opened in 2021 and is a Broward County public charter school located in Hollywood, Florida, serving students in grades six through eight. The School is operated by International Studies Charter High School, Inc.

Overview of the Financial Statements

The financial statements of International Studies Academy Middle School present the financial position and results of operations of the School for the fiscal year ended June 30, 2026, in accordance with generally accepted accounting principles for state and local governments.

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.

The government-wide financial statements report all assets and liabilities of the government, including both financial and nonfinancial assets and both short-term and long-term obligations. Revenues are recognized when they relate to the current reporting period, regardless of when the related cash is received, and expenses are recognized when incurred, regardless of when cash is paid. The government-wide statements also report deferred outflows and deferred inflows of resources that relate to future reporting periods. Accordingly, the government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The governmental fund financial statements focus on current financial resources. They generally report current financial assets and liabilities, such as cash, receivables, and accounts payable, rather than long-term capital assets and long-term liabilities. Revenues are recognized when they are both measurable and available to finance current-period expenditures, while expenditures generally are recognized when the related governmental fund liability is incurred, subject to certain exceptions for long-term obligations. Deferred outflows and deferred inflows reported at the governmental fund level are limited to those applicable to current financial resources. Accordingly, governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

More detail about the measurement focus and basis of accounting can be found in the first note to the financial statements, the Summary of Significant Accounting Policies.

FINANCIAL SUMMARY

A summary and analysis of the School's net positions as of June 30, 2026, and 2025 follows:

	2026	2025	Variance
Cash	$ 7,471	$ 8,557	$ (1,086)
Investments	1,119,000	1,049,000	70,000
Prepaid expenses and other current assets	100,683	19,457	81,226
Due from other agencies	367,635	320,422	47,213
Due from International Studies Academy High School, Inc.	171,688	80,725	90,963
Capital and right of use assets, net	2,544,226	2,805,687	(261,461)
Total Assets	4,310,703	4,283,848	26,855
Deferred outflows of resources	-	-	-
Accounts payable and accrued expenses	13,587	17,255	(3,668)
Salaries and wages payable	124,108	84,419	39,689
Compensated absences	69,225	57,638	11,587
Lease liability	2,793,297	2,915,371	(122,074)
Total Liabilities	3,000,217	3,074,683	(74,466)
Deferred inflows of resources	-	-	
Net Position:			
Net investment in capital assets	(249,071)	(109,684)	(139,387)
Unrestricted	1,559,557	1,318,849	240,708
Total Net Position	$ 1,310,486	$ 1,209,165	$ 101,321

The School's financial position improved during the year ended June 30, 2026. Total net position increased by approximately $101,000, from approximately $1.21 million at June 30, 2025, to approximately $1.31 million at June 30, 2026, representing an increase of approximately 8.4%.

The most significant changes in total assets and liabilities were as follows: Investments increased by approximately $70,000, from approximately $1.05 million at June 30, 2025, to approximately $1.12 million at June 30, 2026, primarily attributable to the investment of available cash balances during the current fiscal year. Prepaid expenses and other current assets increased by approximately $81,000, from approximately $19,000 at June 30, 2025, to approximately $101,000 at June 30, 2026, primarily attributable to an increase in amounts paid in advance at year-end.

Amounts due from other agencies increased by approximately $47,000, from approximately $320,000 at June 30, 2025, to approximately $368,000 at June 30, 2026. The increase was primarily attributable to an increase in amounts receivable under the Public Charter School Program Grant (CSP), partially offset by the collection of prior-year District referendum funding during the current fiscal year.

Amounts due from International Studies Academy High School, Inc. increased by approximately $91,000, from approximately $81,000 at June 30, 2025, to approximately $172,000 at June 30,

2026, primarily attributable to Board-approved intercompany transactions during the current fiscal year.

Capital and right-of-use assets, net, decreased by approximately $261,000, from approximately $2.81 million at June 30, 2025, to approximately $2.54 million at June 30, 2026, primarily as a result of current-year depreciation and amortization exceeding capital asset additions and disposals. Lease liabilities decreased by approximately $122,000, from approximately $2.92 million at June 30, 2025, to approximately $2.79 million at June 30, 2026, primarily as a result of scheduled principal payments on the School's lease obligations during the fiscal year.

The components of net position changed as follows: Net investment in capital assets decreased by approximately $139,000, primarily due to the decrease in capital and right-of-use assets exceeding the reduction in the related lease liability. Unrestricted net position increased by approximately $241,000, primarily reflecting the School's positive operating results during the current fiscal year.

A summary and analysis of the School's revenues and expenses for the years ended June 30, 2026, and 2025 follows:

	2026	2025	Variance
REVENUES			
Program Revenues			
Operating grants and contributions	$ 172,796	$ 269,796	$ (97,000)
Capital grants and contributions	343,378	264,288	79,090
Charges for services	15,350	14,078	1,272
General Revenues			
Local sources	2,743,068	2,729,278	13,790
Other revenue	76,394	62,805	13,589
Total Revenues	$ 3,350,986	$ 3,340,245	$ 10,741
EXPENSES			
Instruction	$ 1,561,541	$ 1,355,831	$ 205,710
Student support services	51,292	59,577	(8,285)
Instructional staff training services	10,832	17,376	(6,544)
School board	40,963	26,990	13,973
School administration	538,234	450,487	87,747
Fiscal services	44,808	45,600	(792)
Food services	73,149	87,219	(14,070)
Central services	57,330	58,763	(1,433)
Operation of plant	547,676	450,435	97,241
Maintenance of plant	179,376	196,436	(17,060)
Administrative technology services	1,468	4,421	(2,953)
Debt service	142,996	148,938	(5,942)
Total Expenses	3,249,665	2,902,073	347,592
Increase in Net Position	101,321	438,172	(336,851)
Net Position at Beginning of Year	1,209,165	770,993	438,172
Net Position at End of Year	$ 1,310,486	$ 1,209,165	$ 101,321

Enrollment decreased slightly between fiscal years, with 283 full-time equivalent students during fiscal year 2026 compared with 288 full-time equivalent students during fiscal year 2025, a decrease of 5 students, or approximately 1.7%.

Total revenues remained relatively consistent, increasing from approximately $3.34 million in 2025 to approximately $3.35 million in 2026, an increase of approximately $11,000, or 0.3%. The increase was primarily attributable to an increase of approximately $79,000 in capital grants and contributions, partially offset by a decrease of approximately $97,000 in operating grants and contributions.

Major changes in revenues and expenses included:

Operating grants and contributions decreased by approximately $97,000, from approximately $270,000 in 2025 to approximately $173,000 in 2026, primarily attributable to the School not receiving Title I funding during the current fiscal year, which was received in the prior fiscal year.

Capital grants and contributions increased by approximately $79,000, from approximately $264,000 in 2025 to approximately $343,000 in 2026, reflecting increased funding. Capital Outlay funding per student increased at the state level by approximately $40 per pupil. Additionally, local capital improvement revenue rose by $341 per pupil compared to the prior year.

Instruction expense increased by approximately $206,000, from approximately $1.36 million in 2025 to approximately $1.56 million in 2026, primarily attributable to increased instructional personnel and related costs during the current fiscal year.

School administration expense increased by approximately $88,000, from approximately $450,000 in 2025 to approximately $538,000 in 2026, primarily attributable to increased administrative personnel and related operating costs during the current fiscal year.

Governmental Funds

The School reports three major funds individually in the governmental fund financial statements. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds.

At the end of the fiscal year, the School's governmental general fund reported ending fund balance of $1,457,094. The fund balance unassigned and available for spending at the School's discretion is $1,356,411. These funds will be available for the School's future ongoing operations.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The School's investment in capital assets and right of use asset (building) as of June 30, 2026, amounts to $2,544,226 (net of accumulated depreciation and amortization). This investment in capital assets includes right of use asset (building) and furniture, fixtures and equipment. Information on the School's fixed assets can be found in Note 4.

The school leases a facility at 2650 Van Buren Street, Hollywood, FL 33020.

Long-Term Liabilities

As of June 30, 2026, the School had long-term lease liabilities of $2,793,297 associated to its right of use lease asset (building).

The lease asset is amortized using the straight-line method over the term of the lease and the lease liability amortizes based on the effective interest method resulting in a higher liability and expense during the early years of the lease.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

Currently known facts, decisions or conditions expected to affect the School's financial position include:

- **Enrollment** – Enrollment is projected to be approximately 249 in fiscal year 2027.
- **Changes in funding or legislative appropriations** - The School receives Secure the Next Generation Referendum from Broward County School District. The current renewal is set to expire on June 30, 2027.
- **Major program changes or new initiatives** – There are no major program changes or new initiatives expected for the next school year.
- **Planned capital projects or financing activities** - There are no planned capital projects or financing activities expected for the next school year.

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 Ms. Ana Martinez at Academica Broward, LLC 6340 Sunset Drive, Miami, Florida 33143.

International Studies Academy Middle School
(A charter school under International Studies Charter High School, Inc.)

Statement of Net Position
June 30, 2026

Assets	Governmental Activities
Current assets:	
Cash	$ 7,471
Investment	1,119,000
Prepaid expenses and other current assets	100,683
Due from other agencies	367,635
Total Current Assets	1,594,789
Capital assets, net:	
Capital assets, depreciable	636,645
Less: accumulated depreciation	(538,863)
Right-of-use lease asset	3,261,926
Less: accumulated amortization	(815,482)
Total Capital Assets, net	2,544,226
Due from International Studies Academy High School, Inc.	171,688
Total Assets	4,310,703
Deferred Outflows of Resources	-
Liabilities	
Current liabilities:	
Accounts payable and accrued expenses	13,587
Salaries and wages payable	124,108
Compensated absences, current	31,691
Lease liability, current	128,320
Total Current Liabilities	297,706
Lease liability	2,664,977
Compensated absences	37,534
Total Liabilities	3,000,217
Deferred Inflows of Resources	-
Net Position:	
Net investment in capital assets	(249,071)
Unrestricted	1,559,557
Total Net Position	$ 1,310,486

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

International Studies Academy Middle School
(A charter school under International Studies Charter High School, Inc.)

Statement of Activities
For the year ended June 30, 2026

		Program Revenues			
Primary Government	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) Revenue and Changes in Net Position**
Governmental activities:					
Instruction	$ 1,561,541	$ -	$ 114,084	$ -	$ (1,447,457)
Student support services	51,292	-	10,034	-	(41,258)
Instructional staff training services	10,832	-	-	-	(10,832)
School board	40,963	-	-	-	(40,963)
School administration	538,234	-	1,502	-	(536,732)
Fiscal services	44,808	-	-	-	(44,808)
Food services	73,149	15,350	47,176	-	(10,623)
Central services	57,330	-	-	-	(57,330)
Operation of plant	547,676	-	-	343,378	(204,298)
Maintenance of plant	179,376	-	-	-	(179,376)
Administrative technology services	1,468	-	-	-	(1,468)
Debt service	142,996	-	-	-	(142,996)
Total governmental activities	3,249,665	15,350	172,796	343,378	(2,718,141)

General revenues:	
State and local sources	2,743,068
Investment earnings and other revenues	76,394
Change in net position	101,321
Net position, beginning	1,209,165
Net position, ending	$ 1,310,486

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

International Studies Academy Middle School
(A charter school under International Studies Charter High School, Inc.)

Balance Sheet - Governmental Funds
June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Assets				
Cash	$ 7,471	$ -	$ -	$ 7,471
Investment	1,119,000	-	-	1,119,000
Prepaid expenses and other current assets	100,683	-	-	100,683
Due from other agencies	96,882	251,697	19,056	367,635
Due from fund	270,753	-	-	270,753
Total Assets	1,594,789	251,697	19,056	1,865,542
Deferred Outflows of Resources	-	-	-	-
Liabilities				
Salaries and wages payable	124,108	-	-	124,108
Accounts payable and accrued liabilities	13,587	-	-	13,587
Due to fund	-	251,697	19,056	270,753
Total Liabilities	137,695	251,697	19,056	408,448
Deferred Inflows of Resources	-	-	-	-
Fund balance				
Nonspendable, not in spendable form	100,683	-	-	100,683
Unassigned	1,356,411	-	-	1,356,411
	1,457,094	-	-	1,457,094
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 1,594,789	$ 251,697	$ 19,056	$ 1,865,542

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

International Studies Academy Middle School
(A charter school under International Studies Charter High School, Inc.)

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2026

Total Fund Balance - Governmental Funds		$ 1,457,094
Amounts reported for governmental activities in the statement of net position are different because:		
Depreciable and non-depreciable capital assets net of accumulated depreciation and amortization used in governmental activities are not financial resources and therefore are not reported in the fund.		
Capital assets, depreciable	636,645	
Less: accumulated depreciation	(538,863)	
Right-of-use lease asset	3,261,926	
Less: accumulated amortization	(815,482)	2,544,226
Long term liabilities in governmental activities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Compensated absences	(69,225)	
Lease liability	(2,793,297)	(2,862,522)
Receivables in governmental activities that are not considered available to pay current liabilities are not current financial resources and, therefore, are not reported in the governmental funds.		171,688
Total Net Position - Governmental Activities		$ 1,310,486

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

International Studies Academy Middle School
(A charter school under International Studies Charter High School, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the year ended June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
Revenues:				
State capital outlay funding	$ -	$ -	$ 192,132	$ 192,132
State passed through local	2,342,616	-	-	2,342,616
Local sources	481,177	-	151,246	632,423
Federal sources	-	172,796	-	172,796
Charges for services and other revenues	76,394	15,350	-	91,744
Total Revenues	2,900,187	188,146	343,378	3,431,711
Expenditures:				
Current				
Instruction	1,382,906	52,940	-	1,435,846
Student support services	41,001	10,034	-	51,035
Instructional staff training	10,832	-	-	10,832
Board	40,963	-	-	40,963
School administration	529,429	1,502	-	530,931
Food services	-	73,149	-	73,149
Fiscal services	44,808	-	-	44,808
Central services	57,330	-	-	57,330
Operation of plant	305,878	-	78,308	384,186
Maintenance of plant	179,376	-	-	179,376
Administrative technology services	1,468	-	-	1,468
Capital Outlay:				
Other capital outlay	23,697	-	-	23,697
Debt Service:				
Redemption of principal	-	-	122,074	122,074
Interest	-	-	142,996	142,996
Total Expenditures	2,617,688	137,625	343,378	3,098,691
Excess (deficit) of revenues over expenditures	282,499	50,521	-	333,020
Other financing sources (uses):				
Transfers in (out)	50,521	(50,521)	-	-
Advances to International Studies Charter High School, Inc.	(90,963)	-	-	(90,963)
Net change in fund balance	242,057	-	-	242,057
Fund Balance at beginning of year	1,215,037	-	-	1,215,037
Fund Balance at end of year	$ 1,457,094	$ -	$ -	$ 1,457,094

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

International Studies Academy Middle School
(A charter school under International Studies Charter High School, Inc.)

Reconciliation of the Statement of Revenues, Expenditures an Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the year ended June 30, 2026

Net Change in Fund Balance - Governmental Funds		$ 242,057
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 and amortization expense. In the current period, these amounts are:		
Capital outlay	23,697	
Depreciation and amortization expense	(285,158)	(261,461)
Increase in long term receivables is an expenditure in the governmental funds, but a decrease or collections of such receivables reduces long-term assets in the statement of net position. This is the amount by which the increase in long-term receivables of $90,963 exceeded collections of $-0- in the current period.		90,963
Increases in long term liabilities is revenue in the governmental funds, but a decrease or repayment of such payables reduces liabilities in the statement of net position.		
Change in compensated absences	(11,587)	
Decreases in long-term liabilities	122,074	
		110,487
Revenues are recognized using the full accrual basis of accounting in the government-wide statements. However, revenues are recognized when they are measurable and available in the governmental funds. These revenues did not meet the recognition criteria during the current year and, therefore, were not reported in the governmental funds.		
Prior year revenues available in current year		(80,725)
Change in Net Position of Governmental Activities		$ 101,321

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

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

International Studies Academy Middle School (the "School"), is a component unit of the School Board of Broward County, Florida (the "District"). The School's charter is held by International Studies Charter High School, Inc., 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 International Studies Charter High School, Inc., which is composed of four members and also governs another charter school. The board has determined no component units exist 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, 2041 and it can be renewed in accordance with law. A charter can also be terminated before its date of expiration for reasons set forth in the charter and Section 1002.33 of the Florida Statutes.

The School is located in Hollywood, Florida for students from sixth through eighth grade and is funded by the District. These financial statements are for the year ended June 30, 2026, when on average 283 students were enrolled for the school year. Accordingly, the basic financial statements include both the government-wide and fund financial statements.

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.

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. These statements do not include fiduciary funds.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

Program revenues include: (1) charges for services, such as food service and student activity 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 ad program revenues are shown ad general revenues, which include Florida Education Finance Program (FEFP) revenues, and other state and local 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, liabilities, equity, revenues and expenditures. The School reports the following major governmental funds:

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 revenues, such as federal funding and federal lunch program, that are legally restricted to expenditures for particular purposes.

Capital Projects Fund - accounts for state and other local capital funds as authorized by Charter School Capital Outlay, Section 1013.62, Florida Statutes.

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. In addition, revenues classified as program revenues are shown as general revenues, which include Florida Education Finance Program (FEFP) revenues and other miscellaneous sources.

Note 1 – Summary of Significant Accounting Policies (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. 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 principal and interest on long-term debt and compensated absences, which are reported as expenditures when due. General capital asset acquisitions are reported as expenditures in governmental funds.

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 are considered to be cash on hand, demand deposits, non-marketable time deposits with maturities of three months or less when purchased, and money market/savings accounts.

Investments

The School has adopted a formal investment policy that permits the investment of surplus funds, subject to Board approval, in cash and cash equivalents, debt instruments, mutual funds, certificates of deposit, government-sponsored investment vehicles, and certain investments that support the Charter School Network's educational mission. The School follows the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, GASB Statement No. 72, *Fair Value Measurement and Application,* and other related standards which establish accounting and financial reporting standards for all investments (see Note 2). Money market investment that have maturities of one year or less from the date of acquisition are reported at amortized cost rather than fair value. Amortized cost closely approximates fair value.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

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. No allowance for uncollectible accounts is deemed necessary.

Prepaid Expenses and Other Assets
Other assets consist mainly of prepaid expenses which are payments for goods or services that have not been consumed or used at year end. The expenditure will be recorded when the asset is used. Accordingly, prepaid expenses are equally offset by a nonspendable fund balance classification

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 $1,000 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 sold or disposed of, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recorded in the government wide statements. Proceeds received from the sale or disposal of capital assets are recorded as Other Financing Sources in the governmental funds.

The right of use assets are initially measure at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right of use assets are amortized on a straight-line basis over the life of the related lease.

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

Right-of-use asset (building)	20 Years
Furniture, Fixtures and Equipment	5-10 Years

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of financial position will sometimes report a separate section for 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.

Note 1 – Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of financial 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.

Revenue Sources

Revenues for current operations are received primarily from 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. In addition, the School receives a portion of the local operating millage revenues levied by the District (Secure our Future Referendum).

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. In addition, the School may receive a portion of the local capital improvement tax revenues levied by the District.

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

Note 1 – Summary of Significant Accounting Policies (continued)

Compensated Absences

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. GASB Statement No. 101 establishes guidance for measuring a liability that has not been used, generally using an employee's pay rate as of the date of the financial statements.

The School grants a specific number of personal time off. Full time teachers and instructional employees are eligible to one day per month to up to ten days of active work during the ten-month period (a "benefit year"). In the event that available time is not used by the end of the benefit year, employees may "rollover" all unused days for use in future benefit years. There is an opportunity to "cash out" unused days for personal time off, however, the employees may only cash out if they have used three days or less in that benefit year. Employees may not cash out more than ten days per school year and are required to always maintain a minimum of twenty-one unused days in order to cash out. The cash out value is eighty percent of their current daily rate. There is no termination payment for accumulated unused days. Non-exempt and office salaried employees are not eligible to "cash out" unused personal time off days.

The compensated absences liability includes an accrual for the cash out days and personal time off for services already rendered.

Income Taxes

International Studies Charter High School, Inc., 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.

Net Position and Fund Balance Classifications

Government-wide financial statements

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

a) Net investment in capital assets - consists of capital assets net of accumulated depreciation and amortization reduced by the outstanding balances of any borrowings that are attributable to the acquisition or improvement of those assets.
b) 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. There are no restricted net position at year end.
c) Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Note 1 – Summary of Significant Accounting Policies (continued)

When both restricted and unrestricted resources are available for a specific purpose, it is the School'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:

a) 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 prepaid expenses.
b) Restricted - this fund balance category includes that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. There are no restricted fund balances at year end.
c) 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.
d) 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.
e) 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.

Long-Term Debt and Liabilities
In the government-wide financial statements, long-term debt and other long-term liabilities 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.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

New Accounting Standard Adopted

In fiscal year 2026, the School adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. Statement No. 103 requirements updates reporting requirements and changes to MD&A, unusual/infrequent items, proprietary fund presentation, major component units, budgetary comparison information and statistical information. The adoption of this statement did not have a material impact on the School's financial statements. This statement was applied prospectively.

In fiscal year 2026, the School adopted GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. Statement No. 104 requires certain capital assets to be separately identified within the capital asset footnote. This includes lease assets by major class of underlying asset and other specified categories of capital assets. It also establishes accounting and disclosure requirements for capital assets held for sale. The adoption of this statement did not have a material impact on the School's financial statements. This statement was applied prospectively.

Pronouncements Issued But Not Yet Effective

The GASB issued GASB Statement No. 105, *Subsequent Events*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2026.

The School is currently evaluating the effect that the implementation of the new standards will have on its financial statements.

Subsequent Events

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

Note 2 – Cash and Investments

Deposits

Deposits at FDIC-insured institutions are insured up to $250,000 per depositor, per financial institution. The School is a charter school under International Studies Charter High School, Inc., which also operates various other charter schools. All bank accounts are opened under the account ownership of International Studies Charter High School, Inc., 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 $7,078.

Investments

The School follows the Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in markets for identical assets: Level 2 inputs are significant other observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.); Level 3 inputs are significant unobservable inputs.

Note 2 – Cash and Investments (continued)

At June 30, 2026, the School had $1,250,000 invested in a governmental money market mutual fund that is exempt from GASB 72 fair value hierarchy disclosures. The governmental money market mutual fund values its portfolio securities at amortized cost which approximates fair value. The government money market mutual fund primarily invests in cash, high quality, short-term U.S. government securities and/or repurchase agreements that are collateralized fully by government securities that have been valued by the fund as Level 2. As of June 30, 2026, maturities of the fund's portfolio holdings are approximately 77% within 30 days.

Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investments in a single issuer. The School manages its exposure to credit risk by limiting investments to highly rated government money market mutual funds. The fund is rated Aaa-mf by Moody's.

Custodial credit risk is the risk that in the event of a failure of a depository financial institution or counterparty that is in possession of investment or collateral securities, the School will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the School will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. At June 30, 2026, all of the School's investments in government money market mutual funds were held in a separate account and designated as assets of the School.

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. The School manages its exposure to declines in fair values by limiting all investments to government money market mutual funds that can be redeemed daily.

Note 3 – Due from Other Agencies

The following is due from other agencies as of June 30, 2026:

Funding Source	Governmental Fund	Balance
Due from the District, referendum	General Fund	$ 90,055
FEFP - Declining Enrollment Supplement	General Fund	6,243
School Zone Camera Safety Program	General Fund	584
Title IV	Special Revenue Fund	6,173
Public Charter School Program Grant (CSP)	Special Revenue Fund	245,524
School Hardening	Capital Projects Fund	3,080
Capital Outlay	Capital Projects Fund	15,976
Total Due from Other Agencies, current		$ 367,635

Note 4 – Capital Assets

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

	Balance 07/01/25	Additions	Retirements / Reclassification	Balance 06/30/26
Capital Assets:				
Furniture, fixtures and equipment	$ 710,725	$ -	$ (97,777)	$ 612,948
Improvements	-	23,697	-	23,697
Total Capital Assets	710,725	23,697	(97,777)	636,645
Less Accumulated Depreciation:				
Furniture, fixtures and equipment	(514,578)	(121,667)	97,777	(538,468)
Improvements	0.00	(395)	-	(395.00)
Total Accumulated Depreciation	(514,578)	(122,062)	97,777	(538,863)
Total Capital Assets, being depreciated, net	$ 196,147	$ (98,365)	$ -	$ 97,782
Lease Assets:				
Right of use lease asset (building)	$ 3,261,926	$ -	$ -	$ 3,261,926
Less accumulated amortization:	(652,386)	(163,096)	-	(815,482)
Total Lease Assets being amortized, net	2,609,540	(163,096)	-	2,446,444
Governmental Activities Capital Assets, net	$ 2,805,687	$ (261,461)	$ -	$ 2,544,226

For the fiscal year ended June 30, 2026, depreciation and amortization expense are allocated in the Statement of Activities by function as follows:

	Depreciation	Amortization
Instruction	$ 120,531	$ -
School administration	1,137	-
Operation of plant	394	163,096
Total Expense	$ 122,062	$ 163,096

Note 5 – Education Service and Support Provider Agreement

Academica Broward, LLC, an education service and support provider, offers administrative services to the School including, but not limited to, facility design, staffing recommendations, human resource coordination, regulatory compliance, legal and corporate upkeep, maintenance of the books and records, bookkeeping, budgeting and financial reporting and virtual education services. The agreement between the School and the education service and support provider calls for a fee on a per student basis.

The agreement is with International Studies Charter High School, Inc., for a period of five years, through June 30, 2028, and unless terminated by the board will have an option to renew for an additional five year period. During the year ended June 30, 2026, the School incurred $134,424 in fees.

Note 6 – Transactions with Other Divisions of International Studies Charter High School, Inc.

The School's facility is shared with International Studies Academy High School (a charter school under International Studies Charter High School, Inc.). Management allocates a proportionate share of leases, salaries, lunch receipts, food and supplies, and other expenses to each school individually based on student enrollment and usage of facilities. In addition, the School's internal fund is maintained on the books of International Studies Charter High School.

The School's lunch program is shared with International Studies Academy High School. Revenues and expenses related to such program have been allocated based on FTE equivalent for purposes of presentation in the financial statements.

International Studies Charter High School, Inc., charges all its affiliated schools an assessment for shared corporate costs and accreditation expenses. During the year, the School paid International Studies Charter High School, Inc., $42,452 for such costs.

The School has made advances of $171,688 to International Studies Charter High School, Inc. for investments purposes on behalf of the School. The following schedule provides a summary of changes in long-term receivables for the year ended June 30, 2026.

	Balance 07/01/25	Increases	Decreases	Balance 06/30/26
Due from International Studies Charter High School, Inc.	$ 80,725	$ 90,963	$ -	$ 171,688
Total Long Term Receivables	$ 80,725	$ 90,963	$ -	$ 171,688

Note 7 – Long-Term Liabilities

International Studies Charter High School, Inc., entered into a sublease with Van Buren Facility III, LLC ("Landlord") for its 32,600 square feet building including all ancillary facilities, outdoor areas and other improvements. The Landlord is an affiliate of the School's education service and support provider (see Note 5).

This facility is shared with International Studies Academy High School (a charter school under International Studies Charter High School, Inc.). The lease was effective on July 1, 2021 through June 30, 2041. Initial fixed annual payments under this agreement (based on $17.30 per square foot) are $563,980 adjusted annually based on the Consumer Price Index (CPI) plus additional property costs including repairs, maintenance and insurance. The agreement has an option to renew for two additional five-year terms. The School must also meet certain requirements and covenants under the lease agreement including maintaining a "Lease Payment Coverage Ratio" of not less than 1.10 to 1.00.

Note 7 – Long-Term Liabilities (continued)

The lease right of use asset and liability were allocated between School and International Studies Academy High School based on enrollment and usage of facility. The allocation used was approximately 53% for International Studies Academy High School and 47% for the School. The School has used an average effective interest of 5% to discount the annual lease payments to recognize the intangible right to use this asset and the lease liability.

For the year ended June 30, 2026, interest expense totaled $142,996, as it relates to its lease agreements. For 2026, the variable payments related to the lease agreement were $82,275.

Year	Principal	Interest	Total	
2027	$ 128,320	$ 136,751	$ 265,071	
2028	134,885	130,186	265,071	
2029	141,786	123,285	265,071	
2030	149,040	116,031	265,071	
2031	156,665	108,405	265,070	
2032-2036	912,078	413,275	1,325,353	(five year period)
2037-2041	1,170,523	154,830	1,325,353	(five year period)
	$ 2,793,297	$ 1,182,763	$ 3,976,060	

Changes in long term lease liabilities during the year are as follows:

	Balance 07/01/25	Increases	Decreases	Balance 06/30/26
Lease liability	$ 2,915,371	$ -	$ (122,074)	$ 2,793,297
Total	$ 2,915,371	$ -	$ (122,074)	$ 2,793,297

Note 8 – Contingencies and Concentrations

The School receives the majority of its funding from the State through the District under the Florida Education Finance Program (FEFP) and various other state and local funding. The FEFP 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 – Contingencies and Concentrations (continued)

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 $97,436.

On November 6, 2018, and November 8, 2022, the voters of Broward County approved and renewed, respectively, the Secure Our Future Referendum to raise/maintain teacher compensation and improve school safety and security. The Broward County School District shares a portion with charter schools. The current renewal is set to expire on June 30, 2027. For the year ended June 30, 2026, the School's total referendum revenues were approximately $400,000 or 12% of total revenues.

Note 9 – 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 in any of the past three fiscal years. In addition, there were no reductions in insurance coverage from those in the prior year.

The School has entered into a strategic relationship with ADP TotalSource, Inc., a human resource management firm, typically known as "Professional Employer Organization" (PEO). Under a co-employment agreement, the PEO is the employer of record and is responsible for administering payroll, payroll taxes, provide employee benefits and assist with human resources and risk management. Accordingly, certain human resource related risks are transferred to the PEO. Nevertheless, the School may be subject to risks, including loss, penalties and fines related to employment practices, administrative error and omissions.

Note 10 - Interfund Transfers and Balances

Interfund transfers and balances as of June 30, 2026 consist of the following:

	General Fund	Special Revenue Fund	Capital Projects Fund
To reimburse general fund for prior period's federal expenditures	$ 50,521	$ (50,521)	$ -
Total Transfers, net	$ 50,521	$ (50,521)	$ -

	General Fund	Special Revenue Fund	Capital Projects Fund
Due to general fund from capital projects fund for capital outlay	$ 19,056	$ -	$ (19,056)
Due to general fund from special revenue fund for CSP grant	251,697	(251,697)	-
Total Due from/(Due to)	$ 270,753	$ (251,697)	$ (19,056)

Note 11 – Defined Contribution Retirement Plan

The School's personnel, who are leased through ADP TotalSource Group, Inc., are eligible to participate in a defined contribution 401(k) plan sponsored by the leasing company, covering employees who meet certain age and tenure requirements. Under the ADP TotalSource Retirement Savings Plan (the "Plan"), the School provides a match of 100% of the employee's contribution up to 4% of the employee's compensation. The School contributed to the Plan $13,031 for the year ended June 30, 2026. The School does not exercise any control or fiduciary responsibility over the Plans' assets, which are administered by Voya Financial.

Note 12 – Compensated Absences

Compensated absences payable consists of leave benefits, paid time off, that employees earned based on services already rendered. Compensated absences are recognized as a liability when the leave accumulates, is attributable to past service, and it is more likely than not that the leave will be used or paid.

Changes in compensated absence liabilities during the year are as follows:

	Balance 7/1/2025	Increases *	Decreases	Balance 6/30/2026	Due within One Year
Compensated absences	$ 57,638	$ 11,587	$ -	$ 69,225	$ 31,691
	$ 57,638	$ 11,587	$ -	$ 69,225	$ 31,691

* The change in compensated absence balances is presented as a net change.

REQUIRED SUPPLEMENTARY INFORMATION

International Studies Academy Middle School
(A charter school under International Studies Charter High School, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund
For the year ended June 30, 2026

	General Fund			Variance	
	Original Budget	Final Budget	Actual	Original to Final	Final to Actual
REVENUES					
State passed through local	$ 2,223,716	$ 2,329,011	$ 2,342,616	$ (105,295)	$ (13,605)
Local sources (Including Referendum revenue)	442,608	477,898	481,177	(35,290)	(3,279)
Charges for services and other revenue	45,254	74,967	76,394	(29,713)	(1,427)
Total Revenues	2,711,578	2,881,876	2,900,187	(170,298)	(18,311)
EXPENDITURES					
Current:					
Instruction	1,425,926	1,389,833	1,382,906	36,093	6,927
Student support services	67,018	47,937	41,001	19,081	6,936
Instructional staff training	11,000	11,000	10,832	-	168
Board	24,975	41,113	40,963	(16,138)	150
School administration	488,361	534,320	529,429	(45,959)	4,891
Fiscal services	42,117	44,808	44,808	(2,691)	-
Central services	63,117	64,308	57,330	(1,191)	6,978
Operation of plant	278,965	311,242	305,878	(32,277)	5,364
Maintenance of plant	153,000	186,211	179,376	(33,211)	6,835
Administrative technology services	1,500	1,500	1,468	-	32
Total Current Expenditures	2,555,979	2,632,272	2,593,991	(76,293)	38,281
Excess (deficit) of Revenues Over Current Expenditures	155,599	249,604	306,196	(94,005)	(56,592)
Capital Outlay:					
Other Capital Outlay	-	25,000	23,697	(25,000)	1,303
Total Capital Outlay & Debt Service Expenditures	-	25,000	23,697	(25,000)	1,303
Total Expenditures	2,555,979	2,657,272	2,617,688	(101,293)	39,584
Excess (deficit) of Revenues Over Expenditures	155,599	224,604	282,499	(69,005)	(57,895)
Other financing sources (uses):					
Transfers in (out)	58,825	47,182	50,521	11,643	(3,339)
Change in due to International Studies Charter High School, Inc.	-	(90,963)	(90,963)	90,963	-
Net change in fund balance	214,424	180,823	242,057	33,601	(61,234)
Fund Balance at beginning of year	1,215,037	1,215,037	1,215,037	-	-
Fund Balance at end of year	$ 1,429,461	$ 1,395,860	$ 1,457,094	$ 33,601	$ (61,234)

See accompanying notes to the budgetary comparison schedules.

International Studies Academy Middle School
(A charter school under International Studies Charter High School, Inc.)

Statement of Revenues, Expenditures, and Changes in Fund Balance - Special Revenue Funds
For the year ended June 30, 2026

	Special Revenue Funds			Variance	
	Original Budget	Final Budget	Actual	Original to Final	Final to Actual
REVENUES					
Federal sources	$ 170,970	$ 172,245	$ 172,796	$ (1,275)	$ (551)
Charges for services and other revenue	14,000	15,184	15,350	(1,184)	(166)
Total Revenues	184,970	187,429	188,146	(2,459)	(717)
EXPENDITURES					
Current:					
Instruction	46,173	54,173	52,940	(8,000)	1,233
Student support services	11,970	10,972	10,034	998	938
School administration	1,502	1,502	1,502	-	-
Facilities acquisition	66,500	73,600	73,149	(7,100)	451
Total Current Expenditures	126,145	140,247	137,625	(14,102)	2,622
Excess (Deficit) of Revenues Over Current Expenditures	58,825	47,182	50,521	11,643	(3,339)
Other financing sources (uses)					
Transfers in (out)	(58,825)	(47,182)	(50,521)	(11,643)	3,339
Net change in fund balance	-	-	-	-	-
Fund Balance at beginning of year	-	-	-	-	-
Fund Balance at end of year	$ -	$ -	$ -	$ -	$ -

See accompanying notes to the budgetary comparison schedules.

Note 1 – Budgets and Budgetary Accounting

An annual budget is adopted on the modified accrual basis of accounting, consistent with generally accepted accounting principles. The original budget and any subsequent amendments are approved by the Board of Directors.

Note 2 – Variances

The variances in State Passed Through Local in the General Fund occurred because the final budget was reduced to more closely align resources with actual student enrollment.

The variances in Change in Due to International Studies Charter High School, Inc. in the General Fund occurred because the final budget was increased based on board approval at year-end.

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' 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*

To the Board of Directors of
International Studies Academy Middle School
Hollywood, 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 of International Studies Academy Middle School (the "School") as of, and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 30, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing 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 School'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 or significant deficiencies may exist that that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of 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 financial statement. 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*.

We issued a separate management letter dated September 30, 2026 pursuant to Chapter 10.850, Rules of the Auditor General.

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.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2026

HLB GRAVIER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

MANAGEMENT LETTER

To the Board of Directors of
International Studies Academy Middle School
Hollywood, Florida

Report on the Financial Statements
We have audited the financial statements of International Studies Academy Middle School, Florida as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 30, 2026.

Auditor's Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedules, which are dated September 30, 2026, should be considered in conjunction with this management letter.

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

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

Offiicial 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 International Studies Academy Middle School, 5556.

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 International Studies Academy Middle School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identify the specific condition(s) met. In connection with our audit, we determined that International Studies Academy Middle 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 International Studies Academy Middle School. It is management's responsibility to monitor International Studies Academy Middle 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 recommendation 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 International Studies Academy Middle 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 International Studies Academy Middle 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 fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note 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 Florida House of Representatives, the Florida Auditor General, School Board of Broward County, Federal and other granting agencies, the Board of Directors, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.



CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida
September 30, 2026