INTERNATIONAL SCHOOL OF BROWARD, INC.

INDEPENDENT AUDITOR'S REPORT

AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2026

MARK ESCOFFERY, P.A.
CERTIFIED PUBLIC ACCOUNTANT

INTERNATIONAL SCHOOL OF BROWARD, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board Members of
International School of Broward, Inc.
Hollywood, Florida

Opinion

I have audited the accompanying Financial Statements of the governmental activities, and each major fund, of International School of Broward, Inc. ("the School") (a nonprofit organization) a component unit of The School Board of Broward County as of and for the year ended June 30, 2026 which collectively comprise the School's basic financial statements as listed in the foregoing Table of Contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my 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*. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am required to be independent International School of Broward, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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 International School of Broward, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. 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 Auding Standards* will always detect a material misstatement when it exists.

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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 Auding Standards*, I:

- 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 International School of Broward, Inc.'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 International School of Broward, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Report on Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information on pages 3 through 6 and 13 are presented to supplement the basic financial statements. Such information although not part of the basic financial statements, is required by the Governmental Accounting Standard 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. I 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 my inquiries, the basic financial statements, and other knowledge we obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Mark Escoffery, P.A.

Palm Beach Gardens, Florida
September 17, 2026

INTERNATIONAL SCHOOL OF BROWARD, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2026

Our discussion and analysis of International School of Broward, Inc.'s ("the school") financial program provides an overview of the school's financial activities for the year ended June 30, 2026.

Because the information contained in this discussion is intended to highlight significant transactions, it should be read in conjunction with the school's financial statements, which begin on page 7.

NON FINANCIAL HIGHLIGHTS

The School's daily enrollment for fiscal year ended June 30, 2026, was approximately 73 students. The School expects to have an enrollment of 80 students for the school year 2026-2027.

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School's financial position. Included in these statements are all assets and liabilities using the accrual basis of accounting. All the current year's revenues and expenses are recorded when earned or incurred.

The Statement of Net Position presents information on all the school's assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Fund Financial Statements

A *Fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives

Governmental Funds – All of the School's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School's governmental activities and the basic services it provides.

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont'd.)

Notes to the 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 15-22 of this report.
GASB Statement No. 103 reorganizes MD&A requirements and emphasizes analysis of the financial statements, significant changes, and currently known facts, decisions, or conditions expected to have a significant effect on financial position or results. This draft should be finalized only after reconciling all narrative and tabular amounts to the audited statements, adding supported explanations for significant changes, and confirming required presentation and effective-date applicability with the applicable GASB guidance.

FINANCIAL SUMMARY

As noted earlier, net position may serve over time as a useful indicator of the school's financial position. The School's liabilities exceeded assets by $227,846 at June 30, 2026.

NET ASSETS

	JUNE 30, 2026	JUNE 30, 2025
Current and Other Assets	$ 91,313	$ 90,754
Capital Assets	14,728	23,142
Total Assets	$ 106,041	$ 113,896
Salaries & Wages Payable	37,967	30,430
Notes Payable	295,020	304,392
Other Liabilities	-	2,752
Total Liabilities	$ 332,987	$ 328,872
Investment in Capital Assets	$ 14,728	$ 23,142
Debt Service	(295,920)	(302,274)
Unrestricted	53,346	56,952
Total Net Position	$ (227,846)	$ (222,180)

Revenues from governmental activities totaled $755,874 for the year ended June 30, 2026. The main source of revenue is from Florida Education Finance Program (FEFP). This revenue represented approximately 79.8% of total revenue.

FINANCIAL SUMMARY (Cont'd.)

Revenue Source	6/30/26	% of Total 6/30/26	6/30/25	% of Total 6/30/25
State Sources	755,874	75.2	$ 877,006	88.0
Local Sources	248,605	24.8	119,736	12.0
TOTAL	**$ 1,004,479**	**100.0**	**$ 996,742**	**100.0**

Local revenue sources are primarily referendum funds from the School District.

Increases in levels of expenses for major functions of the School are shown in the following Table:

Expense	6/30/26	% of Total 6/30/26	6/30/25	% of Total 6/30/25
Instruction	$ 523,205	51.7	$ 486,421	52.7
Instructional Support	7,125	0.7	2,678	0.3
Board Services	7,455	0.7	8,335	0.9
General Administration	28,123	2.8	26,419	2.9
School Administration	189,800	18.8	163,356	17.7
Facilities Acquisition	-	-	2,500	0.3
Fiscal Services	410	-	-	-
Central Services	-	-	997	0.1
Operation of Plant	91,780	9.1	75,971	8.2
Maintenance of Plant	13,825	1.4	1,828	0.2
Interest Expense	-	-	4,123	0.4
Depreciation	149,515	14.8	153,193	16.6
TOTAL	**$ 1,011,248**	**100.0**	**$ 922,921**	**100.0**

DETAILED ANALYSIS

Revenues from all sources were approximately $104,000 less than budgeted primarily because of lower enrollment than budgeted.

Actual School expenditures were approximately $41,000 more than budgeted primarily because of increased maintenance costs and higher debt service limits.

Total Fund balance of the General Fund was $ 53,346 at June 30, 2026.

CAPITAL ASSETS

The School's investment in capital assets at June 30, 2026, was $14,728 (net of depreciation). The investment includes leasehold improvements, furniture and fixtures, equipment and software. The following is a summary of capital asset balances at June 30, 2026:

Leasehold Improvements	$ 85,038
Furniture, Fixtures and Equipment	155,089
Audio Visual Equipment	41,154
ROU Asset	612,987
	894,268
Less Accumulated Depreciation	879,540
	$ 14,728

SIGNIFICANT LONG-TERM LIABILITIES

LONG-TERM DEBT

The school received a loan from the Small Business Association (SBA) in the amount of $317,900 on May 13, 2020. The loan bears interest at 2.75% per annum. This loan matures on May 13, 2051. Principal and interest payments are $1,294 per month and begin on March 21, 2023. The deferment period on the loan was extended to March 2023. This loan was recorded as a non-current note payable at June 30, 2023.The balance of this loan at June 30, 2026, was $295,020

CURRENT KNOWN DECISIONS OR CONDITIONS

The school continues to receive funds from State sources in the form of Florida Education Finance Program Fees (FEFP). The fees are evaluated in October and February and are based on student enrollment.

- The Administration believes that the school will improve its rating from the Department of Education and attain its goal of 110 students for fiscal 2026-2027. The school currently has 108 students and achieved this through increased and focused marketing and advertising.

- The Administration believes that the school will continue to be successful and contribute to the educational requirements of Broward County.

REQUESTS FOR INFORMATION

The Management Discussion and Analysis provides a general overview of the finances of the School. Requests for additional information should be addressed to Dr. Carmella Morton at International School of Broward located at 3100 N. 75th Ave, Hollywood, Florida 33024.

INTERNATIONAL SCHOOL OF BROWARD
Governmental Fund Balance Sheet (General Fund)
June 30, 2026

	Governmental Funds	Capital Outlay	Total
ASSETS			
Cash	$ 3,410		$ 3,410
Receivables	83,562	4,341	87,903
Due from other funds	4,341		4,341
Total Assets	91,313	4,341	95,654
LIABILITIES			
Accrued Salaries Payable	37,967		37,967
Other Liabilities	-	4,341	4,341
Total Liabilities	37,967	4,341	42,308
FUND BALANCE			
Nonspendable			
Unassigned	53,346		53,346
	53,346	-	53,346
Total Liabilities and Fund Balance	$ 91,313	$ 4,341	$ 95,654

The accompanying notes are an integral part of this statement

INTERNATIONAL SCHOOL OF BROWARD
STATEMENT OF NET POSITION
For the Year ended June 30, 2026

		Primary Government		
ASSETS	**Account Number**	**Governmental Activities**	**Business-type Activities**	**Total**
Cash and Cash Equivalents	1110	3,410		3,410
Accounts Receivable, Net	1130			
Other Assets				0
Due from other Agencies	12XX	87,903		87,903
Capital Assets:				
Building and Fixed Equipment	1320			
Less Accumulated Depreciation	1329			
Improvements other than Buildings	1340	85,038		85,038
Less Accumulated Depreciation	1349	(85,038)		(85,038)
Furniture, Fixtures and equipment	1350	155,089		155,089
Less Accumulated Depreciation	1359	(141,603)		(141,603)
Audio Visual equipment	1382	41,154		41,154
Less Accumulated Depreciation	1389	(39,912)		(39,912)
Right of Use Asset	1390	612,987		612,987
Less Accumulated Amortization	1391	(612,987)		(612,987)
Total Assets		106,041		106,041
LIABILITIES				
Salaries and Wages Payable	2110	37,967		37,967
Payroll Deductions and Withholdings	2170			
Accounts Payable	2120	-		
Other Liabilities	23XX			0
Noncurrent Liabilities:				
Portion Due Within One Year:				
Notes payable	2310	7,445		
Portion Due After One Year:				
Notes Payable	2310	287,575		287,575
Lease Liability	2200			
Total Liabilities		332,987		332,987
NET POSITION				
Invested in Capital Assets, Net of Related Debt		14,728		14,728
Restricted For:				
Categorical Carryover Programs	2710			
Debt Service	2750	(295,020)		(295,020)
Unrestricted		53,346		53,346
Total Net Position		(226,946)		(226,946)

The accompanying notes are an integral part of this statement

INTERNATIONAL SCHOOL OF BROWARD
Reconciliation of the Governmental Fund (General Fund)
Balance Sheet To The Statement of Net Position
June 30, 2026

Fund Balance - Governmental Funds		$ 53,346
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets	$ 281,281	
Less accumulated depreciation	(266,553)	
Right of use asset	612,987	
Accumulated amortization	(612,987)	
		14,728
Long-Term Liabilities not due and payable in the current period and therefore are not reported in the governmental funds		
Note Payable		(295,020)
Lease Liability		
Net Position of Governmental Activities		$ (226,946)

The accompanying notes are an integral part of this statement

INTERNATIONAL SCHOOL OF BROWARD
Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance
June 30, 2026

	Governmental Funds	Special Revenue	Debt Service	Capital Outlay	Total
EXPENSES					
Instruction	$ 523,204				$ 523,204
Instructional Support services	7,125				7,125
Board	7,455				7,455
General Administration	28,123				28,123
School Adminstration	179,384				179,384
Fiscal Services	410				410
Facilities Acquisition					-
Central Services					-
Operation of Plant	91,780				91,780
Maintenance of Plant	13,835				13,835
Debt Service			67,956	88,813	156,769
TOTAL EXPENSES	851,316	-	67,956	88,813	1,008,085
PROGRAM REVENUES					
Florida Education Finance Program (FEFP)	603,157				603,157
Capital Outlay				49,694	49,694
Total Program Revenues	603,157	-	-	49,694	652,851
GENERAL REVENUES					
Other State Sources	103,023				103,023
Other Federal Sources					-
Other Local Sources	209,486			39,119	248,605
Total General Revenues	312,509	-	-	39,119	351,628
Excess of Revenues over expenses	64,350	-	(67,956)	-	(3,606)
Transfers in	42,759		110,715		153,474
Transfers out	(110,715)		(42,759)	-	(153,474)
Fund Balance, Beginning of Year	56,952				56,952
Fund Balance, End of Year	$ 53,346	$ -	$ -	$ -	$ 53,346

The accompanying notes are an integral part of this statement

INTERNATIONAL SCHOOL OF BROWARD
STATEMENT OF ACTIVITIES
June 30, 2026

FUNCTIONS	Account Number	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (expense) /revenues and Changes in Net Position Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction	5000	$ 523,205	$ 40,242	$ 85,684		$ (397,279)		$ (397,279)
Instructional Support Seervices	6100	$ 7,125				(7,125)		(7,125)
Board	7100	7,455		0.00		(7,455)		(7,455)
General Administration	7200	28,123				(28,123)		(28,123)
School Administration	7300	189,800				(189,800)		(189,800)
Facilities Acquisition and Construction	7400					-		-
Fiscal services	7500	410				(410)		(410)
Operation of Plant	7900	91,780				(91,780)		(91,780)
Maintenance of plant	8100	13,835				(13,835)		(13,835)
Interest expense	9200					-		-
Depreciation		149,515			88,813	(60,702)		(60,702)
Total governmental activities		1,011,248	40,242	85,684	88,813	(796,509)		(796,509)
General revenue:								
Grants and contributions not restricted to specific program						789,743		789,743
Total general revenues, special items, and transfers						789,743		789,743
Change in net position						(6,766)		(6,766)
Net position-beginning						(222,180)		(222,180)
Net position-ending						$ (228,946)		$ (228,946)

* This amount excludes the depreciation that is included in direct expenses of the various functions.

The accompanying notes are an integral part of this statement

INTERNATIONAL SCHOOL OF BROWARD
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Fund (General Fund) To The Statement of Activities
June 30, 2026

Net Changes in Fund Balances- Governmental Funds		($3,606)
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.		
Asset acquisition		
Less current year depreciation	(10,416)	
Right of use asset	145,153	
Accumulated amortization	(145,153)	
		(10,416)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds		
Lease liability		
Payment on Note Payable		7,255
Adjustment in change in net position because of rounding		1
Change in Net Position of Governmental Activities		($6,766)

The accompanying notes are an integral part of this statement

INTERNATIONAL SCHOOL OF BROWARD
Statement of Revenues, Expenditures and Changes
In Fund Balance-Budget (GAAP Basis) and Actual - All Governmental Fund Types
For the Fiscal Year Ended June 30, 2026

	General Fund			Special Revenue			Debt Service Fund			Capital Outlay			Total		
	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
EXPENDITURES:															
Instruction	$ 528,402	$ 523,204	$ (5,198)			$ -							$ 528,402	$ 523,204	$ 5,198
Instructional Support Services	1,500	7,125	5,625										1,500	7,125	(5,625)
Board	9,000	7,455	(1,545)										9,000	7,455	1,545
General Administration	24,179	28,123	3,944										24,179	28,123	(3,944)
School Adminstration	154,229	179,384	25,155										154,229	179,384	(25,155)
Facilities Acquisition	-										-	-	-	-	-
Fiscal Services	-	410	410										-	410	(410)
Central Services	2,500												2,500		
Operation of Plant	64,500	91,780	27,280										64,500	91,780	(27,280)
Maintenance of Plant	5,000	13,835	8,835										5,000	13,835	(8,835)
Debt Service	180,000						86,582	67,956	(18,626)	93,418	88,813		180,000	156,769	23,231
	969,310	851,316	64,506	-	-	-	86,582	67,956	(8,148)	93,418	88,813	-	969,310	1,008,085	(41,275)
PROGRAM REVENUES:															
Florida Education Finance Program	867,149	603,157	(263,992)										867,149	603,157	(263,992)
Capital outlay										62,620	49,694	(12,926)	62,620	49,694	(12,926)
	867,149	603,157	(263,992)								49,694	(12,926)	929,769	652,851	(263,992)
GENERAL REVENUES:															
Other State Revenue	91,600	103,023											91,600	103,023	11,423
Other Local Sources	30,798	209,486	178,688				\			30,798	39,119	8,321	30,798	248,605	217,807
	122,398	312,509	178,688	-	-	-		-			39,119		122,398	351,628	229,230
Excess of Revenues Over Expenditures	20,237	64,350	(149,810)	-	-	-		(67,956)	(8,148)	-	-	(12,926)	(8,743)	(3,606)	(76,037)
OTHER FINANCING SOURCES															
Transfers in		42,759						110,715						153,474	
Transfers out		(110,715)						(42,759)						(153,474)	
TOTAL OTHER FINANCING SOURCES		(67,956)						67,956			-			-	
Excess of revenues over expenditures		(3,606)												(3,606)	
Fund balance, beginning of Year		56,952												56,952	
Fund balance, end of year		$ 53,346						$ -			$ -			$ 53,346	

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

International School of Broward, Inc. ("the School") was established as a nonprofit organization under the laws of the State of Florida and is the reporting entity.

The School operates as a Charter School pursuant to a Charter School Contract ("the Contract") with The School Board of Broward County, Florida. Under the Contract the School provides an education to children, from sixth through twelfth grade, who reside in Broward County in and around the City of Hollywood. For financial statement purposes the School is considered a component unit of The School Board of Broward County, which is a primary government entity for financial reporting.

The School Board of Broward County received 5% of the Florida Education Finance Program (FEFP) revenue as an administrative fee.

The Contract is effective through June 30, 2029. The Contract requires The School Board to provide the School's primary source of funding based upon the number of full-time equivalent students (FTES) registered at the School.

The School is a tax-exempt organization under 501(C)(3) of the Internal Revenue Code.

The School's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for school districts through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the School are discussed below.

Basic Financial Statements

The School's basic financial statements are the Statements of Net Position and the Statement of Activities. All the activities of the School are classified as governmental type activities. There are no business type activities of the School. All the School's governmental type activities are included in the general fund and special revenue fund. There are no other major funds. In the Statement of Net Position, the governmental activities column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt obligations. The School's net position are reported in three parts – invested in capital assets, net of related debt; restricted for categorical carryover programs, debt service; and unrestricted net position.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basic Financial Statements (cont'd.)

The Statement of Activities reports both the gross and net cost of each of the School's functions. The functions are also supported by government revenues such as Florida Education Finance Program (FEFP), Capital Outlay Funds and Federal Grants. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants.

Program revenues must be directly associated with the function (after care and youth services, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Fund Financial Statements

Fund Financial Statements are provided for governmental funds. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Major individual governmental funds are reported as separate columns in the Fund Financial Statements:

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 grants that are legally restricted to expenditures for particular purposes.

Debt Service Fund – accounts for principal and interest payments on long-term liabilities.

Capital Outlay Fund – accounts for funds used to upgrade, acquire or improve capital assets.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounting and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

The governmental type activities in the financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. When both restricted and unrestricted resources are available for use, it is the policy of the School to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus

The accounting and financial reporting treatment is determined by applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities).

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet and operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net position.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financial uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. For this purpose, the School considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles include the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments that subject the School to concentrations of credit risk include cash. While the School attempts to limit its financial exposure, its deposit balances may at times exceed federally insured limits. The School has not experienced any losses on such balances.

Cash deposits are held at banks qualified as public depositories in accordance with Chapter 280 Florida Statutes.

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fair Value Measurements

The Fair Value Measurements Topic of the FASB Accounting Standards Codification defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements for fair value measurements.

The School measures fair value of assets and liabilities as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable Level 1 or 2 inputs are not available.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels.

Contributed Services and Facilities

The School does not recognize any support, revenue or expense from services contributed by individual volunteers since no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of time to the School's program services.

Budgetary Basis of Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets

Capital assets purchased or acquired with an original cost of $1,000 or more are reported at historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Leasehold Improvements	Life of Lease
Furniture, Fixtures and Equipment	3-10 Years
Software	3 Years

Program Revenue

Revenues for operations are received primarily from the School Board of Broward County 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 School Board of Broward County. Funding for the School is adjusted during the year to reflect the revised calculations by the Florida Department of Education under the Florida Education Finance Program and the actual weighted full-time equivalent students reported by the School during the designated full-time equivalent student survey periods. In addition, the School receives an annual allocation of charter school capital outlay funds.

General Revenue

These revenue funds include federal grants, state revenue other than Florida Education Finance Program revenue and local source revenue including capital improvement and fundraising.

Fund Balance Classifications

GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

a) **Nonspendable** fund balance includes amounts that are not in a spendable form such as inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). There was no nonspendable fund balance at year end.

b) **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. There was no restricted fund balance at year end.

Fund Balance Classifications (Cont'd.)

c) **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the School's highest level of decision making authority. There was no committed fund balance at year end.

d) **Assigned** fund balance includes amounts intended to be used by the School's Management for specific purposes but which does not meet the criteria to be classified as restricted or committed. There was no assigned fund balance at year end.

e) **Unassigned** fund balance includes amounts that are available for any purpose. These amounts are reported only in the general fund. There was an unassigned fund balance at year end.

Order of Fund Balance Spending Policy

The School's policy is to apply expenditures against nonspendable fund balance, followed in order by restricted fund balance, committed fund balance, assigned fund balance, and lastly unassigned fund balance at the end of the fiscal year. The School's Board of Directors can deviate from this policy if it is in the best interest of the School.

Interfund transfers were made through the general fund, special revenue funds and the capital outlay fund primarily for $112,594 for facilities rental.

Adoption of FASB ASC 842

Effective July 1, 2022, the School adopted FASB ASC 842, *Leases.* The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term.

The School elected to adopt FASB ASC 842, *Leases*, using the optional transition method that allows the School to initially apply the new leases standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of net position in the period of adoption. As a result, the School reporting for the comparative period presented in the financial statements is in accordance with FASB ASC 842.

The School elected to adopt the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The School also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right of use assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Adoption of FASB ASC 842 (Cont'd.)

See Note 4 – Long Term Liabilities, for a discussion of the impact of implementing FASB ASC 842, *Leases*.

NOTE 2 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2026 were as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Leasehold Improvements	$ 236,246	$ -	$ -	$ 236,246
Furniture, Fixtures and Equipment	155,087	-	-	155,087
Audio Visual Equipment	41,154	-	-	41,154
ROU Asset	467,834	145,153	-	612,987
	900,321	145,153	-	1,045,474
Less Accumulated Depreciation & Amortization	875,177	155,569		1,030,746
NET CAPITAL ASSETS	**$ 25,144**	**$ (10,416)**	**$ -**	**$ 14,728**

Depreciation and amortization expense of $155,569.

Property and equipment was restated at the beginning of the year to reflect actual balances.
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NOTE 3 – COMPENSATED ABSENCES

Employees of the School are entitled to paid vacation and sick days depending on length of services. The School's policy is to recognize the cost of vacation days when earned by the employees. The value of unused vacation days was determined to be immaterial and therefore no accrual has been made.

NOTE 4 – LONG TERM LIABILITIES

Long Term liability activity for the year ended June 30, 2026 was as follows:

	Beginning Balance	Additions	Re-ductions	Ending Balance	Due Within One Year
SBA Loan	302,274	-	7,254	295,020	7,445
	$ 302,274	**$ -**	**7,254**	**$ 295,020**	**$ 7,445**

SBA Loan

The School received a loan from the Small Business Association (SBA) in the amount of $317,900, on May 13, 2020. The loan bears interest at 2.75% per annum. This loan matures on May 13, 2051. Principal and interest payments are $1,294 per month and begin on March 22, 2023 as the SBA extended the loan deferment period. This loan was recorded as a non-current note payable at June 30, 2023.

Debt service requirements at June 30, 2026 for the SBA Loan were as follows:

YEAR ENDED JUNE 30	PRINCIPAL	INTEREST
2027	7,445	8,083
2028	7,636	7,892
2029	7,827	7,701
2030-2051	272,112	88,982
	$ 295,020	$ 112,658

NOTE 5 – LEASE LIABILITY

Lease Liability

The School has lease arrangements for certain equipment that typically do not extend beyond five years and generally contain one year renewal options, none of which are reasonably certain of exercise. The School's lease arrangements may contain both lease and non-lease components. The School has elected to combine and account for lease and non-lease components as a single lease component for its leases.

The School leases its administrative and classroom facilities under a non cancelable operating lease that expires in 2026.

NOTE 5 – LEASE LIABILITY (Cont'd.)

The school made $145,153 of fixed cash payments related to operating leases for the year ended June 30, 2026.

Through June 30, 2026, the school paid off its lease obligation at June 30, 2026.In accordance with ASC 842, Leases, this lease qualified as a short-term lease. As such, lease payments were recognized as expense on a straight-line basis over the lease term, and no right-of-use asset or lease liability was recorded in the accompanying financial statements at June 30, 2026.

NOTE 6 – CONTRACTS

The school has a Contract with Charter School Services Corp. (CSC) to provide accounting, financial management, and budgeting services. The Contract has a five year term and expires on June 30, 2026. Fees for the year ended June 30, 2026, were waived by Charter School Services Corp.

Note 7 – RELATED PARTY TRANSACTIONS

The School has a contractual arrangement with Rise Education management, a company owned and controlled by the School's Executive Director. In lieu of paying a direct salary to the Executive Director, the School pays Rise Education management for management services, curriculum development, and related administrative support.

For the year ended June 30,2026 the School incurred expenses of $44,200 under this arrangement. At June 30, 2026, there were no amounts payable to Rise Education Management.
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The Board of Directors has reviewed and approved this arrangement. Management believes that these services are essential to the operation of the school.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Risk Management

The school is exposed to various risks of loss related to theft, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The school purchases commercial insurance for all material risks of loss to which the school is exposed, including general liability, property, auto and workers compensation. A review of the last six years reveals that settled claims have not exceeded insurance coverage.

The school receives funding from the State of Florida based on the number of full time equivalent (FTE) students who attend the Charter School. The data is compiled by the school and is subject to audit by the State and if errors are found this could result in amounts having to be repaid to the State or decrease in future allocations. Management believes that the amounts that would have to be remitted back to the State due to errors in their FTE count would not be material to the financial position of the Sch

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated events that occurred subsequent to the year end for potential recognition or disclosure in the financial statements, through the date on which the financial statements were available to be issued. The date when the financial statements were available to be issued was September 17, 2026. Management's evaluation did not reveal any subsequent events that would have a material effect on the financial statements.

Mark Escoffery, P.A.

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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 Members of
International School of Broward, Inc.
Hollywood, Florida

I have audited the financial statements of International School of Broward, Inc. ("the School") (a nonprofit organization) as of and for the year ended June 30, 2026, and have issued my report thereon dated September 17, 2026. I conducted my 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.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the School's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the School's internal control over financial reporting.

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.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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* (Cont'd.)

To the Board Members of
International School of Broward, Inc.
Hollywood, Florida
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under ***Government Auditing Standards***

This Report is intended solely for the information and use of the Board Members, Management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mark Ewoffey, P.A.

Palm Beach Gardens, Florida
September 17, 2026

Mark Escoffery, P.A.

Certified Public Accountants

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MANAGEMENT LETTER

To the Board Members of
International School of Broward, Inc.
Margate, Florida

Report on the Financial Statements

I have audited the financial statements of the International School of Broward, Inc School number 5416., Florida, as of and for the fiscal year ended June 30, 2026, and have issued my report thereon dated September 17, 2026.

Auditor's Responsibility

I conducted my 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 Reports and Schedules

I have issued my 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.*

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General, requires that I 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 or recommendations made in the preceding audit.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is International School of Broward, Inc. and the school code is 065416.

MEMBER: AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS AND FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Financial Condition

Sections 10.854(1)(e)2., Rules of the Auditor General, require that I report the results of my determination as to whether or not the International School of Broward, Inc. has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with my audit, I determined that the International School of Broward, Inc. did not meet one 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, I applied financial condition assessment procedures for the International School of Broward, Inc. It is management's responsibility to monitor the International School of Broward, Inc.'s financial condition and my financial condition assessment was based in part on representations made by management and review of financial information provided by same. Financial assessments made including a review of subsequent financial statements did not indicate that the School's financial condition is deteriorating.

Transparency

Sections 10.854(1)(e)7. and 10.855(13), Rules of the Auditor General, require that I report the results of my determination as to whether or not the International School of Broward, Inc. maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with my audit, I determined that the International School of Broward, Inc. maintained on its Web site the information specified in Section 1002.33(9) (p), Florida Statutes.

Other Matters

Section 10.854(1)(e)3., Rules of the Auditor General, requires that I address in the management letter any recommendations to improve financial Management. In connection with my audit, I did not have any such recommendations.

Section 10.854(1)(e)4., Rules of the Auditor General, requires that I address 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 my audit, I did not have any such findings.

MANAGEMENT LETTER
(Continued)

Purpose of this Letter

My 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 Broward County School Board and is not intended to be and should not be used by anyone other than these specified parties.

Mark Escoffery, P.A.
Palm Beach Gardens, Florida
September 17, 2026