

**S.O.C.K. OUTSTANDING STUDENTS (S.O.S)
ACADEMY, INC.**

**A Charter School and Component Unit of the
Duval County District School Board
Financial Statements**

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Financial Statements
June 30, 2026

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 – 3
Management's Discussion and Analysis (Unaudited)	5 – 10
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	12 – 13
Statement of Activities	14
Fund Financial Statements	
Balance Sheets – Governmental Funds	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures, and Change in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balances of the Governmental Funds to the Statement of Activities	19
Notes to Basic Financial Statements	20 – 27
Required Supplementary Information (Unaudited)	
Budgetary Comparison Schedule – General Fund (Unaudited)	29
Budgetary Comparison Schedule – Special Revenue Fund (Unaudited)	30
Budgetary Comparison Schedule – Capital Project Fund (Unaudited)	31
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 <i>Government Auditing Standards</i>	32 – 33
Management Letter Required by Rules of the Florida Auditor General, Chapter 10.850	34 – 37



PRIDA GUIDA & PEREZ, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

2504 W. Kathleen Street

Tampa, FL 33607

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
S.O.C.K. Outstanding Students (S.O.S) Academy, Inc.
Jacksonville, 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 S.O.C.K. Outstanding Students (S.O.S) Academy, Inc. ("the School"), a component unit of the Duval County District School Board, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the 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 and the standards applicable to financial audits contained in *Governmental 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 the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Substantial Doubt About an Entity's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 7 to the financial statements, the Company has suffered recurring losses from operations and has stated that these matters raise substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 7. Our opinion is not modified with respect to this matter.

INDEPENDENT AUDITORS' REPORT (Continued)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 about 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 auditors' 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 *Governmental 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 we identified during the audit.

INDEPENDENT AUDITORS' REPORT (Continued)

Required Supplementary Information

Accounting principles general accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 5 – 10 and 29 - 31, respectively, 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 29, 2026 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the School's 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.



Prida Guida Perez P.A.
Tampa, Florida
September 29, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Management’s Discussion and Analysis (Unaudited)
Year Ended June 30, 2026

As management of S.O.C.K. Outstanding Students (S.O.S) School, Inc. (the “School”), which is a component unit of the Duval County District School Board, we offer readers of the School’s financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2026. Because the information contained in the MD&A is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the School’s financial statements and notes to financial statements as listed in the table of contents.

Using the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School’s basic financial statements. The School’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the School’s finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the School’s assets and liabilities, 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 School’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the School that are principally supported by district, state, and federal funding (“governmental activities”). Basic instruction, pupil personnel services, and fiscal services are examples of the School’s governmental activities.

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. The School, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the operations of the School are presented in governmental funds only.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2026

Using the Financial Statements (Continued)

Government funds are used to account for essentially the same functions reported as governmental activities in government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The School maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and change in fund balances. The general fund, special revenue fund, and capital project fund are considered the School's major funds.

The School adopts an annual budget in the fall for its governmental funds and adopts the final amended budget in the spring. A budgetary comparison schedule, as required, has been provided for the School's major funds to demonstrate compliance with the budget.

Notes to Financial Statements

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

Financial Highlights

The following is a summary of the School's current year and prior year. Net position decreased \$449,468 from \$1,209,589 at June 30, 2025 to \$760,121 at June 30, 2026. The net decrease was mostly due to a decrease in revenues.

A portion of the School's net position reflects its investment in capital assets (e.g., furniture, equipment, and computers), less any related debt used to acquire those assets that is still outstanding. The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2026

Financial Highlights (Continued)

Comparison of the condensed statement of net position and the statement of activities are provided below:

Net Position			
Governmental Activities			
	<u>June 30, 2026</u>	<u>June 30, 2025</u>	<u>Increase (Decrease)</u>
Assets			
Current	\$ 183,763	\$ 592,009	\$ (408,246)
Right of use lease assets, net	442,014	305,260	136,754
Capital assets, net	<u>612,845</u>	<u>673,754</u>	<u>(60,909)</u>
Total assets	<u><u>\$ 1,238,622</u></u>	<u><u>\$ 1,571,023</u></u>	<u><u>\$ (332,401)</u></u>
Liabilities			
Total liabilities	<u><u>\$ 478,501</u></u>	<u><u>\$ 361,434</u></u>	<u><u>\$ 117,067</u></u>
Net position			
Net investment in capital assets	612,845	639,624	(26,779)
Restricted	604,107	562,655	41,452
Unrestricted	<u>(456,831)</u>	<u>7,310</u>	<u>(464,141)</u>
Total net position	<u><u>\$ 760,121</u></u>	<u><u>\$ 1,209,589</u></u>	<u><u>\$ (449,468)</u></u>

Current assets consist of cash and accounts receivable. Right of use leased assets are reported net of accumulated amortization and consist of property and office equipment. Capital assets are reported net of accumulated depreciation and consist of land improvements; buildings and improvements; furniture and fixtures; computers and software; and construction in progress. Liabilities consist of accounts payable and right of use lease liabilities.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2026

Financial Highlights (Continued)

The following is the School's summary of the change in the School's net position. The School's change in net position decreased \$294,296 from \$(155,172) for the year ended June 30, 2025 to \$(449,468) for the year ended June 30, 2026. The change in net position is comprised of the following:

Change in Net Position			
Governmental Activities			
	Year Ended June 30, 2026	Year Ended June 30, 2025	Increase (Decrease)
Revenues			
State	\$ 1,085,755	\$ 1,543,551	\$ (457,796)
Federal	259,592	288,223	(28,631)
Local and other revenues	115,894	20,579	95,315
Total revenues	1,461,241	1,852,353	(391,112)
Program Expenses			
Instruction	799,783	820,563	(20,780)
Pupil personnel services	101,610	99,838	1,772
Instructional staff training	103,785	81,458	22,327
General administration	-	2,548	(2,548)
School administration	366,837	431,098	(64,261)
Fiscal services	74,476	78,069	(3,593)
Food service	143,281	163,393	(20,112)
Transportation	60,608	64,438	(3,830)
Operation of plant	193,189	185,753	7,436
Maintenance of plant	53,080	41,700	11,380
Debt service principal	-	6,842	(6,842)
Debt service interest	14,060	21,859	(7,799)
Total expenses	1,910,709	1,997,559	(86,850)
Change in net position	<u>\$ (449,468)</u>	<u>\$ (145,206)</u>	<u>\$ (304,262)</u>

The School's primary funding sources come from the School's sponsor, the Duval County District School Board ("Sponsor" or "District"). Approximately 48% of total revenue is received from the Florida Education Finance Program ("FEFP") that is funded by the state of Florida. This funding source utilizes student enrollment data to determine the funds available for the School. Other revenue sources include, but are not limited to, the state of Florida charter school capital outlay funds, Title I, II, and IV funds, National School Lunch Program funds, and various other grants. The School received a one-time revenue under the Employee Retention Credit in the amount of \$428,482 in the year ended June 30, 2023 of which \$113,691 was still due to the School as of June 30, 2026. All information available confirms that the remaining funds will be received.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2026

Financial Highlights (Continued)

The School's largest expenditure is for instructional expenses, which account for 42% of total expenses for the 2025/2026 school year. The School's next largest expenses are for school administration and operation of plant, which account for 19% and 10%, respectively, of total expenses for the 2025/2026 school year.

The School's largest increase in expenses was in instructional staff training, increasing \$22,327 or 27%, attributed to increase in staffing training and annual salary increases. The second largest increase in expenses was in maintenance of plant expenses, increasing \$11,380 or 27%, which is attributed to an increased need for repairs.

The largest decrease in expenses was in school administration, decreasing \$64,261 or 15%, which is attributed to a decrease in the FEFP administrative fee paid to the District as compared to the prior year. The second largest decrease in expenses was attributed to food service expenses, decreasing \$20,112 or 12%, attributed to a reduction of student headcount.

Other remaining expense categories increased and decreased due to the general economic financial needs of the School.

Governmental Funds

The School reported a total fund balance of \$147,276 at June 30, 2026, down \$422,689 from \$569,965 reported at June 30, 2025.

Budgetary Highlights

Actual revenues were consistent with budgeted amounts and actual expenses were higher than budgeted amounts for the year ended June 30, 2026. A positive total fund balance at the end of the year was maintained.

Right to Use Leased Assets

The balance of right to use leased assets (net of accumulated amortization) as of June 30, 2026 is \$442,014. Additional information regarding the School's leases can be found in Note 4 to the financial statements. During the year, the School recorded no additional right to use leased assets or related lease liabilities. All of the School's leases are for equipment. For the year ended June 30, 2026, the School recorded amortization expense of \$23,664 related to the right to use leased assets calculated using the straight-line basis over the lives of the related leases.

Capital Assets

Assets acquired during the school year with a cost greater than the School's minimum capitalization threshold of \$750 totaled \$41,281. Total depreciation expense for the year ended June 30, 2026 was \$92,230 and the investment in capital assets (net of accumulated depreciation) as of June 30, 2026 is \$612,845. Additional information regarding the School's capital assets can be found in Note 4 to the financial statements.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Management's Discussion and Analysis (Unaudited)
Year Ended June 30, 2026

Economic Factors and Next Year's Budget

Enrollment for the 2026/2027 school year is expected to decrease to approximately 75 students. The School estimates that both revenues and expenditures from school operations will decrease from the previous year.

The School is confident that it has the staff and other resources in place to deliver and provide first-rate educational services and is actively seeking new ways to provide a higher level of education as efficiently as possible by managing its cost and being innovative in its approach to providing educational services.

Requests for Information

This financial report is to provide a general overview of the School's finances. Questions concerning any of the information contained in this report should be addressed to:

Board of Directors, S.O.C.K. Outstanding Students (S.O.S) Academy, Inc.
6974 Wilson Blvd, Jacksonville Florida 32210

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Statement of Net Position
June 30, 2026

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash	\$ 24,060
Accounts receivable	159,703
Total current assets	<u>183,763</u>
Non-current assets	
Right to use leased assets	493,247
Accumulated amortization	<u>(51,233)</u>
Total right to use leased assets, net of accumulated amortization	<u>442,014</u>
Capital assets	
Land improvements	161,931
Buildings and improvements	2,055,927
Furniture and fixtures	84,993
Computers and software	74,228
Construction in progress	<u>228,254</u>
Total capital assets	2,605,333
Accumulated depreciation	<u>(1,992,488)</u>
Total capital assets, net of accumulated depreciation	<u>612,845</u>
Total non-current assets	<u>1,054,859</u>
Total assets	<u><u>\$ 1,238,622</u></u>

See the accompanying notes to the basic financial statements.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Statement of Net Position (Continued)
June 30, 2026

	<u>Governmental Activities</u>
Liabilities and net position	
Liabilities	
Current liabilities	
Accounts payable	\$ 36,487
Non-current liabilities due within one year:	
Lease liabilities payable	28,701
Total current liabilities	<u>65,188</u>
Non-current liabilities:	
Lease liabilities payable	413,313
Total liabilities	<u>478,501</u>
Net position	
Invested in capital assets, net of related debt	612,845
Restricted	604,107
Unrestricted	<u>(456,831)</u>
Total net position	<u>760,121</u>
Total liabilities, and net position	<u><u>\$ 1,238,622</u></u>

See the accompanying notes to the basic financial statements.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Statement of Activities
Year Ended June 30, 2026

		Program Revenues			Net (Expense)
			Operating	Capital Grants	Revenue and
		Charges for	Grants and	and	Change in Net
	Expenses	Services	Contributions	Contributions	Position -
					Governmental
					Activities
Governmental activities:					
Instruction	\$ 799,783	\$ -	\$ 55,751	\$ -	\$ (744,032)
Pupil personnel services	101,610	-	5,027	-	(96,583)
Instructional staff training	103,785	-	93,597	-	(10,188)
School administration	366,837	-	-	-	(366,837)
Fiscal services	74,476	-	-	-	(74,476)
Food service	143,281	-	105,217	-	(38,064)
Transportation	60,608	-	-	-	(60,608)
Operation of plant	193,189	-	-	148,303	(44,886)
Maintenance of plant	53,080	-	-	64,273	11,193
Debt service interest	14,060	-	-	-	(14,060)
Total governmental activities	<u>\$ 1,910,709</u>	<u>\$ -</u>	<u>\$ 259,592</u>	<u>\$ 212,576</u>	<u>(1,438,541)</u>
General revenues					
State sources					873,179
Local sources					74,419
Other revenues					41,475
Total general revenues					<u>989,073</u>
Change in net position					(449,468)
Net position at beginning of year					<u>1,209,589</u>
Net position at end of year					<u>\$ 760,121</u>

See the accompanying notes to the basic financial statements.

BASIC FINANCIAL STATEMENTS

Fund Financial Statements

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Balance Sheets – Governmental Funds
June 30, 2026

	General Fund	Special Revenue Fund	Capital Project Fund	Total Governmental Funds
Assets				
Cash	\$ 24,060	\$ -	\$ -	\$ 24,060
Accounts receivable	159,703	-	-	159,703
Due from other funds	-	26,324	577,783	604,107
Total assets	\$ 183,763	\$ 26,324	\$ 577,783	\$ 787,870
Liabilities				
Accounts payable	\$ 36,487	\$ -	\$ -	\$ 36,487
Due to other funds	604,107	-	-	604,107
Total liabilities	640,594	-	-	640,594
Fund balance				
Restricted	-	26,324	577,783	604,107
Unassigned	(456,831)	-	-	(456,831)
Total fund balance	(456,831)	26,324	577,783	147,276
Total liabilities, deferred inflows of resources, and fund balance	\$ 183,763	\$ 26,324	\$ 577,783	\$ 787,870

See the accompanying notes to the basic financial statements.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2026

Total fund balance of governmental funds	\$	147,276
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Amounts reported for governmental activities in the statement of net position are different because:

Right to use leased assets and capital assets used in governmental activities are not financial resources, and therefore, are not reported in the governmental funds.

Right to use leased assets at year end consist of:

Right to use leased assets	\$ 493,247	
Accumulated amortization	<u>(51,233)</u>	
		442,014

Capital assets at year end consist of:

Cost of capital assets	2,605,333	
Accumulated depreciation	<u>(1,992,488)</u>	
		612,845

Long-term liabilities are not due and payable in the current period and, accordingly are not reported in the governmental funds.

Long-term liabilities at year end consist of:

Lease liabilities payable		<u>(442,014)</u>
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Total net position of governmental activities	\$	<u><u>760,121</u></u>
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See the accompanying notes to the basic financial statements.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Statement of Revenues, Expenditures, and Change in Fund Balances – Governmental Funds
Year Ended June 30, 2026

	General Fund	Special Revenue Fund	Capital Project Fund	Total Governmental Funds
Revenues				
Federal sources passed through local school district	\$ -	\$ 259,592	\$ -	\$ 259,592
State sources	877,051	-	208,704	1,085,755
Local sources	74,419	-	-	74,419
Other revenues	41,475	-	-	41,475
Total revenues	992,945	259,592	208,704	1,461,241
Expenditures				
Instruction	704,544	53,728	-	758,272
Pupil personnel services	95,650	4,844	-	100,494
Instructional staff training	10,669	90,200	-	100,869
School administration	388,687	-	-	388,687
Fiscal services	70,814	-	-	70,814
Food service	-	136,256	-	136,256
Transportation	57,375	-	-	57,375
Operation of plant	123,851	-	98,770	222,621
Maintenance of plant	5,496	-	43,046	48,542
Total expenditures	1,457,086	285,028	141,816	1,883,930
Change in fund balance	(464,141)	(25,436)	66,888	(422,689)
Fund balance at beginning of year	7,310	51,760	510,895	569,965
Fund balance at end of year	\$ (456,831)	\$ 26,324	\$ 577,783	\$ 147,276

See the accompanying notes to the basic financial statements.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balances
of the Governmental Funds to the Statement of Activities
Year Ended June 30, 2026

Change in fund balance - total governmental funds	\$ (422,689)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those costs over the life of the assets.

The amount by which right to use leased assets amortization exceeded expenditures in the current period:	(14,640)
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The amount by which depreciation exceeded capital outlays in the current period:	(16,819)
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In the statement of activities the loss on disposition of capital assets is reported. The loss is not a use of current resources and thus is not reported in the funds.	(9,960)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items:	14,640
	14,640

Change in net position - governmental activities	\$ (449,468)
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See the accompanying notes to the basic financial statements.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Notes to Basic Financial Statements
Year Ended June 30, 2026

Note 1 – Reporting Entity

S.O.C.K. Outstanding Students (S.O.S) Academy, Inc. (the “School”) is a nonprofit corporation organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act and Section 1022.33, Florida Statutes. The Internal Revenue Services notified the School in October of 1998 that it was a nonprofit educational organization under IRS 501(c)(3). The School was incorporated on June 17, 1997, as an educational organization. The financial information presented is that of the School.

The general operating authority for the School is contained in Section 1022.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the Duval County District School Board (“the District”). The School’s current charter is effective until June 30, 2029, and may be renewed in increments of one to five years by mutual agreement between the District as provided in Section 1002.33, Florida Statutes. At the end of the term, the District may choose not to renew the charter under grounds specified in the charter. In this case, the District is required to notify the School in writing at least 90 days prior to the charter’s expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. The School is considered a component unit of the District.

Criteria for determining if other entities are potential component units of the School that should be reported with the School's general purpose financial statements are identified and described in the Governmental Accounting Standards Board's (“GASB”) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's general purpose financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the School.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation – The School's basic financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by GASB. Accordingly, both government-wide (reporting on the School as a whole) and fund financial statements (reporting on the governmental funds only) are presented. Both the government-wide and fund financial statements present only governmental activities. The School has no business-type activities.

Basic Financial Statements - Government-Wide Financial Statements

The Government-Wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the School. The effect of inter-fund activity has been eliminated. The Government-Wide Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Inter-governmental revenue is recognized as soon as all eligibility requirements imposed by the provided have been met.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Notes to Basic Financial Statements
Year Ended June 30, 2026

Note 2 – Summary of Significant Accounting Policies (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues consist of charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. The revenues of the School are classified as general revenues as they are not restricted to any particular function but are instead applied to the general operations of the School.

Basic Financial Statements - Fund Financial Statements

In order to ensure observance of limitations and restrictions placed on the use of resources available to the School, the financial records and accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds and account groups that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in some of the accompanying financial statements, funds that have similar characteristics have been combined into fund types. Accordingly, all financial transactions have been recorded and reported by fund type and account group.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School utilizes the following funds:

General fund – Used to account for all financial resources not accounted for and reported in another fund.

Special revenue fund – Used to account for the specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service and capital projects.

Capital project fund – Used to account for the specific revenue sources that are restricted or committed for specific capital expenditures other than debt service.

For purposes of these financial statements, the above funds are all considered major funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. For this purpose, the School considers revenues available if they are collected within 60 days of the end of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Notes to Basic Financial Statements
Year Ended June 30, 2026

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund balances – The different types of fund balances that a governmental entity must use for financial reporting purposes are described below:

Nonspendable – The net current financial resources that cannot be spent because they are either nonspendable in form or legally or contractually required to be maintained intact. Generally, these funds are not expected to be converted into cash. The School did not have any nonspendable funds as of June 30, 2026.

Restricted – The portion of the fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. This is considered to be the most binding level of constraint on the use of the fund balance. The school had \$604,107 in restricted funds as of June 30, 2026.

Committed – The portion of the fund balance that can be used only for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority – the District. These amounts cannot be used for any other purpose unless the District removes or changes the specific use by taking the same action it employed to previously commit the amounts. The School did not have any committed funds as of June 30, 2026.

Assigned – The portion of the fund balance that is intended to be used for specific purposes but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. The School did not have any assigned funds as of June 30, 2026.

Unassigned – The portion of the fund balance that is the residual classification for the general fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed or assigned for specific purposes. For the funds other than the general fund, if the residual balance is still negative after eliminating any assigned fund balances, the negative residual amount will be classified as unassigned fund balance.

The School's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, and committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

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

Cash – Cash consists of demand deposits with commercial banks. From time to time, cash balances may exceed federally insured limits. Management believes the risk of loss is remote. The School maintains a separate bank account for the charter school programs as required by the District.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Notes to Basic Financial Statements
Year Ended June 30, 2026

Note 2 – Summary of Significant Accounting Policies (Continued)

Accounts receivable and allowance – Accounts receivable are stated at cost less an allowance for credit losses. Management’s determination of the allowance is based on current conditions and an evaluation of past collection history. Management provides for probable uncollectable amounts through a charge to earnings and a credit to valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. An allowance for accounts receivable is considered unnecessary by management as of June 30, 2026.

Capital assets – Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the School as assets with an initial individual cost of more than \$750 and an estimated useful life in excess of two years. Such assets are capitalized at historical cost. Donated assets are recorded at fair market value at the date of the donation. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives of assets are determined as follows:

Land improvements	30 years
Buildings and improvements	5 - 30 years
Furniture and fixtures	5-10 years
Computers and software	3-10 years

Right to use leased assets – Right to use assets are initially measured 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, plus any ancillary charges necessary to place the lease into services. The right to use assets are amortized on a straight-line basis over the life of the related lease.

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 reports the number of full-time equivalent (“FTE”) students and related data to the District. Under provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education (“FDOE”) for funding through the Florida Education Finance Program (“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 FTE students reported by the School during the designated FTE student survey periods.

Special Revenue Funds Revenues

The School receives federal awards for the enhancement of various educational programs. This assistance is 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. These funds are accounted for in the special revenue fund.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Notes to Basic Financial Statements
Year Ended June 30, 2026

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital Projects Funds Revenues

The School receives state of Florida charter school capital outlay funding from the District. The amount received under this program is based on the School's actual and projected student enrollment during the year. Funds received under this program may only be used for lawful capital outlay expenditures and are accounted for in the capital projects fund. The School received \$212,576 in capital outlay funding during the year ended June 30, 2026.

Other General Fund Revenues

Contributions revenue – Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions revenue is recognized when an unconditional gift is given to the School, or when a legally enforceable gift is promised but not yet received.

Additional revenues consist of employee retention credit amounts.

Allocation of indirect costs – Depreciation expense in the government-wide financial statements is allocated to a function based on the function's usage of the related capital asset.

Use of estimates – The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America 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 basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes – The School is a not-for-profit organization exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in these basic financial statements. The School is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. Management believes the School met the requirements to maintain their tax-exempt status and have no income subject to unrelated business income tax; therefore, no provision for income taxes has been provided in these financial statements. The income tax returns for the past three years are subject to examination by taxing authorities and may change upon examination.

Note 3 – Leases

The Company leases property as well as some office equipment under lease agreements classified as operating leases. As of June 30, 2026, aggregate monthly lease payments are approximately \$2,000. The leases expire between April 2029 and May 2052.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Notes to Basic Financial Statements
Year Ended June 30, 2026

Note 3 – Leases (Continued)

Right to use leased asset and liability activity for the year ended June 30, 2026, is as follows:

	Balance June 30, 2025	Additions	Reductions	Balance June 30, 2026
Governmental activities				
Right to use leased assets				
Property	\$ 472,597	\$ -	\$ -	\$ 472,597
Equipment	20,650	-	-	20,650
	<u>493,247</u>	<u>-</u>	<u>-</u>	<u>493,247</u>
Less accumulated amortization				
Property	(32,119)	(10,683)	-	(42,802)
Equipment	(4,474)	(3,957)	-	(8,431)
	<u>(36,593)</u>	<u>(14,640)</u>	<u>-</u>	<u>(51,233)</u>
	<u>\$ 456,654</u>	<u>\$ (14,640)</u>	<u>\$ -</u>	<u>\$ 442,014</u>
	Balance June 30, 2025	Additions	Reductions	Balance June 30, 2026
Lease liabilities	<u>\$ 456,654</u>	<u>\$ -</u>	<u>\$ (14,640)</u>	\$ 442,014
Less current portion				(28,701)
				<u>\$ 413,313</u>

Future lease liability payments will be amortized as follows:

Year Ended June 30,	Total
2027	\$ 28,701
2028	28,701
2029	27,934
2030	24,101
2031	24,101
Thereafter	<u>504,103</u>
	637,641
Less: imputed interest	<u>(195,627)</u>
	<u>\$ 442,014</u>

Interest expense related to the amortization of the lease is \$14,060 for the year ended June 30, 2026.

New leases entered into during the year are evaluated and recorded during the year. At the time of the initial measurement of the leases, if there is no interest rate specified in the original lease agreements, the School uses a discount rate based on management's experience in the market and its best estimate of what a reasonable interest rate would be based on the nature and terms of the related lease agreements. There were no new lease agreements entered into during the year.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Notes to Basic Financial Statements
Year Ended June 30, 2026

Note 4 – Capital Assets

Capital asset activity for the year ended June 30, 2026 is as follows:

	Balance June 30, 2025	Additions	Reductions	Balance June 30, 2026
Governmental activities				
Land improvements	\$ 161,931	\$ -	\$ -	\$ 161,931
Buildings and improvements	2,055,927	-	-	2,055,927
Furniture and fixtures	84,993	-	-	84,993
Computers and software	73,436	1,691	(899)	74,228
Capital lease	15,500	-	(15,500)	-
Construction in progress	188,664	39,590	-	228,254
	<u>2,580,451</u>	<u>41,281</u>	<u>(16,399)</u>	<u>2,605,333</u>
Less accumulated depreciation				
Land improvements	(109,920)	(5,397)	-	(115,317)
Buildings and improvements	(1,654,986)	(75,116)	-	(1,730,102)
Furniture and fixtures	(74,769)	(2,783)	-	(77,552)
Computers and software	(63,922)	(6,092)	497	(69,517)
Capital lease	(3,100)	(2,842)	5,942	-
	<u>(1,906,697)</u>	<u>(92,230)</u>	<u>6,439</u>	<u>(1,992,488)</u>
	<u>\$ 673,754</u>	<u>\$ (50,949)</u>	<u>\$ (9,960)</u>	<u>\$ 612,845</u>

Depreciation expense was charged to functions as follows:

Governmental activities	
Instructional	\$ 33,242
Pupil personnel services	2,926
Instr. Staff Training	7,642
School Admin.	20,206
Fiscal services	3,662
Food services	7,025
Transportation	3,233
Plant operation	9,756
Plant maintenance	4,538
	<u>\$ 92,230</u>

Note 5 – Risk Management Program

Workers' compensation coverage, health and hospitalization, general liability, professional liability, and property coverage is provided through purchased commercial insurance with minimum deductibles for each line of coverage. Amount of coverage for each policy is consistent with requirements stated in the charter agreement with the District. Settled claims resulting from these risks have not exceeded the commercial coverage in any of the years ended June 30, 2026, 2025 or 2024.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Notes to Basic Financial Statements
Year Ended June 30, 2026

Note 6 – Employee Benefit Plan

The School participates in a defined contribution 401(k) retirement plan and matches active participants' contributions up to 3% of their gross compensation. During the year ended June 30, 2026, the School made matching contributions to the Plan totaling approximately \$6,000. As of June 30, 2026, the School had fully funded all of its obligations to 401(k) participants.

Note 7 – Going Concern

As indicated in the accompanying financial statements, the School showed a decrease in net position of \$449,468 during the year ended June 30, 2026. As of that date, the School's unrestricted net position had a negative balance. Those factors, as well as the uncertain conditions that the School faces regarding student headcount, create an uncertainty about the School's ability to continue as a going concern. Management of the School is developing a plan to reduce its expenses and increase student headcount. The ability of the School to continue as a going concern is dependent on the plan's success. The financial statements do not include any adjustments that might be necessary if the School is unable to continue as a going concern.

Note 8 – Contingencies

In the normal course of operations, the School may become a defendant in various legal actions. Many of the School's risks are covered by insurance, but some are not. As a charter school that is subject to the laws relating to Florida public schools, the School will rely upon sovereign immunity caps for claims made against it. Some matters may not be covered by insurance, in whole or in part, or subject to sovereign immunity caps, and may be a liability of the School if settled adversely. The ultimate resolution of any matters existing at year end is not expected to have a material effect on the financial statements.

The School participates in state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School has not complied with the rules and regulations governing the grants, refunds of money received may be required and the collectability of any related receivables at year-end may be impaired. Management believes there are no significant contingent liabilities related to compliance with the rules and regulations governing the respective grants. No provision has been recorded in the financial statements for any such contingencies.

Note 9 – Subsequent Events

Management has evaluated all events subsequent to the statement of net position date of June 30, 2026 through September 29, 2026, which is the date these financial statements were available to be issued. Management determined that there are no subsequent events that require disclosure or recognition.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Budgetary Comparison Schedule – General Fund (Unaudited)
Year Ended June 30, 2026

	Budgeted Amounts		Actual	Variance from
	Original	Final	(Budgetary	Final Budget
			Basis)	Positive
				(Negative)
Revenues				
State sources	\$ 951,312	\$ 880,373	\$ 880,425	\$ 52
Local sources	32,528	39,583	74,419	34,836
Other revenues	41,475	41,475	41,475	-
Total revenues	1,025,315	961,431	996,319	34,888
Expenditures				
Instruction	729,642	680,795	704,544	(23,749)
Pupil personnel services	94,252	96,892	95,650	1,242
Instructional staff training	3,500	3,500	10,669	(7,169)
School administration	215,532	209,485	388,687	(179,202)
Fiscal services	72,572	72,572	70,814	1,758
Transportation	54,000	54,000	57,375	(3,375)
Operation of plant	115,400	115,400	123,851	(8,451)
Maintenance of plant	5,000	5,000	5,496	(496)
Total expenditures	1,289,898	1,237,644	1,457,086	(219,442)
Excess (deficit) of revenues over expenditures	(264,583)	(276,213)	(460,767)	254,330
Fund balance at beginning of year	7,310	7,310	7,310	-
Fund balance at end of year	\$ (257,273)	\$ (268,903)	\$ (453,457)	\$ 254,330

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Budgetary Comparison Schedule – Special Revenue Fund (Unaudited)
Year Ended June 30, 2026

	Budgeted Amounts		Actual	Variance from
	Original	Final	(Budgetary	Final Budget
			Basis)	Positive
				(Negative)
Revenues				
Federal sources passed through local school district	\$ 260,562	\$ 260,562	\$ 252,346	\$ (8,216)
Total revenues	260,562	260,562	252,346	(8,216)
Expenditures				
Instruction	69,973	69,973	53,728	16,245
Pupil personnel services	9,700	7,500	4,844	2,656
Instructional staff training	98,000	98,000	90,200	7,800
Food service	123,858	123,858	136,256	(12,398)
Total expenditures	301,531	299,331	285,028	14,303
Excess of revenues over expenditures	(40,969)	(38,769)	(32,682)	(22,519)
Fund balance at beginning of year	51,760	51,760	51,760	-
Fund balance at end of year	\$ 10,791	\$ 12,991	\$ 19,078	\$ (22,519)

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
A Charter School and Component Unit of the
Duval County District School Board
Budgetary Comparison Schedule – Capital Project Fund (Unaudited)
Year Ended June 30, 2026

	Budgeted Amounts		Actual	Variance from
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues				
State and local sources	\$ 243,139	\$ 235,249	\$ 212,576	\$ (22,673)
Total revenues	243,139	235,249	212,576	(22,673)
Expenditures				
Operation of plant	104,380	104,380	98,770	5,610
Maintenance of plant	10,000	10,000	43,046	(33,046)
Total expenditures	114,380	114,380	141,816	(27,436)
Excess of revenues over expenditures	128,759	120,869	70,760	4,763
Fund balance at beginning of year	510,895	510,895	510,895	-
Fund balance at end of year	\$ 639,654	\$ 631,764	\$ 581,655	\$ 4,763



PRIDA GUIDA & PEREZ, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

2504 W. Kathleen Street

Tampa, FL 33607

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
S.O.C.K. Outstanding Students (S.O.S) Academy, Inc.
Jacksonville, 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 S.O.C.K. Outstanding Students (S.O.S) Academy, Inc. ("the School"), a component unit of the Duval County District School Board, 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 29, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2026-002 that we consider to be a material weakness.

**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 (Continued)**

Report on Compliance and Other Matters

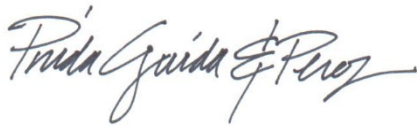
As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 instances of noncompliance or other matters that are required to be reported under the Government Auditing Standards and which are described in the accompanying schedule of findings and responses as item 2026-002.

The School's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The School's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Prida, Guida & Perez P.A.
Tampa, Florida
September 29, 2026



PRIDA GUIDA & PEREZ, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

2504 W. Kathleen Street

Tampa, FL 33607

MANAGEMENT LETTER REQUIRED BY RULES OF THE FLORIDA AUDITOR GENERAL, CHAPTER 10.850

Board of Directors
S.O.C.K. Outstanding Students (S.O.S) Academy, Inc.
Jacksonville, Florida

Report on the Financial Statements

We have audited the financial statements of S.O.C.K. Outstanding Students (S.O.S) Academy, Inc. (the "School"), a component unit of the Duval County District School Board, as of and for the year ended June 30, 2026, and have issued our report thereon dated September 29, 2026.

Auditors' 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 Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports, which are dated September 29, 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 or recommendations made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity is S.O.C.K. Outstanding Students (S.O.S) Academy, Inc. and the school code assigned by the Florida Department of Education is 1021.

**MANAGEMENT LETTER REQUIRED BY RULES OF THE FLORIDA
AUDITOR GENERAL, CHAPTER 10.850 (Continued)**

Financial Condition and Management

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

- Failure to pay uncontested claims from creditors within 90 days after the claim is presented, as a result of a lack of funds.

Pursuant to Section 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same. In connection with our procedures, we noted certain financial condition assessment indicators that suggest a deteriorating financial condition pursuant to Section 10.854(1)(e)6.b., Rules of the Auditor General. Specifically, we observed the following conditions:

Finding Number 2026-001 – Fund balance deficit

Criteria: As defined in Section 218.39(5)(b) at the conclusion of the audit, the auditor shall discuss with and notify the governing board of the Charter School of fund balance deficit in total or for that portion of a fund balance not classified as restricted, committed, or nonspendable, or a total or unrestricted net assets deficit and for which sufficient resources are not available to cover the deficit.

Condition: At June 30, 2026, the School had an unrestricted net position deficit of \$453,457.

Cause: The School received lower-than-budgeted revenues associated with enrollment below projections, together with operating expenditures initially structured to support a higher student count.

Potential effect: The School could potentially lack the resources to meet its obligations.

Recommendation: The School should formulate a detailed, cash-based weekly rolling budget forecast for the next 12 months to closely monitor cash inflows and outflows, identify and execute immediate cost-reduction measures to align operating expenses with lower enrollment levels, and formulate aggressive student recruitment and retention strategies to stabilize and rebuild the student body population.

Views of Responsible Officials: The School recognizes that earlier interim budget adjustments and closer budget-to-actual monitoring would have been prudent in light of changing financial conditions.

**MANAGEMENT LETTER REQUIRED BY RULES OF THE FLORIDA
AUDITOR GENERAL, CHAPTER 10.850 (Continued)**

Financial Condition and Management – Continued

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

Transparency

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

Material Weakness

Finding Number 2026-002 – Nonallowable use of restricted funds

Criteria: The School's management is responsible for establishing and maintaining effective internal controls over compliance regarding the expenditure of restricted funds.

Condition: At June 30, 2026, the School's cash and investments were not sufficient to cover the School's restricted net position of \$600,733.

Cause: The School received lower-than-budgeted revenues associated with enrollment below projections, together with operating expenditures initially structured to support a higher student count.

Potential effect: The School is not in compliance with restrictive funding requirements.

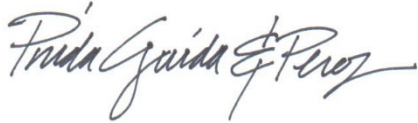
Recommendation: The School should implement policies and procedures to ensure that restricted amounts are expended only for allowable uses.

Views of Responsible Officials: At present, the School understands that this concern appears to arise from the relationship between the School's reported cash position and its restricted capital projects balance reflected in the June 2026 financial statements. To avoid any future concerns regarding misallocation of restricted funds, the School will further strengthen its internal controls by requiring documented approval of restricted-fund expenditures and routine monitoring of restricted balances.

**MANAGEMENT LETTER REQUIRED BY RULES OF THE FLORIDA
AUDITOR GENERAL, CHAPTER 10.850 (Continued)**

Purpose of this Letter

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

A handwritten signature in black ink, appearing to read "Prida Guida & Perez", written in a cursive style.

Prida, Guida & Perez P.A.
Tampa, Florida
September 29, 2026

S.O.C.K. OUTSTANDING STUDENTS (S.O.S) ACADEMY, INC.
SCHEDULE OF FINDINGS AND RESPONSES

Finding Number 2026-001 – Fund balance deficit

At June 30, 2026, the School had an unrestricted net position deficit of \$453,457.

As defined in Section 218.39(5)(b) at the conclusion of the audit, the auditor shall discuss with and notify the governing board of the Charter School of fund balance deficit in total or for that portion of a fund balance not classified as restricted, committed, or nonspendable, or a total or unrestricted net assets deficit and for which sufficient resources are not available to cover the deficit.

Management response: The School recognizes that earlier interim budget adjustments and closer budget-to-actual monitoring would have been prudent in light of changing financial conditions. Accordingly, the School is implementing a fiscal recovery plan that includes revising the operating budget to reflect actual enrollment and available revenues, reviewing expenditures for necessity and alignment with current operations, and reducing or deferring nonessential spending to further allow the School's general fund to be replenished.

Finding Number 2026-002 – Nonallowable use of restricted funds

At June 30, 2026, the School's cash and investments were not sufficient to cover the School's restricted net position of \$600,733. The School's management is responsible for establishing and maintaining effective internal controls over compliance regarding the expenditure of restricted funds.

Management response: To avoid any future concerns regarding misallocation of restricted funds, the School will further strengthen its internal controls by requiring documented approval of restricted-fund expenditures and routine monitoring of restricted balances.