

**S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF THE
DISTRICT SCHOOL BOARD OF DUVAL COUNTY, FLORIDA**

**GENERAL-PURPOSE FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
FOR YEAR ENDED JUNE 30, 2024**

TABLE OF CONTENTS

FINANCIAL SECTION

Independent Auditor's Report	1-3
Management's Discussion and Analysis-(Unaudited)	4-9
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	13
Reconciliation of Governmental Fund Operating Statements, and The Statement of Activities	14
Notes to Financial Statements	15-23
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	24
Budgetary Comparison Schedule – Special Revenue Fund	25
Budgetary Comparison Schedule – Capital Fund	26
COMPLIANCE AND INTERNAL CONTROL	
Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	27-28
Management Letter	29-30
Management Findings, Recommendations and Responses	31

Vidal CPA, LLC

Certified Public Accountant and Consultant

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of
S.O.C.K Outstanding Students (S.O.S.) Academy, Inc.
A Charter School and Component of Unit of Duval
County District School Board
6974 Wilson Boulevard
Jacksonville, Florida 32210

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc. (the "School"), which is a component unit of Duval County District School Board, as of and for the year ended June 30, 2024, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School, as of June 30, 2024, 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

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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the School 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 opinions.

Responsibilities of Management for the Financial Statements

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

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

Vidal CPA, LLC

Certified Public Accountant and Consultant

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 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 my 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.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 - 9 and 24 - 26 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. 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

Vidal CPA, LLC

Certified Public Accountant and Consultant

inquiries, the basic financial statements, and other knowledge I 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and my auditor's report thereon. My opinion on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 30, 2024, on my consideration of the School's internal control over financial reporting and on my 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 my 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 School's internal control over financial reporting and compliance.

Vidal CPA, LLC

Vidal CPA, LLC
September 30, 2024

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of S.O.C.K. Outstanding Students (S.O.S.) School, Inc.'s (School), which is a component unit of the District School Board of Duval County, Florida, 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, 2024. 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.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the Basic Financial Statements found starting on pages 10-14.

Financial Highlights

- The assets of the School exceeded its liabilities at the close of the most recent fiscal year by \$1,364,761 (net position).
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balances of \$819,240. The unrestricted fund balance at the year-end was \$243,516.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's 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 (e.g., uncollected funding).

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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.

The government-wide financial statements include only the School itself.

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

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.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the 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 governmental 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 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, special revenue fund and capital outlay fund, both of which are considered to be major funds.

The School adopts an annual appropriated budget, in the fall, for its operations and adopts the final amended budget in the spring. Budgetary comparison statements are provided to demonstrate compliance with this budget and can be found on pages 24-26 of this report.

The basic governmental fund financial statements can be found on pages 12-14 of this report.

Notes to the financial statements. The notes 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 15-23 of this report.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

CHANGE IN NET POSITION

The School's combined net position was \$1,364,761 on June 30, 2024. This was a decrease of \$35,438 from the previous year.

A portion of the School's net position reflects its investment in capital assets (e.g., furniture and 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.

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

The School's Net Position

	<u>Governmental Activities for</u> <u>the fiscal year ended June 30,</u>		
	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Current assets	\$ 828,113	\$ 791,408	\$ 36,705
Right of use lease asset	339,178	339,178	-
Less, accumulated amortization	(22,612)	(11,306)	(11,306)
Capital assets, depreciable	2,399,294	2,360,481	38,813
Less, accumulated depreciation	(1,829,609)	(1,734,037)	(95,572)
	<u>886,251</u>	<u>954,316</u>	<u>(68,065)</u>
Total assets	\$ <u>1,714,364</u>	\$ <u>1,745,724</u>	\$ <u>(31,360)</u>
Total liabilities	\$ 349,603	\$ 345,525	\$ 4,078
Invested in capital assets	545,521	608,791	(63,270)
Restricted and unrestricted net position	<u>819,240</u>	<u>791,408</u>	<u>27,832</u>
Total net position	<u>1,364,761</u>	<u>1,400,199</u>	<u>(35,438)</u>
Total liabilities and net position	\$ <u>1,714,364</u>	\$ <u>1,745,724</u>	\$ <u>(31,360)</u>

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

CHANGES IN NET POSITION – Continued:

Change in Net Position

	Governmental Activities for the fiscal year ended June 30,		
	2024	2023	Variance
Federal	\$ 444,018	\$ 376,444	\$ 67,574
State	1,381,307	1,321,071	60,236
Local and other revenues	9,302	446,029	(436,727)
Total Revenue	1,834,627	2,143,544	(308,917)
Operating Expenses	1,806,795	1,684,468	122,327
Capital Outlay - Net	68,065	52,991	15,074
Obligation Under Capital Lease- reduced	(4,795)	(4,608)	(187)
Total Expenses	1,870,065	1,732,851	137,214
Change in net position	(35,438)	410,693	(446,131)
Net restatement due to GASB 87		(7,209)	7,209
Net position beginning of the year	1,400,199	996,715	403,484
Net position at the end of the year	\$ 1,364,761	\$ 1,400,199	\$ (35,438)

The largest revenue source for the School is the State of Florida (75%). Revenues from State sources for current operations are primarily received through the Florida Education Finance Program (FEFP) funding formula and Charter School Capital Outlay funds. Both sources utilize student enrollment data to determine the funds available for the School. 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, and has been outstanding as of the end of the current year end, but all information available confirms that the funds will be received.

The largest concentration of expenses was for Instructional related expenses, which comprised of 47% of total expenses.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the School's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a School's net resources available for spending at the end of the fiscal year. The general fund is the chief operating fund of the School. At the end of the current fiscal year, the unassigned fund balance was \$243,516 in the general fund.

The special revenue fund is to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. At the end of the current fiscal year, special revenue fund has an ending fund balance of \$84,684. All the revenue received under the Education Act Title I and Title II has been included in the Special Revenue Fund as well as all the applicable expenditures associated with the funds received.

The revenue received from the District School Board of Duval County, Florida, for capital outlay has been included in the Capital Fund with the applicable expenditures. The capital fund is to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes pertaining to capital outlay or related expenditures. At the end of the current fiscal year, the capital fund has an ending fund balance of \$491,040.

General Fund Budgetary Highlights

Actual revenues were less than the actual expenditures for the year ended June 30, 2024. In total lower revenue decreased the fund balance by \$77,069, however, a positive position at the end of the current year was maintained.

Capital Asset

The School's investment in capital assets as of June 30, 2024, amounts to \$545,521 (net of accumulated depreciation) and right of use lease assets (building) \$316,566 (net of accumulated amortization). This investment in capital assets includes right of use lease asset (building), furniture, equipment and computers. As of June 30, 2024, the School had outstanding liabilities of \$340,730 associated to its capital assets.

Economic Factors

The economic position of the School for general operations is closely tied to that of the State. The formula for determining funding for education is set by Florida Statute. State funds to charter schools are provided primarily by legislative appropriations from the State's general revenue fund under the Florida Education Finance Program (FEFP), and the State funding for operations is primarily from sales, gasoline, and corporate income taxes. Additionally, the level of tourism in the

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State heavily influences the amount of taxes collected. Significant changes in State revenue collections could directly impact future School revenue collections.

Request for Information

The financial report is designed to provide the citizens, taxpayers, customers, and investors with a general overview of the School's finances and to show the School's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Board of Directors, S.O.C.K. Outstanding Students (S.O.S.) School, Inc., 6974 Wilson Boulevard, Jacksonville Florida or telephone 904-573-0880.

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

STATEMENT OF NET POSITION

JUNE 30, 2024

	Component Unit Activities	Total
ASSETS		
Current Assets:		
Cash	\$ 342,015	\$ 342,015
Due from agency	486,098	486,098
Total Current Assets	<u>828,113</u>	<u>828,113</u>
Right of use lease asset	339,178	339,178
Less, accumulated amortization	(22,612)	(22,612)
Capital assets, depreciable	2,399,294	2,399,294
Less, accumulated depreciation	(1,829,609)	(1,829,609)
Net Capital Assets	<u>886,251</u>	<u>886,251</u>
Total Asset	<u>1,714,364</u>	<u>1,714,364</u>
LIABILITIES		
Accounts payable	8,873	8,873
Equipment lease obligation due within one year	4,990	4,990
Lease liability due within one year	4,347	4,347
Total due within one year	<u>18,210</u>	<u>18,210</u>
Equipment lease obligation due after one year	660	660
Lease liability due after one year	330,733	330,733
Total due after one year	<u>331,393</u>	<u>331,393</u>
Total Liabilities	<u>349,603</u>	<u>349,603</u>
NET POSITION		
Invested in capital assets, net of related debt	545,521	545,521
Restricted net position	575,724	575,724
Unrestricted net position	<u>243,516</u>	<u>243,516</u>
Total Net Position	<u>\$ 1,364,761</u>	<u>\$ 1,364,761</u>

See independent auditor's report and accompanying notes to financial statements.

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

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

FUNCTIONS	Expenses	Program Revenues		Net (Expenses) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Component Unit Activities:				
Instruction	\$ 675,145	\$ -	\$ 123,924	\$ (551,221)
Pupil personnel services	59,420		10,970	(48,450)
Instruction and staff training	155,217		121,410	(33,807)
General administration	3,369		3,197	(172)
School administration	399,615			(399,615)
Facilities acquisition and construction	-			-
Fiscal services	74,381			(74,381)
Food services	142,672		135,393	(7,279)
Pupil transportation services	65,650			(65,650)
Operation of plant	198,146		47,761	(100,389)
Maintenance of plant	60,728			82,254
Debt Service	35,722			(35,722)
Unapplied revenue	-		1,363	103,538
	\$ 1,870,065	\$ -	\$ 444,018	\$ 235,788
				\$ (1,190,259)

General Revenues:	
Grants and Contributions Not Restricted to Specific Programs	1,154,821
Total General Revenues	1,154,821
	(35,438)

See independent auditor's report and accompanying notes to financial statements.

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

BALANCE SHEET - GOVERNMENTAL FUNDS
 JUNE 30, 2024

ASSETS	General Fund	Special Revenue Fund	Capital Fund	Total Governmental Funds
Cash	\$ 232,965	\$ 109,050		\$ 342,015
Due from agency	409,223	48,539	28,336	486,098
Due from other funds	72,905		462,704	535,609
Total Assets	\$ 715,093	\$ 157,589	\$ 491,040	\$ 1,363,722
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	8,873	-	-	8,873
Due to other funds	462,704	72,905		535,609
Total Liabilities	471,577	72,905		544,482
Fund Balance:				
Nonspendable				
Restricted		84,684	491,040	575,724
Committed				
Assigned				
Unassigned	243,516			243,516
Total Fund Balance	243,516	84,684	491,040	819,240
Total Liabilities and Fund Balance	\$ 715,093	\$ 157,589	\$ 491,040	\$ 1,363,722

See independent auditor's report and accompanying notes to financial statements.

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

REVENUES	General Fund	Special Revenue Fund	Capital Fund	Total Governmental Funds
Federal sources passed through local school district	\$ -	\$ 444,018	\$ -	\$ 444,018
State sources	1,145,519	-	235,788	1,381,307
Local sources	9,302	-	-	9,302
Other revenues and transfers	-	-	-	-
Total Revenue	1,154,821	444,018	235,788	1,834,627
EXPENDITURES				
Education:				
Instructional	516,774	123,924	-	640,698
Pupil personnel services	45,418	10,970	-	56,388
Instructional and staff training	25,888	121,410	-	147,298
General administration	-	3,197	-	3,197
School administration	386,234	-	-	386,234
Fiscal services	70,586	-	-	70,586
Food services	-	135,393	-	135,393
Pupil transportation	62,300	-	-	62,300
Operation of plant	90,279	47,761	49,996	188,036
Maintenance of plant	5,200	-	82,254	87,454
Debt service:				
Principal	9,141	-	-	9,141
Interest	20,070	-	-	20,070
Other expenditures and transfers	-	-	-	-
Total Expenditures	1,231,890	442,655	132,250	1,806,795
Excess (Deficit) of revenues over expenditures	(77,069)	1,363	103,538	27,832
Fund balances, beginning of year	320,585	83,321	387,502	791,408
Fund balances, end of year	\$ 243,516	\$ 84,684	\$ 491,040	\$ 819,240

See independent auditor's report and accompanying notes to financial statements.

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

RECONCILIATION OF GOVERNMENTAL FUND OPERATING STATEMENTS, AND THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Excess of revenues over expenditures \$ 27,832

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlay as expenditures. However,
in the statement of activities the cost of those assets is allocated over
their estimated lives and reported as depreciation expense. This is
the amount by which depreciation in the current period exceeded
capital outlays. (68,065)

Net Book Value of Assets Disposed of during the current year -

Obligations under capital leases used in governmental activities are not
financial resources -current year's portion reduced 4,795

Change in Net Position of Governmental Activities \$ (35,438)

See independent auditor's report and accompanying notes to financial statements.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF DUVAL COUNTY DISTRICT
SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

I. SUMMARY OF REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

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 Service notified the School in October of 1998 that it was a nonprofit educational organization under IRC 501(c)(3). The School was incorporated on June 17, 1997, as an educational organization. The financial information presented is that of S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc.

The general operating authority of 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 current charter for the Middle School is effective until June 30, 2024, 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 School Board of Duval County, Florida.

Criteria for determining if other entities are potential component units of the School which 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*, Section 2100 and 2600. The application of these criteria provides for identification of any entities to 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 this criterion, no component units are included within the reporting entity of the School.

Basis of Presentation

Fund Accounting – In order to ensure observance of limitations and restrictions placed on the use of these 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. The fund type and account group used are classified as follows:

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF DUVAL COUNTY DISTRICT
SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued:

Governmental Fund Types

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 Fund-used to account for the specific revenue sources that are restricted or committed for specific capital expenditures other than debt service.

Basis of Accounting – 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. For the most part, the effect of inter-fund activity has been eliminated.

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.

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

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. 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 provider have been met.

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 DUVAL COUNTY DISTRICT
SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued:

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 (e.g., salaries, purchased services and capital outlay).

Federal Income Taxes - The School is a nonprofit organization and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is reflected in the accompanying financial statements.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents - Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within ninety (90) days of purchase.

Capital Assets and Depreciation - 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 (recorded) 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.

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

Fund Balance Reporting and Governmental Fund Type Definitions – The School has implemented GASB Statement Number 54 – “Fund Balance Reporting and Governmental Fund Type Definitions” during the fiscal year ended June 30, 2024. The objective of this statement is to improve the usefulness and understandability of the governmental fund balance categories:

- 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 at June 30, 2024.
- 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

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
 A CHARTER SCHOOL AND COMPONENT UNIT OF DUVAL COUNTY DISTRICT
 SCHOOL BOARD
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2024

binding level of constraint on the use of the fund balance. The School had \$575,724 in restricted funds at June 30, 2024.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued:

- 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 Duval County District School Board of Duval County, Florida. These amounts cannot be used for any other purpose unless the Duval County District School Board 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 at June 30, 2024.
- 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 at June 30, 2024.
- 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 an unassigned fund balance.

The School's special revenue fund balance is \$84,684 after all other restricted and assigned balances have been eliminated; therefore, there is a balance as restricted in the Balance Sheet – Governmental Funds at the fiscal year ended June 30, 2024. In addition, the net residual balance of General fund is positive at year end.

Fund Balances	General Fund	Special Revenue Fund	Capital Fund	Total
Nonspendable	\$	\$	\$	\$
Restricted		84,684	491,040	575,724
Committed				
Assigned				
Unassigned	243,516			243,516
	<u>\$ 243,516</u>	<u>\$ 84,684</u>	<u>\$ 491,040</u>	<u>\$ 819,240</u>

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF DUVAL COUNTY DISTRICT
SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of full-time equivalent students and related data to the Florida Department of Education (FDOE) for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE 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.

The School received federal awards for the enhancement of various education 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.

The School received revenue from Federal, State and Local sources for the following purposes: Safe Schools, School improvements, instructional materials, student transportation, class size reduction, technology improvement, teacher training and capital outlay.

2. CASH

The total carrying amount of the School's bank balances per bank statements was \$352,577 at June 30, 2024. Deposits are placed in banks that qualify as public depositories pursuant to the provisions of Chapter 280, Florida Statutes, of the Florida Security for Public Deposits Act. Financial institutions qualifying as public depositories are required by this law to deposit with State Treasurer eligible collateral equal to or in excess of the required collateral for the depository. The State Treasurer, by rule, shall establish minimum required collateral pledging level. Each qualified public depository shall calculate the amount of its required collateral based upon certain formulas. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

For purposes of these financial statements, cash and cash equivalents are considered cash in the bank, demand deposits and short-term investments with maturities of less than 90 days.

The School's cash consists of demand deposits with financial institutions, which are insured by federal depository insurance. As of June 30, 2024, all of the School's balances were insured by FDIC.

3. BANK ACCOUNTS

The School maintains a separate bank account for the charter school programs as required by the Duval County District School Board contract.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF DUVAL COUNTY DISTRICT
SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

4. CHANGES IN FIXED ASSETS:

At June 30, 2024, the cost and related current accumulated depreciation of general fixed assets consisted of the following:

	Balance- Beginning of Year	Reclassifications	Additions	Deletions	Balance Ending of Year
Capital Assets:					
Land improvements	\$ 161,931	\$ -	\$ -	\$ -	\$ (61,931)
Buildings and improvements	2,024,499	-	31,428	-	2,055,927
Furniture and fixtures	77,606	-	7,385	-	84,993
Capital Lease	23,007	-	-	-	23,007
Computers and software	73,436	-	-	-	73,436
	<u>2,360,481</u>	<u>-</u>	<u>38,813</u>	<u>-</u>	<u>2,399,294</u>
Accumulated Depreciation:					
Land improvements	99,124	-	5,398	-	(104,522)
Buildings and improvements	1,506,582	-	73,288	-	1,579,870
Furniture and fixtures	69,495	-	2,492	-	71,987
Capital Lease	13,804	-	4,601	-	18,405
Computers and software	45,032	-	9,793	-	54,825
	<u>1,734,037</u>	<u>-</u>	<u>95,572</u>	<u>-</u>	<u>1,829,609</u>
Net	\$ 626,444	\$ -	\$ (56,759)	\$ -	\$ 569,685
Lease Assets:					
Right of use lease asset	339,178	-	-	-	339,178
Less accumulated	-	-	-	-	-
Amortization	(11,306)	-	(11,306)	-	(22,612)
	<u>\$ 327,872</u>	<u>\$ -</u>	<u>\$ (11,306)</u>	<u>\$ -</u>	<u>\$ 316,566</u>
Governmental Activities Capital					
Assets, net	<u>\$ 954,316</u>	<u>\$ -</u>	<u>\$ (68,065)</u>	<u>\$ -</u>	<u>\$ 886,251</u>

A complete review of the School's capital assets was undertaken during the year and all assets under the original cost of \$750 were written off and any other assets deemed not required to be carried as depreciable capital assets. There were additions or bur no deletions for the year ending June 30, 2024.

Depreciation expense was charged to functions as follows:

Governmental activities:	<u>Amount</u>
Basic instruction	\$ 34,447
Pupil personnel services	3,032
Instructional and staff training	7,919
School administration	20,938
Food services	7,279
Fiscal services	3,795
Pupil transportation	3,350
Operations of plant	10,110
Maintenance of plant	4,702
Total governmental activities depreciation expense	<u>\$ 95,572</u>

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF DUVAL COUNTY DISTRICT
SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

5. LEASE ASSET AND LIABILITY:

The School entered into a 30-year lease for its educational facility starting June 1, 2022. The lease contains required monthly lease payments as of that date and thereafter. The new lease agreement is through June 30, 2052. The lease requires monthly payments of \$2008 and the School is responsible for all property maintenance and improvements.

Interest expense related to the amortization of the lease note payable is \$19,753 for the year ended June 30, 2024. Fiscal 2024 amortization expense of the right to use asset of \$11,306 was charged to governmental activities as part of the interest expense.

Future lease liability payments will be amortized as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,612	\$ 19,488	\$ 24,101
2026	4,893	19,207	24,101
2027	5,191	18,909	24,101
2028	5,508	18,593	24,101
2029	5,843	18,257	24,101
Thereafter	<u>313,131</u>	<u>299,181</u>	<u>612,312</u>
	\$ <u>339,178</u>	\$ <u>393,636</u>	\$ <u>732,815</u>

6. PROPERTY UNDER CAPITAL LEASE:

The class and amount of property acquired under capital lease is as follows:

	<u>Balance</u>
Copier lease with interest rate of 4.00%, secured by equipment, with interest and principal payments of \$425.81 maturing in August 8, 2025, principal balance outstanding	\$ 5,650
Total	<u>\$ 5,650</u>

Future installments and present value of the payments as of June 30, 2024, follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,990	\$ 120	\$ 5,110
2026	660	3	663
2027	-	-	-
Total Obligation Under Lease	<u>\$ 5,650</u>	<u>\$ 123</u>	<u>\$ 5,773</u>

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF DUVAL COUNTY DISTRICT
SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

8. RISK OF LOSS:

The School is subject to the risk of loss in the following areas: 1. Risk of loss and destruction of property due to vandalism or weather-related losses; 2. Risk of loss related to professional activity of its teachers; 3. Risk of loss related to operation or use of vehicles in the School's everyday activities; 4 Risk of loss related to theft by employees that have access to financial recourses of the School. The School mitigates these risks by purchasing insurance policies that address each risk. Amount of coverage for each policy is consistent with requirements stated in the charter agreement with Duval County District School Board.

9. PENSION REPORTING:

The School participates in 401K retirement plan that has three active participants. It matches active participants' contributions up to 3% of their salaries and as of June 30, 2024. The School had no liabilities and fully funded all of its obligations to 401K plan participants.

10. FEDERAL GRANTS:

The School participated in federal grants and state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the grant programs are subject to audit and adjustment by the grantor agencies. If the School is found not to have complied with the rules and regulations, returns of funds might be required. The School has determined that it is in compliance with the rules and regulations of the grants received, therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

11. LEGAL:

The School may be involved in legal actions arising form the course of activities and is also subject to periodic audits and inquiries by regulatory agencies. Management is not aware of any pending or threatened litigation, claims or unasserted claims or assessments that may have a material effect on the School's financial statements.

12. COMMITMENTS AND CONTINGENT LIABILITIES:

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 nay related receivable 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.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF DUVAL COUNTY DISTRICT
SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

13. SUBSEQUESNT EVENTS:

In accordance with GASB Codification Section 2250.106, the School has evaluated subsequent events and transactions for potential recognition or disclosure through September 30, 2024, which is the date the financial statements were available to be issued. No items were found that were affect the financial statements.

14. RESTATEMENT:

The School has determined a restatement to the beginning net position was required to reflect the correct calculation of the amortization expense based on the right of use lease implementation for the year ended June 30, 2023. The effect of the restatement resulted in a decrease to the beginning net position of the government wide financial statements by \$17,653 which is made up of an increase in the accumulated amortization related to the right of use lease assets (buildings) by \$17,653.

REQUIRED SUPPLEMENTAL INFORMATION

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL-
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Federal	\$ -	\$ -	\$ -	\$ -
State sources	1,223,676	1,228,012	1,145,519	(82,493)
Local sources	20,000	20,000	9,302	(10,698)
Other revenues and transfers	428,481	428,481	-	(428,481)
Total revenue	1,672,157	1,676,493	1,154,821	(521,672)
EXPENDITURES				
Education:				
Instructional	971,628	735,527	516,774	218,753
Pupil personnel services	46,660	46,660	45,418	1,242
Instructional and staff training	2,000	2,000	25,888	(23,888)
Board	19,000	19,000	-	19,000
School administration	367,801	288,563	391,344	(102,781)
Fiscal services	72,572	83,522	70,586	12,936
Pupil transportation	63,000	63,000	62,300	700
Central services	5,000	5,000	-	5,000
Operation of plant	205,780	205,780	114,380	91,400
Maintenance of plant	5,000	5,000	5,200	(200)
Administrative Technology Services	6,800	6,800	-	6,800
Debt service:				
Principal				-
Interest and fiscal charges				-
Other expenditures and transfers				-
Total Expenditures	1,765,241	1,460,852	1,231,890	228,962
Excess of revenues over (under) expenditures	(93,084)	215,641	(77,069)	(292,710)
Fund balances, beginning of year			320,585	-
Fund balances, end of year	\$ (93,084)	\$ 215,641	\$ 243,516	\$ (292,710)

See independent auditor's report and accompanying notes to financial statements.

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL-
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance = Favorable (Unfavorable)
	Original	Final		
REVENUES				
Federal through state revenue				
School lunch and breakfast reimbursement	\$ 124,411	\$ 124,411	\$ 136,756	\$ 12,345
Education Act Title I, II and IV	539,069	307,086	307,262	176
Local sources				-
Other revenues and transfers				-
Total revenue	663,480	431,497	444,018	12,521
EXPENDITURES				
Education:				
Food services	\$ 138,832	\$ 138,832	\$ 135,393	3,439
Education				-
Instructional	151,604	128,563	123,924	4,639
Pupil personnel services			10,970	(10,970)
Instructional and staff training			121,410	(121,410)
General administration			3,197	(3,197)
School administration				
Fiscal service				
Pupil transportation				
Operation of plant			47,761	(47,761)
Maintenance of plant				
Other expenditures and transfers				
Total Expenditures	290,436	267,395	442,655	(175,260)
Excess of revenues over (under) expenditures	373,044	164,102	1,363	(162,739)
Fund balances, beginning of year	-	-	83,321	
Fund balances, end of year	\$ 373,044	\$ 164,102	\$ 84,684	\$ (162,739)

See independent auditor's report and accompanying notes to financial statements.

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budget Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Federal through state revenue	\$ -	\$ -	\$ -	\$ -
State sources	87,872	87,872	235,788	147,916
Local sources				
Other revenues and transfers				
Total revenue	87,872	87,872	235,788	147,916
EXPENDITURES				
Instructional				
School administration				
Facilities Acquisition and Construction	153,784	146,284	-	146,284
Operation of plant			49,996	(49,996)
Maintenance of plant			82,254	(82,254)
Total Expenditures	153,784	146,284	132,250	14,034
Excess of revenues over (under) expenditures	(65,912)	(58,412)	103,538	161,950
Fund balances, beginning of year			387,502	
Fund balances, end of year	\$ (65,912)	\$ (58,412)	\$ 491,040	\$ 161,950

See independent auditor's report and accompanying notes to financial statements.

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

Board of Directors
S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc.
A Charter School and Component Unit of The Duval
County District School Board
6974 Wilson Boulevard
Jacksonville, Florida 32210

I have audited the financial statements of S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc., a Charter School and Component Unit of The Duval County District School Board (a nonprofit organization) as of and for the year ended June 30, 2024 and have issued my report thereon dated September 30, 2024.

I conducted my audit in accordance with United States generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc.'s internal control.

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc.'s financial statements are free from 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.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.

Vidal CPA, LLC

Vidal CPA, LLC
September 30, 2024

Vidal CPA, LLC

Certified Public Accountant and Consultant

MANAGEMENT LETTER

Board of Directors
S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc.
A Charter School and Component Unit of the Duval
County District School Board
6974 Wilson Boulevard
Jacksonville, Florida 32210

Report on the Financial Statements

I have audited the financial statements of the of S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc. as of and for the fiscal year ended June 30, 2024, and have issued the report thereon dated September 30, 2024.

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 Reporting Requirements

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*. Disclosures in this report, which is dated September 30, 2024, 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 I determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with my audit, the School did not have any prior year findings.

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: S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc.

Financial Condition

Section 10.854(1)(e)2., Rules of the Auditor General, requires that I report the results of my determination Pursuant to Rule 10.855(11) as to whether or not the S.O.C.K. Outstanding Students (S.O.S.) Academy, 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 S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc. did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), Rules of the Auditor General, I applied financial condition assessment procedures for the S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc. It is management's responsibility to monitor the S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc.'s financial condition, and my financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that I address in the management letter any recommendations to improve financial management. In connection with my audit, I did not have any such recommendations. With respect to the Chapter 218.415 of the Florida statutes, I found that the Academy's finances and investment policies were in agreement with the statutory requirements. As of June 30, 2024, the School had no investments.

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 the S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc. maintains on its Website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with my audit, I determined that the S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc. maintained on its Website the information specified in Section 1002.33(9)(p), as of June 30, 2024.

Additional Matters

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.

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 Duval County School Board, the Board of Directors, applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,

Vidal CPA, LLC

September 30, 2024

MANAGEMENT FINDINGS, RECOMMENDATIONS AND RESPONSES

For the year ended June 30, 2024, there are no management findings, recommendations or responses.