

**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, 2021**

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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 Unit of the Duval
County District School Board
6974 Wilson Boulevard
Jacksonville, Florida 32210

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and each major fund and the aggregate remaining fund information of 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, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. 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 of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgement, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on

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effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my 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 and the aggregate remaining fund information of S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc., as of June 30, 2021, 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.

Other Matters

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 the pages 4-9 and 24-26 be presented to supplement the basic financial statements. Such information, although not a part of basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be 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 our 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

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc.'s basic financial statements. The management's discussions and analysis, combining individual non-major funds financial statements, and are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

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The combining and individual non-major fund financial statements are responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual non-major fund financial statements are fairly stated in all the material respects, in relation to the basic financial statements as a whole.

The management's discussions and analysis have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated September 24, 2021, 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 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 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 S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc.'s internal control over financial reporting and compliance.

Vidal CPA, LLC

Vidal CPA, LLC
September 24, 2021

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2021. 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 page 10.

Financial Highlights

- The assets of the School exceeded its liabilities at the close of the most recent fiscal year by \$985,583(net position).
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balances of \$236,652.

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).

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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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, 2021

CHANGE IN NET POSITION

The School's combined net position was \$994,762 on June 30, 2021. This was an increase of \$111,319 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

	Governmental Activities for the fiscal year ended June 30,		
	2021	2020	Variance
Current assets	\$ 247,825	\$ 62,916	\$ 184,909
Capital assets, net of accumulated depreciation	768,033	816,250	(48,217)
Total assets	\$ 1,015,858	\$ 879,166	\$ 136,692
 Total liabilities	 \$ 30,275	 \$ 4,902	 \$ 25,373
Invested in capital assets Restricted and unrestricted net position	748,931	816,250	(67,319)
	236,652	58,014	178,638
Total net position	985,583	874,264	111,319
Total liabilities and net position	\$ 1,015,858	\$ 879,166	\$ 136,692

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CHANGES IN NET POSITION – Continued:

		Change in Net Position		
		Governmental Activities for the fiscal year ended June 30,		
		<u>2021</u>	<u>2020</u>	<u>Variance</u>
Federal	\$	423,286	\$ 263,983	\$ 159,303
State		1,385,368	1,233,875	151,493
Local and other revenues		<u>53,416</u>	<u>21,513</u>	<u>31,903</u>
 Total Revenue		<u>1,862,070</u>	<u>1,519,371</u>	<u>342,699</u>
 Operating Expenses		1,683,432	1,496,039	187,393
Capital Outlay - Net		48,217	69,235	(21,018)
Obligation Under Capital Lease		<u>19,102</u>	<u>-</u>	<u>19,102</u>
 Total Expenses		<u>1,750,751</u>	<u>1,565,274</u>	<u>185,477</u>
 Change in net position		111,319	(45,903)	157,222
 Net position beginning of the year		<u>874,264</u>	<u>920,167</u>	<u>(45,903)</u>
 Net position at the end of the year	\$	<u><u>985,583</u></u>	\$ <u><u>874,264</u></u>	\$ <u><u>111,319</u></u>

The largest revenue source for the School is the State of Florida (74%). 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 largest concentration of expenses was for Instructional related expenses, which comprised of 50% of total expenses

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 \$53,919 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 current fiscal year, special revenue fund has an ending fund balance of \$60,549. All the revenue received under 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 current fiscal year, the capital fund has an ending fund balance of \$122,184.

General Fund Budgetary Highlights

Actual revenues were higher than the actual expenditures due to additional grants and reduction in expenditures for the year ended June 30, 2021. In total higher revenues with lower expenditures caused the unassigned fund balance to increase by \$80,051 causing a positive position at the end of the current year.

Capital Asset

The School's investment in capital assets for its governmental activities as of June 30, 2021 amounted to \$768,033 (net of accumulated depreciation). This investment in capital assets includes furniture and equipment and computers. Additional information on the School's capital assets can be found in The Notes to Financial Statements.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which have resulted in significant volatility in our economy. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

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, 2021

	Component Unit Activities	Total
ASSETS		
Cash	\$ 184,101	\$ 184,101
Due from agency	63,724	63,724
Capital assets, net of accumulated depreciation	<u>768,033</u>	<u>768,033</u>
Total Assets	<u>1,015,858</u>	<u>1,015,858</u>
LIABILITIES		
Current Liabilities		
Accounts payable	<u>11,173</u>	<u>11,173</u>
Total Current Liabilities	<u>11,173</u>	<u>11,173</u>
Obligations under capital lease	<u>19,102</u>	<u>19,102</u>
Total Non-Current Liabilities	<u>19,102</u>	<u>19,102</u>
Total Liabilities	<u>30,275</u>	<u>30,275</u>
NET POSITION		
Invested in capital assets, net of related debt	748,931	748,931
Restricted net position	182,733	182,733
Unrestricted net position	<u>53,919</u>	<u>53,919</u>
Total Net Position	<u>\$ 985,583</u>	<u>\$ 985,583</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, 2021

FUNCTIONS	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenue & Changes in Net Assets
			Capital Grants and Contributions	Component Unit Activities
Component Unit Activities:				
Instruction	\$ 665,868		\$ 119,973	\$ (545,895)
Pupil personnel services	109,049		73,372	(35,677)
Instruction and staff training	93,998		87,374	(6,624)
Board	-			-
School administration	449,219		44,596	(404,623)
Facilities acquisition and construction	-			-
Fiscal services	48,439			(48,439)
Food services	77,066		71,744	(5,322)
Pupil transportation services	46,840			(46,840)
Operation of plant	199,326			(163,388)
Maintenance of plant	55,530			(5,874)
Debt service:				-
Principal	3,905			(3,905)
Interest	1,511			(1,511)
Unapplied revenue	-		27,169	60,384
Other Expenditures and Transfers				-
	<u>\$ 1,750,751</u>	<u>\$ -</u>	<u>\$ 424,228</u>	<u>\$ 118,809</u>
				<u>(1,207,714)</u>

General Revenues:

Grants and Contributions Not Restricted to Specific Programs	\$ 1,319,033
Total General Revenues	<u>1,319,033</u>
	111,319
Net Position-beginning of year	<u>874,264</u>
Net Position-end of year	<u>\$ 985,583</u>

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

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2021

ASSETS		Special Revenue Fund		Capital Fund		Total Governmental Funds	
Cash	\$ 65,092	\$ 1,648	\$ 117,361	\$ 184,101			
Due from agency		58,901	4,823	63,724			
Due from other funds				-			
Total Assets	\$ 65,092	\$ 60,549	\$ 122,184	\$ 247,825			
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ 11,173			\$ 11,173			
Due to other funds							
Total Liabilities	\$ 11,173	\$ -		\$ 11,173			
Fund Balance:							
Nonspendable		60,549	122,184	182,733			
Restricted							
Committed							
Assigned							
Unassigned	53,919			53,919			
Total Fund Balance	\$ 53,919	\$ 60,549	\$ 122,184	\$ 236,652			
Total Liabilities and Fund Balance							
	\$ 65,092	\$ 60,549	\$ 122,184	\$ 247,825			
Total Governmental Balance							
	\$ 236,652			\$ 236,652			
Capital assets used in governmental activities that are not reported in the fund financial statements							
				748,931			
Net Assets of Governmental Activities							
				\$ 985,583			

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, 2021

REVENUES	General Fund	Special Revenue Fund	Capital Fund	Total Governmental Funds
Federal through state revenue				
School lunch and breakfast reimbursement	\$	97,971		\$ 97,971
Education Act Title I and Title II and Title IV		325,315		325,315
Other federal revenue				-
State sources	1,266,559		118,809	1,385,368
Local sources	52,474	942		53,416
Other revenues and transfers		33,380	4,823	38,203
Total Revenue	1,319,033	457,608	123,632	1,900,273
EXPENDITURES				
Education:				
Instructional	525,383	119,973		645,356
Pupil personnel services	30,486	73,372		103,858
Instructional and staff training	1,757	87,374		89,131
School administration	404,075	44,596		448,671
Fiscal services	46,133			46,133
Food services	1,653	71,744		73,397
Pupil transportation	44,610			44,610
Operation of plant	138,036		35,938	173,974
Maintenance of plant	3,230		49,656	52,886
Debt service:				-
Principal	3,905			3,905
Interest and fiscal charges	1,511			1,511
Other expenditures and transfers	38,203			38,203
Total Expenditures	1,238,982	397,059	85,594	1,721,635
Excess (Deficit) of revenues over expenditures	80,051	60,549	38,038	178,638
Fund balances, beginning of year	(26,132)	0	84,146	58,014
Fund balances, end of year	\$ 53,919	\$ 60,549	\$ 122,184	\$ 236,652

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, 2021

Excess of revenues over expenditures	\$ 178,638
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.	(19,464)
Net Book Value of Assets Disposed of during the current year	(28,753)
Obligations under capital leases used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>(19,102)</u>
Change in Net Position of Governmental Activities	<u>\$ 111,319</u>

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, 2021

1. 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, 2021, 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. The District has renewed the School’s charter until June 30, 2024.

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, 2021

1. 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, 2021

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.

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, 2021. 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, 2021.
- 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 \$182,733 in restricted funds at June 30, 2021.

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, 2021

1. 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, 2021.
- 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, 2021.
- 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 \$53,919 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, 2021. 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		60,549	122,184	182,733
Committed				
Assigned				
Unassigned	53,919			53,919
	<u>\$ 53,919</u>	<u>\$ 60,549</u>	<u>\$ 122,184</u>	<u>\$ 236,652</u>

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF DUVAL COUNTY DISTRICT
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JUNE 30, 2021

In accordance with implementation of GASB No. 54, the School considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both are available. When an expenditure is incurred and it could be used toward committed, assigned, or unassigned amounts, it is considered to be used in that order, respectively.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued:

Revenue Sources - Revenues for current operations are received primarily from the Duval County District School Board pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33 (17), Florida Statutes, the School reports the number of full-time equivalent students and related data to the District.

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 \$194,744 at June 30, 2021. 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.

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, 2021

2. CASH – Continued:

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, 2021, 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.

4. CHANGES IN FIXED ASSETS:

At June 30, 2021, the cost and related current accumulated depreciation of general fixed assets consisted of the following:

	Balance Beginning of Year	Additions	Deletions	Balance Ending of Year
Capital Assets:				
Land improvements	\$ 161,931	\$		\$ 161,931
Buildings and improvements	2,019,316		19,157	2,000,159
Construction in progress	-			-
Furniture and fixtures	74,808	-		74,808
Capital Lease	-	23,007		23,007
Computers and software	53,234	41,691	29,954	64,971
	<u>2,309,289</u>	<u>64,698</u>	<u>49,111</u>	<u>2,324,876</u>
Accumulated Depreciation:				
Land improvements	82,931	5,397		88,328
Buildings and improvements	1,307,596	66,918	2,502	1,372,012
Construction in progress	-			-
Furniture and fixtures	36,390	3,102		39,492
Capital Lease	-	4,601		4,601
Computers and software	66,122	4,143	17,857	52,408
	<u>1,493,039</u>	<u>84,161</u>	<u>20,358</u>	<u>1,556,842</u>
Net	\$ <u>816,250</u>	\$ <u>(19,463)</u>	\$ <u>28,753</u>	\$ <u>768,033</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.

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, 2021

Depreciation expense was charged to functions as follows:

	<u>Amount</u>
Governmental activities:	
Basic instruction	\$ 32,258
Pupil personnel services	5,191
Instructional and staff training	4,867
School administration	22,300
Food services	3,669
Fiscal services	2,306
Pupil transportation	2,230
Operations of plant	11,340
Total governmental activities depreciation expense	\$ 84,161

5. OPERATING LEASES:

Minimum lease payments under operating leases as of June 30, 2021

School facilities lease with original term of 120 months and payments of \$2,008 per month matures on June 30, 2022. The lease provides for 3-year renewal subject to the City Council approval.

\$ 24,096

Under the CARES Grant-Rent Relief, the City of Jacksonville provided rent relief for the months of November-2020 through the month of April-2021. The total rent that was forgiven total \$12,050.

Total amount of minimum payments over the life of the operating leases \$ 24,096

The following is a schedule by years of future minimum rental payments required under leases that have initial or remaining non-cancelable lease term as of June 30, 2021.

Operating lease minimum payments schedule	<u>Operating Leases</u>
2022	\$ 24,096
2023	-0-
2024	-0-
2025	-0-
Thereafter	-0-
Total minimum payments	\$ 24,096

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
A CHARTER SCHOOL AND COMPONENT UNIT OF DUVAL COUNTY DISTRICT
SCHOOL BOARD
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JUNE 30, 2021

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 July 8, 2025	10,977
Total	\$ 10,977

Future installments and present value of the payments as of June 30, 2021, follows:

Fiscal Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	4,426	684	5,110
2023	4,607	503	5,110
2024	4,794	316	5,110
2025	4,990	120	5,110
Thereafter	285	1	286
Total Obligation under Capital Lease	\$ 19,102	\$ 1,624	\$ 20,726

7. CHANGES IN GENERAL LONG-TERM DEBT:

The following is a summary of changes in general long-term debt:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance June 30, 2021</u>
Copier lease	\$ -0-	\$ 23,007	\$ (3,905)	\$ 19,102
Total	\$ -0-	\$ 23,007	\$ (3,905)	\$ 19,102

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, 2021

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, 2021. 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.

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, 2021

	Budget Amounts		Actual	Variance -
	Original	Final		Favorable (Unfavorable)
REVENUES				
Federal				\$ -
State sources	958,783	958,783	1,266,559	307,776
Local sources	40,000	40,000	52,474	12,474
Other revenues and transfers	33,750	33,750		(33,750)
Total revenue	1,032,533	1,032,533	1,319,033	286,500
EXPENDITURES				
Education:				
Instructional	572,930	549,804	525,383	24,421
Pupil personnel services	31,999	31,999	30,486	1,513
Instructional and staff training	215,551	111,484	1,757	109,727
Board	15,500	15,500	-	15,500
School administration	236,413	268,244	404,075	(135,831)
Facilities Acquisition and Construction	103,000	103,000	-	103,000
Fiscal services	51,321	51,321	46,133	5,188
Food services	-	-	1,653	(1,653)
Pupil transportation	49,500	49,500	44,610	4,890
Central services	1,200	1,200	-	1,200
Operation of plant	117,670	115,170	138,036	(22,866)
Maintenance of plant	2,500	2,500	3,230	(730)
Administrative Technology Services				-
Debt service:				
Principal			3,905	(3,905)
Interest and fiscal charges			1,511	(1,511)
Other expenditures and transfers			38,203	(38,203)
Total Expenditures	1,397,584	1,299,722	1,238,982	60,740
Excess of revenues over (under) expenditures	(365,051)	(267,189)	80,051	347,240
Fund balances, beginning of year	(26,132)	(26,132)	(26,132)	-
Fund balances, end of year	\$ (391,183)	\$ (293,321)	\$ 53,919	\$ 347,240

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, 2021

	Budget Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Federal through state revenue				
School lunch and breakfast reimbursement	\$ 124,841	\$ 124,841	\$ 97,971	\$ (26,870)
Education Act Title I, II and IV	442,279	327,484	325,315	(2,169)
Local sources			942	942
Other revenues and transfers			33,380	33,380
Total revenue	<u>567,120</u>	<u>452,325</u>	<u>457,608</u>	<u>5,283</u>
EXPENDITURES				
Education:				
Food services	\$ 138,174	\$ 138,174	\$ 71,744	66,430
Education				
Instructional	163,630	163,630	119,973	43,657
Pupil personnel services			73,372	(73,372)
Instructional and staff training			87,374	(87,374)
School administration			44,596	(44,596)
Fiscal service			-	-
Operation of plant			-	-
Maintenance of plant			-	-
Other expenditures and transfers				-
Total Expenditures	<u>301,804</u>	<u>301,804</u>	<u>397,059</u>	<u>(95,255)</u>
Excess of revenues over (under) expenditures	265,316	150,521	60,549	(89,972)
Fund balances, beginning of year			-	
Fund balances, end of year	<u>\$ 265,316</u>	<u>\$ 150,521</u>	<u>\$ 60,549</u>	<u>\$ (89,972)</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 REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
CAPITAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Federal through state revenue	\$ -	\$ -	\$ -	\$ -
State sources	110,665	110,665	118,809	8,144
Local sources				-
Other revenues and transfers			4,823	4,823
Total revenue	110,665	110,665	123,632	12,967
EXPENDITURES				
Instructional				-
School administration				-
Operation of plant			35,938	(35,938)
Maintenance of plant			49,656	(49,656)
Total Expenditures	-	-	85,594	(85,594)
Excess of revenues over (under) expenditures	110,665	110,665	38,038	(72,627)
Fund balances, beginning of year	84,146	84,146	84,146	
Fund balances, end of year	\$ 194,811	\$ 194,811	\$ 122,184	\$ (72,627)

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, 2021 and have issued my report thereon dated September 24, 2021. 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.

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 24, 2021

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, 2021 and have issued the report thereon dated September 24, 2021.

Auditor's Responsibility

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.850, Rules of the Auditor General.

Other Reports and Schedules

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Disclosures in this report, which is dated September 24, 2021, should be considered in conjunction with this management letter.

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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Prior period management letter comments were addressed by the School's management and I am satisfied with the progress made by the school related to prior year comments.

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 have the following issue related to internal controls:

Prior Year's 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. In connection with our audit, the School had a prior year finding pertaining to the deficit in the unassigned fund balance of the Governmental Funds.

This has been corrected and there is no deficit in the unassigned fund balance at year end. In fact, the unassigned fund balance at June 30, 2021, is at \$63,087.

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 our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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, 2021.

Other Matters

Section 10.854(1)(e)3., Rules of the Auditor General, requires that I address in the management letter any recommendations to improve financial management. In connection with my audit, I did not have any such recommendations. 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, 2021, the School had no investments.

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.

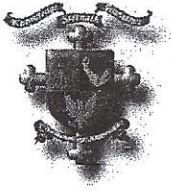
Purpose of this Letter

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 24, 2021



School of Success Academy

Genell M. Mills, Director/Principal

Corrective Action Plan September 24, 2021

Board of Directors, S.O.C.K. Outstanding Students (S.O.S.) Academy, Inc.
Duval County District School Board
6974 Wilson Blvd
Jacksonville, Fl. 32210

S.O.C.K. Outstanding Students (SOS) Academy, Inc., respectfully submits the following corrective action plan for the year ending June 30, 2021.

Vidal CPA, LLC
Certified Public Accountant and Consultant
13300 Atlantic Blvd., Unit 1902
Jacksonville, Fl. 32225

Comment: Section 10.854(1)(e) 1 Rules of the Auditor General, requires that we determine if corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with our audit, the school had a prior year finding pertaining to the deficit in the unassigned fund of the Governmental Funds.

This has been corrected and there is no deficit in the unassigned fund balance at year end. In fact, the unassigned fund balance as of June 30, 2021, is \$63,087.

A handwritten signature in cursive script that reads "Genell M. Mills".

Genell M. Mills
Principal/Director, School of Success Academy

