

**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, 2022**

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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, 2022, 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, 2022, 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.

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 inquiries, the basic financial statements, and other knowledge I obtained during our 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 us 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 our auditor's report thereon. Our opinions 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 29, 2022, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of 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 29, 2022

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022. 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 \$996,715 (net position).
- As of the close of the current fiscal year, the School’s governmental funds reported combined ending fund balances of \$332,332

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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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, 2022

CHANGE IN NET POSITION

The School's combined net position was \$996,715 on June 30, 2022. This was an increase of \$11,132 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,		
	<u>2022</u>	<u>2021</u>	<u>Variance</u>
Current assets	\$ 335,208	\$ 247,825	\$ 87,383
Capital assets, net of accumulated depreciation	<u>679,434</u>	<u>768,033</u>	<u>(88,599)</u>
Total assets	<u>\$ 1,014,642</u>	<u>\$ 1,015,858</u>	<u>\$ (1,216)</u>
 Total liabilities	 <u>\$ 17,927</u>	 <u>\$ 30,275</u>	 <u>\$ (12,348)</u>
Invested in capital assets Restricted and unrestricted net position	 664,383 <u>332,332</u>	 748,931 <u>236,652</u>	 (84,548) <u>95,680</u>
Total net position Total liabilities and net position	 <u>996,715</u> <u>\$ 1,014,642</u>	 <u>985,583</u> <u>\$ 1,015,858</u>	 <u>11,132</u> <u>\$ (1,216)</u>

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MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

CHANGES IN NET POSITION – Continued:

		Change in Net Position		
		Governmental Activities for the fiscal year ended June 30,		
		<u>2022</u>	<u>2021</u>	<u>Variance</u>
Federal	\$	415,222	\$ 423,286	\$ (8,064)
State		1,272,186	1,385,368	(113,182)
Local and other revenues		<u>27,560</u>	<u>53,416</u>	<u>(25,856)</u>
Total Revenue		<u>1,714,968</u>	<u>1,862,070</u>	<u>(147,102)</u>
Operating Expenses		1,619,288	1,683,432	(64,144)
Capital Outlay - Net		88,599	48,217	40,382
Obligation Under Capital Lease- reduced		<u>(4,051)</u>	<u>19,102</u>	<u>(23,153)</u>
Total Expenses		<u>1,703,836</u>	<u>1,750,751</u>	<u>(46,915)</u>
Change in net position		11,132	111,319	(100,187)
Net position beginning of the year		<u>985,583</u>	<u>874,264</u>	<u>111,319</u>
Net position at the end of the year		<u>\$ 996,715</u>	<u>\$ 985,583</u>	<u>\$ 11,132</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 41% 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, 2022

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 \$26,054 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 \$47,360. 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 \$258,918.

General Fund Budgetary Highlights

Actual revenues were lower than the actual expenditures due to reduction of grants for the year ended June 30, 2022. In total lower revenues with higher expenditures caused the unassigned fund balance to decrease by \$27,865, but there still was 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, 2022 amounted to \$679,434 (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.

S.O.C.K. OUTSTANDING STUDENTS (S.O.S.) ACADEMY, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022

	Component Unit Activities	Total
ASSETS		
Cash	\$ 242,526	\$ 242,526
Due from agency	92,682	92,682
Capital assets, net of accumulated depreciation	679,434	679,434
Total Assets	<u>1,014,642</u>	<u>1,014,642</u>
LIABILITIES		
Current Liabilities		
Accounts payable	2,876	2,876
Total Current Liabilities	<u>2,876</u>	<u>2,876</u>
Obligations under capital lease	15,051	15,051
Total Non-Current Liabilities	<u>15,051</u>	<u>15,051</u>
Total Liabilities	<u>17,927</u>	<u>17,927</u>
NET POSITION		
Invested in capital assets, net of related debt	664,383	664,383
Restricted net position	306,278	306,278
Unrestricted net position	26,054	26,054
Total Net Position	<u>\$ 996,715</u>	<u>\$ 996,715</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, 2022

FUNCTIONS	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
				Component Unit Activities
Component Unit Activities:				
Instruction	\$ 565,919		\$ 125,824	\$ (440,095)
Pupil personnel services	72,348		55,473	(16,875)
Instruction and staff training	69,912		56,557	(13,355)
Board	-			-
School administration	428,611		13,183	(415,428)
Facilities acquisition and construction	-			-
Fiscal services	58,250			(58,250)
Food services	146,039		137,603	(8,436)
Pupil transportation services	64,020		6,670	(57,350)
Operation of plant	227,646		18,378	(137,828)
Maintenance of plant	70,554		12,600	(4,082)
Debt service:				
Interest	537			(537)
Unapplied revenue	-		(13,189)	123,545
	<u>1,703,836</u>	<u>0</u>	<u>413,099</u>	<u>\$ (1,028,691)</u>
General Revenues:				
Grants and Contributions Not Restricted to Specific Programs				1,039,823
Total General Revenues				<u>1,039,823</u>
				11,132
Net Position-beginning of year				<u>985,583</u>
Net Position-end of year				<u>\$ 996,715</u>

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, 2022

ASSETS	General Fund	Special Revenue Fund	Capital Fund	Total Governmental Funds
Cash	\$ 199,969	\$ 42,557		\$ 242,526
Due from agency	841	54,051	37,790	92,682
Due from other funds			245,506	245,506
Total Assets	\$ 200,810	\$ 96,608	\$ 283,296	\$ 580,714
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 2,876			\$ 2,876
Due to other funds	\$ 195,417	\$ 50,089		\$ 245,506
Total Liabilities	\$ 198,293	\$ 50,089		\$ 248,382
Fund Balance:				
Nonspendable				\$
Restricted		47,360	258,918	306,278
Committed				
Assigned				
Unassigned	26,054			26,054
Total Fund Balance	\$ 26,054	\$ 47,360	\$ 258,918	\$ 332,332
Total Liabilities and Fund Balance	\$ 224,347	\$ 97,449	\$ 258,918	\$ 580,714
Total Governmental Balance				\$ 332,332
Capital assets used in governmental activities that are not reported in the fund financial statements				679,434
Long-term liabilities, including obligations under capital leases, not reported in the financial statements				(15,051)
Net Assets of Governmental Activities				\$ 996,715

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, 2022

REVENUES	General Fund	Special Revenue Fund	Capital Fund	Total Governmental Funds
Federal through state revenue				
School lunch and breakfast reimbursement	\$	\$ 124,415	\$	\$ 124,415
Education Act Title I and Title II and Title IV		288,684		288,684
Other federal revenue	2,123			2,123
State sources	1,010,140		262,046	1,272,186
Local sources	27,560			27,560
Other revenues and transfers				-
Total Revenue	1,039,823	413,099	262,046	1,714,968
EXPENDITURES				
Education:				
Instructional	410,658	125,824		536,482
Pupil personnel services	13,112	55,473		68,585
Instructional and staff training	9,718	56,557		66,275
School administration	393,133	13,183		406,316
Fiscal services	55,220			55,220
Food services	840	137,603		138,443
Pupil transportation	54,020	6,670		60,690
Operation of plant	125,987	18,378	71,440	215,805
Maintenance of plant	412	12,600	53,872	66,884
Debt service:				
Principal	4,051			4,051
Interest and fiscal charges	537			537
Other expenditures and transfers				
Total Expenditures	1,067,688	426,288	125,312	1,619,288
Excess (Deficit) of revenues over expenditures	(27,865)	(13,189)	136,734	95,680
Fund balances, beginning of year	53,919	60,549	122,184	236,652
Fund balances, end of year	\$ 26,054	\$ 47,360	\$ 258,918	\$ 332,332

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, 2022

Excess of revenues over expenditures	\$ 95,680
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.	(88,599)
Net Book Value of Assets Disposed of during the current year	-
Obligations under capital leases used in governmental activities are not financial resources reduced during the year-current year's portion reduced	<u>4,051</u>
Change in Net Position of Governmental Activities	<u>\$ 11,132</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, 2022

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, 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, 2022

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, 2022

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, 2022. 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, 2022.
- 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 \$306,278 in restricted funds at June 30, 2022.

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, 2022

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, 2022.
- 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, 2022.
- 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 \$47,360 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, 2022. 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		47,360	258,918	306,278
Committed				
Assigned				
Unassigned	26,054			26,054
	<u>\$ 26,054</u>	<u>\$ 47,360</u>	<u>\$ 258,918</u>	<u>\$ 332,332</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, 2022

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 \$249,405 at June 30, 2022. 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
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JUNE 30, 2022

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, 2022, 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, 2022, 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	1,999,189			1,999,189
Construction in progress	-			-
Furniture and fixtures	71,808	-		71,808
Capital Lease	23,007	-		23,007
Computers and software	68,941			68,941
	<u>2,324,876</u>	<u>-</u>	<u>-</u>	<u>2,324,876</u>
Accumulated Depreciation:				
Land improvements	88,328	5,398		93,726
Buildings and improvements	1,372,012	66,912		1,438,924
Construction in progress	-	-		-
Furniture and fixtures	64,977	2,734		67,711
Capital Lease	4,602	4,601		9,203
Computers and software	26,924	8,954		35,878
	<u>1,556,843</u>	<u>88,599</u>	<u>-</u>	<u>1,645,442</u>
Net	<u>\$ 768,033</u>	<u>\$ (88,599)</u>	<u>\$ -</u>	<u>\$ 679,434</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 no additions or deletions for the year ending June 30, 2022

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, 2022

Depreciation expense was charged to functions as follows:

Governmental activities:	<u>Amount</u>
Basic instruction	\$ 29,437
Pupil personnel services	3,763
Instructional and staff training	3,637
School administration	22,295,
Food services	7,596,
Fiscal services	3,030,
Pupil transportation	3,330
Operations of plant	11,841
Maintenance of plant	<u>3,670</u>
Total governmental activities depreciation expense	<u>\$ 88,599</u>

5. OPERATING LEASES:

Minimum lease payments under operating leases as of June 30, 2022

School facilities lease was extended for 36 months with monthly payment of \$2,008 and expires on March 31, 2024. This was the last renewal option that the lease provided the School. \$ 42,168

Total amount of minimum payments over the life of the operating leases \$ 42,168

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, 2022.

Operating lease minimum payments schedule	<u>Operating Leases</u>
2023	\$ 24,096
2024	18,072
2024	-0-
2025	-0-
Thereafter	-0-
Total minimum payments	<u>\$ 42,168</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, 2022

6. PROPERTY UNDER CAPITAL LEASE:

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

	Balance
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	
Total	\$ 15,051

Future installments and present value of the payments as of June 30, 2022, follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2023	4,607	503	5,110
2024	4,794	316	5,110
2025	4,990	120	5,110
2026	660	3	663
Thereafter	-	-	-
Total Obligation under Capital Lease	\$ 15,051	\$ 942	\$ 15,993

7. CHANGES IN GENERAL LONG-TERM DEBT:

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

	Balance July 1, 2021	Additions	Principal Payments	Balance June 30, 2022
Copier lease	\$ 19,102	\$ -0-	\$ (4,051)	\$ 15,051
Total	\$ 19,102	\$ -0-	\$ (4,051)	\$ 15,051

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.

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, 2022

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, 2022. 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 from 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, 2022

	Budget Amounts		Actual	Variance -
	Original	Final		Favorable (Unfavorable)
REVENUES				
Federal			\$ 2,123	\$ 2,123
State sources	1,084,350	990,252	1,010,140	19,888
Local sources	20,000	20,000	27,560	7,560
Other revenues and transfers				-
Total revenue	1,104,350	1,010,252	1,039,823	29,571
EXPENDITURES				
Education:				
Instructional	578,860	492,485	410,658	81,827
Pupil personnel services	3,349	3,349	13,112	(9,763)
Instructional and staff training	1,000	1,000	9,718	(8,718)
Board	16,000	16,000	-	16,000
School administration	240,712	242,544	397,721	(155,177)
Facilities Acquisition and Construction	-	-	-	-
Fiscal services	51,321	51,321	55,220	(3,899)
Food services	-	-	840	(840)
Pupil transportation	52,200	52,200	54,020	(1,820)
Central services	5,000	5,000	-	5,000
Operation of plant	124,332	124,332	125,987	(1,655)
Maintenance of plant	5,000	5,000	412	4,588
Administrative Technology Services	-	-	-	-
Debt service:				
Principal				-
Interest and fiscal charges				-
Other expenditures and transfers				-
Total Expenditures	1,077,774	993,231	1,067,688	(74,457)
Excess of revenues over (under) expenditures	26,576	17,021	(27,865)	(44,886)
Fund balances, beginning of year			53,919	-
Fund balances, end of year	\$ 26,576	\$ 17,021	\$ 26,054	\$ (44,886)

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, 2022

	Budget Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Federal through state revenue				
School lunch and breakfast reimbursement	\$ 130,729	\$ 124,415	\$ 124,415	\$ -
Education Act Title I, II and IV	285,438	628,102	288,684	(339,418)
Local sources				-
Other revenues and transfers				-
Total revenue	416,167	752,517	413,099	(339,418)
EXPENDITURES				
Education:				
Food services	\$ 126,519	\$ 137,663	\$ 137,603	60
Education				
Instructional	150,478	640,650	125,824	514,826
Pupil personnel services			55,473	(55,473)
Instructional and staff training			56,557	(56,557)
School administration			13,183	(13,183)
Fiscal service			-	-
Pupil transportation			6,670	(6,670)
Operation of plant			18,378	(18,378)
Maintenance of plant			12,600	(12,600)
Other expenditures and transfers				-
Total Expenditures	276,997	778,313	426,288	352,025
Excess of revenues over (under) expenditures	139,170	(25,796)	(13,189)	12,607
Fund balances, beginning of year			60,549	
Fund balances, end of year	\$ 139,170	\$ (25,796)	\$ 47,360	\$ 12,607

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, 2022

	Budget Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
REVENUES				
Federal through state revenue	\$ -	\$ -	\$ -	\$ -
State sources	153,784	167,879	262,046	94,167
Local sources				-
Other revenues and transfers				-
Total revenue	<u>153,784</u>	<u>167,879</u>	<u>262,046</u>	<u>94,167</u>
EXPENDITURES				
Instructional				-
School administration				-
Operation of plant	153,784	153,784	71,440	82,344
Maintenance of plant			53,872	(53,872)
Total Expenditures	<u>153,784</u>	<u>153,784</u>	<u>125,312</u>	<u>28,472</u>
Excess of revenues over (under) expenditures	-	14,095	136,734	122,639
Fund balances, beginning of year			122,184	
Fund balances, end of year	<u>\$ -</u>	<u>\$ 14,095</u>	<u>\$ 258,918</u>	<u>\$ 122,639</u>

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, 2022 and have issued my report thereon dated September 29, 2022. 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 29, 2022

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, 2022 and have issued the report thereon dated September 29, 2022.

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 29, 2022, 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. In connection with my audit, the School did not have any prior year findings that required corrective action.

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, 2022, 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 29, 2022

MANAGEMENT FINDINGS, RECOMMENDATIONS AND RESPONSES

For the year ended June 30, 2022, there are no management findings, recommendations or responses.