

**Financial Statements and
Independent Auditors' Report**

Global Outreach Charter Academy, Inc.

June 30, 2019

Financial Statements and Independent Auditors' Report

Global Outreach Charter Academy, Inc.

June 30, 2019

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**Financial Statements and
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June 30, 2019

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COLEMAN & ASSOCIATES
Certified Public Accounting Firm

Independent Auditors' Report

To the Board of Directors
Global Outreach Charter Academy, Inc.
Jacksonville, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Global Outreach Charter Academy, Inc., (the School), which is a component unit of the Duval County Public Schools, Florida, as of and for the year ended June 30, 2019 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the 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 and fair presentation 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 the effectiveness of the entity's internal control. Accordingly, we 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Global Outreach Charter Academy, Inc., as of June 30, 2019, and the respective changes in financial position, thereof for the year then ended, in conformity 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 the budgetary comparison information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School's basic financial statements. The Schedule of Expenditures of Federal Awards and notes thereto are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and notes thereto are the responsibility of management and were derived from and relates 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 our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2019, on our consideration of Global Outreach Charter Academy, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Global Outreach Charter Academy, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Coleman & Associates CPA firm

September 20, 2019

Management's Discussion and Analysis (Unaudited)

Global Outreach Charter Academy, Inc.
Management’s Discussion and Analysis (Unaudited)
June 30, 2019

The Global Outreach Charter Academy, Inc. (the “School”) discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the School’s financial activity, (c) identify changes in the School’s financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management’s Discussion and Analysis (MD&A) is designed to focus on the current year’s activities, resulting changes and currently known facts, please read it in conjunction with the School’s financial statements which follows this discussion.

Financial Highlights

- The assets of the School exceeded its liabilities at June 30, 2019 by \$1,810,838. The School’s enrollment has been at full capacity at 820 students.
- The School’s total net position increased by \$347,802. This increase can be attributed to an increase in capital grants received, overall District funding increases and a reduction in expenditures compared to the prior fiscal year.
- Expenses decreased by \$137 thousand (19%) compared to the prior fiscal year. The School spent less on instructional and administration expenses than in the prior fiscal year.
- Net federal and state grant funding for the School increased by approximately \$173,000 (11%) compared to the prior fiscal year. The School received additional capital outlay funding to help pay for facility expenses. The Duval County Public Schools and the federal government provided 21st Century grant funds to the School in the amount of \$238,389 to help improve student scores and overall educational achievements.
- As of June 30, 2019, the School’s governmental funds, which include the general fund and the special revenue fund, reported positive ending fund balances of \$1,424,732 an increase of \$402,693. The increase can be attributed to the information noted above. The School’s enrollment was maintained at full capacity.

USING THIS ANNUAL REPORT

The financial statement’s focus is on both the School as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the School’s accountability. This discussion and analysis is intended to serve as an introduction to the Global Outreach Charter Academy, Inc. basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the School’s finances, in a manner similar to a private-sector business. The focus is on “activities”, rather than “fund types”.

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. The focus of the statement of net position (the “unrestricted net position”) is designed to be similar to bottom line results for the School and its governmental activities. This statement combines and consolidates governmental fund current resources (short-term spendable resources) with capital assets and long-term obligations. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

Global Outreach Charter Academy, Inc.
Management's Discussion and Analysis (Unaudited)
June 30, 2019

Government-wide financial statements (concluded)

The statement of activities presents information showing how the School's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various governmental activities that are supported by the School's operating and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services.

The government-wide financial statements distinguish functions of the School that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the School include instruction, general support, administration, pupil transportation, operation and maintenance of plant and community services.

The government-wide financial statements, which can be found following this discussion, include only the Global Outreach Charter Academy, Inc., which is known as the primary government. The School has no component units.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School can be included as governmental funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

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 spending resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School'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 School'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 government-wide activities.

The School maintains two individual governmental funds, which are named the General Fund and the Special Revenue Fund. They are both considered major funds.

The School adopts an annual appropriated budget for both funds. Budgetary comparison statements have been provided for both funds to demonstrate compliance with the budget. The School's budget was amended during the year for unexpected revenues and expenditures received and spent during the fiscal year.

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. They can be found following this discussion.

Global Outreach Charter Academy, Inc.
Management's Discussion and Analysis (Unaudited)
June 30, 2019

Government-wide financial statements - Analysis

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the current year, the School's assets exceeded their liabilities by \$1,810,838.

The following table reflects the condensed Statement of Net Position for the current year. For more detailed information see the Statement of Net Position.

	Governmental Activities	
	2019	2018
Assets:		
Current and other assets	\$ 1,493,973	\$ 1,086,512
Capital assets	321,201	379,242
Total assets	\$ 1,815,174	\$ 1,465,754
Liabilities:		
Other liabilities	\$ 4,336	\$ 1,998
Total liabilities	4,336	1,998
Net position:		
Net investment in capital assets, net of related debt	321,201	379,242
Restricted	--	--
Unrestricted	1,489,637	1,084,514
Total net position	1,810,838	1,463,756
Total liabilities and net position	\$ 1,815,174	\$ 1,465,754

Statement of Net Position

The School has \$321,201 invested in capital assets (e.g. land, buildings, improvements, vehicles and equipment) less any related debt used to acquire those assets that is still outstanding. The School uses these assets to provide services to its students and this portion of net position is not available for future spending.

The School had a net profit as of the end of the fiscal year. The profit can be attributed to an increase in federal, state and local funding received by the School. The School received more in capital outlay grant funds compared to the prior year.

The School is in its tenth year of operation received another year of Title I federal funds which are designated to help schools with a high percentage of disadvantaged children. The School received another year of Title II federal funds which are designed for teacher and Principal training. The Duval County Public Schools and the federal government provided 21st Century grant funds to the School in the amount of \$238,389 to help improve student scores and overall educational achievements.

The School also received revenues totaling \$516,162 for their participation in the National School Lunch and Breakfast Programs based on community eligibility provisions. The School provides breakfast, lunch and an after-school snack to all students. The meals are provided free for all families.

Global Outreach Charter Academy, Inc.
Management's Discussion and Analysis (Unaudited)
June 30, 2019

Government-wide financial statements – Analysis (continued)

Statement of activities

The following table reflects the condensed Statement of Activities for the current year. For more detailed information see the Statement of Activities.

	Governmental Activities	
	2019	2018
Revenues:		
Program revenues:		
Operating grants and contributions	\$ 1,202,207	\$ 1,145,426
Capital grants and contributions	513,742	398,004
General revenues:		
Florida Education Finance Program	5,604,239	5,586,940
Charges for Services	86,329	80,874
Other revenues	148,804	95,025
Total revenues	7,555,321	7,306,269
Program Expenses:		
Instruction	3,416,056	3,913,504
Student Personnel Services	161,246	9,168
Instructional Media Services	28,824	116,995
Instruction and Curriculum Development	17,278	--
Instructional Staff Training	263,713	65,589
Instructional - Related Technology	120,975	--
General Support - Board of Directors	51,637	1,573
General Support - School Administration	918,997	1,093,318
General Support - Fiscal Services	163,370	210,224
General Support - Food Services	543,224	512,053
General Support - Central Services	102,518	29,175
Pupil Transportation Services	44,934	27,020
Facilities Acquisition and Construction	513,742	398,004
Operation of Plant	724,882	764,896
Maintenance of Plant	70,302	72,637
Community Services	66,541	131,709
Total expenses	7,208,239	7,345,865
Change in net position	347,082	(39,596)
Net position - beginning	1,463,756	1,503,352
Net position - ending	\$ 1,810,838	\$ 1,463,756

Governmental activities increased the School's net position by \$347,082. The School spent additional funds on staff training and facilities, but less monies on instruction and administration.

The School spent approximately \$24,000 in the purchase of capital assets such as equipment and computers.

**Global Outreach Charter Academy, Inc.
Management’s Discussion and Analysis (Unaudited)
June 30, 2019**

Financial Analysis of the fund financial statements and notes

As noted earlier, the School uses fund accounting to ensure and demonstrate compliance with 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 addition, fund balances may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of June 30, 2019, the School’s governmental funds, which include the General Fund and the Special Revenue Fund, reported a positive ending fund balance of \$1,424,732. The increase in fund balances can be attributed to increased federal, state and District funding compared to the prior year.

As a measure of the General Fund’s liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. The unreserved fund balance represents 26.2 percent of total General Fund expenditures. The General Fund’s fund balance increased by \$402,693 in the current fiscal year. The increase was a result of actions described above.

The School adopted budgets for the general fund and the special revenue fund. The budget was amended for unexpected revenues, including grant revenues received during the fiscal year.

Capital assets

The School’s investment in capital assets for its governmental activities as of June 30, 2019 amounts to \$321,201 (net of accumulated depreciation). This investment in capital assets include leasehold improvements, desks, tables, chairs, and computer equipment. Additional information can be found in the Notes to the Financial Statement. The following summary shows the capital assets of the School.

Capital Assets (Net of depreciation)		Governmental Totals	
	2019	2018	
Leasehold improvements	\$ 200,913	\$ 227,565	
Vehicles	3,354	4,792	
Machinery and equipment	23,188	12,615	
Computer equipment	83,445	118,785	
Furniture and fixtures	10,301	15,485	
Total	\$ 321,201	\$ 379,242	

Requests for information

This financial report is designed to provide a general overview of the Global Outreach Charter Academy, Inc.’s finances for all those with an interest in the School’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Executive Officer, 9570 Regency Square Blvd, Jacksonville, FL 32225.

Government-Wide Financial Statements

Statement of Net Position
June 30, 2019
Global Outreach Charter Academy, Inc.

	Governmental Activities
Assets	
Cash and equivalents	\$ 1,286,496
Due from other governments	142,572
Security deposits	64,905
Capital assets, (net of accumulated depreciation)	
Leasehold improvements	200,913
Vehicles	3,354
Machinery and equipment	23,188
Computer equipment	83,445
Furniture and fixtures	10,301
Total assets	\$ 1,815,174
 Liabilities and net position	
Liabilities	
Accounts payable	\$ 1,286
Accrued expenses	3,050
Total liabilities	4,336
 Net position	
Net investment in capital assets	321,201
Unrestricted	1,489,637
Total net position	1,810,838
Total liabilities and net position	\$ 1,815,174

The accompanying Notes to the Financial Statements
are an integral part of this financial statement.

Statement of Activities
For the Year Ended June 30, 2019
Global Outreach Charter Academy, Inc.

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Changes in Net Assets</u>
		<u>services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Governmental</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Activities</u>
Primary Government					
Governmental activities:					
Instruction	\$ 3,416,056	\$ --	\$ 486,228	\$ --	\$ (2,929,828)
Student Personnel Services	161,246	--	14,344	--	(146,902)
Instructional Media Services	28,824	--	--	--	(28,824)
Instruction and Curriculum Development	17,278	--	--	--	(17,278)
Instructional Staff Training	263,713	--	151,563	--	(112,150)
Instructional - Related Technology	120,975	--	--	--	(120,975)
General Support - Board of Directors	51,637	--	--	--	(51,637)
General Support - School Administration	918,997	--	27,122	--	(891,875)
General Support - Fiscal Services	163,370	--	--	--	(163,370)
General Support - Food Services	543,224	15,027	516,162	--	(12,035)
General Support - Central Services	102,518	--	--	--	(102,518)
Pupil Transportation Services	44,934	--	6,788	--	(38,146)
Facilities Acquisition and Construction	513,742	--	--	513,742	--
Operation of Plant	724,882	--	--	--	(724,882)
Maintenance of Plant	70,302	--	--	--	(70,302)
Community Services	66,541	71,302	--	--	4,761
Total governmental activities	<u>\$ 7,208,239</u>	<u>\$ 86,329</u>	<u>\$ 1,202,207</u>	<u>\$ 513,742</u>	<u>(5,405,961)</u>
General revenues:					
Florida Education Finance Program (Through the Duval County Public Schools)					5,604,239
Other revenues					<u>148,804</u>
Total general revenues, special items and transfers					<u>5,753,043</u>
Change in net position					347,082
Net position - beginning					<u>1,463,756</u>
Net position - ending					<u>\$ 1,810,838</u>

The accompanying Notes to the Financial Statements
are an integral part of this financial statement.

Fund Financial Statements

**Balance Sheet – Governmental Funds
June 30, 2019
Global Outreach Charter Academy, Inc.**

	<u>Major Funds</u>		<u>Total Fund</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
Assets			
Cash and equivalents	\$ 1,286,496	\$ --	\$ 1,286,496
Due from other governments	<u>142,572</u>	<u>--</u>	<u>142,572</u>
Total assets	<u><u>\$ 1,429,068</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 1,429,068</u></u>
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ 1,286	\$ --	\$ 1,286
Accrued expenses	<u>3,050</u>	<u>--</u>	<u>3,050</u>
Total liabilities	<u>4,336</u>	<u>--</u>	<u>4,336</u>
Fund balances:			
Unassigned	1,424,732	--	1,424,732
Restricted	<u>--</u>	<u>--</u>	<u>--</u>
Total fund balances	<u>1,424,732</u>	<u>--</u>	<u>1,424,732</u>
Total liabilities and fund balances	<u><u>\$ 1,429,068</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 1,429,068</u></u>

The accompanying Notes to the Financial Statements
are an integral part of this financial statement.

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2019
Global Outreach Charter Academy, Inc.**

Net change in fund balances - governmental funds \$ 402,693

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

The landlord increased the School's security deposit due to utilizing additional space. The School paid an additional \$2,430 in security deposits. 2,430

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation (\$82,264) exceeded capital purchases (\$24,223) in the current period was \$58,041. (58,041)

Change in net position of governmental activities \$ 347,082

The accompanying Notes to the Financial Statements
are an integral part of this financial statement.

**Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2019
Global Outreach Charter Academy, Inc.**

	Major Funds		Total
	General Fund	Special Revenue Fund	
Revenues:			
Florida Education Finance Program	\$ 5,604,239	\$ --	\$ 5,604,239
Federal School-wide Entitlement Funds	--	389,744	389,744
Federal Title II Training	--	32,441	32,441
Federal Title IV Funding	--	19,076	19,076
EDGES - 21st Century Grant	--	238,389	238,389
National School Lunch and Breakfast Programs	--	516,162	516,162
Charter School Grants - Capital Outlay	--	496,287	496,287
Florida Safety and Security Grant	--	17,455	17,455
Miscellaneous grants	--	8,020	8,020
Charges for services	71,302	15,026	86,328
Investment Earnings	7,333	--	7,333
Miscellaneous Income	141,471	--	141,471
Total revenues	<u>5,824,345</u>	<u>1,732,600</u>	<u>7,556,945</u>
Expenditures:			
Current:			
Instruction	2,902,706	486,228	3,388,934
Student Personnel Services	146,902	14,344	161,246
Instructional Media Services	24,786	--	24,786
Instruction and Curriculum Development	17,278	--	17,278
Instructional Staff Training	112,150	151,563	263,713
Instructional - Related Technology	120,975	--	120,975
General Support - Board of Directors	51,637	--	51,637
General Support - School Administration	896,330	27,122	923,452
General Support - Fiscal Services	163,370	--	163,370
General Support - Food Services	23,090	516,162	539,252
General Support - Central Services	102,518	1,625	104,143
Pupil Transportation Services	38,146	6,788	44,934
Facilities Acquisition and Construction	--	513,742	513,742
Operation of Plant	699,947	--	699,947
Maintenance of Plant	70,302	--	70,302
Community Services	66,541	--	66,541
Total expenditures	<u>5,436,678</u>	<u>1,717,574</u>	<u>7,154,252</u>
Excess of revenues over (under) expenditures	387,667	15,026	402,693
Other financing sources (uses)			
Transfers in (out)	15,026	(15,026)	--
Net change in fund balances	402,693	--	402,693
Fund balances - beginning	<u>1,022,039</u>	<u>--</u>	<u>1,022,039</u>
Fund balances - ending	<u>\$ 1,424,732</u>	<u>\$ --</u>	<u>\$ 1,424,732</u>

The accompanying Notes to the Financial Statements
are an integral part of this financial statement.

**Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Fiscal Year Ended June 30, 2019**

Total fund balances - governmental funds	\$ 1,424,732
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the governmental funds.	321,201
The School records expenditures in the period of payment and are not allocated between or among accounting periods. The net amount in security deposits as of June 30, 2019 was \$64,905, which would be shown as assets in the financial statements.	<u>64,905</u>
Total net position of governmental activities	<u><u>\$ 1,810,838</u></u>

The accompanying Notes to the Financial Statements
are an integral part of this financial statement.

Notes to Financial Statements
As of and for the Fiscal Year Ended June 30, 2019
Global Outreach Charter Academy, Inc.

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Global Outreach Charter Academy, Inc. (the School) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies of the School.

A. Reporting entity

Global Outreach Charter Academy, Inc. was formed in November 2008 to operate a charter school in Duval County, Florida. The School was granted a charter in 2009 and opened in August 2009. The general operating authority of the School is contained in Section 1002.33, Florida Statutes. The School operates under a charter of the sponsoring school district, the Duval County Public Schools (the District). The original charter school contract was effective July 1, 2009 and was renewed twice by the District through June 30, 2024. The District will make an evaluation in accordance with Florida Statutes. As a result of that evaluation, the District may or may not renew the contract. During the term of this contract, the District may terminate the contract for cause. In the event of termination of this contract, property purchased by the School with public funds reverts back to the District. The School is considered a component unit of the District.

Generally accepted accounting principles require that this financial statement present the School (the primary government) and any component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting both of the following criteria: the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its School) and the primary government is able to impose its will upon the potential component unit, or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government.

The School does not have any entities that would be considered component units of the School.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the School. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are separate from *business-type activities*, which rely to a significant extent on fees and charges for support. The School does not engage in any business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to individuals who directly benefit from goods, services or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 *Basic Financial Statements and Management Discussion and Analysis for State and local Governments* sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental funds) for the determination of major funds. There were no non-major funds.

Notes to Financial Statements
As of and for the Fiscal Year Ended June 30, 2019
Global Outreach Charter Academy, Inc.
(Continued)

Note 1 - Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting and financial statement presentation

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 related cash flows. Revenues and operating funds received from the District are recognized as FTE's are determined for the year. Grants and similar items are recognized as revenue 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 are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Florida Education Finance Program revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available within 60 days of the end of the current fiscal period.

The School reports the following major governmental funds:

The General Fund is the School's primary operating fund, and is used to account for all financial resources except those required to be accounted for in another fund. All general revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The majority of current operating expenditures of the School are financed through revenues received through the Florida Education Finance Program as administered by the District.

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are restricted or committed for specified purposes. Currently, the funds restricted by the School are federal grant funds received in fiscal year 2018-2019, such as Title I School wide Entitlement and School Program Improvement Plan funds, Title II Training funds, Title IV funds, 21st Century grant funds, National School Lunch and Breakfast Program funds. The School also received restricted state capital outlay funds in fiscal year 2018-2019.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then unrestricted as they are needed.

Notes to Financial Statements
As of and for the Fiscal Year Ended June 30, 2019
Global Outreach Charter Academy, Inc.
(Continued)

Note 1 - Summary of Significant Accounting Policies (continued)

D. Assets, liabilities and fund position

1. Deposits and investments

The School's deposits are kept in FDIC insured financial institutions. FDIC financial institutions provide up to \$250,000 in deposit insurance coverage for corporate accounts at all of its institutions. The School's total bank balances on deposit were \$1,347,838, at June 30, 2019. The bank balances exceeded FDIC insurance by approximately \$1,097,838.

2. Capital assets

Capital assets, which include property and equipment, are reported in the applicable governmental columns in the governmental-wide finance statement. Capital assets are defined by the School, as items with an individual cost of \$1,000 or more and an estimated useful life of more than one year. All purchased assets are recorded at historical cost. Donated assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extended asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives. Furniture, fixtures, and equipment are depreciated over 3-10 years. Leasehold improvements are being depreciated over 15 years.

3. Restricted assets

Certain assets of the governmental activities, representing cash and investments, might be classified as restricted on the statement of net position if they are limited as to use by Federal, State or local law. As of June 30, 2019, unspent restricted funds were \$0.

4. Fund balances

The School has adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Are amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – Are amounts that can be used only for specific purposes determined by a formal action by the School's Board of Directors.

Assigned – Are amounts that are designated by the Board of Directors for a specific purpose but are not spendable until a budget amendment is passed by Board of Directors.

Unassigned - All amounts not included in other spendable classifications. The fund balance as of June 30, 2019 for the General Fund is considered unassigned.

Notes to Financial Statements
As of and for the Fiscal Year Ended June 30, 2019
Global Outreach Charter Academy, Inc.
(Continued)

Note 1 - Summary of Significant Accounting Policies (concluded)

5. Compensated Absence Liabilities

The School allows a limited amount of paid time off to be carried over from one fiscal year to the next. As of June 30, 2019, the School did not record any accrued compensated absences.

6. Credit Line

The School received a credit line of \$100,000 from a local financial institution. The balance on the credit line as of June 30, 2019 was \$0.

E. Revenue sources

Revenues for current operations are received primarily from the State of Florida which is passed through the District pursuant to funding provisions included in Florida Statutes and the charter agreement with the District. In accordance with the funding provisions of the charter agreement and Section 1002.33(17), Florida Statutes, funding is based on the number of FTE students and related data. Funding for the School is adjusted during the year to reflect revised calculations and actual weighted FTE students reported by the School during designated FTE student survey periods.

The Organization received federal awards passed through the State of Florida Department of Agriculture and Consumer Services and the District to fund various capital outlay costs incurred by the School and to provide instruction to low income students under the federal Title I program. The School also receives federal and state funds to provide reduced price and free meals to eligible students. These federal awards have requirements whereby the earning of grant funds are dependent upon the qualifying expenditures being incurred and that certain eligibility requirements are met.

F. Pension plans

The School adopted a 403(b) Non-Erisa pension plan for employees. The plan is currently funded by employee contributions only. Currently there are no participants in this plan.

The School adopted a 401(K) pension plan for employees in November 2018. The plan is funded by employee contributions with an annual match of .25 cents per dollar contributed up to a 3% match. The company contribution is capped at \$500 per employee. In fiscal year 2018-2019, the School matching contribution was \$4,388.

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position.

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

Notes to Financial Statements
As of and for the Fiscal Year Ended June 30, 2019
Global Outreach Charter Academy, Inc.
(Continued)

Note 3 - Detailed Notes on all Funds

A. Facility lease

The School leased its facilities from an independent commercial property management company. The School agreed to lease approximately 48,000 square feet of space through June 30, 2019. In addition, the School leases space for use of athletic fields. Total rent and security deposits paid by the School during the fiscal year were \$798,308.

B. Capital assets

Capital assets activity for the year ended June 30, 2019 was as follows:

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Leasehold improvements	\$ 316,420	\$ --	\$ --	\$ 316,420
Vehicles	10,061	--	--	10,061
Furniture and fixtures	61,612	--	--	61,612
Machinery and equipment	56,258	18,000	1,659	72,599
Computer equipment	<u>234,131</u>	<u>6,223</u>	<u>--</u>	<u>240,354</u>
 Total capital assets, being depreciated	 678,482	 24,223	 1,659	 701,046
Less accumulated depreciation for:				
Leasehold improvements	88,855	26,652	--	115,507
Vehicles	5,269	1,438	--	6,707
Furniture and fixtures	46,127	5,184	--	51,311
Machinery and equipment	43,643	7,427	1,659	49,411
Computer equipment	<u>115,346</u>	<u>41,563</u>	<u>--</u>	<u>156,909</u>
 Total accumulated depreciation	 <u>299,240</u>	 <u>82,264</u>	 <u>1,659</u>	 <u>379,845</u>
 Governmental activities capital assets, net	 <u>\$ 379,242</u>	 <u>\$ (58,041)</u>	 <u>\$ --</u>	 <u>\$ 321,201</u>

Depreciation expense was charged to functions of the School as follows:

Governmental activities:

Instruction	\$ 46,271
Instructional Media Services	4,038
General Support - Administration	619
General Support - Food Services	3,972
Facilities	<u>27,364</u>

Total depreciation expense - governmental activities \$ 82,264

Notes to Financial Statements
As of and for the Fiscal Year Ended June 30, 2019
Global Outreach Charter Academy, Inc.
(Concluded)

Note 3 - Detailed Notes on all Funds (concluded)

C. Operating lease – Minimum lease payments

The School has agreed to lease property annually through the fiscal year June 30, 2020 for two different locations. The Regency Square location is being lease for the upcoming school year. The Lonestar Road location is leased for the next three fiscal years. In July 2019, the School paid \$212,000 to the landlord of the Lonestar Road location to renovate and improve that property. The following is a schedule of minimum lease payments the School is obligated to pay:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Annual</u> <u>Amount</u>
2020	\$ 1,262,753
2021	190,000
2022	232,000

Note 4 – Income Taxes

The School received exempt status, effective November 10, 2008 from the Internal Revenue Service as a 501(c)(3) organizations. Contributions made to the School are deductible under Section 170 of the Internal Revenue Code. Annually, the School is required to file form 990, *Return of Organization Exempt from Income Tax*. In addition, the School is registered with the State of Florida as a Charitable Organization with the Florida Department of Agriculture and Consumer Services. The IRS can audit the three most previous tax periods. The years subject to audit are the fiscal years ending June 30, 2017, 2018 and 2019.

Note 5 - Risk Management

The School purchased insurance to limit the exposure of the following risks of loss: theft of, damage to and destruction of assets; natural disasters and injuries to employees. Commercial insurance has also been purchased by the School to cover the risks of loss due to employee errors or omissions and health insurance. Settled claims resulting from these risks have not exceeded insurance coverage in the first year of operation.

Note 6 – Subsequent Event

Generally accepted accounting principles require the disclosure of significant events or transactions that occur after the balance sheet date but before the financial statements are issued. Management has evaluated subsequent events through September 20, 2019 and found the following significant events or transactions that should be disclosed. There were no subsequent events that needed to be recorded. The evaluation date is considered to be the date the financial statements are available to be issued.

The School received approval to open an additional charter school for high school students. This new School will open in August 2020. Global Outreach Charter Academy, Inc. is working on purchasing and refurbishing property for its School and the new high school. In September 2019, the School entered into a purchase and sale agreement to buy land and buildings that will house both schools. The purchase price of the property is \$18.4 million. The School expects 100% financing of this purchase.

In September 2019, the Board also closed on a cash collateral loan totaling \$2.25 million. This loan money is expected to be used for working capital. The loan interest rate is 5.5% and the School is required to make semi-annual interest payments until August 1, 2022 when principal payments will be required. The loan amortization will be for twenty-five years, starting August 1, 2022.

Required Supplemental Information

**Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2019
Global Outreach Charter Academy, Inc.**

	General Fund			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual (Budgetary Basis)	
	Original	Final		
Revenues:				
Florida Education Finance Program	\$ 5,573,460	\$ 5,573,460	\$ 5,604,239	\$ 30,779
Charges for services	--	--	71,302	71,302
Investment Earnings	--	--	7,333	7,333
Miscellaneous Income	150,000	150,000	141,471	(8,529)
Total revenues	<u>5,723,460</u>	<u>5,723,460</u>	<u>5,824,345</u>	<u>100,885</u>
Expenditures:				
Current:				
Instruction	3,005,038	3,083,088	2,902,706	180,382
Student Personnel Services	156,525	157,000	146,902	10,098
Instructional Media Services	157,433	158,000	24,786	133,214
Instruction and Curriculum Development	30,000	30,000	17,278	12,722
Instruction Staff Training	79,000	79,000	112,150	(33,150)
Instructional - Related Technology	--	21,958	120,975	(99,017)
General Support - Board of Directors	63,000	63,000	51,637	11,363
General Support - School Administration	923,977	923,977	896,330	27,647
General Support - Fiscal Services	188,050	188,050	163,370	24,680
General Support - Food Services	45,275	45,275	23,090	22,185
General Support - Central Services	86,250	86,250	102,518	(16,268)
Pupil Transportation Services	25,000	25,000	38,146	(13,146)
Operation of Plant	693,575	577,575	699,947	(122,372)
Maintenance of Facility	197,063	197,063	70,302	126,761
Community Services	71,495	71,495	66,541	4,954
Total expenditures	<u>5,721,681</u>	<u>5,706,731</u>	<u>5,436,678</u>	<u>270,053</u>
Excess of revenues over (under) expenditures	1,779	16,729	387,667	370,938
Other financing sources (uses)				
Transfers in (out)	--	--	15,026	15,026
Net change in fund balances	1,779	16,729	402,693	385,964
Fund balances - beginning	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,022,039</u>	<u>22,039</u>
Fund balances - ending	<u>\$ 1,001,779</u>	<u>\$ 1,016,729</u>	<u>\$ 1,424,732</u>	<u>\$ 408,003</u>

**Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2019
Global Outreach Charter Academy, Inc.**

	<u>Special Revenue Fund</u>			Variance with Final Budget - Positive (Negative)
	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	
	<u>Original</u>	<u>Final</u>		
Revenues:				
Florida Education Finance Program	\$ --	\$ --	\$ --	\$ --
Federal School-wide Entitlement Funds	470,000	390,000	389,744	(256)
Federal Title II Training	37,000	35,000	32,441	(2,559)
Federal Title IV Funding	--	--	19,076	19,076
EDGES - 21st Century Grant	270,000	240,000	238,389	(1,611)
National School Lunch and Breakfast Programs	470,000	500,000	516,162	16,162
Charter School Grants - Capital Outlay	400,000	516,000	496,287	(19,713)
Charges for services	--	15,000	15,026	26
Miscellaneous Grants	--	27,000	25,475	(1,525)
Total revenues	<u>1,647,000</u>	<u>1,723,000</u>	<u>1,732,600</u>	<u>9,600</u>
Expenditures:				
Current:				
Instruction	690,000	628,000	486,228	141,772
Student Personnel Services	37,000	44,000	14,344	29,656
Instructional Staff Training	30,000	--	151,563	(151,563)
General Support - School Administration	--	--	27,122	(27,122)
General Support - Food Services	470,000	515,000	516,162	(1,162)
General Support - Central Services	--	--	1,625	(1,625)
Pupil Transportation Services	20,000	20,000	6,788	13,212
Facilities Acquisition and Construction	400,000	516,000	513,742	2,258
Total expenditures	<u>1,647,000</u>	<u>1,723,000</u>	<u>1,717,574</u>	<u>5,426</u>
Excess of revenues over (under) expenditures	--	--	15,026	15,026
Other financing sources (uses)				
Transfers in (out)	--	--	(15,026)	(15,026)
Net change in fund balances	--	--	--	--
Fund balances - beginning	--	--	--	--
Fund balances - ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**Notes to the Budget Comparisons
Required Supplementary Information
Global Outreach Charter Academy, Inc.**

Stewardship, compliance and accountability - budgets and budgetary accounting

Annual budgets are legally adopted for all funds. Each budget is prepared on a basis which does not differ materially from generally accepted accounting principles. Budget amounts reflected in the accompanying financial statements represent original and budgetary data. The final budgetary data includes the effects of budget amendments. The legal level of budgetary control is the fund level.

The Administration of the School prepares an estimate of revenues and School expenditures for the upcoming fiscal year. Revenues are budgeted based on an estimate of student enrollment and approved grant funding. Expenditures are budgeted based on staff levels needed to teach students and costs of administration and facilities. The overall budget is then presented to and approved by the Board of Directors.

Supplemental Information

**Schedule of Expenditures of Federal Awards
As of and for the Fiscal Year Ended June 30, 2019
Global Outreach Charter Academy, Inc.**

Federal and / or State Agency	Federal CFDA Number	Project or Contract Number	Award Amount	Expenditures	Cumulative Project Expenditures
<u>U.S. Department of Education</u>					
<i>Passed through the Florida Department of Education and the Duval County Public Schools:</i>					
Title 1 Grants to Local Education Agencies:					
Part A School-wide Entitlement	84.010A	48822	386,601	386,601	386,601
Part A Program Improvement Plan	84.010A	48820	3,144	3,144	3,144
Total for CFDA #84.010			389,745	389,745	389,745
Title II Grants					
Part A Teacher and Principal Training	84.376A	48823	32,441	32,441	32,441
Title IV Grants					
Title IV, Part A	84.424A	48894	19,076	19,076	19,076
21st Century Grants					
Community Learning Centers	84.287	48830	461,749	27,035	27,035
Community Learning Centers	84.287	48842	461,749	211,354	211,354
Total for CFDA #84.287			461,749	238,389	238,389
<u>U.S. Department of Agriculture</u>					
<i>Passed through the State of Florida, Department of Agriculture and Consumer Services:</i>					
<i>Child Nutrition Cluster:</i>					
National School Lunch Program	10.555	01-0543	N/A	434,491	434,491
School Breakfast Program	10.553	01-0543	N/A	81,671	81,671
Total Child Nutrition Cluster				516,162	516,162
Total Expenditures of Federal Awards				\$ 1,195,813	\$ 1,195,813

**Notes to Schedule of Expenditures of Federal Awards
As of and for the Fiscal Year Ended June 30, 2019
Global Outreach Charter Academy, Inc.**

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the grant activity of the Global Outreach Charter Academy, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with federal grant requirements. In most cases, the School records expenditures as payments are made to vendors, suppliers and employees. Therefore, some amounts presented in this schedule may differ from amounts reported on cash outlay reports submitted to grantors. The caption of “expenditures” and “cumulative project expenditures” includes revenues earned by the School and not necessarily cash outlays. They did not elect to use the DE Minimis indirect cost rate of 10%.

**Additional Elements Required by the
Rules of the Auditor General,
Government Auditing Standards, and
OMB Uniform Guidance**



COLEMAN & ASSOCIATES
Certified Public Accounting Firm

Independent Auditors' Management Letter

To the Board of Directors
Global Outreach Charter Academy, Inc.
Jacksonville, Florida

Report on the Financial Statements

We have audited the financial statements of the Global Outreach Charter Academy, Inc., as of and for the fiscal year ended June 30, 2019, and have issued our report, thereon, dated September 20, 2019.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Chapter 10.850, Rules of the Auditor General .

Other Reports and Schedules

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters, Based on and Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance required by the Uniform Guidance, and Schedule of Findings and Questioned Costs. Disclosures in those reports and schedule, which are dated September 20, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., Rules of the Auditor General requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

Financial Condition

Section 10.854 (1)(e)2. and 10.855(11), Rules of the Auditor General requires us to apply appropriate procedures and communicate whether or not Global Outreach Charter Academy has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that Global Outreach Charter 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, we applied financial condition assessment procedures for Global Outreach Charter Academy. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment was performed as of the fiscal year end.

Transparency

Sections 10.854 (1)(e) 7 and 10.855(13), Rules of the Auditor General, require that we apply appropriate procedures and communicate the results of our determination as to whether Global Outreach Charter Academy, Inc. maintains on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that Global Outreach Charter Academy maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Other Matters

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

Sections 10.854 (1)(e)4., Rules of the Auditor General requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse that have occurred or 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 our audit, we did not have any such findings.

Official Title

Section 10.854 (1)(e) 5., Rules of the Auditor General, requires the name or official title of the entity. The official title of the entity is Global Outreach Charter Academy, Inc and the school code assigned to them is 1221.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, management and Board of Directors of Global Outreach Charter Academy, Duval County Public Schools, and Florida Department of Education and federal and other granting agencies and it is not intended to be and should not be used by anyone other than these specified parties

We wish to take this opportunity to thank the Board of Directors and management for the cooperation and courtesies extended to us during the course of our audit. We have sincerely enjoyed our association with the Global Outreach Charter Academy, and look forward to a continuing relationship. Please let us know if you have any questions or comments concerning our report or other matters.

Coleman & Associates Cpa firm

September 20, 2019



COLEMAN & ASSOCIATES
Certified Public Accounting Firm

**Independent Auditors' Report on Internal Control
Over Financial Reporting and on Compliance
And Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors
Global Outreach Charter Academy, Inc.
Jacksonville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Global Outreach Charter Academy, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Global Outreach Charter Academy's, basic financial statements and have issued our report thereon dated September 20, 2019.

Internal control over financial reporting

In planning and performing our audit, we considered Global Outreach Charter 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Global Outreach Charter Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of the Global Outreach Charter Academy'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 School'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.

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

Compliance and other matters

As part of obtaining reasonable assurance about whether Global Outreach Charter Academy's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Coleman & Associates CPA firm

September 20, 2019



Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Global Outreach Charter Academy, Inc.
Jacksonville, Florida

Report on Compliance for Each Major Federal Program

We have audited Global Outreach Charter Academy's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Global Outreach Charter Academy's major federal programs for the year ended June 30, 2019. Global Outreach Charter Academy's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Global Outreach Charter Academy's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Global Outreach Charter Academy's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Global Outreach Charter Academy's compliance.

Opinion on Each Major Federal Program

In our opinion, Global Outreach Charter Academy, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of Global Outreach Charter Academy is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Global Outreach Charter Academy's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Global Outreach Charter Academy's internal control over compliance.

Report on Internal Control over Compliance (concluded)

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Coleman & Associates CPA Firm

September 20, 2019

**Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019
Global Outreach Charter Academy, Inc.**

Section I - Summary of Auditor's Results

- 1) The auditor's report expresses an unmodified opinion on the financial statements of Global Outreach Charter Academy, Inc.
- 2) No material weaknesses or significant deficiencies are reported in the financial statements of Global Outreach Charter Academy, Inc.
- 3) No instances of noncompliance material to the financial statements of Global Outreach Charter Academy, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- 4) No material weaknesses or significant deficiencies are reported in internal control over the major federal award program.
- 5) The auditor's report on compliance for the major federal award program for Global Outreach Charter Academy, Inc. expresses an unmodified opinion on the major federal award programs.
- 6) There were no audit findings that are required to be reported in accordance with Section 200.510 of OMB Uniform Guidance.
- 7) The programs tested as major programs were: 21st Century Grants, CFDA #84.287 and Title IV grants, CFDA 84.287.
- 8) The threshold used for distinguishing between Type A and B programs was \$750,000.
- 9) Global Outreach Charter Academy, Inc. was determined to be a low-risk auditee.

Section II – Findings and Questioned Costs

Financial Statement Audit – No findings were reported.

Major Federal Award Programs Audit - No findings or questioned costs were reported.