

**Financial Statements and
Independent Auditors' Report**

**Global Outreach Charter Academy
Elementary and Middle School**

(A Charter School Under
Global Outreach Charter Academy, Inc.)

A Charter School and Component Unit of the
District School Board of Duval County, Florida

For the Fiscal Year Ended June 30, 2021

**Financial Statements and
Independent Auditors' Report
Global Outreach Charter Academy
Elementary and Middle School**

**(A Charter School Under
Global Outreach Charter Academy, Inc.)**

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**Financial Statements and
Independent Auditors' Report**

Global Outreach Charter Academy, Inc.

June 30, 2021

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COLEMAN & ASSOCIATES
Certified Public Accounting Firm

Independent Auditors' Report on Basic Financial Statements and Required Supplementary Information

To the Board of Directors of Global Outreach Charter Academy
Elementary and Middle School
(A Charter School under 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 Elementary and Middle School, (the School), and component unit of the Duval County Public Schools, of Duval County, Florida, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Global Outreach Charter Academy Elementary and Middle School, as of June 30, 2021, 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.

Emphasis of Matter

As described in Note 1, the accompanying financial statements referred to above present fairly on the financial position of Global Outreach Charter Academy Elementary and Middle School at June 30, 2021, and the respective changes in financial position for the year ended, and is not intended to be a complete presentation of Global Outreach Charter Academy, Inc. as of June 30, 2021, and its changes in financial position 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 and are 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 28, 2021, on our consideration of Global Outreach Charter Academy Elementary and Middle School 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 28, 2021

Management's Discussion and Analysis (Unaudited)

Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)

Management's Discussion and Analysis (Unaudited)
June 30, 2021

The Global Outreach Charter Academy Elementary and Middle School (the "School"), a charter school under Global Outreach Charter Academy, Inc. provides a management discussion and analysis 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, 2021 by \$2,084,779. The School's enrollment was 1,090 students for the fiscal year. In March 2020, the School operations were suspended for a time due to the Coronavirus pandemic. In October 2020, the School was closed due to Coronavirus cases. The full financial impact of the Coronavirus pandemic cannot be determined.
- The School's total net position increased by \$623,197. This increase can be attributed to an increase in federal grants as a result of the CARES Act and additional emergency funding from the State of Florida. The School received additional funding from Duval County as a result of an additional half-cent sales tax approved by voters.
- The School moved its facilities to new land and buildings in fiscal year 2020/2021. The School purchased \$11.65 million in land and buildings and incurred debt of \$12.40 million as a result. The School property is owned by GOCA Properties LLC, which is managing all of the property and debt for the entire Organization.
- Expenses increased by \$2.32 million (25%) compared to the prior fiscal year. The School spent additional funds on instruction, approximately \$1.4 million on bond issuance costs and interest on debt and administration. The School spent additional funds to attract more teachers with higher pay and benefits.
- Bonds totaling \$18.4 million were issued in December 2020 to finance the purchase of the land and buildings for the new School property. The portion of the debt attributable to the Elementary and Middle School was \$12.15 million. The remaining debt was incurred to purchase property for the High School and pay off outstanding debts.
- In June 2021, Global Outreach Charter Academy and its wholly owned subsidiary, GOCA Properties LLC issued bonds totaling \$23.72 million to transfer property to the LLC, which will manage all property of the parent organization and manage the outstanding debt. The School has agreed to rent the property from GOCA Properties LLC. The rents paid to GOCA Properties LLC will be used to pay the bond principal and interest. As of June 30, 2021, the portion of debt related to the School was \$12.40 million.
- The School received additional state and federal grants totaling \$1.60 million compared to the prior fiscal year. The additional funding was due to additional state half cent sales taxes passed by Duval County and additional Coronavirus relief funding. These monies were provided to help with capital outlay costs, operations and additional costs incurred due to the Coronavirus pandemic.
- As of June 30, 2021, the School's governmental funds reported positive ending fund balances of \$2,855,648 a decrease of \$1.83 million. The decrease can be attributed to the costs of acquisition of property and equipment and additional debt issuance costs and interest paid during the fiscal year. The School also paid off the loan to SunFlower Bank totaling \$2.25 million.

Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)

Management's Discussion and Analysis (Unaudited)
June 30, 2021

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 and enhance the School's accountability. This discussion and analysis is intended to serve as an introduction to the Global Outreach Charter Academy, Inc. (Elementary and Middle School) 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 the governmental fund's 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.

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. (Elementary and Middle School), 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.

Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)

Management’s Discussion and Analysis (Unaudited)
June 30, 2021

Governmental funds (concluded)

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 three individual governmental funds, which are named the General Fund, Special Revenue Fund and Debt Service Fund. These funds are considered major funds. The School adopts an annual appropriated budget for both funds. Budgetary comparison statements have been provided for these 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.

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 \$2,084,779.

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

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Assets:		
Current and other assets	\$ 2,870,801	\$ 4,697,643
Capital assets	<u>11,621,565</u>	<u>74,793</u>
Total assets	<u>\$ 14,492,366</u>	<u>\$ 4,772,436</u>
Liabilities:		
Other liabilities	<u>\$ 12,407,587</u>	<u>\$ 3,310,854</u>
Total liabilities	<u>12,407,587</u>	<u>3,310,854</u>
Net position:		
Net investment in capital assets, net of related debt	--	74,793
Unrestricted	<u>2,084,779</u>	<u>1,386,789</u>
Total net position	<u>2,084,779</u>	<u>1,461,582</u>
Total liabilities and net position	<u>\$ 14,492,366</u>	<u>\$ 4,772,436</u>

Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)

Management's Discussion and Analysis (Unaudited)
June 30, 2021

Statement of Net Position

The School has \$0 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 received more in capital outlay grant funds compared to the prior year. The School received Title I federal funds which are designated to help schools with a high percentage of disadvantaged children. The School received Title II federal funds which are designed for teacher and Principal training. The School received \$435 thousand in Emergency Relief Funds through the federal CARES Act to help pay for additional costs due to the Coronavirus pandemic.

The School also received revenues totaling \$550,094 for their participation in the National School Lunch and Breakfast Programs based on community eligibility provision. There was an increase \$110K in this grant due to School being open for most of the fiscal year, compared to the prior year. The School provides breakfast, lunch and an after-school snack to all students. The meals are provided free for all families.

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	
	2021	2020
Revenues:		
Program revenues:		
Operating grants and contributions	\$ 1,788,422	\$ 1,138,664
Capital grants and contributions	1,003,001	623,759
General revenues:		
Florida Education Finance Program	8,304,661	7,050,760
Charges for Services	90,085	98,368
Other revenues	1,127,330	77,875
Investment Earnings	4,354	36,059
Total revenues	12,317,853	9,025,485
Program Expenses:		
Instruction	4,946,669	4,300,785
Student Personnel Services	228,376	214,229
Instructional Media Services	34,093	34,076
Instructional Staff Training	249,781	258,674
Instructional - Related Technology	165,980	142,635
General Support - Board of Directors	93,750	81,266
General Support - General Administration	124,211	116,909
General Support - School Administration	1,211,652	1,076,411
General Support - Fiscal Services	196,400	174,392
General Support - Food Services	568,943	553,381
General Support - Central Services	787,589	90,904
Pupil Transportation Services	33,920	27,839
Facilities Acquisition and Construction	530,691	625,389
Operation of Plant	942,919	1,481,105
Maintenance of Plant	72,108	15,778
Community Services	111,592	82,240
Cost of Bond Issuance	289,232	--
Interest Expense	1,106,750	98,728
Total expenses	11,694,656	9,374,741
Change in net position	623,197	(349,256)
Net position - beginning	1,461,582	1,810,838
Net position - ending	\$ 2,084,779	\$ 1,461,582

Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)

Management's Discussion and Analysis (Unaudited)
June 30, 2021

Financial Analysis of the fund financial statements and notes

Governmental funds

The School uses fund accounting to ensure and demonstrate compliance with legal requirements. 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, 2021, the School's governmental funds, which include the General Fund, Debt Service Fund and the Special Revenue Fund, reported a positive ending fund balance of \$2,855,648, which was a decrease of \$1.83 million. The decrease can be attributed to the costs of acquisition of property and equipment and additional debt issuance costs, interest paid and principal paid off on the Sunflower loan during the fiscal 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 14 percent of total General Fund expenditures. The General Fund's unreserved fund balance decreased by \$1,825,561 in the current fiscal year. The decrease was due to additional monies spent for property and equipment and related costs of debt issuance and interest payments.

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

Long-term liabilities

The School did not allow full-time staff to carryover paid time off to future years. In previous years, the School did allow the carryover of paid time off. As of June 30, 2021, the compensated absence liability balance was \$0.

In June 2021, the School transferred ownership of the land and buildings to GOCA Properties, LLC. GOCA Properties, LLC is a wholly owned subsidiary of Global Outreach Charter Academy. GOCA Properties is managing all properties owned by Global Outreach Charter Academy, including its various schools. In order to facilitate this transfer of ownership, GOCA Properties, LLC issued \$23.72 million in bonds. The Elementary and Middle School has agreed to a thirty-five year lease agreement to help finance their portion of the bonds. The School is paying a minimum of \$12.4 million in debt over thirty-five years at an imputed interest rate of 5.14%. As of June 30, 2021, the balance owed by the School to GOCA Properties LLC is \$12,402,434.

Capital assets

The School's capital assets for its governmental activities as of June 30, 2021 amounts to \$11,621,565 (net of accumulated depreciation). Capital assets include land and buildings, 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.

Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)

Management's Discussion and Analysis (Unaudited)
June 30, 2021

Capital Assets (Net of depreciation)

	<u>Governmental Totals</u>	
	2021	2020
Land	\$ 1,881,000	\$ -
Building and improvements	9,646,159	
Vehicles	480	1,917
Machinery and equipment	48,171	16,847
Computer equipment	35,291	41,631
Furniture and fixtures	10,464	14,398
Total	\$ 11,621,565	\$ 74,793

Requests for information

This financial report is designed to provide a general overview of the Global Outreach Charter Academy Elementary and Middle School finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Executive Officer, 8985 Lone Star Rd., Jacksonville, FL 32221.

Government-Wide Financial Statements

Statement of Net Position
June 30, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under
Global Outreach Charter Academy, Inc.)

	Governmental Activities
Assets	
Cash and equivalents - unrestricted	\$ 2,396,100
Due from other governments	464,701
Security deposits	10,000
Capital assets, (net of accumulated depreciation)	
Land	1,881,000
Buildings and improvements	9,646,159
Vehicles	480
Machinery and equipment	48,171
Computer equipment	35,291
Furniture and fixtures	10,464
	<u>14,492,366</u>
Total assets	\$ 14,492,366
Liabilities and net position	
Liabilities	
Accounts payable	\$ 4,930
Accrued expenses	223
Long-term liabilities:	
Due within one year	--
Due after one year	12,402,434
	<u>12,407,587</u>
Total liabilities	12,407,587
Net position	
Unrestricted	2,084,779
	<u>2,084,779</u>
Total net position	2,084,779
Total liabilities and net position	\$ 14,492,366

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

Statement of Activities
For the Year Ended June 30, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under
Global Outreach Charter Academy, Inc.)

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets Governmental Activities
		Charges for services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government					
Governmental activities:					
Instruction	\$ 4,946,669	\$ -	\$ 958,276	\$ -	\$ (3,988,393)
Student Personnel Services	228,376	-	61,922	-	(166,454)
Instructional Media Services	34,093	-	-	-	(34,093)
Instructional Staff Training	249,781	-	179,459	-	(70,322)
Instructional - Related Technology	165,980	-	-	-	(165,980)
General Support - Board of Directors	93,750	-	-	-	(93,750)
General Support - General Administration	124,211	-	30,651	-	(93,560)
General Support - School Administration	1,211,652	-	-	-	(1,211,652)
General Support - Fiscal Services	196,400	-	-	-	(196,400)
General Support - Food Services	568,943	13,066	550,094	-	(5,783)
General Support - Central Services	787,589	-	8,020	-	(779,569)
Pupil Transportation Services	33,920	-	-	-	(33,920)
Facilities Acquisition and Construction	530,691	-	-	652,000	121,309
Operation of Plant	942,919	-	-	351,001	(591,918)
Maintenance of Plant	72,108	-	-	-	(72,108)
Community Services	111,592	77,019	-	-	(34,573)
Cost of issuance	289,232	-	-	-	(289,232)
Interest and Prepayment Expense	1,106,750	-	-	-	(1,106,750)
Total governmental activities	<u>\$ 11,694,656</u>	<u>\$ 90,085</u>	<u>\$ 1,788,422</u>	<u>\$ 1,003,001</u>	<u>(8,813,148)</u>
General revenues:					
Florida Education Finance Program (Through the Duval County Public Schools)					8,304,661
SBA - Payroll Protection Funds Grant					977,291
Other revenues					150,039
Investment earnings					4,354
Total general revenues, special items and transfers					<u>9,436,345</u>
Change in net position					623,197
Net position - beginning					<u>1,461,582</u>
Net position - ending					<u>\$ 2,084,779</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, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)

	Major Funds			Total Fund
	General Fund	Special Revenue Fund	Debt Service Fund	
Assets				
Cash and equivalents	\$ 2,396,100	\$ --	\$ --	\$ 2,396,100
Due from other governments	<u>464,701</u>	<u>--</u>	<u>--</u>	<u>464,701</u>
Total assets	<u><u>\$ 2,860,801</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 2,860,801</u></u>
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 4,930	\$ --	\$ --	\$ 4,930
Accrued expenses	<u>223</u>	<u>--</u>	<u>--</u>	<u>223</u>
Total liabilities	<u>5,153</u>	<u>--</u>	<u>--</u>	<u>5,153</u>
Fund balances:				
Unassigned	2,855,648	--	--	2,855,648
Restricted	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total fund balances	<u>2,855,648</u>	<u>--</u>	<u>--</u>	<u>2,855,648</u>
Total liabilities and fund balances	<u><u>\$ 2,860,801</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 2,860,801</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, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)**

Total fund balances - governmental funds \$ 2,855,648

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. 11,621,565

Long-term liabilities, including notes payable, are not due and payable in the current period and therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consisted of Capital Lease Payable in the amount of \$12,402,434. (12,402,434)

The School records expenditures in the period of payment and are not allocated between or among accounting periods. The net amount paid in security deposits through June 30, 2021 , was \$10,000. 10,000

Total net position of governmental activities \$ 2,084,779

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, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)**

	Major Funds			Total
	General Fund	Special Revenue Fund	Debt Service Fund	
Revenues:				
Florida Education Finance Program	\$ 8,304,661	\$ --	\$ --	\$ 8,304,661
Federal School-wide Entitlement Funds	--	658,147	--	658,147
Federal Title II Training	--	4,917	--	4,917
Federal Title IV Funding	--	21,535	--	21,535
EDGES - 21st Century Grant	--	170,889	--	170,889
National School Lunch and Breakfast Programs	--	550,094	--	550,094
Charter School Grants - Capital Outlay	--	715,959	--	715,959
Local Half-Cent sales Tax Revenues	--	227,227	--	227,227
Federal Cares Act - ESSER Funds	--	435,003	--	435,003
Federal - Governors Emergency Education Relief	--	7,652	--	7,652
Federal Sick and Family Leave Credits	40,552	--	--	40,552
Charges for services	90,085	--	--	90,085
Investment Earnings	4,344	--	--	4,344
Miscellaneous Income	109,487	--	4	109,491
Total revenues	<u>8,549,129</u>	<u>2,791,423</u>	<u>4</u>	<u>11,340,556</u>
Expenditures:				
Current:				
Instruction	3,861,346	958,276	--	4,819,622
Student Personnel Services	174,351	61,922	--	236,273
Instructional Media Services	30,829	--	--	30,829
Instructional Staff Training	72,950	179,459	--	252,409
Instructional - Related Technology	173,491	--	--	173,491
General Support - Board of Directors	93,750	--	--	93,750
General Support - General Administration	93,560	30,651	--	124,211
General Support - School Administration	1,268,636	--	--	1,268,636
General Support - Fiscal Services	196,400	--	--	196,400
General Support - Food Services	18,475	550,094	--	568,569
General Support - Central Services	779,569	8,020	--	787,589
Pupil Transportation Services	33,920	--	--	33,920
Facilities Acquisition and Construction	11,668,294	530,691	--	12,198,985
Operation of Plant	834,731	117,823	--	952,554
Maintenance of Plant	72,108	--	--	72,108
Community Services	111,592	--	--	111,592
Debt Service:				
Costs of Issuance and Trustee Fees	287,912	--	1,320	289,232
Principal	--	--	14,397,937	14,397,937
Interest	255,332	--	851,418	1,106,750
Total expenditures	<u>20,027,246</u>	<u>2,436,936</u>	<u>15,250,675</u>	<u>37,714,857</u>
Excess of revenues over (under) expenditures	<u>(11,478,117)</u>	<u>354,487</u>	<u>(15,250,671)</u>	<u>(26,374,301)</u>
Other financing sources (uses)				
Transfers In/(Out)	(2,493,750)	(354,487)	2,848,237	--
Proceeds from the Issuance of Debt	12,146,306	--	12,402,434	24,548,740
Total Other financing sources	<u>9,652,556</u>	<u>(354,487)</u>	<u>15,250,671</u>	<u>24,548,740</u>
Net change in fund balances	<u>(1,825,561)</u>	<u>--</u>	<u>--</u>	<u>(1,825,561)</u>
Fund balances - beginning	<u>4,681,209</u>	<u>--</u>	<u>--</u>	<u>4,681,209</u>
Fund balances - ending	<u>\$ 2,855,648</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,855,648</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, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)**

Net change in fund balances - governmental funds \$ (1,825,561)

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

The basis in property disposed is subtracted from fund balances.
The basis amount in property disposed was \$4,628. (4,628)

The School reduced the amount owed to employees for paid time off by \$75,497. As of June 30, 2021, no amounts are owed for paid time off. 75,497

The School obtained a Payroll Protection loan in 2020 to assist with paying employees during last fiscal year. The loan was forgiven by the U.S. Small Business Administration during the current fiscal year. 977,291

The School received proceeds from a bond issue in December 2020 to purchase land and buildings for its students. In June 2021 the School transferred its property to Global Properties, LLC to manage the facilities for all of the Company. The School used a portion of the loan proceeds to also pay off a loan from a financial institution. (10,150,802)

The cost of property and equipment purchased is shown as an expenditure in governmental funds. However, government wide financials shows property and equipment as an asset and the cost is allocated over their estimated useful lives and reported as 'depreciation expense. The amount by which capital purchases (\$11,719,527) exceeded depreciation (\$168,127) in the current period was \$11,551,400. 11,551,400

Change in net position of governmental activities \$ 623,197

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, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)

Note 1 - Summary of Significant Accounting Policies

A. Reporting entity

The Global Outreach Charter Academy Elementary and Middle School (the School), a charter school under Global Outreach Charter Academy, Inc. is a component unit of the Duval County Public Schools of Duval County, Florida. Global Outreach Charter Academy, Inc., a not-for profit corporation is organized pursuant to Chapter 617, Florida Statutes. The governing body of the School is the not-for-profit corporation Board of Directors.

The basic financial statements of the School present only the balances, activity and disclosures related to the School. They do not purport to and do not present fairly the financial position of Global Outreach Charter Academy, Inc. as of June 30, 2021 and its changes in financial position or budgetary comparisons, where applicable for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The School was granted an Elementary School charter in 2009 and opened in August 2009. In 2014, the School added grades 7 and 8 to operate a Middle School. 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. In accordance with Florida Statutes the District will evaluate the School's charter contract every five years. 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 the financial statements 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.

Notes to Financial Statements
As of and for the Fiscal Year Ended June 30, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)
(Continued)

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-wide and fund financial statements (concluded)

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.

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 and state grant funds received in fiscal year 2020-2021, such as Title I funds, Title II Training funds, Title IV funds, 21st Century grant funds, Emergency Relief Assistance Grants, Capital Outlay funds, National School Lunch and Breakfast Program funds.

In fiscal year 2020-2021, the School started a Debt Service Fund to account for debt related to the School. This fund accounts for principal, interest and issuance costs.

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, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under 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 held by banks qualified as public depositories under Florida Law. All deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida multiple financial institution collateral pool as required by Chapter 280, Florida.

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 extend 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. Buildings and improvements are being depreciated over 40 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 or creditors. As of June 30, 2021, 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, 2021 for the General Fund is considered unassigned.

Notes to Financial Statements
As of and for the Fiscal Year Ended June 30, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)
(Continued)

Note 1 - Summary of Significant Accounting Policies (concluded)

5. Credit Line

The School has a credit card available for purchases and the available balance was \$100,000. The balance on the credit card as of June 30, 2021 was \$223.

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 2020-2021, the School matching contribution was \$9,933.

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, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)
(Continued)

Note 3 - Detailed Notes on all Funds

A. Facility leases

In fiscal year 2020/2021, the School leased its facilities from independent commercial property management companies up until December 2020. Since January 2021, some facilities were still be leased from outside parties. Total rent and lease payments paid by the School during the fiscal year was \$530,692.

B. Capital assets

Capital assets activity for the year ended June 30, 2021 was as follows:

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land - Owned and Leased	\$ -	\$ 1,881,000	\$ -	\$ 1,881,000
Capital assets being depreciated:				
Buildings and Improvements - Owned/Leased	\$ -	\$ 9,768,262	\$ -	\$ 9,768,262
Vehicles	10,061	--	--	10,061
Furniture and fixtures	44,980	--	--	44,980
Machinery and equipment	52,808	47,399	18,676	81,531
Computer equipment	209,611	22,866	52,712	179,765
Total capital assets, being depreciated	317,460	9,838,527	71,388	10,084,599
Less accumulated depreciation for:				
Buildings and improvements	--	122,103	--	122,103
Vehicles	8,144	1,437	--	9,581
Furniture and fixtures	30,582	3,934	--	34,516
Machinery and equipment	35,961	11,648	14,249	33,360
Computer equipment	167,980	29,005	52,511	144,474
Total accumulated depreciation	242,667	168,127	66,760	344,034
Governmental activities capital assets, net	<u>\$ 74,793</u>	<u>\$ 11,551,400</u>	<u>\$ 4,628</u>	<u>\$ 11,621,565</u>

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

Governmental activities:

Instruction	\$ 153,633
Instructional Media Services	3,264
General Support - Administration	3,255
General Support - Food Services	2,715
Facilities	5,260
Total depreciation expense - governmental activities	<u>\$ 168,127</u>

Notes to Financial Statements
As of and for the Fiscal Year Ended June 30, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)
(Continued)

Note 3 - Detailed Notes on all Funds (continued)

C. Long-Term Liabilities

The School did not allow administrative and operational full-time staff to carryover any paid time off. As of June 30, 2021, the School had \$0 in accrued paid time off.

In September 2019, the School closed on a cash collateral loan totaling \$2,251,632. This loan was to be used for working capital. The loan interest rate was 5.5% and the School was required to make semi-annual interest payments until June 30, 2022 when principal payments will be required. The loan amortization was based on a twenty-five-year amortization, starting in June 30, 2022. In December 2020, this loan was paid off in when bonds were issued to the School.

In May 2020, the School borrowed \$977,291 from the Small Business Administration to help with payroll costs as allowed by the Coronavirus Aid, Relief and Economic Security (CARES) Act. The interest rate was 1% and the loan documents required repayment within 24 months. The loan was forgiven in full in May 2021.

In December 2020, Global Outreach Charter Academy obtained a bond issue of \$18.4 million (Charter School Revenue Bonds, Series 2020A, 2020B and 2020C) to purchase facilities for its Elementary and Middle School and High School. The portion allocable to the Elementary and Middle School was \$12.15 million. The proceeds were also used to pay off the cash collateral loan described above.

In June 2021, the School transferred ownership of the land and buildings to GOCA Properties, LLC. GOCA Properties, LLC is a wholly owned subsidiary of Global Outreach Charter Academy. GOCA Properties is managing all properties owned by Global Outreach Charter Academy, including its various schools. In order to facilitate this transfer of ownership, GOCA Properties, LLC issued \$23.72 million in bonds. The Elementary and Middle School has agreed to a thirty-five-year lease agreement to help finance their portion of the bonds. The School is paying a minimum of \$12.4 million in debt over thirty-five years at an imputed interest rate of 5.14%. As of June 30, 2021, the balance owed by the School to GOCA Properties LLC is \$12,402,434.

D. Changes in Long-Term Liabilities and Principal and Interest Payments to Maturity

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

Governmental activities:	Beginning Balance	Additions	Deductions	Ending Balance	Due in One Year
Notes payable:					
Sunflower Public Finance	\$ 2,251,632	\$ --	\$ 2,251,632	\$ -	\$ --
Bonds Payable - Charter School Revenue, Series 2020A, 2020B and 2020C	--	12,146,306	12,146,306	--	--
Capital Lease with Global Properties LLC	--	12,402,434	--	12,402,434	--
U.S. Small Business Administration - PPP	977,291	--	977,291	--	--
Total notes payable	<u>3,228,923</u>	<u>24,548,740</u>	<u>15,375,229</u>	<u>12,402,434</u>	<u>--</u>
Compensated absences payable	<u>75,497</u>	<u>--</u>	<u>75,497</u>	<u>--</u>	<u>--</u>
Total Governmental Activities	<u>\$ 3,304,420</u>	<u>\$ 24,548,740</u>	<u>\$ 15,450,726</u>	<u>\$ 12,402,434</u>	<u>\$ -</u>

Notes to Financial Statements
As of and for the Fiscal Year Ended June 30, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)
(Continued)

Note 3 - Detailed Notes on all Funds (concluded)

D. Changes in Long-Term Liabilities and Principal and Interest Payments to Maturity

The following is a summary of future minimum principal and interest payments to GOCA Properties LLC:

Minimum Debt payments:			
Fiscal Year	Principal	Interest	Total
<u>Ending June 30</u>	<u>Due</u>	<u>Due</u>	<u>Due</u>
2022	\$ -	\$ 600,000	\$ 600,000
2023	-	600,000	600,000
2024	147,845	636,155	784,000
2025	155,623	628,377	784,000
2026	163,809	620,191	784,000
2027-2031	11,935,157	11,538,257	23,473,414
Total	<u>\$ 12,402,434</u>	<u>\$ 14,622,980</u>	<u>\$ 27,025,414</u>

E. Operating leases – Minimum lease payments

The School agreed to lease property annually through the fiscal year ending June 30, 2022. In July 2019, the School paid \$212,000 to the landlord of the Lonestar Road location to renovate and improve that property. In fiscal year 2021-2022, the lease is being transferred to GOCA Properties LLC. The following is a schedule of minimum lease payments the School is obligated to pay:

Minimum lease payments	
Fiscal Year	Annual
<u>Ending June 30</u>	<u>Amount</u>
2022	\$ 203,000

Note 4 – Income Taxes

Global Outreach Charter Academy, Inc. received exempt status, effective November 10, 2008 from the Internal Revenue Service as a 501(c)(3) organizations. Contributions made to Global Outreach Charter Academy, Inc. are deductible under Section 170 of the Internal Revenue Code. Annually, Global Outreach Charter Academy, Inc. is required to file form 990, *Return of Organization Exempt from Income Tax*. In addition, Global Outreach Charter Academy, Inc. 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, 2019, 2020 and 2021.

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.

Notes to Financial Statements
As of and for the Fiscal Year Ended June 30, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)
(Continued)

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 28, 2021 and found the following significant events or transactions that should be disclosed, which is described below. The evaluation date is considered to be the date the financial statements are available to be issued.

Global Outreach Charter Academy Inc. received approval to open two additional charter schools in Duval County. One of the Schools is expected to open in August 2022 and the other school is expected to open August 2023.

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, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under
Global Outreach Charter Academy, Inc.)**

	General Fund			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Florida Education Finance Program	\$ 8,114,452	\$ 8,114,452	\$ 8,304,661	\$ 190,209
Federal Sick and Family Leave Credits	45,000	45,000	40,552	(4,448)
Charges for services	--	--	90,085	90,085
Investment Earnings	10,000	10,000	4,344	(5,656)
Miscellaneous Income	150,000	150,000	109,487	(40,513)
Total revenues	<u>8,319,452</u>	<u>8,319,452</u>	<u>8,549,129</u>	<u>229,677</u>
Expenditures:				
Current:				
Instruction	3,752,878	3,852,878	3,861,346	(8,468)
Student Personnel Services	175,000	175,000	174,351	649
Instructional Media Services	50,000	50,000	30,829	19,171
Instruction Staff Training	100,000	100,000	72,950	27,050
Instructional - Related Technology	200,000	200,000	173,491	26,509
General Support - Board of Directors	90,000	90,000	93,750	(3,750)
General Support - General Administration	86,704	86,704	93,560	(6,856)
General Support - School Administration	1,244,682	1,244,682	1,268,636	(23,954)
General Support - Fiscal Services	204,775	204,775	196,400	8,375
General Support - Food Services	18,510	18,510	18,475	35
General Support - Central Services	180,000	780,000	779,569	431
Pupil Transportation Services	35,000	35,000	33,920	1,080
Facilities Acquisition and Construction	11,649,262	11,649,262	11,668,294	19,032
Operation of Plant	815,875	815,875	834,731	(18,856)
Maintenance of Facility	72,096	72,096	72,108	(12)
Community Services	106,059	106,059	111,592	(5,533)
Debt Service:				
Costs of Issuance and Trustee Fees	--	--	287,912	(287,912)
Interest	550,000	550,000	255,332	294,668
Total expenditures	<u>19,330,841</u>	<u>20,030,841</u>	<u>20,027,246</u>	<u>3,595</u>
Excess of revenues over (under) expenditures	(11,011,389)	(11,711,389)	11,478,117	233,272
Other financing sources (uses)				
Transfers In (out)	(3,079,000)	(3,079,000)	(2,493,750)	585,250
Proceeds from the Issuance of Debt	12,146,306	12,146,306	12,146,306	--
Total Other financing sources	9,067,306	9,067,306	9,652,556	585,250
Net change in fund balances	(1,944,083)	(2,644,083)	(1,825,561)	818,522
Fund balances - beginning	4,681,209	4,681,209	4,681,209	--
Fund balances - ending	<u>\$ 2,737,126</u>	<u>\$ 2,037,126</u>	<u>\$ 2,855,648</u>	<u>\$ 818,522</u>

**Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under
Global Outreach Charter Academy, Inc.)**

	Special Revenue Fund			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Florida Education Finance Program	\$ --	\$ --	\$ --	\$ --
Federal School-wide Entitlement Funds	665,000	665,000	658,147	(6,853)
Federal Title II Training	5,000	5,000	4,917	(83)
Federal Title IV Funding	35,000	35,000	21,535	(13,465)
EDGES - 21st Century Grant	175,000	175,000	170,889	(4,111)
National School Lunch and Breakfast Programs	550,000	550,000	550,094	94
Charter School Grants - Capital Outlay	735,000	735,000	715,959	(19,041)
Local Half-Cent sales Tax Revenues	210,000	210,000	227,227	17,227
Federal Cares Act - ESSER Funds	450,000	450,000	435,003	(14,997)
Federal - Governors Emergency Education Relief	10,000	10,000	7,652	(2,348)
Miscellaneous Grants	--	--	--	--
Total revenues	<u>2,835,000</u>	<u>2,835,000</u>	<u>2,791,423</u>	<u>(43,577)</u>
Expenditures:				
Current:				
Instruction	850,000	850,000	958,276	(108,276)
Student Personnel Services	100,000	100,000	61,922	38,078
Instructional Staff Training	250,000	250,000	179,459	70,541
General Support - General Administration	40,000	40,000	30,651	9,349
General Support - Food Services	550,000	550,000	550,094	(94)
General Support - Central Services	10,000	10,000	8,020	1,980
Facilities Acquisition and Construction	530,000	530,000	530,691	(691)
Operation of Plant	151,000	151,000	117,823	33,177
Total expenditures	<u>2,481,000</u>	<u>2,481,000</u>	<u>2,436,936</u>	<u>44,064</u>
Excess of revenues over (under) expenditures	354,000	354,000	354,487	487
Other financing sources (uses)				
Transfers Out	<u>(354,000)</u>	<u>(354,000)</u>	<u>(354,487)</u>	<u>(487)</u>
Net change in fund balances	--	--	--	--
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

**Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under
Global Outreach Charter Academy, Inc.)**

	Debt Service Fund			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Florida Education Finance Program	\$ --	\$ --	\$ --	\$ --
Federal School-wide Entitlement Funds	--	--	--	--
National School Lunch and Breakfast Programs	--	--	--	--
Charter School Grants - Capital Outlay	--	--	--	--
Charges for services	--	--	--	--
Miscellaneous Income	--	--	4	4
Total revenues	--	--	4	4
Expenditures:				
Current:				
Instruction	--	--	--	--
Student Personnel Services	--	--	--	--
Instructional Staff Training	--	--	--	--
General Support - Board of Directors	--	--	--	--
Debt Service:				
Costs of Issuance and Trustee Fees	--	5,000	1,320	3,680
Principal	--	14,328,000	14,397,937	(69,937)
Interest	--	900,000	851,418	48,582
Total expenditures	--	15,233,000	15,250,675	(17,675)
Excess of revenues over (under) expenditures	--	(15,233,000)	(15,250,671)	(17,671)
Other financing sources (uses)				
Transfers in (out)	--	2,833,000	2,848,237	15,237
Debt proceeds	--	12,400,000	12,402,434	2,434
Total Other financing sources	--	15,233,000	15,250,671	17,671
Net change in fund balances	--	--	--	--
Fund balances - beginning	--	--	--	--
Fund balances - ending	\$ --	\$ --	\$ --	\$ --

Notes to the Budget Comparisons
Required Supplementary Information
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under
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, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under Global Outreach Charter Academy, Inc.)

Federal and / or State Agency	Federal CFDA Number	Project or Contract Number	Total 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	84.010	48879	655,286
Part A Program Improvement Plan	84.010	48877	2,861
Total for CFDA #84.010			658,147
Title II Grants			
Part A Teacher and Principal Training	84.376	48914	4,917
Total for CFDA #84.376A			4,917
Title IV Grants			
Title IV, Part A	84.424A	48998	21,535
GEER Prevent and Respond			
Coronavirus Prevention and Response Grant	84.425C	48933	7,652
Esser Grant			
Elementary and Secondary School Emergency Relief	84.425	49021	164,679
Elementary and Secondary School Emergency Relief	84.425	48931	270,323
Total for CFDA #84.425			442,654
21st Century Grants			
Community Learning Centers	84.287	48926	159,723
Community Learning Centers	84.287	48942	11,166
Total for CFDA #84.287			170,889
Total through U.S. Department of Education			1,298,142
<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	480,411
School Breakfast Program	10.553	01-0543	69,682
Total Child Nutrition Cluster			550,093
Total Expenditures of Federal Awards			\$ 1,848,235

Notes to Schedule of Expenditures of Federal Awards
As of and for the Fiscal Year Ended June 30, 2021
Global Outreach Charter Academy Elementary and Middle School
(A Charter School Under
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 Elementary and Middle School 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 and
*Government Auditing Standards***



COLEMAN & ASSOCIATES
Certified Public Accounting Firm

Independent Auditors' Management Letter

To the Board of Directors Global Outreach Charter Academy
Elementary and Middle School
(A Charter School under Global Outreach Charter Academy, Inc.)
Jacksonville, Florida

Report on the Financial Statements

We have audited the financial statements of the Global Outreach Charter Academy Elementary and Middle School, as of and for the fiscal year ended June 30, 2021, and have issued our report, thereon, dated September 28, 2021.

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; 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*. Disclosures in those reports and schedule, which are dated September 28, 2021, 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.

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 (Combination Elementary and Secondary) and the school code assigned to them is 1221.

Financial Condition and Management

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 Elementary and Middle School 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. Elementary and Middle School 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 Elementary and Middle School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The financial condition assessment was performed as of the fiscal year end.

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.

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. Elementary and Middle School 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.

Additional Matters

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.

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 28, 2021



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
Elementary and Middle School
(A Charter School under 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 Elementary and Middle School (the School), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's, basic financial statements and have issued our report thereon dated September 28, 2021.

Internal control over financial reporting

In planning and performing our audit, we considered the School'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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 Elementary and Middle School'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 28, 2021