

**GULFSTREAM GOODWILL
TRANSITIONS TO LIFE
ACADEMY, INC.
(A division of Gulfstream
Goodwill Academies, Inc.)**

**Basic Financial Statements and
Supplementary Information**

**For the year ended
June 30, 2019**

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet - Governmental Funds	10
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	13
Notes to Financial Statements	14
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of School's Proportionate Share of Net Pension Liability - Florida Retirement System and Health Insurance Subsidy	36
Schedule of School's Pension Contributions - Florida Retirement System and Health Insurance Subsidy	37
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	38
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Capital Outlay Fund	39
Notes to Required Supplementary Information	40
COMPLIANCE INFORMATION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	42
Management Letter	44

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Gulfstream Goodwill Academies, Inc.
Palm Beach, 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 Gulfstream Goodwill Transitions to Life Academy, Inc. (the "School"), a component unit of the School District of Palm Beach County, Florida (the "District") and a division of Gulfstream Goodwill Academies, Inc. (the "Charterholder"), 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 School'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 School'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 School, as of June 30, 2019, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note A-1, the accompanying financial statements referred to above present only the financial position of the School at June 30, 2019, and the results of its operation for the year then ended, and is not intended to be complete presentation of the Charterholder or the District.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedule of the proportionate share of net pension liability, the schedule of the pension contributions and budgetary comparison information, as 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2019 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of 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 the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

September 30, 2019
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Management's Discussion and Analysis

As management of Gulfstream Goodwill Transitions to Life Academy, Inc. (the "School"), which is a component unit of the School District of Palm Beach County, Florida, and a division of Gulfstream Goodwill Academies, Inc. (the "Charterholder"), we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2019 to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the School's financial activities, (c) identify changes in the School's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the basic financial statements found as listed in the table of contents.

Financial Highlights

- The liabilities of the School exceeded its assets at the close of the most recent fiscal year by \$154,912 (deficit net position).
- The School's total net position increased by \$11,354.
- As of the close of the current fiscal year, the School's governmental funds reported combined ending fund balance of \$3,007, an increase of \$22 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's basic financial statements. The School's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-Wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the School's assets, liabilities, and deferred outflows/inflows of resources with the differences reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of activities presents information showing how the School's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the School that are principally supported by district, state, and federal funding (governmental activities). Exceptional instruction, school administration, and facilities are examples of the School's governmental activities.

The government-wide financial statements include only the School itself, which is a component unit of the School District of Palm Beach County, Florida. The School District of Palm Beach County, Florida includes the operations of the School in their operational results.

The government-wide financial statements can be found as listed in the table of contents of this report.

Fund financial statements. A fund is a collection of related accounts grouped together to maintain control over resources that have been segregated for specific activities or objectives. The School, like state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the operations of the School are presented in governmental funds only.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since 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 governmental activities.

The School maintains three individual government funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and capital outlay fund which are considered to be major funds. All other non-major funds are presented together under other governmental funds.

The governmental fund financial statements can be found as listed in the table of contents of this report.

The School adopts an annual appropriated budget for its entire operation. Budgetary comparison schedules and a note to these schedules have been provided to demonstrate compliance and can be found as listed in the table of contents of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting as listed in the table of contents of this report.

Government-Wide Financial Analysis

As noted previously, net position may serve over time as a useful indicator of the School's financial position. In the case of the School, liabilities exceeded assets by \$154,912 and \$166,266 (deficit net position) as of June 30, 2019 and 2018, respectively.

A portion of the School's net position reflects its net investment in capital assets (e.g., furniture, fixtures and equipment, and computers and peripherals). The School uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

Comparison of the condensed statement of net position is provided below:

Gulfstream Goodwill Transitions to Life Academy, Inc. Statement of Net Position

	Governmental Activities		
	2019	2018	Variance
ASSETS			
Current assets	\$ 63,963	\$ 68,302	\$ (4,339)
Capital assets, net of accumulated depreciation	7,184	7,489	(305)
Total assets	<u>71,147</u>	<u>75,791</u>	<u>(4,644)</u>
DEFERRED OUTFLOWS			
Deferred assumptions, contributions, and experience	<u>56,511</u>	<u>67,194</u>	<u>(10,683)</u>
LIABILITIES			
Current liabilities	60,956	65,317	(4,361)
Net pension liability	<u>143,652</u>	<u>168,842</u>	<u>(25,190)</u>
Total liabilities	<u>204,608</u>	<u>234,159</u>	<u>(29,551)</u>
DEFERRED INFLOWS			
Deferred change in proportion (NPL), contributions, experience, and investments	<u>77,962</u>	<u>75,092</u>	<u>2,870</u>
NET POSITION			
Net investment in capital assets	7,184	7,489	(305)
Unrestricted	<u>(162,096)</u>	<u>(173,755)</u>	<u>11,659</u>
Total net position	<u>\$ (154,912)</u>	<u>\$ (166,266)</u>	<u>\$ 11,354</u>

The decrease in the net pension liability is due to the decline of the School's proportionate share of the FRS and HIS net pension liability. The decrease in deferred outflows is based on changes in actuarial assumptions.

Comparison of the condensed statement of activities is provided below:

**Gulfstream Goodwill Transitions to Life Academy, Inc.
Statement of Activities**

	Governmental Activities		
	2019	2018	Variance
Revenues:			
Program revenues:			
Operating grants and contributions	\$ 97,873	\$ 99,900	\$ (2,027)
General revenues			
State passed through school district	980,903	984,310	(3,407)
Other revenues	216,011	157,818	58,193
Total revenues	<u>1,294,787</u>	<u>1,242,028</u>	<u>52,759</u>
Expenses:			
Exceptional instruction	624,623	604,034	20,589
Curriculum development	34	21	13
Staff development	79	454	(375)
Board of directors	28,060	24,669	3,391
General administration	22,029	24,420	(2,391)
School administration	237,320	241,181	(3,861)
Facilities	236,990	197,194	39,796
Fiscal services	29,542	29,385	157
Transportation	76,176	89,328	(13,152)
Operation of plant	20,700	47,810	(27,110)
Maintenance of plant	1,269	3,409	(2,140)
Community service	6,611	7,610	(999)
Total expenses	<u>1,283,433</u>	<u>1,269,515</u>	<u>13,918</u>
Change in net position	11,354	(27,487)	38,841
Net position - beginning	<u>(166,266)</u>	<u>(138,779)</u>	<u>(27,487)</u>
Net position - ending	<u><u>\$ (154,912)</u></u>	<u><u>\$ (166,266)</u></u>	<u><u>\$ 11,354</u></u>

Other revenues increased as a result of a donation from Gulfstream Goodwill Industries in order to subsidize expenses of the School. The increase in exceptional instruction expense is primarily due to an employee being promoted to a job trainer. Previously, this employee's expense was recorded in operation of plant. The increase in facilities expense is primarily due to added security expenses. The decrease in operation of plant is primarily due to the custodian position being made into a job training position due to a janitor training program being implemented for the School's students.

Governmental activities. Net position increased by \$11,354 for the year ended June 30, 2019 and decreased by \$27,487 for the year ended June 30, 2018.

Financial Analysis of the Government's Funds

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

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

The general fund is the operating fund of the School. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7. During the current fiscal year, the fund balance of the School's general fund increased by \$22.

General Fund Budgetary Highlights

Actual general fund revenues and expenditures equaled budgeted amounts. The budgetary information can be found as listed in the table of contents of this report.

Capital Asset and Debt Administration

Capital assets. The School's net investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$7,184. This net investment in capital assets includes furniture, fixtures and equipment and computers and peripherals. Additional information on the School's capital assets can be found in Note C.

Debt administration. The School did not have debt in the current fiscal year.

Economic Factors

A majority of the School's funding is determined by the number of enrolled students. The School is forecasting an enrollment of approximately 71 students for the 2019-2020 school year.

Request for Information

This financial report is designed to provide a general overview of Gulfstream Goodwill Transitions to Life Academy, Inc.'s finances for all those with an interest in the School. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to School Financial Services, Inc., P.O. Box 130, Bonifay, FL 32425.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

STATEMENT OF NET POSITION

June 30, 2019

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash	\$ 43,351
Receivables	11,457
Due from other agencies	6,155
Prepaid expenses	3,000
Total current assets	63,963
CAPITAL ASSETS	
Capital assets, net of accumulated depreciation	
Furniture, fixtures and equipment	7,184
Total assets	71,147
DEFERRED OUTFLOWS OF RESOURCES	
Deferred assumptions, contributions, and experience	56,511
LIABILITIES	
LIABILITIES	
Accounts payable	6,245
Accrued payroll and payroll taxes	17,211
Due to related parties	37,500
Net pension liability	143,652
Total liabilities	204,608
DEFERRED INFLOWS OF RESOURCES	
Deferred change in proportion, contributions, experience, and investments	77,962
NET POSITION	
Net investment in capital assets	7,184
Unrestricted	(162,096)
Total net position (deficit)	\$ (154,912)

The accompanying notes are an integral part of this financial statement.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

STATEMENT OF ACTIVITIES

For the year ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Exceptional instruction	\$ 624,623	\$ -	\$ 97,873	\$ -	\$ (526,750)
Curriculum development	34	-	-	-	(34)
Staff development	79	-	-	-	(79)
Board of directors	28,060	-	-	-	(28,060)
General administration	22,029	-	-	-	(22,029)
School administration	237,320	-	-	-	(237,320)
Facilities	236,990	-	-	-	(236,990)
Fiscal services	29,542	-	-	-	(29,542)
Transportation	76,176	-	-	-	(76,176)
Operation of plant	20,700	-	-	-	(20,700)
Maintenance of plant	1,269	-	-	-	(1,269)
Community service	6,611	-	-	-	(6,611)
Total governmental activities	\$ 1,283,433	\$ -	\$ 97,873	\$ -	(1,185,560)
			General revenues:		
			State passed through school district	980,903	
			Other revenues	216,011	
			Total general revenues	1,196,914	
			Change in net position	11,354	
			Net position at July 1, 2018	(166,266)	
			Net position at June 30, 2019	\$ (154,912)	

The accompanying notes are an integral part of this financial statement.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2019

	General Fund	Capital Outlay Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 43,351	\$ -	\$ -	\$ 43,351
Receivables	11,457	-	-	11,457
Due from other agencies	-	6,155	-	6,155
Due from other funds	6,155	-	-	6,155
Prepaid expenses	3,000	-	-	3,000
Total assets	\$ 63,963	\$ 6,155	\$ -	\$ 70,118
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 6,245	\$ -	\$ -	\$ 6,245
Accrued payroll and payroll taxes	17,211	-	-	17,211
Due to related parties	37,500	-	-	37,500
Due to other funds	-	6,155	-	6,155
Total liabilities	60,956	6,155	-	67,111
FUND BALANCES				
Nonspendable				
Prepaid expenses	3,000	-	-	3,000
Unassigned	7	-	-	7
Total fund balances	3,007	-	-	3,007
Total liabilities and fund balances	\$ 63,963	\$ 6,155	\$ -	\$ 70,118

The accompanying notes are an integral part of this financial statement.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION**

June 30, 2019

Fund balances - total governmental funds	\$	3,007
--	----	-------

The net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Furniture, fixtures and equipment, net		7,184
--	--	-------

Deferred amounts are reported in the Statement of Net Position as deferred outflows or deferred inflows of resources but are not reported in the funds. Those deferred amounts consist of:

Deferred assumptions, contributions, and experience	\$ 56,511	
Deferred change in proportion, contributions, experience, and investments	<u>(77,962)</u>	
Total deferred outflows(inflows)		(21,451)

Noncurrent liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Net pension liability		<u>(143,652)</u>
Total net position of governmental activities	\$	<u><u>(154,912)</u></u>

The accompanying notes are an integral part of this financial statement.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS**

For the year ended June 30, 2019

	General Fund	Capital Outlay Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
State passed through school district	\$ 937,661	\$ 43,242	\$ -	\$ 980,903
Federal passed through school district	-	-	97,873	97,873
Other revenues	216,011	-	-	216,011
Total revenues	<u>1,153,672</u>	<u>43,242</u>	<u>97,873</u>	<u>1,294,787</u>
Expenditures				
Current				
Exceptional instruction	538,387	-	97,873	636,260
Curriculum development	34	-	-	34
Staff development	79	-	-	79
Board of directors	28,060	-	-	28,060
General administration	22,029	-	-	22,029
School administration	234,535	-	-	234,535
Facilities	193,748	43,242	-	236,990
Fiscal services	29,542	-	-	29,542
Transportation	76,176	-	-	76,176
Operation of plant	20,700	-	-	20,700
Maintenance of plant	1,269	-	-	1,269
Community service	6,611	-	-	6,611
Capital outlay	2,480	-	-	2,480
Total expenditures	<u>1,153,650</u>	<u>43,242</u>	<u>97,873</u>	<u>1,294,765</u>
Net change in fund balance	22	-	-	22
Fund balances at July 1, 2018	<u>2,985</u>	<u>-</u>	<u>-</u>	<u>2,985</u>
Fund balances at June 30, 2019	<u>\$ 3,007</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,007</u>

The accompanying notes are an integral part of this financial statement.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the year ended June 30, 2019

Net change in fund balances - total governmental funds \$ 22

The change in net position reported for governmental activities
in the statement of activities is different because:

Governmental funds report capital outlay as expenditures.

However, in the statement of activities, the cost of those assets
is allocated over their estimated useful lives and reported as
depreciation expense.

Capital outlay	\$ 2,480	
Depreciation expense	<u>(2,785)</u>	
		(305)

Some expenses reported in the Statement of Activities are not
recorded in the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds.

Pension expense		<u>11,637</u>
-----------------	--	---------------

Change in net position of governmental activities		<u><u>\$ 11,354</u></u>
---	--	-------------------------

The accompanying notes are an integral part of this financial statement.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

Gulfstream Goodwill Transitions to Life Academy, Inc. (the "School") is a division of Gulfstream Goodwill Academies, Inc. (the "Charterholder"), a non-profit corporation pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. Under the Charter, the School provides education to children of grades 9 through 12 and to disabled students with specific exceptionalities, who are of trainable mentally handicapped ages of fourteen to twenty-two in Palm Beach County, Florida. The governing body of the School is the Board of Directors (the "Board"). The financial information presented is that of the School only.

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, which is the School District of Palm Beach County, Florida (the "District"). The charter was initially for a term of five years which commenced on July 1, 2008 and ended on June 30, 2013. On March 6, 2013, the District voted to approve the Charter Renewal Program for the School; therefore, the charter agreement was extended until August 31, 2013. On August 23, 2013, the School renewed its charter agreement with the District for a term of ten years which commenced on July 1, 2013 and will end on July 1, 2023. The charter may be renewed upon mutual consent of the parties and execution of a written renewal. At the end of the term of the charter, the District may choose not to renew the charter under grounds specified in the charter in which case the District is required to notify the School in writing at least 90 days prior to the charter's expiration. During the term of the charter, the District may also terminate the charter if good cause is shown. Gulfstream Goodwill Transitions to Life Academy, Inc. is considered a component unit of the School District of Palm Beach County, Florida.

2. Government-wide and fund financial statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all of the nonfiduciary activities of the School. As part of the consolidation process, all interfund activities are eliminated from these statements. Both statements report only governmental activities as the School does not engage in any business type activities.

Net position, the difference between assets, liabilities, and deferred outflows/inflows of resources, as presented in the statement of net position, is subdivided into three categories: net investment in capital assets, restricted net position, and unrestricted net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, laws or regulations of other governments, or enabling legislation. Unrestricted net position includes all of the remaining net position that does not meet the definition of the other two categories.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. Government-wide and fund financial statements (continued)

The statement of activities presents a comparison between the direct and indirect expenses of a given function and its program revenues, and displays the extent to which each function contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function.

Indirect expenses are costs the School has allocated to various functions. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions.

Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues.

Separate fund financial statements report detailed information about the School's governmental funds. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. The School reports the general fund and capital outlay fund as its major funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentation.

3. 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 recognized in the period earned and expenses are recognized when a liability is incurred.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the School considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made.

Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. However, principal and interest on general long-term debt are recorded as expenditures only when payment is due.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. Measurement focus, basis of accounting, and financial statement presentation (continued)

The School's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The School reports the following major governmental funds:

General Fund - is the general operating fund of the School. It is used to account for all financial resources not required to be accounted for in another fund.

Capital Outlay Fund - in accordance with guidelines established by the District, this fund accounts for all resources for the leasing or acquisition of capital facilities by the School to the extent funded by capital outlay funds.

4. Cash

Cash consists of cash on hand at the School and checking accounts held at a financial institution. The School has no cash equivalents.

5. Prepaid expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2019 are recorded as prepaid expenses in both government-wide and fund financial statements.

6. Receivables

At June 30, 2019, the School's receivables consist of grants receivable and amounts due from other agencies. After reviewing the individual account balances, the School's management has determined, based on prior experience, that 100% of the receivables are fully collectible. Therefore, no allowance for doubtful accounts has been provided.

7. Capital assets

Capital assets are reported in governmental columns on the government-wide financial statements. Capital assets are defined by the School as assets with an initial individual cost of more than \$750 and an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair values at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Capital assets (continued)

Capital assets of the School are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Furniture, fixtures and equipment	5 - 10
Computers and peripherals	5

8. Revenue sources

Revenues for current operations are received primarily from the State of Florida passed through the District to the Charterholder and then to the School pursuant to the funding provisions included in the School's charter. In accordance with the funding provisions of the charter and Section 1002.33(17), Florida Statutes, the School reports the number of full-time equivalent ("FTE") students and related data to the District.

Under the provisions of Section 1011.62, Florida Statutes, the District reports the number of FTE students and related data to the Florida Department of Education ("FDOE") for funding through the Florida Education Finance Program. Funding for the School is adjusted during the year to reflect the revised calculations by the FDOE under the Florida Education Finance Program and the actual weighted FTE students reported by the School during the designated FTE student survey periods.

The School receives federal awards for the enhancement of various educational programs. This assistance is generally based on applications submitted to and approved by various granting agencies. These federal awards may have requirements whereby the issuance of grant funds is withheld until qualifying expenditures are incurred. Revenues for these awards are recognized only to the extent that eligible expenditures have been incurred.

Additionally, other revenues may be derived from various fundraising activities and certain other programs.

9. Income taxes

The School is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Income taxes (continued)

The School recognizes the financial statement effects from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the School and various positions related to the potential sources of unrelated business taxable income. The assessment of the technical merits of a tax position is a matter of judgment. The School believes that all its tax positions are more likely than not to be sustained upon examination.

The School files Form 990 in the U.S. federal jurisdiction. The School is generally no longer subject to examination by the Internal Revenue Service three years after a return was due or filed.

10. Use of estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

11. Fund balance classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable fund balance - amounts that are in nonspendable form (such as inventory and prepaid expense) or are required to be maintained intact.

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by the School itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the School takes the same highest level action to remove or change the constraint.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Fund balance classification (continued)

Assigned fund balance - amounts the School intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned fund balance - amounts that are available for any purpose. No other fund except the General Fund can report positive amounts of unassigned fund balance.

The School would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

12. Impact of recently issued accounting principles

In June 2017, the GASB issued Statement No. 87, *Leases*, which establishes a single model for lease accounting. This statement is effective for the School's June 30, 2021 fiscal year end. Management is currently evaluating the impact of the adoption of this statement on the School's financial statements.

NOTE B - CASH

Custodial credit risk - Custodial credit risk is the risk that in the event of bank failure, the School's deposits may not be returned to it. The School does not have a formal policy regarding custodial credit risk. The deposits are insured by the FDIC up to \$250,000 per entity. Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Deposits Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the School pursuant to Section 280.08, Florida Statutes. As of June 30, 2019, none of the School's balances held in banks were exposed to custodial credit risk.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE C - CAPITAL ASSETS

Changes in capital assets were as follows for the year ended June 30, 2019:

	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019
Capital assets depreciated:				
Furniture, fixtures and equipment	\$ 68,199	\$ 2,480	\$ -	\$ 70,679
Computers and peripherals	7,084	-	-	7,084
Total assets depreciated	<u>75,283</u>	<u>2,480</u>	<u>-</u>	<u>77,763</u>
Less accumulated depreciation:				
Furniture, fixtures and equipment	60,710	2,785	-	63,495
Computers and peripherals	7,084	-	-	7,084
Total accumulated depreciation	<u>67,794</u>	<u>2,785</u>	<u>-</u>	<u>70,579</u>
Total governmental activities capital assets, net	<u>\$ 7,489</u>	<u>\$ (305)</u>	<u>\$ -</u>	<u>\$ 7,184</u>

For the year ended June 30, 2019, depreciation expense of \$2,785 was charged to the School Administration function.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE D - CONCENTRATIONS

Revenue sources

As stated in Note A-8, the School receives revenues for current operations primarily from the State of Florida through the District. The following is a schedule of revenue sources and amounts:

Sources	Amounts
Revenue sources passed through the School District of Palm Beach County:	
Exceptional student education guaranteed allocation	\$ 451,724
Base funding	311,481
Reading allocation	2,946
Discretionary local effort	48,231
Class size reduction funds	66,935
Student transportation	24,766
Digital classrooms allocation	1,078
Mental health allocation	1,608
Supplemental academic instruction	15,898
Instructional materials allocation	5,361
Safety grant	2,642
Safe schools allocation	3,855
Discretionary lottery	236
Florida teachers lead program	900
Capital outlay	43,242
Total state passed through school district	980,903
IDEA	97,873
Total revenue sources passed through the School District of Palm Beach County	1,078,776
Other revenues	216,011
Total revenues	\$ 1,294,787

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE E - COMMITMENTS AND CONTINGENCIES

1. Professional services

The School entered into a contract with a third party which commenced on July 1, 2005 to provide various financial and accounting services for the School. The contract was renewed on June 20, 2018 for another year and extended through June 30, 2019. The fees were based on 3% of the School's FEFP revenue (net a 5% administration fee charged by the school district). The professional fees charged to operations is \$27,363 for controller services and \$2,179 for payroll services for the year ended June 30, 2019. The School renewed the contract on June 18, 2019 for services related for the year ended June 30, 2020.

2. Facility sub-lease agreement

The Charterholder entered into an agreement dated June 14, 2005, to lease the facility where the School is located from a third-party. The Charterholder sub-leased the facility to the School, the terms of which are a specified dollar amount per square foot that increases for each remaining year of the lease. Electricity costs charged to the Charterholder by the lessor are also paid by the School. The sub-lease commenced on June 14, 2005 and has been extended through September 30, 2020. Current year facilities expense charged to operations totaled \$195,051.

The following is a schedule of future minimum lease payments for fiscal years ending June 30,

2020	\$	199,927
2021		50,604
		<u>250,531</u>
	\$	<u>250,531</u>

3. Legal

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

NOTE F - RELATED PARTY TRANSACTIONS

1. Sub-lease with Charterholder

The School entered into an agreement with the Charterholder to lease the facility where the School is located (see Note E-2). The lease expense charged to operations totaled \$195,051 for the year ended June 30, 2019.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE F - RELATED PARTY TRANSACTIONS (continued)

2. Due to/from Gulfstream Goodwill Industries

Gulfstream Goodwill Industries (“GGI”) pays certain recurring monthly bills on behalf of the School and then bills the School for their portion of the expense. In addition, the School provides certain services to Gulfstream Goodwill Industries and bills these amounts to the Charterholder. As of June 30, 2019, the School owed GGI \$37,500.

NOTE G - RISK MANAGEMENT

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; general liabilities; and natural disasters for which the School carries commercial insurance. Under the property insurance plan the School has no liability per occurrence. There have been no significant reductions in insurance coverage during fiscal year 2019. Settled claims resulting from the risks described above have not exceeded the insurance coverage during the previous three years.

NOTE H - EMPLOYEE RETIREMENT SYSTEMS COST-SHARING

Florida Retirement System

General Information - Each qualified and participating employee of the School is included in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“Pension Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (“SBA”).

As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE H - EMPLOYEE RETIREMENT SYSTEMS COST-SHARING (continued)

Florida Retirement System (continued)

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

www.dms.myflorida.com/workforce_operations/retirement/publications.

1. Pension description

The pension plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits under the pension plan are computed on the basis of age, average final compensation, and service credit. For pension plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

For plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increases normal retirement to age 65 or 33 years of service regardless of age for Regular and Senior Management Service class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE H - EMPLOYEE RETIREMENT SYSTEMS COST-SHARING (continued)

Florida Retirement System (continued)

1. Pension description (continued)

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

2. Funding policy

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from July 1, 2018 through June 30, 2019, were as follows: Regular—8.26%; Senior Management Service—24.06%; and DROP participants—14.03%.

3. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

These employer contribution rates include 1.66% HIS Plan subsidy for the period July 1, 2018 through June 30, 2019.

The School's contributions to the Pension Plan were \$9,665 for the year ended June 30, 2019.

At June 30, 2019, the School reported a liability of \$90,423 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The School's proportionate share of the net pension liability was based on the School's 2017-2018 fiscal year contributions relative to the 2016-2017 fiscal year contributions of all participating members. At June 30, 2018, the School's proportionate share was .000300206 percent, which was a decrease of .00008 percent from its proportionate share measured as of June 30, 2017.

**Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE H - EMPLOYEE RETIREMENT SYSTEMS COST-SHARING (continued)

Florida Retirement System (continued)

3. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

For the fiscal year ended June 30, 2019, the School recognized pension expense of \$2,760. In addition the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,660	\$ 278
Change in assumptions	29,546	-
Net difference between projected and actual earnings on Pension Plan investments	-	6,986
Changes in proportion and differences between School Pension Plan contributions and proportionate share of contributions	-	40,210
School Pension Plan contributions subsequent to the measurement date	9,665	-
Total	<u>\$ 46,871</u>	<u>\$ 47,474</u>

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE H - EMPLOYEE RETIREMENT SYSTEMS COST-SHARING (continued)

Florida Retirement System (continued)

3. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

The deferred outflows of resources related to the Pension Plan, totaling \$9,665, resulting from School contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending	Amount
June 30:	
2020	\$ (1,147)
2021	(1,983)
2022	(6,852)
2023	(410)
2024	471
Thereafter	(347)

4. Actuarial assumptions

The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE H - EMPLOYEE RETIREMENT SYSTEMS COST-SHARING (continued)

Florida Retirement System (continued)

4. Actuarial assumptions (continued)

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Annual Standard Deviation</u>
Cash equivalents	1.0%	2.9%	2.9%	1.8%
Fixed income	18.0%	4.4%	4.3%	4.0%
Global equity	54.0%	7.6%	6.3%	17.0%
Real estate (property)	11.0%	6.6%	6.0%	11.3%
Private equity	10.0%	10.7%	7.8%	26.5%
Strategic investments	<u>6.0%</u>	6.0%	5.7%	8.6%
Total	<u>100.00%</u>			
Assumed Inflation - Mean			2.60%	1.90%

(1) As outlined in the Pension Plan's investment policy

5. Discount rate

The discount rate used to measure the total pension liability was 7.00%. The pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for the calculation of the total pension liability is equal to the long-term expected rate of return.

**Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE H - EMPLOYEE RETIREMENT SYSTEMS COST-SHARING (continued)

Florida Retirement System (continued)

6. Sensitivity of net position liability to changes in the discount rate

The following represents the School's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School's proportionate share of the net pension liability	\$ 165,027	\$ 90,423	\$ 28,461

7. Pension plan fiduciary net position

Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

8. Payables to the pension plan

At June 30, 2019, the School reported no outstanding contributions to the Pension Plan required for the fiscal year ended June 30, 2019.

NOTE I - EMPLOYEE RETIREMENT SYSTEMS COST-SHARING SUBSIDY

Health Insurance Subsidy (HIS)

1. Plan description

The HIS plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE I - EMPLOYEE RETIREMENT SYSTEMS COST-SHARING SUBSIDY (continued)

Health Insurance Subsidy (HIS) (continued)

1. Plan description (continued)

For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

2. Funding policy

The HIS plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2019, the HIS contribution was 1.66%. The School contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The School's contributions to the HIS Plan were \$2,873 for the year ended June 30, 2019.

3. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2019, the School reported a liability of \$53,229 for its proportionate share of the HIS plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The School's proportionate share of the net pension liability was based on the School's 2017-2018 fiscal year contributions relative to the 2016-2017 fiscal year contributions of all participating members. At June 30, 2018, the School's proportionate share was .000502918 percent, which was a decrease of .00003 percent from its proportionate share measured as of June 30, 2017.

**Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE I - EMPLOYEE RETIREMENT SYSTEMS COST-SHARING SUBSIDY (continued)

Health Insurance Subsidy (HIS) (continued)

3. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

For the fiscal year ended June 30, 2019, the School recognized pension income of \$1,896. In addition the School reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 815	\$ 90
Change in assumptions	5,920	5,628
Net difference between projected and actual earnings on Pension Plan investments	32	-
Changes in proportion and differences between School Pension Plan contributions and proportionate share of contributions	-	24,770
School Pension Plan contributions subsequent to the measurement date	<u>2,873</u>	<u>-</u>
Total	<u>\$ 9,640</u>	<u>\$ 30,488</u>

The deferred outflows of resources related to the HIS plan, totaling \$2,873 resulting from School contributions to the HIS plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2020.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE I - EMPLOYEE RETIREMENT SYSTEMS COST-SHARING SUBSIDY (continued)

Health Insurance Subsidy (HIS) (continued)

3. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS plan will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	Amount
2020	\$ (5,125)
2021	(5,127)
2022	(4,658)
2023	(4,263)
2024	(3,354)
Thereafter	(1,194)

4. Actuarial assumptions

The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.87%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2018, valuation were based on certain results of an actuarial experience study of the FRS for the period July 1, 2008 through June 30, 2013.

**Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE I- EMPLOYEE RETIREMENT SYSTEMS COST-SHARING SUBSIDY (continued)

Health Insurance Subsidy (HIS) (continued)

5. Discount rate

The discount rate used to measure the total pension liability was 3.87%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

6. Sensitivity of net position liability to changes in the discount rate

The following represents the School's proportionate share of the net pension liability calculated using the discount rate of 3.87%, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.87%) or one percentage point higher (4.87%) than the current rate:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
School's proportionate share of the net pension liability	\$ 60,625	\$ 53,229	\$ 47,065

7. Pension plan fiduciary net position

Detailed information regarding the HIS plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

8. Payables to the pension plan

At June 30, 2019, the School had no outstanding contributions to the HIS plan required for the fiscal year ended June 30, 2019.

**Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE J - SUBSEQUENT EVENTS

The School has evaluated subsequent events through September 30, 2019, the date which the financial statements were available for issuance and determined there were no subsequent events.

REQUIRED SUPPLEMENTARY INFORMATION

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last 10 Fiscal Years*

FLORIDA RETIREMENT SYSTEM

	School's proportion of the net pension liability (asset)	School's proportionate share of the net pension liability (asset)	School's covered payroll	School's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	0.000300206%	\$ 90,423	\$ 173,058	52.25%	84.26%
2018	0.000378287%	\$ 111,895	\$ 164,265	68.12%	83.89%
2017	0.000469027%	\$ 118,430	\$ 169,764	69.76%	84.88%
2016	0.000617778%	\$ 79,794	\$ 205,687	38.79%	92.00%
2015	0.000659470%	\$ 40,237	\$ 251,196	16.02%	96.09%

HEALTH INSURANCE SUBSIDY

	School's proportion of the net pension liability (asset)	School's proportionate share of the net pension liability (asset)	School's covered payroll	School's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	0.000502918%	\$ 53,229	\$ 173,058	30.76%	2.15%
2018	0.000532594%	\$ 56,947	\$ 164,265	34.67%	1.64%
2017	0.000666273%	\$ 77,651	\$ 169,764	45.74%	0.97%
2016	0.000817886%	\$ 83,412	\$ 205,687	40.55%	0.50%
2015	0.000879746%	\$ 82,258	\$ 251,196	32.75%	0.99%

* The amounts presented for each fiscal year were determined as of June 30.

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the School is presenting information for only those years for which information is available.

Note 2: The Plan's fiduciary net position as a percentage of the total pension liability is published in the FRS Comprehensive Annual Financial Report (reference to FRS CAFR information).

See accompanying notes to required supplementary information.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

SCHEDULE OF SCHOOL'S PENSION CONTRIBUTIONS

Last 10 Fiscal Years*

FLORIDA RETIREMENT SYSTEM

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2019	\$ 9,665	\$ 9,665	\$ -	\$ 173,058	5.58%
2018	\$ 8,556	\$ 8,556	\$ -	\$ 164,265	5.21%
2017	\$ 9,848	\$ 9,848	\$ -	\$ 169,764	5.80%
2016	\$ 11,438	\$ 11,438	\$ -	\$ 205,687	5.56%
2015	\$ 15,062	\$ 15,062	\$ -	\$ 251,196	6.00%

HEALTH INSURANCE SUBSIDY

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2019	\$ 2,873	\$ 2,873	\$ -	\$ 173,058	1.66%
2018	\$ 2,727	\$ 2,727	\$ -	\$ 164,265	1.66%
2017	\$ 2,819	\$ 2,819	\$ -	\$ 169,764	1.66%
2016	\$ 3,415	\$ 3,415	\$ -	\$ 205,687	1.66%
2015	\$ 3,126	\$ 3,126	\$ -	\$ 251,196	1.24%

* The amounts presented for each fiscal year were determined as of June 30.

Note 1: GASB 68 requires information for 10 years. However, until a full 10-year trend is compiled, the School is presenting information for only those years for which information is available.

See accompanying notes to required supplementary information.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND**

For the year ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
State passed through school district	\$ 942,067	\$ 937,661	\$ 937,661	\$ -
Other revenues	142,411	216,011	216,011	-
Total revenues	<u>1,084,478</u>	<u>1,153,672</u>	<u>1,153,672</u>	<u>-</u>
Expenditures				
Exceptional instruction	443,225	538,387	538,387	-
Curriculum development	-	34	34	-
Staff development	500	79	79	-
Instructional related technology	200	-	-	-
Board of directors	35,697	28,060	28,060	-
General administration	24,325	22,029	22,029	-
School administration	259,257	234,535	234,535	-
Facilities	146,377	193,748	193,748	-
Fiscal services	32,179	29,542	29,542	-
Transportation	89,335	76,176	76,176	-
Operation of plant	27,916	20,700	20,700	-
Maintenance of plant	3,200	1,269	1,269	-
Community services	8,500	6,611	6,611	-
Capital outlay	-	2,480	2,480	-
Total expenditures	<u>1,070,711</u>	<u>1,153,650</u>	<u>1,153,650</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	13,767	22	22	-
Fund balances at July 1, 2018	<u>2,985</u>	<u>2,985</u>	<u>2,985</u>	<u>-</u>
Fund balances at June 30, 2019	<u>\$ 16,752</u>	<u>\$ 3,007</u>	<u>\$ 3,007</u>	<u>\$ -</u>

See accompanying notes to required supplementary information.

**Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL OUTLAY FUND**

For the year ended June 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
State passed through local school district	\$ 36,150	\$ 43,242	\$ 43,242	\$ -
Total revenue	<u>36,150</u>	<u>43,242</u>	<u>43,242</u>	<u>-</u>
Expenditures				
Facilities	50,817	43,242	43,242	-
Total expenditures	<u>50,817</u>	<u>43,242</u>	<u>43,242</u>	<u>-</u>
Net change in fund balance	(14,667)	-	-	-
Fund balances at July 1, 2018	-	-	-	-
Fund balances at June 30, 2019	<u>\$ (14,667)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to required supplementary information.

Gulfstream Goodwill Transitions to Life Academy, Inc.
(A division of Gulfstream Goodwill Academies, Inc.)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

NOTE A - SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

1. Ten year trend

GASB 68 requires information for 10 years. However, until a full 10-year trend is completed, the School is presenting information for only those years for which information is available for the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS) plans.

2. Fiduciary net position

The FRS and HIS plans' fiduciary net position as a percentage of the total pension liability is published in the FRS Comprehensive Annual Report (See FRS CAFR information).

NOTE B - SCHEDULE OF CONTRIBUTIONS

Ten year trend

GASB 68 requires information for 10 years. However, until a full 10-year trend is completed, the School is presenting information for only those years for which information is available for the Florida Retirement System (FRS) and the Health Insurance Subsidy (HIS) plans.

NOTE C - BUDGETARY INFORMATION

The School's annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are adopted for the entire operations at the combined governmental level and may be amended by the Board of Directors (the "Board"). The budgets presented for fiscal year ended June 30, 2019, have been amended according to Board procedures.

Although budgets are adopted for the entire operation, budgetary comparisons have been presented for the general fund and capital outlay fund for which a legally adopted budget exists.

Budgets are presented on the modified accrual basis of accounting. The legal level of budgetary control is the fund level.

COMPLIANCE INFORMATION

INDEPENDENT AUDITOR'S 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
Gulfstream Goodwill Academies, Inc.
Palm Beach, 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 Gulfstream Goodwill Transitions to Life Academy, Inc. (the "School"), a component unit of the School District of Palm Beach County, Florida and a division of Gulfstream Goodwill Academies, Inc. (the "Charterholder"), 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, and have issued our report thereon dated September 30, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 consider 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 the School's financial statements are free from 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School'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 School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

September 30, 2019
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

255 S. Orange Ave. Suite 1545
Orlando, FL 32801
Phone: 407-841-8841
Fax: 407-841-8849

www.bermanhopkins.com

8035 Spyglass Hill Road
Melbourne, FL 32940
Phone: 321-757-2020
Fax: 321-242-4844

1415 S. Washington Ave.
Titusville, FL 32780
Phone: 321-267-2190
Fax: 321-268-2272

MANAGEMENT LETTER

To the Board of Directors
Gulfstream Goodwill Academies, Inc.
Palm Beach, Florida

Report on the Financial Statements

We have audited the financial statements of Gulfstream Goodwill Transitions to Life Academy, Inc. (the "School"), a component unit of the School District of Palm Beach County, Florida, and a division of Gulfstream Goodwill Academies, Inc. (the "Charterholder"), as of and for the fiscal year ended June 30, 2019, and have issued our report thereon dated September 30, 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 and Chapter 10.850, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report, which are dated September 30, 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 audit findings or recommendations in the preceding audit report.

Official Title

Section 10.854(1)(e)5., Rules of the Auditor General, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title of the School is Gulfstream Goodwill Transitions to Life Academy, Inc. and the school code is 3345.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), Rules of the Auditor General, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the 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 the 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.

Section 10.854(1)(e)3., Rules of the Auditor General, requires that we communicate 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 us to apply appropriate procedures and communicate the results of our determination as to whether the 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 the School maintained on its Web site the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 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 are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such items.

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 the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, the Charterholder, and the School District of Palm Beach County, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

September 30, 2019
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP