

**GLOBAL EDUCATIONAL EXCHANGE
OPPORTUNITIES, INC.**

AUDITED FINANCIAL STATEMENT

DECEMBER 31, 2017

**GLOBAL EDUCATIONAL EXCHANGE OPPORTUNITIES, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2017**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees of
Global Educational Exchange Opportunities, Inc.
Manati, Puerto Rico

Report on Compliance for Each Major Federal Program

I have audited Global Educational Exchange Opportunities, Inc.' s compliance with the type of compliance requirements described in OMB Compliance Supplement that could have a direct and material effect on each of the Company's major federal programs for the year ended December 31, 2017. Global Educational Exchange Opportunities, Inc.' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questions costs.

Managements' Responsibility

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

Auditor's Responsibility

My responsibility I to express and opinion on compliance for each of Global Educational Exchange Opportunities, Inc.'s major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United State; and the audit requirements o Tittle 2 Audit Requirement for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. And audit includes examining, on a test basis, evidence about Global Educational Exchange Opportunities, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believed that my audit provide a reasonable basis for my opinion on compliance for reach major federal program. However, my audit does not provide a legal determination of Global Educational Exchange Opportunities, Inc. compliance.

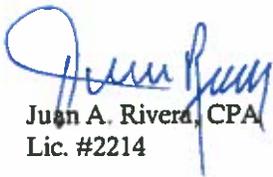
Opinion on Each Major Federal Program

In my opinion, Global Educational Exchange Opportunities, Inc. complied, in al material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

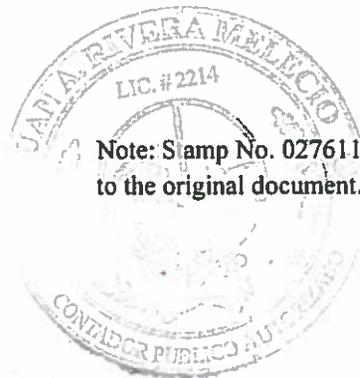
The combining and individual non major fund financial statements and schedule of expenditures of federal awards has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standard

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2018 on our consideration of **Global Educational Exchange Opportunities, Inc.**'s internal control over financial reporting and on our test of its compliance with certain provisions of law, regulations, contracts, and grant 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 result of that testing, and not to provide and opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit perform in accordance with *Government Auditing Standards* in considering **Global Educational Exchange Opportunities, Inc.**'s internal control over financial reporting and compliance.


Juan A. Rivera, CPA
Lic. #2214

June 8, 2018
Toa Baja, Puerto Rico



Note: Stamp No. 02761199 was affixed to the original document.

GLOBAL EDUCATIONAL EXCHANGE OPPORTUNITIES, INC.
BALANCE SHEET
AS OF DECEMBER 31, 2017

ASSETS

Current Assets:	
Cash and Cash Equivalents (Note 1D)	\$ 1,078,774
Certificates of Deposits (Note 1D)	154,172
Accounts Receivables (Note 2)	325,285
Other Account Receivables (Note 3)	144,869
Prepaid Expenses and Deposits (Note 4)	145,531
Total Current Assets	<u>1,848,632</u>
 Property, Plant and Equipment: (Note 1E)	
Building and Building Improvement	654,653
Furniture and Fixture	70,303
Leasehold Improvement	45,166
Office equipment	49,493
	<u>819,616</u>
Less: Accumulated Depreciation	<u>(109,390)</u>
	<u>710,226</u>
 Total Current Assets:	 <u><u>\$ 2,558,858</u></u>

LIABILITIES AND SHAREHOLDER'S EQUITY

Current Liabilities:	
Accounts Payable and Accrued Expenses (Note 5)	16,038
Payroll and Other Tax Liabilities (Note 6)	82,138
Deferred Tax Liability, Current Portion (Note 1G)	28,660
Note Payables, Current Maturities Portion (Note 7 and 8)	14,719
Commercial Loan, Current Portion (Note 9)	23,077
Lease Obligations, Current Portion (Note 10)	5,931
Total Liabilities	<u>170,562</u>
 Long Term Liabilities:	
Notes Payable (Note 8)	203,354
Commercial Loan Payable (Note 9)	415,204
Deferred Tax Liability (Note 1G)	28,660
Lease Obligation (Note 10)	12,182
Total Long Term Liabilities	<u>659,399</u>
 Shareholder's Equity	
Common Stocks, No par value shares, 200 authorized 80 issued and	2,000
Retained Earnings	1,726,896
Total Shareholders Equity	<u>1,728,896</u>
 Total Liabilities and Shareholder's Equity	 <u><u>\$ 2,558,858</u></u>

The accompanying notes are an integral part of the Financial Statement. See auditor's report.

GLOBAL EDUCATIONAL EXCHANGE OPPORTUNITIES, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

REVENUES:

Services Revenues \$ 1,487,118

Operating Expenses:

Salaries, Wages and Professional Fees	1,094,125
Office and School Expenses	64,387
Payroll and Payroll Related Expense	102,740
Stipends Expenses	8,513
Travel and Transportation Expenses	23,754
Meals for Seminars	71,815
Advertising and Promotions	12,204
Automobile Expenses	18,340
Insurance Expense	16,321
Utilities Expense	23,298
Rent Expense	13,198
Maintenance and Repairs Expenses	37,337
Depreciation Expenses	63,654
Other Taxes Expenses	30,525
Property Tax and Patent Expense	22,598
Penalties	2,007
Charitable Contributions	2,432
Other Operating Expenses	14,167

Total Operating Expenses 1,621,414

Other Income (Expenses):

Other Income	4,325
Interest Expense	(39,853)
Total Other Income	<u>(35,528)</u>

Net Income (Deficit) (169,824)

Accumulated Retained Earnings at beginning of year 1,896,719

Accumulated Retained Earnings at end of year \$ 1,726,896

The accompanying notes are an integral part of the Financial Statement.
See auditor's report.

GLOBAL EDUCATIONAL EXCHANGE OPPORTUNITIES, INC.
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2017

Cash flow provided from operating activities:

Net income (loss)	\$ (169,824)
Adjustments:	
Cash provided from operating activities:	
Depreciation and amortization	63,654
Disposal of equipment	(7,751)
(Increase) Decrease in Certificate of Deposits	(2,426)
(Increase) Decrease in Account Receivable	522,697
(Increase) Decrease in Other Account Receivable	113,185
(Increase) Decrease in Prepaids and Deposits	60,876
Increase (Decrease) in Accounts Payables	(153,737)
Increase (Decrease) in Payroll and Other Taxes Liabilities	71,589
Increase (Decrease) in Income Tax Payable	(113,484)
Net cash provided (used) by operating activities	<u>384,779</u>

Cash flow (used) from investing activities:

Equipment acquisition	(3,812)
Leasehold Improvements	(39,677)
Net cash provided (used) by investing activities	<u>(43,489)</u>

Cash flow (used) from financing activities:

Increase in Commercial Loan	167,619
Commercial Loan Payments	(23,077)
Increase in Lease Obligations	10,999
Capital Lease Payments	(6,240)
Increase in note payable	27,896
Note Payable Payments	(9,416)
Net cash provided (used) by financing activities	<u>167,781</u>

Net increase (decrease) in cash and cash equivalents 509,070

Cash and Cash Equivalents at beginning of year 569,704

Cash and Cash Equivalents at end of year \$ 1,078,774

Interest paid during the year 39,853

GLOBAL EDUCATIONAL EXCHANGE OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1- NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Global Educational Exchange Opportunities, Inc. (the “Company”) is a corporation created and existing under the laws of Commonwealth of Puerto Rico since 2008 and is engaged in providing professional and consulting services in education. A summary of significant accounting policies followed by the Global Education Exchange Opportunities, Inc. are as follows:

a) Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimated and assumptions include depreciation on property and equipment, allowance for doubtful accounts, investments, and allowance for deferred tax benefits. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions.

b) Concentration of Credit Risk

Financial instruments, which potentially subject the corporation to concentration of credit risk consist principally of Cash, accounts receivable, due from officers. Cash is maintained in one commercial bank. Federal deposit Insurance Corporation secured the cash balances up to \$250,000 maintained during the year. At December 31, 2017 the Company’s bank balance was entirely secured. The Company performs ongoing credit evaluations of its customers and does not require collateral for them. Accounts receivable are periodically evaluated for collectability and if necessary and allowance is recorded for doubtful accounts. Amounts due from officers are repaid by the declaration of dividends or direct payments from the officers.

c) Vulnerability Due to Certain Concentrations

The Company primary operating activities are concentrated to provide professional and consulting services in education in Puerto Rico. However, the Company expects to continue its business without disruption in the future.

GLOBAL EDUCATIONAL EXCHANGE OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1- NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d) Cash and Cash equivalents:

For purposes of reporting cash flows, the Company considers its cash accounts, which are not subject to withdrawal restrictions or penalties and certificates of deposit with original maturities of 90 days or less to be cash equivalents. The amount of deposited bank balances and certificates of deposits, consists of the following:

Deposit in Commercial Banks	\$ 1,078,774
Certificate of Deposits	154,172
Total Cash	\$ 1,232,946

e) Property and Equipment

Property and equipment are stated at cost. Depreciation is provided over the estimated useful lives of the respective assets on the straight line basis. Maintenance and repairs are charged to operations when incurred. When property is old or otherwise disposed of the assets accounts and related accumulated depreciation accounts are relieved and any gain or loss is included in operations.

Fixed assets are reviewed for permanent impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an assets or groups of assets. If such assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair values less costs to sell.

Property and equipment consist of the following:

<u>Property, Plant and Equipment:</u>	<u>Cost</u>	<u>useful life</u>
Building and Building Improvement	\$ 654,653	20 years
Furniture and Fixture	70,303	3-7 years
Leasehold Improvement	45,166	3-5 years
Office equipment	49,493	10 years
	819,616	
Less: Accumulated Depreciation	(109,390)	
Total Property, Plant and Equipment	\$ 710,226	

GLOBAL EDUCATIONAL EXCHANGE OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
ENDED DECEMBER 31, 2017

NOTE 1- NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f) Revenues

The Company's source of income is from providing professional and consulting educational services in Puerto Rico.

The Company recognizes revenues when the services are completed. Revenue is recorded when the following criteria is met:

- When services are provided and an invoice for reimbursement has been sent.

g) Income Taxes

FASB ASC 740, Accounting for Income Taxes, establishes financial accounting and reporting standards for the effect of income taxes. The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entities financial statement or tax returns. Accruals for uncertain tax positions are provided for in accordance with the requirements of the standards. The Company is subject to income taxes in Puerto Rico.

The Company used other accounting method than accrual for tax purpose in prior year to 2013. They decided to adopt the Section 1040.02 from the Law 1 of January 31, 2011, as amended, *Change of Accounting Method*. The section establish that once the Company decided to make the change in the accounting method for tax purposes the difference in net income between tax return and books in prior years will be defer by 20% yearly for the next 5 years, including one part of the deferred amount in the yearly of the adoption (2014).

The deferred tax liability for the future years are described as follows:

Net income differences between income tax return and books:	\$716,502	
	<u>x 20%</u>	
Deferred Net Income, per year:	<u>143,300</u>	
Income Tax Liability at the estimated Normal tax rate of 20%, per year;	28,660	

The Deferred Tax Liability are as follows:

	2018	28,660
	2019	<u>28,660</u>
		57,320
Less: current portion		<u>(28,660)</u>
Long Term Portion		28,660

The amount of current income tax expense is \$28,660. The net income subject to tax includes the portion of the 20% of net income to defer (\$143,000) according to law.

GLOBAL EDUCATIONAL EXCHANGE OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1- NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

h) Subsequent Events

The Company follows the provisions of FASB ASC 855 “Subsequent Events”, which establishes general standards to be applied in accounting for, and disclosure of events that occur after the financial statement’s date but before the financial statements are issued or available to be issued. FASB ASC 855 requires the disclosure of the date through which the Company has evaluated subsequent events and the basis for the date, whether it is the date the financial statement was issued or were available to be issued.

The Company is currently under a revision of the Income Tax Forms for the years ending in 2014 and 2015. By June 8, 2018 date in which the financial statements were available to be issued, the results of this revision were not received, nor any adjustment have been made.

NOTE 2 - ACCOUNT RECEIVABLE - \$325,285

Represents the amount of uncollected amounts from customers at the end of December 31, 2017. All receivables are to be collected and no provision for doubtful account was necessary.

NOTE 3 - OTHER ACCOUNT RECEIVABLE - \$144,869

This amount represents other account receivables uncollected at the end of year. The detailed is as follows:

Loan to a Related Party	\$ 132,553
Stockholder’s Receivable	10,813
Employees Receivable	<u>1,503</u>
Total	<u>\$ 144,869</u>

NOTE 4 - PREPAID EXPENSES - \$145,531

Represents the amount of expenses prepaid at the end of year. The schedule of this payments is as follows:

Escrow Insurance	\$ 2,881
Insurance Prepaid	5,628
Other Prepaid Expense	6,374
Contributions Prepaid	<u>130,649</u>
	<u>\$ 145,531</u>

GLOBAL EDUCATIONAL EXCHANGE OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES - \$16,038

Represents the amount of ordinary accounts payable in the normal operation of business

NOTE 6 - PAYROLL AND OTHER TAX LIABILITIES - \$82,138

Represents the amount of payroll liabilities due to unemployment, workers compensation insurance and disability insurance at end of year.

Accrued Liabilities	-	\$79,281
Payroll Liabilities		<u>229</u>
		<u>\$82,138</u>

NOTE 7 - LINE OF CREDIT - \$4,821

Credit line payable to BPPR due on demand, including interest at 1.5%. This line is reviewed annually. Certificate of Deposit in Note 1d, serves as collateral.

NOTE 8 - NOTES PAYABLE - \$213,252

The Company has various note payables with the stockholder and other related party. The schedule of this note is as follows:

- A. \$109,000 – Note payable on demand, including interests at 9%. Due on December 2021.
 - B. \$43,177 – Note payable with balances with no interests and no due date.
 - C. \$61,074 – Note payable with monthly payments of \$1,061 including interests at 5%, due in July 2023.
- \$213,252

As December 31, 2017, maturities of notes payable are as follows:

December 31,		
2018	\$	9,898
2019		10,404
2020		10,937
2021		120,496
2022 and thereafter		<u>61,517</u>
		<u>\$ 213,252</u>
Less: Current Maturities		<u>9,898</u>
		<u>\$ 203,354</u>

GLOBAL EDUCATIONAL EXCHANGE OPPORTUNITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 9 - COMMERCIAL LOAN - \$438,821

Represents the amount of commercial loan payable to BPPR, with monthly payments of \$1,923, including escrow amounts and interests at 2.25% prime rate. This commercial loan is a non-revolving commitment up to \$450,000; for a term of 20 years expiring in May 2036. The building in Note 1e serves as collateral. As of December 31, 2017, maturities of commercial loan are as follows:

Year ending December 31,		
2018	\$	23,077
2019		23,077
2020		23,077
2021		23,077
2022 and thereafter		345,973
	<u>\$</u>	<u>438,281</u>
Less: Current Maturities		23,077
	<u>\$</u>	<u>415,204</u>

NOTE 10 - LEASES PAYABLE - \$18,114

The Company capital leasing consists principally of the leasing of printers and photocopy machines. The leased equipment is amortized on a straight line basis for 5 years. The schedule of payments and accumulated depreciation are as follows:

Equipment	Mntly Payments	Int. Rate	Mature Date	Acc Dep
A. Num. 7855	\$ 243	11.75%	3/1/2022	\$ 1,650
B. Num 7970	333	12%	2/4/2020	8,477
	<u>\$ 576</u>			<u>\$ 10,127</u>

The following is schedule of minimum capital leasing payments required under the above capital leases at December 31, 2017:

Year ending December 31,	
2018	\$ 12,016
2019	6,216
2020	3,497
2021	480
2022 and thereafter	241
Total Minimum lease payments	<u>\$ 22,449</u>
Less: Amount representing interest	4,335
present value of minimum lease payments	<u>\$ 18,114</u>

**GLOBAL EDUCATIONAL EXCHANGE OPPORTUNITIES, INC.
SCHEDULE OF EXPEDITURES OF FEDERAL AWARDS
DECEMBER 31, 2017**

<u>FEDERAL GRANTOR/PASS THROUGH GRANTOR PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>EXPENDITURES</u>
US DEPARTMENT OF EDUCATION		
Indirect Program:		
Title II: Part A; Supporting Effective Instruction State Grant	84.367	\$ 419,378
Title I; School Improvement Grant	84.377 *	<u>390,654</u>
Total Department of Education		<u>810,032</u>
 TOTAL FEDERAL FINANCIAL ASSISTANCE		 <u>\$ 810,032</u>

* Major Program

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GLOBAL EDUCATIONAL EXCHANGE OPPORTUNITIES, INC.
NOTES TO SCHEDULE OF EXPEDITURES OF FEDERAL AWARDS
DECEMBER 31, 2017

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents balance expended of all Federal Financial Assistance Program of the Global Educational Exchange Opportunities, Inc. The reporting entity is defined in Note 1 to the nature of business.

NOTE 2 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Federal financial assistance revenues and expenditures are reported in the Balance Sheet and Statement of Income and retained earnings.

NOTE 3 - FEDERAL CFDA NUMBER

The CFDA number included in this schedule were determined based on the program name, in the review of grant contract information and in 200CFR, part 200.

NOTE 4 - BASIS OF PRESENTATION

The expenditure of the schedule are included in the Statement of Income of Global Educational Exchange Opportunities, Inc. the reconciliation of expenditures in the basis financial statements to the Schedule of Expenditures of Federal Awards are as follows:

Federal Expenditures per basic financial statements included within:

Non-Federal expenditures	\$ 811,382
Expenditures per Schedule of Federal Awards	810,032
Total Expenditures	<u>\$ 1,621,414</u>

(This space was intentionally left in blank)

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees of
Global Educational Exchange Opportunities, Inc.
Manati, Puerto Rico

Report on Compliance for Each Major Federal Program

I have audited Global Educational Exchange Opportunities, Inc.'s compliance with the type of compliance requirements described in OMB Compliance Supplement that could have a direct and material effect on each of the Company's major federal programs for the year ended December 31, 2017. Global Educational Exchange Opportunities, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questions costs.

Managements' Responsibility

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

Auditor's Responsibility

My responsibility I to express and opinion on compliance for each of Global Educational Exchange Opportunities, Inc.'s major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United State; and the audit requirements o Tittle 2 Audit Requirement for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. And audit includes examining, on a test basis, evidence about Global Educational Exchange Opportunities, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believed that my audit provide a reasonable basis for my opinion on compliance for reach major federal program. However, my audit does not provide a legal determination of Global Educational Exchange Opportunities, Inc. compliance.

Opinion on Each Major Federal Program

In my opinion, Global Educational Exchange Opportunities, Inc. complied, in al material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Other Matters

The result of my auditing procedures not disclosed my instances of noncompliance, which are required to be reported in accordance with the Uniform guidance and which are described in the accompanying schedule of findings and questioned costs. My opinion on each major federal program is not modified with respect to those matters.

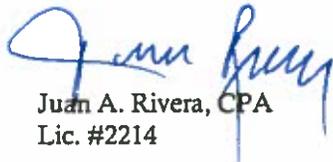
Report on Internal Control over Compliance

Management of Global Educational Exchange Opportunities, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit compliance. I considered Global Educational Exchange Opportunities, Inc.'s internal control over compliance with the types of requirements that could have a direct an material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstance for the e purpose of expressing and opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing and opinion on the effectiveness of internal control over compliance, accordingly, I do not express and opinion on The effectiveness of Global Educational Exchange Opportunities, Inc.'s internal control over compliance.

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

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

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


Juan A. Rivera, CPA
Lic. #2214

Toa Baja, Puerto Rico
June 8, 2018



Note: Stamp No. O2761200 was affixed to the original document.

**Report on Internal Control over Financial Reporting and on Compliance and Other Matter
Based on an Audit of Financial Statements Performed in Accordance with Government Auditing
Standards (No Material Weakness identified; No Significant Deficiencies Identified;
No Reportable Instances of Noncompliance or Other Matters Identified)**

Independent Auditor's Report

To the Board of Trustees
Global Educational Exchange Opportunities, Inc.
Manatí, Puerto Rico

I have audited, in accordance with auditing standards generally accepted in the United State of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of **Global Educational Exchange Opportunities, Inc.**, which comprise the Balance Sheet of as **December 31, 2017** and the related statements of income, changes in stockholder's equity and cash flow for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 8 2018.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statement, I considered **Global Educational Exchange Opportunities, Inc.**'s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Global Educational Exchange Opportunities, Inc.**'s internal control over financial reporting. Accordingly, I do not express and opinion on the effectiveness of **Global Educational Exchange Opportunities, Inc.**'s internal control over financial reporting.

A deficiency in internal control over financial reporting 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 combination of deficiencies, in internal control over financial reporting, 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 over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

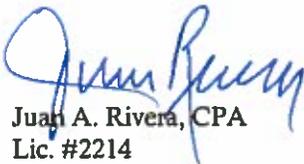
Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Global Educational Exchange Opportunities, Inc.**'s financial statements are free from material misstatement, we performed test of its compliance with certain provisions of laws, regulation, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts.

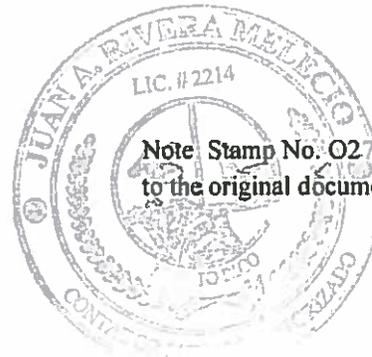
Such tests included compliance tests as set forth in the *Guide for Audits of Proprietary Schools and For Compliance Attestation Engagements of Third-Party Servicers Administering Title IV Programs*, issued by the U.S. Department of Education Office of Inspector General (the Guide) including those relating to related parties and percentage of revenues derived from Title IV Programs. However, providing and opinion on compliance with those provision was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standard* or the Guide.

Purpose of this Report

The purpose of this 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 and opinion on the effectiveness of the entity's internal control over financial reporting 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 over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.


Juan A. Rivera, CPA
Lic. #2214

June 8, 2018
Toa Baja, Puerto Rico



**GLOBAL EDUCATIONAL EXCHANGE OPPORTUNITIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR DECEMBER 31, 2017**

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditor's report issued: unmodified

internal control over Financial Reporting:

Material weakness(es) identified?	_____	yes	_____ <u>x</u> _____	no
Significant Deficiency(ies)	_____	yes	_____ <u>x</u> _____	none reported

Noncompliance material to financial statements noted?

_____	yes	_____ <u>x</u> _____	no
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Federal Awards:

Internal Control over major programs:

Material weakness(es) identified?	_____	yes	_____ <u>x</u> _____	no
Significant Deficiency(ies)	_____	yes	_____ <u>x</u> _____	none reported

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR, 200.516(a)

_____	yes	_____ <u>x</u> _____	no
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Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.367	Supporting Effective Instruction State Grant
84.377	School Improvement Grant

Dollar threshold used to distinguish between type A and B programs: \$ 750,000

Auditee qualified as low risk auditee	_____ <u>x</u> _____	yes	_____	no
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**GLOBAL EDUCATIONAL EXCHANGE OPPORTUNITIES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR DECEMBER 31, 2017**

SECTION II – FINANCIAL STATEMENTS FINDINGS

NONE FINDINGS

SECTION III – FEDERAL AWARDS FINDING AND QUESTIONED COSTS

NONE FINDINGS

SECTION IV – STATE AWARDS FINDINGS AND QUESTIONED COSTS

NONE FINDINGS

**GLOBAL EDUCATIONAL EXCHANGE OPPORTUNITIES, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR DECEMBER 31, 2017**

NONE FINDINGS