



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

February 13, 2024

Charter School Board
Goodwill LEADS, Inc. - The Excel Center
St. Joseph County, Indiana

We have reviewed the audit report of Goodwill LEADS, Inc. - The Excel Center which was opined upon by Kruggel, Lawton & Company LLC, Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of Goodwill LEADS, Inc. - The Excel Center as of June 30, 2023 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Kruggel, Lawton & Company LLC prepared the audit report in accordance with guidelines established by the State Board of Accounts.

In addition to the report presented herein, a Supplemental Audit Report for Goodwill LEADS, Inc. - The Excel Center. was prepared in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner



GOODWILL LEADS, INC. - THE EXCEL CENTER
ANNUAL REPORT
June 30, 2023

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

ANNUAL REPORT

June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Goodwill LEADS, Inc. (The Excel Center)
South Bend, Indiana

Opinion

We have audited the accompanying financial statements of Goodwill LEADS, Inc. (The Excel Center) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Goodwill LEADS, Inc. (The Excel Center) as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Goodwill LEADS, Inc. (The Excel Center) and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Goodwill LEADS, Inc. (The Excel Center) ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

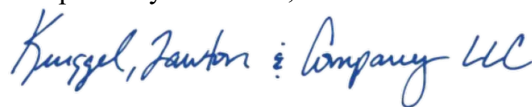
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Goodwill LEADS, Inc. (The Excel Center)'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Goodwill LEADS, Inc. (The Excel Center)'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Respectfully submitted,



Certified Public Accountants

South Bend, Indiana
January 30, 2024

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

STATEMENTS OF FINANCIAL POSITION

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	160,240	126,487
Accounts receivable	11,360	3,373
Grants receivable	37,515	216,621
Prepaid expenses	66,892	56,223
Total Current Assets	276,007	402,704
PROPERTY AND EQUIPMENT		
Leasehold improvements	2,879,508	2,879,508
Office furniture and equipment	1,144,384	1,095,277
Computers and software	469,030	469,030
Total	4,492,922	4,443,815
Accumulated depreciation	(3,009,129)	(2,602,307)
Net Property and Equipment	1,483,793	1,841,508
OTHER ASSETS		
Escrowed cash	100,000	90,000
Deposits	9,937	9,937
Operating right of use assets, net	588,255	0
Operating right of use assets, net - related party	385,716	0
Financing right of use assets, net	26,003	0
Total Other Assets	1,109,911	99,937
TOTAL ASSETS	2,869,711	2,344,149

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

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

STATEMENTS OF FINANCIAL POSITION

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Lines of credit - related party	1,008,000	1,008,000
Current portion of long-term debt - related party	116,174	112,464
Accounts payable	18,208	18,013
Accounts payable - related party, net	667,999	381,859
Accrued payroll, benefits, and related taxes	60,940	58,072
Deferred revenue	25,000	25,000
Current portion of operating lease liabilities	170,694	0
Current portion of operating lease liabilities -related party	109,078	0
Current portion of financing lease liabilities	10,812	0
Total Current Liabilities	2,186,905	1,603,408
OTHER LIABILITIES		
Long-term debt - related party	927,905	1,044,105
Long-term operating lease liabilities	463,001	0
Long-term operating lease liabilities - related party	276,638	0
Long-term financing lease liabilities	15,882	0
Total Other Liabilities	1,683,426	1,044,105
TOTAL LIABILITIES	3,870,331	2,647,513
NET ASSETS		
Without donor restrictions	(1,017,496)	(309,924)
With donor restrictions	16,876	6,560
TOTAL NET ASSETS	(1,000,620)	(303,364)
TOTAL LIABILITIES AND NET ASSETS	2,869,711	2,344,149

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

GOODWILL LEADS, INC. (THE EXCEL CENTER)South Bend, Indiana

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Federal grants	150,756	0	150,756
State education support	4,130,999	15,116	4,146,115
Contributions of financial assets	12,650	0	12,650
Contributions of nonfinancial assets	130,685	0	130,685
Other income	44,100	0	44,100
Total Revenue	4,469,190	15,116	4,484,306
 Net assets released from restrictions:			
Satisfaction of restrictions	4,800	(4,800)	0
FUNCTIONAL EXPENSES			
Program	3,713,440	0	3,713,440
Management and general	1,468,122	0	1,468,122
Total Functional Expenses	5,181,562	0	5,181,562
 CHANGE IN NET ASSETS	(707,572)	10,316	(697,256)
 NET ASSETS, BEGINNING OF YEAR	(309,924)	6,560	(303,364)
 NET ASSETS, END OF YEAR	(1,017,496)	16,876	(1,000,620)

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

GOODWILL LEADS, INC. (THE EXCEL CENTER)South Bend, Indiana

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Federal grants	276,172	0	276,172
State education support	3,486,375	0	3,486,375
Contributions of financial assets	217,585	0	217,585
Contributions of nonfinancial assets	136,878	0	136,878
Other income	21,949	0	21,949
Total Revenue	4,138,959	0	4,138,959
FUNCTIONAL EXPENSES			
Program	4,024,025	0	4,024,025
Management and general	1,247,972	0	1,247,972
Total Functional Expenses	5,271,997	0	5,271,997
CHANGE IN NET ASSETS	(1,133,038)	0	(1,133,038)
NET ASSETS, BEGINNING OF YEAR	823,114	6,560	829,674
NET ASSETS, END OF YEAR	(309,924)	6,560	(303,364)

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

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2023

	Program				Total Program Services	Supporting Services	Total Supporting Services	Total
	Classroom Instruction	Special Education	Student Counseling	Other Activities		Management and General		
Advertising expense	0	0	0	22,826	22,826	0	0	22,826
Technology expense	64,661	1,351	9,564	9,832	85,408	105,294	105,294	190,702
Classroom supplies	74,541	74	1,947	33,107	109,669	1,322	1,322	110,991
Dues and subscriptions	0	0	0	0	0	894	894	894
Employee benefits	257,152	2,311	95,344	71,302	426,109	91,170	91,170	517,279
Equipment expense	1,974	78	349	242	2,643	1,098	1,098	3,741
Salaries and wages	1,024,225	110,905	521,597	321,545	1,978,272	756,696	756,696	2,734,968
Licensing fees	0	0	0	0	0	36,000	36,000	36,000
Meals	0	0	0	0	0	8,808	8,808	8,808
Insurance	14,351	1,825	8,974	9,606	34,756	8,326	8,326	43,082
Interest expense	27,380	3,650	16,428	12,524	59,982	15,059	15,059	75,041
Travel	0	747	0	0	747	0	0	747
Office supplies	10,391	1,288	6,293	6,589	24,561	17,962	17,962	42,523
Miscellaneous	0	0	0	0	0	64,824	64,824	64,824
Payroll taxes	74,442	7,784	38,069	42,801	163,096	47,379	47,379	210,475
Professional fees	0	0	0	0	0	66,557	66,557	66,557
Property taxes	10,186	1,957	6,071	4,689	22,903	5,565	5,565	28,468
Utilities	65,012	6,291	39,205	35,623	146,131	35,938	35,938	182,069
Student transportation	0	0	0	0	0	53,367	53,367	53,367
Rent	107,679	14,337	65,316	62,626	249,958	59,873	59,873	309,831
Repairs and maintenance	19,782	3,721	11,986	9,661	45,150	10,987	10,987	56,137
Depreciation	135,534	19,398	84,831	89,298	329,061	77,762	77,762	406,823
Security expense	1,342	171	787	895	3,195	1,217	1,217	4,412
Amortization expense	3,564	355	2,208	2,846	8,973	2,024	2,024	10,997
TOTAL FUNCTIONAL EXPENSES	1,892,216	176,243	908,969	736,012	3,713,440	1,468,122	1,468,122	5,181,562

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

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2022

	Program				Total Program Services	Supporting Service	Total Supporting Services	Total
	Classroom Instruction	Special Education	Student Counseling	Other Activities		Management and General		
Advertising expense	0	0	0	232,129	232,129	0	0	232,129
Technology expense	46,226	2,398	7,994	3,997	60,615	122,362	122,362	182,977
Classroom supplies	58,639	395	1,092	36,918	97,044	2,486	2,486	99,530
Dues and subscriptions	0	0	0	0	0	120	120	120
Employee benefits	233,063	13,970	55,685	63,961	366,679	88,340	88,340	455,019
Equipment expense	4,519	694	2,314	1,157	8,684	2,314	2,314	10,998
Salaries and wages	1,205,007	141,475	501,364	257,993	2,105,839	513,281	513,281	2,619,120
Licensing fees	0	0	0	0	0	36,000	36,000	36,000
Meals	0	0	0	0	0	2,754	2,754	2,754
Insurance	20,872	2,846	9,487	4,744	37,949	9,487	9,487	47,436
Interest expense	30,419	4,148	13,827	6,913	55,307	13,827	13,827	69,134
Travel	0	662	0	0	662	0	0	662
Office supplies	15,078	2,056	6,853	3,427	27,414	32,535	32,535	59,949
Miscellaneous	12,247	1,670	5,567	7,772	27,256	28,546	28,546	55,802
Payroll taxes	84,142	10,049	36,881	19,181	150,253	46,481	46,481	196,734
Professional fees	0	0	0	0	0	92,658	92,658	92,658
Property taxes	10,492	1,431	4,769	2,384	19,076	4,768	4,768	23,844
Utilities	90,251	12,307	41,023	20,512	164,093	41,023	41,023	205,116
Student transportation	0	0	0	0	0	43,232	43,232	43,232
Rent	112,644	15,361	51,202	25,601	204,808	51,202	51,202	256,010
Repairs and maintenance	35,468	4,837	16,122	8,061	64,488	16,121	16,121	80,609
Depreciation	184,678	25,183	83,944	41,972	335,777	83,946	83,946	419,723
Security expense	36,274	4,946	16,488	8,244	65,952	16,489	16,489	82,441
TOTAL FUNCTIONAL EXPENSES	2,180,019	244,428	854,612	744,966	4,024,025	1,247,972	1,247,972	5,271,997

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

GOODWILL LEADS, INC. (THE EXCEL CENTER)South Bend, Indiana

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	(697,256)	(1,133,038)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	406,823	419,723
Amortization of finance lease	10,997	0
Noncash rent expense	46,136	0
Adjustments for changes in operating assets and liabilities:		
Accounts receivable	(7,987)	4,235
Grants receivable	179,106	(216,621)
Prepaid expenses	(10,669)	(22,330)
Deposits	0	4,360
Accounts payable	195	(16,756)
Accounts payable - related party, net	286,140	339,239
Accrued payroll, benefits, and related taxes	2,868	(67,891)
Other accrued expenses	0	(3,353)
Net Cash Flows Provided By (Used In) Operating Activities	216,353	(692,432)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(49,108)	(239,689)
Net Cash Flows Used In Investing Activities	(49,108)	(239,689)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in line of credit	0	60,000
Payments on finance lease	(11,002)	0
Payments on long-term debt	(112,490)	(108,848)
Net Cash Flows Used In Financing Activities	(123,492)	(48,848)
CHANGE IN CASH, RESTRICTED CASH, AND CASH EQUIVALENTS	43,753	(980,969)
CASH, RESTRICTED CASH, AND CASH EQUIVALENTS AT BEGINNING OF YEAR	216,487	1,197,456
CASH, RESTRICTED CASH AND CASH EQUIVALENTS AT END OF YEAR	260,240	216,487
SUPPLEMENTARY DISCLOSURE OF CASH FLOWS		
Interest paid	75,041	69,134

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

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NATURE OF BUSINESS

Goodwill LEADS, Inc. (The Excel Center) (the "School"), is a public charter high school headquartered in South Bend, Indiana, operating under the control of Goodwill Industries of Michiana, Inc. Through government grants and private financial support from individuals, foundations, and corporations, the purpose of the School is to provide educational opportunities designed to enable young people and adults to prepare for productive adult lives. The School was incorporated in July 2014 and classes commenced in South Bend, Indiana in September 2015, in Hammond, Indiana in September 2017, in Gary, Indiana in September 2018 and in Elkhart, Indiana in September 2021.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The financial statements of the School have been prepared on the accrual basis.

The School adheres to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, which sets standards for reporting on financial statements of not-for-profit organizations. ASC 958-205 requires the classification and presentation of net assets in two categories: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the School.

Net assets with donor restrictions are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the School or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

For purposes of the Statements of Cash Flows, the School considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash is held at a local bank and is insured up to the respective limits of the FDIC. It is common for the School's cash balance to exceed the insured limit throughout the course of operations.

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

Restricted cash consists of the following for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Excel Center lobby improvements	513	513
Kids Excel	1,247	1,247
Tablets for adult high school students	0	4,800
Technology grant	15,116	0
Legacy grant	25,000	25,000
Escrowed cash	100,000	90,000
Total	141,876	121,560

Total Cash, Restricted Cash and Cash Equivalents in the Statements of Cash Flows consists of the following at June 30:

	<u>2023</u>	<u>2022</u>
Cash	160,240	126,487
Escrowed cash	100,000	90,000
Total	260,240	216,487

ACCOUNTS RECEIVABLE

Accounts receivable are stated at the amount management expects to collect from outstanding balances and is presented net of allowance for doubtful accounts. Management has determined that no allowance is necessary at June 30, 2023 or 2022. Factors considered in determining the collectibility include past collection history, an aged analysis of receivables, economic conditions, as well as historical trends. Interest is not typically charged on past due accounts.

PROPERTY AND EQUIPMENT

Donations of property and equipment are recorded as current support at their estimated fair value unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the School reports expirations of donor restrictions when the donated or acquired assets are placed in service. Net assets with donor restrictions are reclassified to net assets without donor restrictions at that time. The School did not receive any donor restricted assets during the years ended June 30, 2023 or 2022.

Purchased property and equipment are stated at cost. Expenditures for additions, improvements and replacements are added to the property and equipment accounts. Repairs and maintenance are charged to expense as incurred. When equipment is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts and any gains or losses arising from the disposition are reflected in income. Depreciation is provided for over the estimated useful lives of the assets using the straight-line method. Depreciation expense was \$406,823 and \$419,723 for the years ended June 30, 2023 and 2022, respectively.

A summary of the range of lives by asset category follows:

Leasehold improvements	10 - 15 years
Office furniture and equipment	5 years
Computers and software	3 years

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

CONTRIBUTIONS OF FINANCIAL ASSETS

Contributions, including promises to give, are recorded when the contribution is deemed unconditional. Contributions are reflected in the financial statements at the earlier of the transfer of the assets or at the time an unconditional promise to give is made. Contributions received are considered to be available for current use unless specifically restricted by the donor.

Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support that increases net assets with donor restrictions. A donor restriction expires when a stipulated time restriction ends or when a purpose restriction is accomplished. Upon expiration, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restrictions are met in the year in which the contributions are received.

ADVERTISING COSTS

Various costs relating to advertising are considered period costs and are therefore expensed as incurred. Advertising costs were \$22,826 and \$232,129 for the years ended June 30, 2023 and 2022, respectively.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing programs and other activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated between program and supporting services benefited. Management and general expense includes expenditures for record keeping, business management, budgeting, and the overall direction of the School and its programs.

Expenses that are allocated include the following:

Expense	Method of Allocation
Technology expense, security expense, benefits, utilities, repairs and maintenance, interest expense, depreciation expense, liability insurance, equipment expense, rent	Direct labor hours

Other expenses are assigned to the respective functional category by method of direct assignment.

INCOME TAXES

The School is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined that the School is not a private foundation within the meaning of Section 509(a).

The Income Taxes Topic, FASB ASC 740, clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. ASC 740 requires an entity to disclose the nature of uncertain tax positions taken, if any, when filing its income tax return utilizing a two-step process to recognize and measure any uncertain tax positions taken. The entity recognizes a tax benefit only if it is more likely than not the position would be sustained in a tax examination, with a tax examination being presumed to occur. No tax benefit will be recorded on tax positions not meeting the more likely than not test. Interest and penalties accrued or incurred, if any, as a result of applying ASC 740 will be recorded to interest expense and other expense, respectively.

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

Based on its evaluation, the School has concluded that there are no uncertain tax positions requiring recognition in its financial statements. The School's evaluation was performed for all federal and state tax periods still subject to examination. The School's 2019 through 2021 federal and state exempt organization returns remain subject to examination by the IRS and state taxing authorities.

CHANGE IN ACCOUNTING PRINCIPLE

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). FASB ASC 842 supersedes the lease requirements in FASB ASC 840. Under FASB ASC 842, lessees are required to recognize assets and liabilities on the statement of financial position for most leases and provide enhanced disclosures. The School adopted FASB ASC 842, with a date of initial application of July 1, 2022, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2018-11; Leases (Topic 842): Targeted Improvements. The School did not restate prior comparative periods as presented under FASB ASC 840 and instead evaluated whether a cumulative effect adjustment to net assets as of July 1, 2022, was necessary for the cumulative impact of adoption of FASB ASC 842. No cumulative effect adjustment to net assets as of July 1, 2022 was necessary on the Statements of Activities or Cash Flows for the year ended June 30, 2023. FASB ASC 842 did not have a significant effect on the results of operations or cash flows for the year ended June 30, 2023.

As part of the transition, the School elected to apply the following practical expedients:

Package of practical expedients:

- Election not to reassess whether any expired or existing contracts are or contain leases.
- Election not to reassess the lease classification for any expired or existing leases.
- Election not to reassess initial direct costs on any existing leases.

Other practical expedients:

- Election whereby the lease and nonlease components will not be separated for leases.
- Election not to record right of use ("ROU") assets and corresponding lease liabilities for short-term leases with a lease term of 12 months or less, but greater than 1 month and leases of low-value assets. Leases of 1 month or less are not included in short-term lease costs. On such leases, lease payments are recognized as an expense on a straight-line basis over the lease term.

LEASES

The School accounts for leases in accordance with ASU No. 2016-02, Leases (Topic 842). Leases are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating leases or finance leases. Management determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. Management determines if an arrangement conveys the right to use an identified asset and whether the School obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The School recognizes a lease liability and ROU asset at the commencement date of the lease.

Beginning July 1, 2022, operating lease ROU assets and related current and long-term portions of operating and financing lease liabilities have been presented in the balance sheet.

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

Lease liabilities: A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease-term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the School uses its incremental borrowing rate based on the information available at the commencement date of the lease. The incremental borrowing rate for a lease is the rate of interest the School would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment and geographic location. Accordingly, the rate applied in the calculations to determine balances as of June 30, 2023, was provided by the School's lender.

ROU assets: A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The School has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for low-value leases and short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset that is reasonably certain to exercise. The School recognizes lease cost associated with its low-value and short-term leases on a straight-line basis over the lease term.

CONTRIBUTED NONFINANCIAL ASSETS

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958) - Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. ASU 2020-07 requires an entity to present in-kind revenue as a separate line item on the statement of activities separate from contributions of cash and other financial assets. An entity is required to disclose a disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets. For each category of gift in-kind, the entity must disclose qualitative information about whether the gift in-kind was monetized or consumed during the reporting period. If consumed, an entity must also disclose the program or other activities in which the gifts in-kind were used. Entities must also disclose the policy regarding monetizing or using gifts in-kind, any donor imposed restrictions associated with the gifts in-kind, a description of the valuation technique and inputs used to arrive at the fair value measurement, and the principal or most advantageous market used to arrive at the fair value measurement if it is a market in which the entity is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial asset. These disclosures are also required for contributed services. The ASU is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2020, with early adoption permitted.

RECLASSIFICATIONS

Certain items in the June 30, 2022 financial statements have been reclassified to conform with the June 30, 2023 presentation. The reclassifications have no effect on total assets, liabilities, net assets, changes in net assets, or net cash flows as previously reported.

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 2 - LIQUIDITY AND AVAILABILITY

The School has working capital of \$0 for the years ended June 30, 2023 and 2022. Average days cash on hand is 12 and 9 as of June 30, 2023 and 2022, respectively.

The table below represents financial assets available for general expenditures within one year at June 30:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	160,240	126,487
Accounts receivable, net	11,360	3,373
Grants receivable	37,515	216,621
Less assets limited to use:		
Cash received from grant with expired term	(25,000)	(25,000)
Donor restricted cash	(16,876)	(6,560)
Total financial assets available to meet general expenditures within one year:	167,239	314,921

The School has certain donor restricted assets limited to use which are unavailable for general expenditure within one year in the normal course of operations (Note 5). Accordingly, these assets are excluded from financial assets available to meet general expenditures within one year.

The School is required to escrow cash for each location by the charter agreements and the escrow policy of the Indiana Charter School Board (ICSB). The escrowed funds are required to be separated from general operating funds and cannot be used for operational purposes. The funds are to be used to cover final expenses in the event of liquidation. The School escrowed \$100,000 and \$90,000 at June 30, 2023 and 2022, respectively.

The School has lines of credit available with a related party as described in Note 3. In addition, the related party makes contributions and extends long-term debt to the School as is deemed necessary.

NOTE 3 - LINES OF CREDIT

The School maintains a revolving line of credit with Goodwill Industries of Michiana, Inc. (a related party), in the amount of \$625,000. The line of credit provides operating funds for the Hammond, Indiana location. The line of credit bears interest on current draws at the Wall Street Journal Prime Rate resulting in a rate of 6.35% at June 30, 2023. Interest expense on the line of credit was \$9,677 and \$6,749 for the years ended June 30, 2023 and 2022, respectively. The balance on the line of credit was \$305,000 for both years ended June 30, 2023 and 2022. The line of credit was extended subsequent to year end and matures on June 30, 2024.

The School maintains a revolving line of credit agreement with Goodwill Industries of Michiana, Inc. in the amount of \$750,000. The line of credit provides operating funds for the Gary, Indiana location and bears interest on current draws at the Wall Street Journal Prime Rate, resulting in a rate of 6.35% at June 30, 2023. Interest expense was \$23,084 and \$22,847 for the years ended June 30, 2023 and 2022, respectively. The balance outstanding on the line of credit was \$703,000 for both years ended June 30, 2023 and 2022. The line of credit was extended subsequent to year end and matures on June 30, 2024.

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

On July 1, 2022, the School entered into a revolving line of credit agreement with Goodwill Industries of Michiana, Inc. in the amount of \$250,000. The line of credit provides operating funds for the Elkhart, Indiana location and bears interest at the Wall Street Journal Prime Rate, resulting in a rate of 6.35% at June 30, 2023. Interest expense was \$0 for the year ended June 30, 2023. The balance outstanding on the line of credit was \$0 at June 30, 2023. The line of credit was extended subsequent to year end and matures on June 30, 2024.

NOTE 4 - LONG-TERM DEBT - RELATED PARTY

Long-term debt - related party consists of the following at June 30:

	<u>2023</u>	<u>2022</u>
An unsecured term note payable to Goodwill Industries of Michiana, Inc. in the original amount of \$1,474,089, requiring monthly principal and interest payments in the total amount of \$12,366 through June 2026, at which time a balloon payment of \$696,300 will be due. The interest rate is 3.25%.	1,044,079	1,156,569
Total	1,044,079	1,156,569
Current portion of long-term debt related party	116,174	112,464
Net long-term debt	927,905	1,044,105

Long-term debt, less current portion, is scheduled to mature as follows for the years ending June 30:

2025	120,006
2026	807,899
Net long-term debt	927,905

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30:

	<u>2023</u>	<u>2022</u>
Excel Center lobby improvements	513	513
Kids excel outdoor play area	1,247	1,247
Tablets for adult high school students	0	4,800
Technology grant	15,116	0
Total	16,876	6,560

NOTE 6 - RETIREMENT PLAN

The School maintains a section 403(b) retirement plan for its non-certified employees. The plan provides for individual custodial accounts for participating employees with varied investment options. The School made contributions to this plan in the amount of 3% of wages for full time employees during the year as defined by the plan document, and also matched employee contributions up to an additional 2%. Retirement expense under the 403(b) plan was \$37,977 and \$30,485 for the years ended June 30, 2023 and 2022, respectively.

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

The School's certified employees are covered by the Indiana Teacher Retirement Fund (TRF). Employees are eligible as of their hire date. By statute, employers were required to contribute 6.0% and 5.5% of an employee's pre-tax gross income to TRF as of June 30, 2023 and 2022, respectively. Employers may also elect to contribute an additional 3% in lieu of the employee's own contributions. The School made contributions of 8.5% of employee gross wages to the fund during the year. Retirement expenses for employees covered by TRF was \$118,818 and \$116,478 for the years ended June 30, 2023 and 2022, respectively.

NOTE 7 - CONTRIBUTIONS OF NONFINANCIAL ASSETS

In order to recognize donated services as contributions in the School's financial statements the services must require specialized skills, be provided by individuals who possess those skills, and typically need to be purchased if not contributed. Donated services are valued based on the cost of services provided by those individuals.

Material gift-in-kind items used in the School's programs and donated goods distributed are recorded as income and expense at the time the items are received, which is normally also the time they are placed into service or distributed. The School does not typically accept gift in-kind that will not be consumed for its programs. Advertising and other gift in-kind are valued at the cost that would have been paid to third-party vendors had the advertising and other gifts not been donated. Advertising services create awareness for the School with the intent to increase enrollment.

Contributions of nonfinancial assets are as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Management, bookkeeping, and administrative services provided by a related party	112,000	114,400
Advertising	18,685	22,224
Other gift in-kind	0	254
Total	130,685	136,878

NOTE 8 - CONCENTRATIONS

The School receives a substantial amount of its support from federal and state governments, as well as Goodwill Industries of Michiana, Inc. Any significant reduction in the level of this support could have a significant effect on the School's programs.

The School has locations in North Central and Northwest Indiana. Accordingly, economic conditions in those areas may affect its operations.

NOTE 9 - LEASE COMMITMENTS

The School leases building space in Hammond, Indiana from an unrelated party under a five year lease agreement effective September 1, 2017, which was renewed for an additional five year term from September 1, 2022 to August 31, 2027. The School is responsible for real estate taxes and common area maintenance ("CAM") as well as monthly rent payments of \$8,574 as of June 30, 2023. The lease includes one optional additional five year term.

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

The School entered into a one year building lease with an unrelated party for space in Elkhart, Indiana effective August 12, 2021, which was renewed for an additional one year term from September 1, 2022 to August 31, 2023. This lease requires monthly rent payments of \$3,600 as of June 30, 2023, and the School is responsible for Internet and phone service. The lease includes an optional additional one year term, which was exercised subsequent to year-end as of September 1, 2023 at a monthly rate of \$4,000.

The above leases have been classified as operating leases and are included in the June 30, 2023 Statement of Financial Position as operating lease ROU assets in the amount of \$588,255, net of accumulated amortization of \$653,438 and have an associated current portion of operating lease liabilities of \$170,694 and long-term operating lease liabilities of \$463,001. Rent expense under the lease agreements was \$188,127 for the year ended June 30, 2023.

The School leased building space in South Bend, Indiana from an unrelated party under a five year lease agreement effective as of July 1, 2015. The School was responsible for some maintenance and its proportionate share of utilities, insurance and taxes. A related party, Goodwill Industries of Michiana, Inc., subsequently purchased the building from the unrelated party. The School signed a new three year lease agreement with the related party effective July 2021. This lease requires annual lease payments of \$60,000, paid in monthly installments of \$5,000.

The School also leases building space in Gary, Indiana from related party, Goodwill Ventures, Inc. Goodwill Industries of Michiana, Inc. entered into a master lease arrangement with Goodwill Ventures, Inc. Goodwill Industries of Michiana, Inc., as the sub-landlord, then subleased the building owned by Goodwill Ventures, Inc. to the School under a sublease agreement effective July 1, 2019. The sublease agreement requires annual lease payments of \$60,000, paid in monthly installments of \$5,000. The lease term is five years and renews automatically for annual periods ending on June 30 unless either party notifies the other party at least 90 days in advance of June 30. The School is not responsible for operating expenses or real estate taxes.

The above leases have been classified as operating leases with related parties and are included in the June 30, 2023 Statement of Financial Position as operating lease ROU assets with related parties in the amount of \$385,716, net of accumulated amortization of \$296,451 and have an associated current portion of operating lease liabilities with related parties of \$109,078 and long-term operating lease liabilities with related parties of \$276,638. Rent expense under the lease agreements was \$120,000 for the year ended June 30, 2023.

The School has entered into five-year leases for copiers and printers at each location, requiring monthly payments ranging from \$136 to \$489. The leases have been classified as financing leases and are included in the June 30, 2023 Statement of Financial Position as \$26,003 financing lease ROU assets, net of accumulated amortization of \$32,074 and have an associated current portion of financing lease liabilities of \$10,812 and long-term financing lease liabilities of \$15,882. Rent expense under the lease agreements was \$12,251 for the year ended June 30, 2023.

Management has elected not to separate nonlease components from lease components in leases. The components of lease cost are as follows for the year ended June 30, 2023:

Lease cost

Finance lease cost:	
Amortization of right-of-use assets	10,997
Interest on lease liabilities	1,113
Operating lease cost	308,127
<u>Total lease cost</u>	<u>320,237</u>

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

Other information

Weighted-average remaining lease term - finance leases	2.9 years
Weighted-average remaining lease term - operating leases	4.4 years
Weighted-average discount rate - finance leases	4.1%
Weighted-average discount rate - operating leases	4.6%

The following table represents supplemental balance sheet classification information related to finance leases as of June 30, 2023:

Assets

Finance lease right-of-use asset	58,077
Related accumulated amortization	(32,074)

Maturities of operating and finance lease liabilities, by fiscal year, are as follows:

	<u>Operating leases</u>	<u>Finance leases</u>
2024	267,725	10,670
2025	216,945	6,266
2026	220,274	3,478
2027	168,330	1,629
2028	60,000	0
Total lease payments	933,274	22,043
Present value adjustment	(103,272)	(1,679)
Present value of lease liabilities	830,002	20,364

Future minimum lease payments for operating leases accounted for under FASB ASC 840 with remaining non-cancelable lease terms in excess of one year and prior to the adoption of FASB ASC 842, were as follows as of June 30, 2022:

2023	323,337
2024	290,678
2025	164,499
2026	162,058
2027	164,238
Thereafter	27,082
	1,131,892
Less current portion	(323,337)
Long-term lease obligations	808,555

Rent expense was \$311,812 for the year ended June 30, 2022.

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 10 - COMMITMENTS

In March 2020, the School renewed its membership agreement with Goodwill Education Initiatives, Inc. The agreement provides for licensing of the "The Excel Center" name and Marks, and membership in the Excel Center Network for a 3 year term. The agreement may be renewed for an additional three year term. The agreement was renewed for the second three year term in March 2020. The monthly payment of \$3,000 is due within thirty days of the first day of the month. The School paid Goodwill Education Initiatives, Inc. \$36,000 relative to this agreement for each of the years ended June 30, 2023 and 2022.

In March 2022, the School renewed its agreement with Milestone Accounting & Bookkeeping Services, Inc. The agreement provides for review of the general ledger, preparation of State Board of Accounts Form 9, and IRS forms 1099 and 1096 for a term of one year. The monthly payment of \$1,500 is due within thirty days of the first day of the month. The School paid approximately \$18,000 for this agreement for the years ended June 30, 2023 and 2022, respectively.

The School maintains an agreement with a cleaning service. The agreement provides for general cleaning and janitorial services, and may be terminated with 30 days written notice. The monthly payment is \$2,700 plus the cost of supplies and is due within 15 days of the first day of the month. The School paid approximately \$32,400 relative to this agreement during the years ended June 30, 2023 and 2022.

The charter school agreements require the School to establish escrow accounts of no less than \$30,000 in accordance with the escrow policy of the ICSB. The escrow accounts for the South Bend, Hammond, and Gary schools were fully funded in the required amount of \$30,000 each at June 30, 2023. The Elkhart escrow account was fully funded at its required balance of \$10,000 at June 30, 2023.

NOTE 11 - RELATED PARTY TRANSACTIONS

The School is controlled by Goodwill Industries of Michiana, Inc. ("Goodwill"). Goodwill provides employees, certain school-specific administrative services, and general management and oversight of the School.

Goodwill also provided interest-free or below market rate interest loans. See Notes 2 and 3. Goodwill also provided cash subsidies to the School of \$0 and \$210,000 during the fiscal years ended June 30, 2023 and 2022, respectively. The subsidies are recorded in Contributions of financial assets on the Statements of Activities.

Goodwill has also provided contributed goods and services to the School as disclosed in Note 7.

The School has accounts payable of \$667,999 and \$381,859 due to Goodwill as of June 30, 2023 and 2022, respectively.

The School paid \$60,000 to Goodwill Industries of Michiana, Inc., for the lease of the school's South Bend location as discussed in Note 9. The School paid \$60,000 to Goodwill Ventures, Inc. for the lease of the School's Gary location as disclosed in Note 9.

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE 12 - SUBSEQUENT EVENTS

The School has evaluated subsequent events through January 30, 2024, the date the financial statements were available to be issued. As discussed in Note 3, the School's lines of credit with the Hammond, Gary, and Elkhart locations were extended to June 30, 2024. As discussed in Note 9, the Elkhart lease was extended subsequent to year end. No other events or transactions occurred during this period which require recognition or disclosure in the financial statements.

NOTE 13 - CHARTER SCHOOL COMPLIANCE REQUIREMENTS

The report presented herein was prepared in addition to another official report prepared for the School as listed below:

Supplemental Audit Report of Goodwill Leads, Inc.

The Supplemental Audit Report contains the results of compliance testing required by the Indiana State Board of Accounts under its *Guidelines for the Audits of Charter Schools Performed by Private Examiners* pertaining to matters addressed in its *Accounting and Uniform Compliance Guidelines Manual for Indiana Charter Schools*.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Goodwill LEADS, Inc. (The Excel Center)
South Bend, Indiana

We have audited the financial statements of Goodwill LEADS, Inc. (The Excel Center) as of and for the years ended June 30, 2023 and 2022, and our report thereon dated January 30, 2024, which expressed an unmodified opinion on those financial statements appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The following supplementary information, including the statements of financial position, activities, and expenses by location, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Kruggel, Lawton & Company LLC'.

Certified Public Accountants

South Bend, Indiana
January 30, 2024

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

STATEMENT OF FINANCIAL POSITION BY LOCATION

June 30, 2023

(See Independent Auditor's Report on Supplementary Information)

	<u>South Bend</u>	<u>Hammond</u>	<u>Gary</u>	<u>Elkhart</u>	<u>Elimination</u>	<u>Total</u>
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	(4,070)	33,692	33,706	96,912	0	160,240
Accounts receivable	11,360	0	0	0	0	11,360
Grants receivable	0	12,750	5,615	19,150	0	37,515
Prepaid expenses	12,296	27,290	9,254	18,052	0	66,892
Accounts receivable - school charter	1,204,441	404,218	284,149	182,534	(2,075,342)	0
Total Current Assets	1,224,027	477,950	332,724	316,648	(2,075,342)	276,007
PROPERTY AND EQUIPMENT						
Leasehold improvements	1,328,007	1,497,118	46,943	7,440	0	2,879,508
Office furniture and equipment	354,118	305,999	297,158	187,109	0	1,144,384
Computers and software	312,828	60,058	35,675	60,469	0	469,030
Total	1,994,953	1,863,175	379,776	255,018	0	4,492,922
Accumulated depreciation	1,717,867	911,502	294,227	85,533	0	3,009,129
Net Property and Equipment	277,086	951,673	85,549	169,485	0	1,483,793
OTHER ASSETS						
Escrowed cash	30,000	30,000	30,000	10,000	0	100,000
Deposits	0	6,937	0	3,000	0	9,937
Operating right of use assets, net	0	544,825	0	43,430	0	588,255
Operating right of use assets, net - related party	59,090	0	326,626	0	0	385,716
Financing right of use assets, net	9,774	0	913	15,316	0	26,003
Total Other Assets	98,864	581,762	357,539	71,746	0	1,109,911
TOTAL ASSETS	1,599,977	2,011,385	775,812	557,879	(2,075,342)	2,869,711

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

STATEMENT OF FINANCIAL POSITION BY LOCATION (CONTINUED)

June 30, 2023

(See Independent Auditor's Report on Supplementary Information)

<u>LIABILITIES AND NET ASSETS</u>	<u>South Bend</u>	<u>Hammond</u>	<u>Gary</u>	<u>Elkhart</u>	<u>Elimination</u>	<u>Total</u>
CURRENT LIABILITIES						
Line of credit	0	305,000	703,000	0	0	1,008,000
Current portion of long-term debt - related party	0	116,174	0	0	0	116,174
Accounts payable	0	2,647	(441)	16,002	0	18,208
Accounts payable - related party, net	193,768	241,809	105,719	126,703	0	667,999
Accounts payable - school charter	297,814	736,901	654,734	385,893	(2,075,342)	0
Accrued payroll, benefits, and related taxes	(14,652)	22,559	34,956	18,077	0	60,940
Deferred revenue	0	12,500	12,500	0	0	25,000
Current portion of operating lease liabilities	0	124,153	0	46,541	0	170,694
Current portion of operating lease liabilities -related party	59,090	0	49,988	0	0	109,078
Current portion of financing lease liabilities	5,639	0	987	4,186	0	10,812
Total Current Liabilities	541,659	1,561,743	1,561,443	597,402	(2,075,342)	2,186,905
LONG-TERM LIABILITIES						
Long-term debt - related party	0	927,905	0	0	0	927,905
Long-term operating lease liabilities	0	463,001	0	0	0	463,001
Long-term operating lease liabilities - related party	0	0	276,638	0	0	276,638
Long-term financing lease liabilities	4,355	0	0	11,527	0	15,882
Total Long-Term Liabilities	4,355	1,390,906	276,638	11,527	0	1,683,426
TOTAL LIABILITIES	546,014	2,952,649	1,838,081	608,929	(2,075,342)	3,870,331
NET ASSETS						
Without donor restrictions	1,050,054	(944,657)	(1,066,407)	(56,485)	0	(1,017,495)
With donor restrictions	3,909	3,393	4,138	5,435	0	16,875
Total Net Assets	1,053,963	(941,264)	(1,062,269)	(51,050)	0	(1,000,620)
TOTAL LIABILITIES AND NET ASSETS	1,599,977	2,011,385	775,812	557,879	(2,075,342)	2,869,711

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

STATEMENT OF FINANCIAL POSITION BY LOCATION

June 30, 2022

(See Independent Auditor's Report on Supplementary Information)

<u>ASSETS</u>	<u>South Bend</u>	<u>Hammond</u>	<u>Gary</u>	<u>Elkhart</u>	<u>Elimination</u>	<u>Total</u>
CURRENT ASSETS						
Cash and cash equivalents	35,967	140,032	165,067	(214,579)	0	126,487
Accounts receivable	447	2,926	0	0	0	3,373
Grants receivable	0	0	0	216,621	0	216,621
Prepaid expenses	15,171	18,528	11,469	11,055	0	56,223
Accounts receivable - school charter	879,860	13	714	12,541	(893,128)	0
Total Current Assets	931,445	161,499	177,250	25,638	(893,128)	402,704
PROPERTY AND EQUIPMENT						
Leasehold improvements	1,328,007	1,497,118	46,943	7,440	0	2,879,508
Office furniture and equipment	354,118	305,999	297,158	138,002	0	1,095,277
Computers and software	312,828	60,058	35,675	60,469	0	469,030
Total	1,994,953	1,863,175	379,776	205,911	0	4,443,815
Accumulated depreciation	1,577,707	770,744	224,207	29,649	0	2,602,307
Net Property and Equipment	417,246	1,092,431	155,569	176,262	0	1,841,508
OTHER ASSETS						
Escrowed cash	30,000	30,000	30,000	0	0	90,000
Deposits	0	6,937	0	3,000	0	9,937
Total Other Assets	30,000	36,937	30,000	3,000	0	99,937
TOTAL ASSETS	1,378,691	1,290,867	362,819	204,900	(893,128)	2,344,149

GOODWILL LEADS, INC. (THE EXCEL CENTER)South Bend, Indiana

STATEMENT OF FINANCIAL POSITION BY LOCATION (CONTINUED)

June 30, 2022

(See Independent Auditor's Report on Supplementary Information)

	<u>South Bend</u>	<u>Hammond</u>	<u>Gary</u>	<u>Elkhart</u>	<u>Elimination</u>	<u>Total</u>
<u>LIABILITIES AND NET ASSETS</u>						
CURRENT LIABILITIES						
Line of credit	0	305,000	703,000	0	0	1,008,000
Current portion of long-term debt - related party	0	112,464	0	0	0	112,464
Accounts payable	2,613	(408)	2,447	13,361	0	18,013
Accounts payable - related party, net	0	109,534	82,940	52,757	0	381,859
Accounts payable - school charter	15,126	303,338	358,198	216,466	(893,128)	0
Accrued payroll, benefits, and related taxes	7,909	16,148	20,309	13,706	0	58,072
Deferred revenue	0	12,500	12,500	0	0	25,000
Accrued interest	136,628	0	0	0	0	0
Total Current Liabilities	162,276	858,576	1,179,394	296,290	(893,128)	1,603,408
LONG-TERM LIABILITIES						
Long-term debt - related party	0	1,044,105	0	0	0	1,044,105
Total Long-Term Liabilities	0	1,044,105	0	0	0	1,044,105
TOTAL LIABILITIES	162,276	1,902,681	1,179,394	296,290	(893,128)	2,647,513
NET ASSETS						
Net assets without donor restrictions	1,214,656	(611,814)	(821,375)	(91,390)	0	(309,923)
Net assets with donor restrictions	1,759	0	4,800	0	0	6,559
Total Net Assets	1,216,415	(611,814)	(816,575)	(91,390)	0	(303,364)
TOTAL LIABILITIES AND NET ASSETS	1,378,691	1,290,867	362,819	204,900	(893,128)	2,344,149

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

STATEMENT OF ACTIVITIES BY LOCATION

For the Year Ended June 30, 2023

(See Independent Auditor's Report on Supplementary Information)

	<u>South Bend</u>	<u>Hammond</u>	<u>Gary</u>	<u>Elkhart</u>	<u>Total</u>
REVENUES:					
Federal grants	7,067	29,371	11,410	102,908	150,756
State education support	1,055,149	1,138,138	852,560	1,100,268	4,146,115
Contributions of financial assets	2,892	3,686	2,880	3,192	12,650
Contributions of nonfinancial assets	36,858	35,718	29,798	28,311	130,685
Other income	5,439	25,009	11,916	1,736	44,100
<u>Total Revenues</u>	<u>1,107,405</u>	<u>1,231,922</u>	<u>908,564</u>	<u>1,236,415</u>	<u>4,484,306</u>
<u>EXPENSES</u>	<u>1,269,857</u>	<u>1,561,372</u>	<u>1,154,258</u>	<u>1,196,075</u>	<u>5,181,562</u>
CHANGE IN NET ASSETS	(162,452)	(329,450)	(245,694)	40,340	(697,256)
<u>NET ASSETS, BEGINNING OF YEAR</u>	<u>1,216,415</u>	<u>(611,814)</u>	<u>(816,575)</u>	<u>(91,390)</u>	<u>(303,364)</u>
<u>NET ASSETS, END OF YEAR</u>	<u>1,053,963</u>	<u>(941,264)</u>	<u>(1,062,269)</u>	<u>(51,050)</u>	<u>(1,000,620)</u>

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

STATEMENT OF ACTIVITIES BY LOCATION

For the Year Ended June 30, 2022

(See Independent Auditor's Report on Supplementary Information)

	<u>South Bend</u>	<u>Hammond</u>	<u>Gary</u>	<u>Elkhart</u>	<u>Total</u>
REVENUES:					
Federal grants	5,517	19,240	26,292	225,123	276,172
State education support	1,194,750	1,009,125	806,625	475,875	3,486,375
Contributions of financial assets	2,511	2,343	76,512	136,219	217,585
Contributions of nonfinancial assets	34,653	33,913	33,913	34,399	136,878
Other income	4,553	9,299	8,097	0	21,949
<u>Total Revenues</u>	<u>1,241,984</u>	<u>1,073,920</u>	<u>951,439</u>	<u>871,616</u>	<u>4,138,959</u>
<u>EXPENSES</u>	<u>1,477,686</u>	<u>1,546,568</u>	<u>1,255,179</u>	<u>992,564</u>	<u>5,271,997</u>
CHANGE IN NET ASSETS	(235,702)	(472,648)	(303,740)	(120,948)	(1,133,038)
<u>NET ASSETS, BEGINNING OF YEAR</u>	<u>1,452,117</u>	<u>(139,166)</u>	<u>(512,835)</u>	<u>29,558</u>	<u>829,674</u>
<u>NET ASSETS, END OF YEAR</u>	<u>1,216,415</u>	<u>(611,814)</u>	<u>(816,575)</u>	<u>(91,390)</u>	<u>(303,364)</u>

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

STATEMENT OF EXPENSES BY LOCATION

For the Year Ended June 30, 2023

(See Independent Auditor's Report on Supplementary Information)

	<u>South Bend</u>	<u>Hammond</u>	<u>Gary</u>	<u>Elkhart</u>	<u>Total</u>
Advertising expense	5,162	9,244	6,338	2,082	22,826
Technology expense	49,689	43,063	40,340	57,610	190,702
Classroom supplies	31,313	25,108	18,764	35,806	110,991
Dues and subscriptions	0	395	474	25	894
Employee benefits	160,078	118,790	101,905	136,506	517,279
Equipment expense	698	1,205	1,838	0	3,741
Salaries and wages	647,715	728,844	639,708	718,701	2,734,968
Licensing fees	11,250	8,250	8,250	8,250	36,000
Meals	2,771	2,838	1,314	1,885	8,808
Insurance	15,352	11,274	9,782	6,674	43,082
Interest expense	761	50,384	23,084	812	75,041
Travel	747	0	0	0	747
Office supplies	13,070	14,120	6,549	8,784	42,523
Miscellaneous	16,259	17,384	16,936	14,245	64,824
Payroll taxes	56,642	52,849	44,254	56,730	210,475
Professional fees	18,612	16,015	16,442	15,488	66,557
Property taxes	0	27,391	0	1,077	28,468
Utilities	25,797	63,998	70,031	22,243	182,069
Student transportation	3,182	34,711	13,740	1,734	53,367
Rent	60,000	144,720	60,000	45,111	309,831
Repairs and maintenance	3,979	48,374	2,662	1,122	56,137
Depreciation	140,160	140,757	70,021	55,885	406,823
Security expense	1,289	1,658	0	1,465	4,412
Amortization expense	5,331	0	1,826	3,840	10,997
Total Expenses	1,269,857	1,561,372	1,154,258	1,196,075	5,181,562

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

STATEMENT OF EXPENSES BY LOCATION

For the Year Ended June 30, 2022

(See Independent Auditor's Report on Supplementary Information)

	<u>South Bend</u>	<u>Hammond</u>	<u>Gary</u>	<u>Elkhart</u>	<u>Total</u>
Advertising expense	79,697	51,365	85,019	16,048	232,129
Technology expense	53,286	49,247	44,532	35,912	182,977
Classroom supplies	23,058	17,880	11,674	46,918	99,530
Dues and subscriptions	0	120	0	0	120
Employee benefits	194,345	78,810	93,493	88,371	455,019
Equipment expense	5,346	3,257	1,468	927	10,998
Salaries and wages	666,274	693,052	660,108	599,686	2,619,120
Licensing fees	12,870	9,990	7,500	5,640	36,000
Meals	1,417	775	265	297	2,754
Insurance	16,427	15,177	9,663	6,169	47,436
Interest expense	0	46,287	22,847	0	69,134
Travel	0	662	0	0	662
Office supplies	20,851	14,753	8,300	16,045	59,949
Miscellaneous	18,603	18,783	11,635	6,781	55,802
Payroll taxes	49,011	56,287	49,802	41,634	196,734
Professional fees	30,759	28,219	20,687	12,993	92,658
Property taxes	0	23,844	0	0	23,844
Utilities	51,275	67,428	66,067	20,346	205,116
Student transportation	478	30,122	12,007	625	43,232
Rent	63,810	99,200	60,000	33,000	256,010
Repairs and maintenance	24,238	50,010	2,980	3,381	80,609
Depreciation	149,995	168,760	71,683	29,285	419,723
Security expense	15,946	22,540	15,449	28,506	82,441
Total Expenses	1,477,686	1,546,568	1,255,179	992,564	5,271,997