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January 26, 2022

Charter School Board  
Goodwill LEADS, Inc. - The Excel Center  
2721 Kenwood Ave.  
South Bend, IN 46628

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, 2020 to June 30, 2021. 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, 2021 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.

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

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA  
State Examiner



**GOODWILL LEADS, INC. - THE EXCEL CENTER  
ANNUAL REPORT  
June 30, 2021**

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# GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

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## ANNUAL REPORT

June 30, 2021

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### CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 19
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION	20
SUPPLEMENTARY INFORMATION	
Statements of Financial Position by Location	21 - 24
Statements of Activities by Location	25 - 26
Statements of Expenses by Location	27 - 28



## INDEPENDENT AUDITOR'S REPORT

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

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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

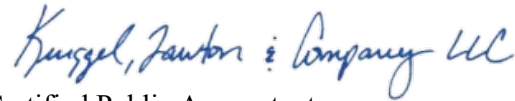
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

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, 2021 and 2020, 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.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kuzgel, Fawcett & Company LLC". The signature is written in a cursive style.

Certified Public Accountants

Elkhart, Indiana  
December 14, 2021

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

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**STATEMENTS OF FINANCIAL POSITION**

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	1,117,456	1,118,082
Accounts receivable	7,608	20,098
Prepaid expenses	33,893	32,470
<b>Total Current Assets</b>	<b>1,158,957</b>	<b>1,170,650</b>
<b>PROPERTY AND EQUIPMENT</b>		
Leasehold improvements	2,872,068	2,858,638
Office furniture and equipment	933,529	925,219
Computers and software	398,529	385,418
<b>Total</b>	<b>4,204,126</b>	<b>4,169,275</b>
Accumulated depreciation	(2,182,584)	(1,772,426)
<b>Net Property and Equipment</b>	<b>2,021,542</b>	<b>2,396,849</b>
<b>OTHER ASSETS</b>		
Escrowed cash	80,000	0
Deposits	14,297	14,297
<b>Total Other Assets</b>	<b>94,297</b>	<b>14,297</b>
<b>TOTAL ASSETS</b>	<b>3,274,796</b>	<b>3,581,796</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Lines of credit - related party	948,000	1,003,000
Current portion of long-term debt	108,873	1,303,264
Accounts payable	34,769	9,061
Accounts payable - related party, net	42,620	38,681
Accrued payroll, benefits, and related taxes	125,963	128,845
Deferred revenue	25,000	30,000
Other accrued expenses	3,353	2,012
<b>Total Current Liabilities</b>	<b>1,288,578</b>	<b>2,514,863</b>
<b>OTHER LIABILITIES</b>		
Long-term debt	1,156,544	536,000
<b>Total Other Liabilities</b>	<b>1,156,544</b>	<b>536,000</b>
<b>TOTAL LIABILITIES</b>	<b>2,445,122</b>	<b>3,050,863</b>
<b>NET ASSETS</b>		
Without donor restrictions	823,114	477,667
With donor restrictions	6,560	53,266
<b>TOTAL NET ASSETS</b>	<b>829,674</b>	<b>530,933</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>3,274,796</b>	<b>3,581,796</b>

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

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

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**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE</b>			
Federal grants	22,109	0	22,109
Non-federal grants	0	4,800	4,800
State education support	4,183,245	0	4,183,245
Contributions	153,091	0	153,091
In-kind donations	1,274	0	1,274
Other income	557,676	0	557,676
<b>Total Revenue</b>	<b>4,917,395</b>	<b>4,800</b>	<b>4,922,195</b>
Net assets released from restrictions:			
Satisfaction of restrictions	51,506	(51,506)	0
<b>FUNCTIONAL EXPENSES</b>			
Program	3,341,273	0	3,341,273
Management and general	1,282,181	0	1,282,181
Fundraising	0	0	0
<b>Total Functional Expenses</b>	<b>4,623,454</b>	<b>0</b>	<b>4,623,454</b>
<b>CHANGE IN NET ASSETS</b>	<b>345,447</b>	<b>(46,706)</b>	<b>298,741</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>477,667</b>	<b>53,266</b>	<b>530,933</b>
<b>NET ASSETS, END OF YEAR</b>	<b>823,114</b>	<b>6,560</b>	<b>829,674</b>

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

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

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**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE</b>			
Federal grants	179,173	0	179,173
State education support	4,066,403	0	4,066,403
Contributions	164,015	0	164,015
In-kind donations	149,928	0	149,928
Other income	16,296	0	16,296
<b>Total Revenue</b>	<b>4,575,815</b>	<b>0</b>	<b>4,575,815</b>
Net assets released from restrictions:			
Satisfaction of restrictions	251,735	(251,735)	0
<b>FUNCTIONAL EXPENSES</b>			
Program	3,699,776	0	3,699,776
Management and general	1,240,514	0	1,240,514
Fundraising	10,748	0	10,748
<b>Total Functional Expenses</b>	<b>4,951,038</b>	<b>0</b>	<b>4,951,038</b>
<b>CHANGE IN NET ASSETS</b>	<b>(123,488)</b>	<b>(251,735)</b>	<b>(375,223)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>601,155</b>	<b>305,001</b>	<b>906,156</b>
<b>NET ASSETS, END OF YEAR</b>	<b>477,667</b>	<b>53,266</b>	<b>530,933</b>

*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, 2021

	Program				Total Program Services	Supporting Services		Total Supporting Services	Total
	Classroom Instruction	Special Education	Student Counseling	Other Activities		Management and General	Fund Raising		
Advertising expense	0	0	0	237,235	237,235	0	0	0	237,235
Technology expense	27,233	2,321	6,541	2,789	38,884	114,760	0	114,760	153,644
Classroom supplies	50,657	0	626	26,489	77,772	5,942	0	5,942	83,714
Dues and subscriptions	0	0	0	0	0	961	0	961	961
Employee benefits	185,301	33,276	43,739	29,755	292,071	147,538	0	147,538	439,609
Equipment expense	6,705	754	2,351	1,169	10,979	3,640	0	3,640	14,619
Salaries and wages	944,219	137,103	414,867	195,211	1,691,400	598,176	0	598,176	2,289,576
Licensing fees	0	0	0	0	0	33,000	0	33,000	33,000
Meals	0	0	0	0	0	1,825	0	1,825	1,825
Insurance	17,150	2,506	7,839	3,793	31,288	9,168	0	9,168	40,456
Interest expense	44,548	6,423	20,267	9,227	80,465	23,100	0	23,100	103,565
Office supplies	8,813	1,296	4,074	2,030	16,213	12,647	0	12,647	28,860
Miscellaneous	7,036	1,027	3,183	12,443	23,689	29,088	0	29,088	52,777
Payroll taxes	72,146	11,900	31,177	21,214	136,437	42,261	0	42,261	178,698
Professional fees	0	1,080	0	0	1,080	57,397	0	57,397	58,477
Property taxes	10,058	1,465	4,953	2,363	18,839	5,243	0	5,243	24,082
Utilities	69,474	10,016	29,562	13,422	122,474	36,324	0	36,324	158,798
Student transportation	9,177	0	0	0	9,177	0	0	0	9,177
Rent	86,995	12,572	38,169	17,548	155,284	45,471	0	45,471	200,755
Repairs and maintenance	25,836	3,784	12,388	6,051	48,059	13,629	0	13,629	61,688
Depreciation	174,155	25,454	79,494	38,536	317,639	92,521	0	92,521	410,160
Security expense	18,030	2,618	7,917	3,723	32,288	9,490	0	9,490	41,778
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>1,757,533</b>	<b>253,595</b>	<b>707,147</b>	<b>622,998</b>	<b>3,341,273</b>	<b>1,282,181</b>	<b>0</b>	<b>1,282,181</b>	<b>4,623,454</b>

*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, 2020

	Program				Supporting Service			Total Supporting Services	Total
	Classroom Instruction	Special Education	Student Counseling	Other Activities	Total Program Services	Management and General	Fund Raising		
Advertising expense	0	0	0	227,129	227,129	0	0	0	227,129
Technology expense	30,108	1,382	8,182	8,381	48,053	89,759	0	89,759	137,812
Classroom supplies	33,853	0	652	9,557	44,062	14,797	0	14,797	58,859
Dues and subscriptions	0	0	0	0	0	1,360	0	1,360	1,360
Employee benefits	160,997	42,206	53,458	62,245	318,906	134,547	767	135,314	454,220
Equipment expense	3,502	368	1,870	1,899	7,639	4,045	0	4,045	11,684
Salaries and wages	979,149	121,628	449,911	290,531	1,841,219	604,234	9,272	613,506	2,454,725
Licensing fees	0	0	0	0	0	27,000	0	27,000	27,000
Meals	0	0	0	0	0	6,961	0	6,961	6,961
Insurance	12,920	1,434	6,971	7,284	28,609	5,735	0	5,735	34,344
Interest expense	97,393	13,388	55,128	58,755	224,664	41,726	0	41,726	266,390
Travel	0	711	0	0	711	0	0	0	711
Office supplies	9,673	1,080	5,224	5,243	21,220	14,864	0	14,864	36,084
Miscellaneous	0	0	0	5,680	5,680	29,971	0	29,971	35,651
Payroll taxes	71,125	8,478	32,883	20,056	132,542	44,001	709	44,710	177,252
Professional fees	0	2,079	0	0	2,079	36,189	0	36,189	38,268
Property taxes	5,580	797	3,188	3,986	13,551	2,390	0	2,390	15,941
Utilities	59,353	5,060	30,497	30,019	124,929	25,429	0	25,429	150,358
Student transportation	0	0	0	0	0	29,225	0	29,225	29,225
Rent	79,920	6,950	41,202	41,279	169,351	34,240	0	34,240	203,591
Repairs and maintenance	22,500	2,956	12,599	14,489	52,544	9,640	0	9,640	62,184
Depreciation	177,686	20,892	97,043	101,375	396,996	76,126	0	76,126	473,122
Security expense	18,436	1,864	9,766	9,826	39,892	8,275	0	8,275	48,167
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>1,762,195</b>	<b>231,273</b>	<b>808,574</b>	<b>897,734</b>	<b>3,699,776</b>	<b>1,240,514</b>	<b>10,748</b>	<b>1,251,262</b>	<b>4,951,038</b>

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

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

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**STATEMENTS OF CASH FLOWS**

For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	298,741	(375,223)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	410,160	473,122
Non-cash interest expense	42,494	213,623
Gain on disposal of equipment	0	2,862
Gain on extinguishment of debt	(536,000)	0
Adjustments for changes in operating assets and liabilities:		
Accounts receivable	12,490	(20,023)
Grants receivable	0	107,830
Prepaid expenses	(1,423)	163,140
Accounts payable	25,708	(5,547)
Accounts payable - related party, net	3,939	(5,826)
Accrued payroll, benefits, and related taxes	(2,882)	23,306
Deferred revenue	(5,000)	30,000
Other accrued expenses	1,341	(978)
<b>Net Cash Flows provided by Operating Activities</b>	<b>249,568</b>	<b>606,286</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(34,853)	(321,965)
<b>Net Cash Flows used in Investing Activities</b>	<b>(34,853)</b>	<b>(321,965)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net change in line of credit	(55,000)	43,000
Proceeds from issuance of long-term debt	0	536,000
Payments on long term debt	(80,341)	(909,454)
<b>Net Cash Flows used in Financing Activities</b>	<b>(135,341)</b>	<b>(330,454)</b>
<b>INCREASE (DECREASE) IN CASH, RESTRICTED CASH, AND CASH EQUIVALENTS</b>	<b>79,374</b>	<b>(46,133)</b>
<b>CASH, RESTRICTED CASH, AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,118,082</b>	<b>1,164,215</b>
<b>CASH, RESTRICTED CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>1,197,456</b>	<b>1,118,082</b>
<b>SUPPLEMENTARY DISCLOSURE OF CASH FLOWS</b>		
Interest paid	61,071	52,767

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

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# **GOODWILL LEADS, INC. (THE EXCEL CENTER)**

South Bend, Indiana

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## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

### **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, and in Gary, Indiana in September 2018. The School incurred expenses during the year ended June 30, 2021 relative to a new location in Elkhart, Indiana that opened for the fiscal year ending June 30, 2022.

### **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.

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# GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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

	<u>2021</u>	<u>2020</u>
Excel Center lobby improvements	513	4,283
Career training	0	5,243
Kids Excel	1,247	6,247
Tablets for adult high school students	4,800	0
Legacy grant	25,000	25,000
Escrowed cash	80,000	0
<b>Total</b>	<b>111,560</b>	<b>40,773</b>

### 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, 2021 or 2020. 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, 2021 or June 30, 2020.

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 \$410,160 and \$473,122 for the years ended June 30, 2021 and 2020, 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

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# GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

### DONATED SERVICES AND MATERIALS

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.

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. Donated services and materials are recorded in the Statements of Activities as In-kind donations revenue for the years ended June 30, 2021 and 2020.

Donated services and materials are as follows for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Services provided by a related party	0	148,673
Other gift in-kind	1,274	1,255
<u>Total</u>	<u>1,274</u>	<u>149,928</u>

### CONTRIBUTIONS

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 \$237,235 and \$227,129 for the years ended June 30, 2021 and 2020, 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.

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# GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

Expenses that are allocated include the following:

Expense	Method of Allocation
Technology expense, security expense, office supplies, utilities, repairs and maintenance, interest expense, depreciation expense, liability insurance	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.

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 2017 through 2019 federal and state exempt organization returns remain subject to examination by the IRS and state taxing authorities.

### ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

On May 28, 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)* and later, various subsequent amendments (collectively "ASC 606"). This standard outlines a single comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition, including industry-specific guidance. ASC 606 requires that revenue is recognized when a customer obtains control of a good or service, which is when a customer has the ability to direct the use of and obtain benefits of the good or service. The School adopted ASC 606 as of the fiscal year ended June 30, 2021 using the modified retrospective method applied to all contracts not completed as of July 1, 2020. The adoption of ASC 606 did not result in a material change in the accounting for any revenue streams.

### RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

On November 17, 2016, the FASB issued ASU 2016-18, *Restricted Cash (Topic 230)*, which addresses classification and presentation of changes in restricted cash on the Statements of Cash Flows. ASU 2016-18 requires an entity's reconciliation of the beginning-of-period and end-of-period total amounts shown on the statement of cash flows to include in cash and cash equivalents amounts generally described as restricted cash and restricted cash equivalents. ASU 2016-18 is effective for public business entities for annual periods beginning after December 15, 2017 and interim periods within those fiscal years. It is effective for annual periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019 for all other entities. The School adopted ASU 2016-18 for the fiscal year ended June 30, 2020.

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# GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

On June 21, 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The standard was intended to clarify and improve the scope and the accounting guidance for contributions received and made, primarily by not-for-profit organizations. ASU 2018-08 is effective for resource recipients for annual periods beginning after December 15, 2018. The Organization adopted ASU 2018-08 for the fiscal year ended June 30, 2020.

### FUTURE ACCOUNTING PRONOUNCEMENT

ASU 2016-02, *Leases (Topic 842)* was issued by FASB in February 2016. This ASU affects any entity that enters into a lease, with some specified scope exemptions. The main difference between previous GAAP and this ASU is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous GAAP. Lessor accounting will not fundamentally change. Operating lease income will be recognized on a straight-line basis over the lease term. The amendments in this ASU are effective for fiscal years beginning after December 15, 2021.

### NOTE 2 - LIQUIDITY AND AVAILABILITY

The School has working capital of \$0 for the years ended June 30, 2021 and June 30, 2020. Average days cash on hand is 97 and 94 as of June 30, 2021 and 2020, respectively.

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

Financial assets at year end:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	980,896	1,052,309
Accounts receivable, net	7,608	20,098
Assets limited to use:		
Cash received from grant with expired term	25,000	25,000
Donor restricted cash	111,560	40,773
<b>Total financial assets available to meet general expenditures within one year:</b>	<b>1,125,064</b>	<b>1,138,180</b>

The School has certain donor restricted assets limited to use which are available for general expenditure within one year in the normal course of operations (Note 5). Accordingly, these assets have been included in the quantitative information above for financial assets 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. 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 \$80,000 and \$0 at June 30, 2021 and 2020, 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.

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# GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

### 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 at the Wall Street Journal Prime Rate resulting in a rate of 3.25% at June 30, 2021. Interest expense on the line of credit was \$9,442 and \$15,239 for the years ended June 30, 2021 and 2020, respectively. The balance on the line of credit was \$245,000 and \$365,000 at June 30, 2021 and 2020, respectively. The line of credit was extended subsequent to year end and matures on June 30, 2022.

On July 1, 2018, the School entered into a revolving line of credit agreement with Goodwill Industries of Michiana, Inc. in the amount of \$550,000. On June 11, 2019, the amount was increased to \$750,000. The line of credit provides operating funds for the Gary, Indiana location and bears interest at the Wall Street Journal Prime Rate, resulting in a rate of 3.25% at June 30, 2021. Interest expense was \$21,254 and \$7,880 for the years ended June 30, 2021 and 2020, respectively. The balance outstanding on the line of credit was \$703,000 and \$638,000 for the years ended June 30, 2021 and 2020, respectively. The line of credit was extended subsequent to year end and matures on June 30, 2022.

### NOTE 4 - LONG-TERM DEBT

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

	<u>2021</u>	<u>2020</u>
In April 2020, the School applied for and received an unsecured Payment Protection Program (PPP) loan made available through the CARES Act in the amount of \$536,000. Payments are due monthly in the amount of \$30,164 including interest at 1% starting November 8, 2020. The note matures April 8, 2022. The note was forgiven in full in January 2021.	0	536,000
An unsecured term note payable to Goodwill Industries of Michiana, Inc. in the original amount of \$1,474,089, requiring interest only monthly payments at 4.95% from November 2017 through May 2018, at 5.09% for the month of June 2018, and at 2% through June 2021 at which time a balloon payment of \$1,265,417 was due. The loan was amended as of July 1, 2021. The new terms require 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%.	1,265,417	1,303,264
Total	1,265,417	1,839,264
Current portion	108,873	1,303,264
Net long-term debt	1,156,544	536,000

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

2023	112,464
2024	116,174
2025	120,006
2026	807,900
Net long-term debt	1,156,544

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# GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

Goodwill Industries of Michiana, Inc. extended a below market interest rate long-term debt to the School to assist with operating costs, capital asset acquisitions, and other necessary expenditures associated with the South Bend school. Because the purpose of the School is to further the tax exempt objectives of Goodwill Industries of Michiana, Inc. and because income production is not a significant purpose of the School, the below market rate loan is deemed to be a programmatic investment. As such, long-term debt is reported at the present value of the loan instead of the stated loan amount. The difference of \$304,455 was recorded as a contribution in the initial year of the loan and is amortized over the life of the loan. The note was paid off early in full during the year ended June 30, 2020 resulting in recognition of the remaining unamortized contribution expense in full during the year ended June 30, 2020.

In accordance with accounting principles governing programmatic investments, the School has imputed interest at a rate of 2.75% resulting in the recognition of contribution income and interest expense in the amount of \$0 and \$174,021 for the years ended June 30, 2021 and 2020, respectively. The School paid interest of \$0 and \$1,437 for the years ended June 30, 2021 and 2020, respectively.

During the previous fiscal year, Goodwill Industries of Michiana, Inc. extended an additional loan in the amount of approximately \$1,475,000 to the School to assist with operating costs, capital asset acquisitions, and other necessary expenditures associated with the Hammond school. The loan terms result in the recognition of a programmatic investment as of July 2018, at which time the present value of the loan was adjusted for the resulting contribution revenue of \$118,862. The contribution is amortized over the life of the loan. In accordance with accounting principles governing programmatic investments, the School imputed interest at a rate of 2% resulting in the recognition of contribution income and interest expense in the amounts of \$42,494 and \$39,602 for the years ended June 30, 2021 and 2020, respectively. The School paid interest of \$26,114 and \$27,849 for the years ended June 30, 2021 and 2020, respectively. The note was refinanced as of July 1, 2021. The new note is for ten years with a balloon payment due June 30, 2026. Interest is charged at a rate of 3.25%.

### NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Excel Center lobby improvements	513	4,283
Contribution related to programmatic investment by related party - Hammond	0	42,493
Career training	0	5,243
Kids excel outdoor play area	1,247	1,247
Tablets for adult high school students	4,800	0
<b>Total</b>	<b>6,560</b>	<b>53,266</b>

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# GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

### 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 \$30,556 and \$41,428 for the years ended June 30, 2021 and 2020, respectively.

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 are required to contribute 7.5% of an employee's pre-tax gross income to TRF. 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 \$101,627 and \$96,203 for the years ended June 30, 2021 and 2020, respectively.

### NOTE 7 - 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 8 - LEASE COMMITMENTS

The School leases building space in Hammond, Indiana from an unrelated party under a five year lease agreement effective September 1, 2017. The School is responsible for real estate taxes and common area maintenance ("CAM") of \$3,885 per month. The lease includes two optional additional five year terms.

The School entered into a one year building lease with an unrelated party for space in Elkhart, Indiana effective August 12, 2021. This lease requires monthly rent payments of \$3,000, and the School is responsible for internet and phone service. The lease includes three optional additional one year terms.

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. Rent expense for both of the years ended June 30, 2021 and 2020 was \$45,720. 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.

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## GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

The lease agreements require monthly rent payments as follows. Period one for Hammond is related to June 30, 2019, for Gary is June 30, 2020, and for South Bend and Elkhart is June 30, 2022:

Period	<u>South Bend</u>		<u>Hammond</u>		<u>Gary</u>		<u>Elkhart</u>	
	Base Rent per Year	Base Rent per Month	Base Rent per Year	Base Rent per Month	Base Rent per Year	Base Rent per Month	Base Rent per Year	Base Rent per Month
Period 1	60,000	5,000	133,331	11,111	67,000	5,000	33,000	3,000
Period 2	60,000	5,000	137,493	11,458	60,000	5,000	3,000	3,000
Period 3	60,000	5,000	141,655	11,805	60,000	5,000	0	0
Period 4	0	0	145,818	12,152	60,000	5,000	0	0
Period 5	0	0	24,419	12,210	60,000	5,000	0	0

In addition, the School has entered into five year leases for equipment at the South Bend, Hammond, and Gary locations. These agreements require monthly payments of \$574, \$271, and \$160 respectively. Total base rent expense under the agreements was \$259,435 and \$262,273 for the years ended June 30, 2021 and 2020, respectively.

The future minimum lease payments under the leases are as follows:

2022	310,886
2023	157,044
2024	127,852
2025	5,743
<b>Total future minimum lease payments</b>	<b>601,525</b>

#### NOTE 9 - COMMITMENTS

On September 1, 2017, the School entered into a 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 term of 31 months. The agreement may be renewed for two additional three year terms, if notice for renewal is given within three months prior to the end of the initial 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, 2021 and 2020.

On October 6, 2017, the School entered into an 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 \$1,000 is due within thirty days of the first day of the month. On June 18, 2020, a new one year agreement was signed which added the provision of training on Blackbaud accounting software and increased the monthly payment to \$1,250 beginning July 1, 2020. In June 2021, a new one year agreement was signed which decreased the monthly payment to \$850 beginning July 1, 2021. The School paid \$15,000 and \$12,100 relative to this agreement for the years ended June 30, 2021 and 2020, respectively.

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# GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

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## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

On July 10, 2019, the School entered into 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 and \$26,000 relative to this agreement during the years ended June 30, 2021 and 2020, respectively.

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 Indiana Charter School Board. During the year ended June 30, 2021, the School established escrow accounts of \$30,000 each for the South Bend and Hammond schools and \$20,000 for the Gary location, which must be \$30,000 by December 31, 2021.

### NOTE 10 - 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 approximately \$140,000 and \$75,000 during the fiscal years ended June 30, 2021 and 2020, respectively. The subsidies are recorded in Contributions on the Statements of Activities.

Goodwill has also provided contributed goods and services to the School as disclosed in Note 1.

The School has accounts payable of \$42,620 and \$38,681 due to Goodwill as of June 30, 2021 and 2020, respectively.

### NOTE 11 - COVID-19 OUTBREAK

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

As a result of the COVID-19 outbreak, the School remained open and operating, but implemented several safety measures put in place to protect staff and clients. These measures include the purchase of personal protection equipment (PPE) and procedural controls implemented to prevent client and staff infection. The School operated on a completely virtual basis for the latter part of the 2019-2020 school year and has since implemented a hybrid of virtual and in-person instruction depending on the local status of the pandemic. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School has limited ability to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the fiscal year ending June 30, 2022.

Although the School cannot estimate the full length or gravity of the impact of the COVID-19 outbreak at this time, the pandemic may have an adverse effect on the School's results of future operations, financial position, and liquidity for the fiscal year ending June 30, 2022.

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# **GOODWILL LEADS, INC. (THE EXCEL CENTER)**

South Bend, Indiana

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## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

### **NOTE 12 - SUBSEQUENT EVENTS**

The School has evaluated subsequent events through December 14, 2021, the date the financial statements were available to be issued. As discussed in Note 3, the School's lines of credit with a related party were extended to June 30, 2022. As discussed in Note 4, the loan between the School and Goodwill Industries of Michiana, Inc. for the Hammond location was amended on July 1, 2021 to include amortization of the loan and a new maturity date of June 30, 2026. As discussed in Note 8, the School entered into a lease with an unrelated party for space in Elkhart beginning August 2021. The School also entered into a lease with Goodwill Industries of Michiana, Inc. beginning in August 2021 for the South Bend location that Goodwill Industries of Michiana, Inc. purchased from an unrelated party. No other events or transactions occurred during this period which require recognition or disclosure in the financial statements.



## 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, 2021 and 2020, and have issued our report thereon dated December 14, 2021, which contained an unmodified opinion on those financial statements. Our audits were performed 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 &amp; Company LLC'.

Certified Public Accountants

South Bend, Indiana  
December 14, 2021

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**GOODWILL LEADS, INC. (THE EXCEL CENTER)**

South Bend, Indiana

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**STATEMENT OF FINANCIAL POSITION BY LOCATION**

June 30, 2021

(See Independent Auditor's Report on Supplementary Information)

	<u>South Bend</u>	<u>Hammond</u>	<u>Gary</u>	<u>Elkhart</u>	<u>Total</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	901,632	162,435	26,547	26,842	1,117,456
Accounts receivable	2,637	3,838	1,133	0	7,608
Prepaid expenses	16,345	9,526	6,310	1,712	33,893
<b>Total Current Assets</b>	<b>920,614</b>	<b>175,799</b>	<b>33,990</b>	<b>28,554</b>	<b>1,158,957</b>
<b>PROPERTY AND EQUIPMENT</b>					
Leasehold improvements	1,328,007	1,497,118	46,943	0	2,872,068
Office furniture and equipment	354,118	298,037	281,374	0	933,529
Computers and software	312,828	41,711	30,879	13,111	398,529
<b>Total</b>	<b>1,994,953</b>	<b>1,836,866</b>	<b>359,196</b>	<b>13,111</b>	<b>4,204,126</b>
Accumulated depreciation	1,427,713	601,984	152,523	364	2,182,584
<b>Net Property and Equipment</b>	<b>567,240</b>	<b>1,234,882</b>	<b>206,673</b>	<b>12,747</b>	<b>2,021,542</b>
<b>OTHER ASSETS</b>					
Escrowed cash	30,000	30,000	20,000	0	80,000
Deposits	7,360	6,937	0	0	14,297
<b>Total Other Assets</b>	<b>37,360</b>	<b>36,937</b>	<b>20,000</b>	<b>0</b>	<b>94,297</b>
<b>TOTAL ASSETS</b>	<b>1,525,214</b>	<b>1,447,618</b>	<b>260,663</b>	<b>41,301</b>	<b>3,274,796</b>

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**GOODWILL LEADS, INC. (THE EXCEL CENTER)**

South Bend, Indiana

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**STATEMENT OF FINANCIAL POSITION BY LOCATION (CONTINUED)**

June 30, 2021

(See Independent Auditor's Report on Supplementary Information)

	<u>South Bend</u>	<u>Hammond</u>	<u>Gary</u>	<u>Elkhart</u>	<u>Total</u>
<u>LIABILITIES AND NET ASSETS</u>					
CURRENT LIABILITIES					
Line of credit	0	245,000	703,000	0	948,000
Current portion of long-term debt	0	108,873	0	0	108,873
Accounts payable	11,291	12,697	8,575	2,206	34,769
Accounts payable - related party, net	18,616	12,584	11,401	19	42,620
Accrued payroll, benefits, and related taxes	42,536	36,295	37,614	9,518	125,963
Deferred revenue	0	12,500	12,500	0	25,000
Other accrued expenses	654	2,699	0	0	3,353
Total Current Liabilities	73,097	430,648	773,090	11,743	1,288,578
LONG-TERM LIABILITIES					
Long-term debt	0	1,156,544	0	0	1,156,544
Total Long-Term Liabilities	0	1,156,544	0	0	1,156,544
TOTAL LIABILITIES	73,097	1,587,192	773,090	11,743	2,445,122
NET ASSETS					
Without donor restrictions	1,450,357	(139,574)	(517,227)	29,558	823,114
With donor restrictions	1,760	0	4,800	0	6,560
Total Net Assets	1,452,117	(139,574)	(512,427)	29,558	829,674
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,525,214</b>	<b>1,447,618</b>	<b>260,663</b>	<b>41,301</b>	<b>3,274,796</b>

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**GOODWILL LEADS, INC. (THE EXCEL CENTER)**

South Bend, Indiana

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**STATEMENT OF FINANCIAL POSITION BY LOCATION**

June 30, 2020

(See Independent Auditor's Report on Supplementary Information)

<u>ASSETS</u>	<u>South Bend</u>	<u>Hammond</u>	<u>Gary</u>	<u>Total</u>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	608,768	292,153	217,161	1,118,082
Accounts receivable	1,295	12,170	6,633	20,098
Prepaid expenses	12,541	11,189	8,740	32,470
<b>Total Current Assets</b>	<b>622,604</b>	<b>315,512</b>	<b>232,534</b>	<b>1,170,650</b>
<b>PROPERTY AND EQUIPMENT</b>				
Leasehold improvements	1,328,007	1,492,438	38,193	2,858,638
Office furniture and equipment	354,118	298,037	273,064	925,219
Computers and software	312,828	41,711	30,879	385,418
<b>Total</b>	<b>1,994,953</b>	<b>1,832,186</b>	<b>342,136</b>	<b>4,169,275</b>
Accumulated depreciation	1,258,928	436,258	77,240	1,772,426
<b>Net Property and Equipment</b>	<b>736,025</b>	<b>1,395,928</b>	<b>264,896</b>	<b>2,396,849</b>
<b>OTHER ASSETS</b>				
Deposits	7,360	6,937	0	14,297
<b>Total Other Assets</b>	<b>7,360</b>	<b>6,937</b>	<b>0</b>	<b>14,297</b>
<b>TOTAL ASSETS</b>	<b>1,365,989</b>	<b>1,718,377</b>	<b>497,430</b>	<b>3,581,796</b>

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**GOODWILL LEADS, INC. (THE EXCEL CENTER)**

South Bend, Indiana

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**STATEMENT OF FINANCIAL POSITION BY LOCATION (CONTINUED)**

June 30, 2020

(See Independent Auditor's Report on Supplementary Information)

	<u>South Bend</u>	<u>Hammond</u>	<u>Gary</u>	<u>Total</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES				
Line of credit	0	365,000	638,000	1,003,000
Current portion of long-term debt	0	1,303,264	0	1,303,264
Accounts payable	1,176	6,601	1,284	9,061
Accounts payable - related party, net	12,143	15,908	10,630	38,681
Accrued payroll, benefits, and related taxes	52,743	41,439	34,663	128,845
Deferred revenue	0	17,500	12,500	30,000
Other accrued expenses	345	362	1,305	2,012
<b>Total Current Liabilities</b>	<b>66,407</b>	<b>1,750,074</b>	<b>698,382</b>	<b>2,514,863</b>
LONG-TERM LIABILITIES				
Long-term debt	172,353	181,103	182,544	536,000
<b>Total Long-Term Liabilities</b>	<b>172,353</b>	<b>181,103</b>	<b>182,544</b>	<b>536,000</b>
<b>TOTAL LIABILITIES</b>	<b>238,760</b>	<b>1,931,177</b>	<b>880,926</b>	<b>3,050,863</b>
NET ASSETS				
Net assets without donor restrictions	1,116,456	(255,293)	(383,496)	477,667
Net assets with donor restrictions	10,773	42,493	0	53,266
<b>Total Net Assets</b>	<b>1,127,229</b>	<b>(212,800)</b>	<b>(383,496)</b>	<b>530,933</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,365,989</b>	<b>1,718,377</b>	<b>497,430</b>	<b>3,581,796</b>

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## GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

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### STATEMENT OF ACTIVITIES BY LOCATION

For the Year Ended June 30, 2021

(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	1,805	1,518	18,786	0	22,109
Non-federal grants	0	0	4,800	0	4,800
State education support	1,788,041	1,565,325	829,879	0	4,183,245
Contributions	5,637	5,023	77,405	65,026	153,091
In-kind donations	1,274	0	0	0	1,274
Other income	178,540	194,767	184,369	0	557,676
<b>Total Revenues</b>	<b>1,975,297</b>	<b>1,766,633</b>	<b>1,115,239</b>	<b>65,026</b>	<b>4,922,195</b>
<b>EXPENSES</b>	<b>1,650,409</b>	<b>1,693,407</b>	<b>1,244,170</b>	<b>35,468</b>	<b>4,623,454</b>
<b>CHANGE IN NET ASSETS</b>	<b>324,888</b>	<b>73,226</b>	<b>(128,931)</b>	<b>29,558</b>	<b>298,741</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>1,127,229</b>	<b>(212,800)</b>	<b>(383,496)</b>	<b>0</b>	<b>530,933</b>
<b>NET ASSETS, END OF YEAR</b>	<b>1,452,117</b>	<b>(139,574)</b>	<b>(512,427)</b>	<b>29,558</b>	<b>829,674</b>

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## GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

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### STATEMENT OF ACTIVITIES BY LOCATION

For the Year Ended June 30, 2020

(See Independent Auditor's Report on Supplementary Information)

	<u>South Bend</u>	<u>Hammond</u>	<u>Gary</u>	<u>Total</u>
REVENUES:				
Federal grants	0	0	179,173	179,173
State education support	1,674,574	1,630,564	761,265	4,066,403
Contributions	32,338	31,886	99,791	164,015
In-kind donations	46,824	46,452	56,652	149,928
Other income	5,069	14,090	(2,863)	16,296
<u>Total Revenues</u>	<u>1,758,805</u>	<u>1,722,992</u>	<u>1,094,018</u>	<u>4,575,815</u>
EXPENSES	1,903,548	1,746,452	1,301,038	4,951,038
CHANGE IN NET ASSETS	(144,743)	(23,460)	(207,020)	(375,223)
<u>NET ASSETS, BEGINNING OF YEAR</u>	<u>1,271,972</u>	<u>(189,340)</u>	<u>(176,476)</u>	<u>906,156</u>
<u>NET ASSETS, END OF YEAR</u>	<u>1,127,229</u>	<u>(212,800)</u>	<u>(383,496)</u>	<u>530,933</u>

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## GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

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### STATEMENT OF EXPENSES BY LOCATION

For the Year Ended June 30, 2021

(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	78,520	68,180	89,155	1,380	237,235
Technology expense	49,338	54,776	45,439	4,091	153,644
Classroom supplies	45,770	17,222	20,579	143	83,714
Dues and subscriptions	352	382	227	0	961
Employee benefits	200,071	124,626	113,969	943	439,609
Equipment expense	6,892	4,162	3,565	0	14,619
Salaries and wages	828,548	780,038	654,020	26,970	2,289,576
Licensing fees	13,290	13,506	6,204	0	33,000
Meals	994	604	227	0	1,825
Insurance	15,986	17,146	7,324	0	40,456
Interest expense	1,499	79,918	22,148	0	103,565
Office supplies	15,501	9,582	3,651	126	28,860
Miscellaneous	22,819	18,995	10,821	142	52,777
Payroll taxes	63,079	63,563	50,747	1,309	178,698
Professional fees	16,011	37,307	5,159	0	58,477
Property taxes	0	24,082	0	0	24,082
Utilities	43,817	55,196	59,785	0	158,798
Student transportation	1,399	7,623	155	0	9,177
Rent	45,717	95,038	60,000	0	200,755
Repairs and maintenance	16,730	41,315	3,643	0	61,688
Depreciation	168,785	165,727	75,284	364	410,160
Security expense	15,291	14,419	12,068	0	41,778
<b>Total Expenses</b>	<b>1,650,409</b>	<b>1,693,407</b>	<b>1,244,170</b>	<b>35,468</b>	<b>4,623,454</b>

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## GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

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### STATEMENT OF EXPENSES BY LOCATION

For the Year Ended June 30, 2020

(See Independent Auditor's Report on Supplementary Information)

	<u>South Bend</u>	<u>Hammond</u>	<u>Gary</u>	<u>Total</u>
Advertising expense	77,335	66,392	83,402	227,129
Technology expense	43,094	51,463	43,255	137,812
Classroom supplies	35,516	11,802	11,541	58,859
Dues and subscriptions	417	394	549	1,360
Employee benefits	170,569	134,042	149,609	454,220
Equipment expense	4,097	5,395	2,192	11,684
Salaries and wages	898,052	845,425	711,248	2,454,725
Licensing fees	10,665	11,448	4,887	27,000
Meals	2,263	2,628	2,070	6,961
Insurance	13,560	14,553	6,231	34,344
Interest expense	175,458	83,052	7,880	266,390
Travel	0	0	711	711
Office supplies	20,350	8,823	6,911	36,084
Miscellaneous	14,209	15,624	5,818	35,651
Payroll taxes	64,128	62,559	50,565	177,252
Professional fees	15,794	15,199	7,275	38,268
Property taxes	0	15,941	0	15,941
Utilities	40,283	58,801	51,274	150,358
Student transportation	7,473	15,903	5,849	29,225
Rent	45,716	90,876	66,999	203,591
Repairs and maintenance	15,389	42,927	3,868	62,184
Depreciation	229,323	176,434	67,365	473,122
Security expense	19,857	16,771	11,539	48,167
<b>Total Expenses</b>	<b>1,903,548</b>	<b>1,746,452</b>	<b>1,301,038</b>	<b>4,951,038</b>