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June 15, 2023

Charter School Board
Goodwill LEADS, Inc. - The Excel Center
2721 Kenwood Avenue
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, 2021 to June 30, 2022. 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, 2022 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, 2022**

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

ANNUAL REPORT

June 30, 2022

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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, 2022 and 2021, 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, 2022 and 2021, 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 audit in the 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

Elkhart, Indiana
January 30, 2023

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

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	126,487	1,117,456
Accounts receivable	3,373	7,608
Grants receivable	216,621	0
Prepaid expenses	56,223	33,893
Total Current Assets	402,704	1,158,957
PROPERTY AND EQUIPMENT		
Leasehold improvements	2,879,508	2,872,068
Office furniture and equipment	1,095,277	933,529
Computers and software	469,030	398,529
Total	4,443,815	4,204,126
Accumulated depreciation	(2,602,307)	(2,182,584)
Net Property and Equipment	1,841,508	2,021,542
OTHER ASSETS		
Escrowed cash	90,000	80,000
Deposits	9,937	14,297
Total Other Assets	99,937	94,297
TOTAL ASSETS	2,344,149	3,274,796

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Lines of credit - related party	1,008,000	948,000
Current portion of long-term debt - related party	112,464	108,873
Accounts payable	18,013	34,769
Accounts payable - related party, net	381,859	42,620
Accrued payroll, benefits, and related taxes	58,072	125,963
Deferred revenue	25,000	25,000
Other accrued expenses	0	3,353
Total Current Liabilities	1,603,408	1,288,578
OTHER LIABILITIES		
Long-term debt - related party	1,044,105	1,156,544
Total Other Liabilities	1,044,105	1,156,544
TOTAL LIABILITIES	2,647,513	2,445,122
NET ASSETS		
Without donor restrictions	(309,924)	823,114
With donor restrictions	6,560	6,560
TOTAL NET ASSETS	(303,364)	829,674
TOTAL LIABILITIES AND NET ASSETS	2,344,149	3,274,796

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	217,585	0	217,585
Donated services - related party	114,400	0	114,400
Gifts in-kind	22,478	0	22,478
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	1,243,246	0	1,243,246
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 ACTIVITIES

For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
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
Total Revenue	4,917,395	4,800	4,922,195
Net assets released from restrictions:			
Satisfaction of restrictions	51,506	(51,506)	0
FUNCTIONAL EXPENSES			
Program	3,341,273	0	3,341,273
Management and general	1,282,181	0	1,282,181
Total Functional Expenses	4,623,454	0	4,623,454
CHANGE IN NET ASSETS	345,447	(46,706)	298,741
NET ASSETS, BEGINNING OF YEAR	477,667	53,266	530,933
NET ASSETS, END OF YEAR	823,114	6,560	829,674

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 Services		Total Supporting Services	Total
	Classroom Instruction	Special Education	Student Counseling	Other Activities		Management and General	Fund Raising		
Advertising expense	0	0	0	232,129	232,129	0	0	0	232,129
Technology expense	46,226	2,398	7,994	3,997	60,615	122,362	0	122,362	182,977
Classroom supplies	58,639	395	1,092	36,918	97,044	2,486	0	2,486	99,530
Dues and subscriptions	0	0	0	0	0	120	0	120	120
Employee benefits	233,063	13,970	55,685	63,961	366,679	86,706	1,634	88,340	455,019
Equipment expense	4,519	694	2,314	1,157	8,684	2,314	0	2,314	10,998
Salaries and wages	1,205,007	141,475	501,364	257,993	2,105,839	517,386	(4,105)	513,281	2,619,120
Licensing fees	0	0	0	0	0	36,000	0	36,000	36,000
Meals	0	0	0	0	0	2,754	0	2,754	2,754
Insurance	20,872	2,846	9,487	4,744	37,949	9,487	0	9,487	47,436
Interest expense	30,419	4,148	13,827	6,913	55,307	13,827	0	13,827	69,134
Travel	0	662	0	0	662	0	0	0	662
Office supplies	15,078	2,056	6,853	3,427	27,414	32,218	317	32,535	59,949
Miscellaneous	12,247	1,670	5,567	7,772	27,256	28,546	0	28,546	55,802
Payroll taxes	84,142	10,049	36,881	19,181	150,253	39,601	6,880	46,481	196,734
Professional fees	0	0	0	0	0	92,658	0	92,658	92,658
Property taxes	10,492	1,431	4,769	2,384	19,076	4,768	0	4,768	23,844
Utilities	90,251	12,307	41,023	20,512	164,093	41,023	0	41,023	205,116
Student transportation	0	0	0	0	0	43,232	0	43,232	43,232
Rent	112,644	15,361	51,202	25,601	204,808	51,202	0	51,202	256,010
Repairs and maintenance	35,468	4,837	16,122	8,061	64,488	16,121	0	16,121	80,609
Depreciation	184,678	25,183	83,944	41,972	335,777	83,946	0	83,946	419,723
Security expense	36,274	4,946	16,488	8,244	65,952	16,489	0	16,489	82,441
TOTAL FUNCTIONAL EXPENSES	2,180,019	244,428	854,612	744,966	4,024,025	1,243,246	4,726	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

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2021

	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	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
TOTAL FUNCTIONAL EXPENSES	1,757,533	253,595	707,147	622,998	3,341,273	1,282,181	0	1,282,181	4,623,454

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	(1,133,038)	298,741
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	419,723	410,160
Non-cash interest expense	0	42,494
Gain on extinguishment of debt	0	(536,000)
Adjustments for changes in operating assets and liabilities:		
Accounts receivable	4,235	12,490
Grants receivable	(216,621)	0
Prepaid expenses	(22,330)	(1,423)
Deposits	4,360	0
Accounts payable	(16,756)	25,708
Accounts payable - related party, net	339,239	3,939
Accrued payroll, benefits, and related taxes	(67,891)	(2,882)
Deferred revenue	0	(5,000)
Other accrued expenses	(3,353)	1,341
Net Cash Flows Provided By (Used In) Operating Activities	(692,432)	249,568
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(239,689)	(34,853)
Net Cash Flows Used In Investing Activities	(239,689)	(34,853)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in line of credit	60,000	(55,000)
Payments on long term debt	(108,848)	(80,341)
Net Cash Flows Used In Financing Activities	(48,848)	(135,341)
CHANGE IN CASH, RESTRICTED CASH, AND CASH EQUIVALENTS	(980,969)	79,374
CASH, RESTRICTED CASH, AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,197,456	1,118,082
CASH, RESTRICTED CASH AND CASH EQUIVALENTS AT END OF YEAR	216,487	1,197,456
SUPPLEMENTARY DISCLOSURE OF CASH FLOWS		
Interest paid	69,134	61,071

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, 2022 and 2021

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, 2022 and 2021

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

	<u>2022</u>	<u>2021</u>
Excel Center lobby improvements	513	513
Kids Excel	1,247	1,247
Tablets for adult high school students	4,800	4,800
Legacy grant	25,000	25,000
Escrowed cash	90,000	80,000
Total	121,560	111,560

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

	<u>2022</u>	<u>2021</u>
Cash	126,487	1,117,456
Escrowed cash	90,000	80,000
Total	216,487	1,197,456

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, 2022 or 2021. 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, 2022 or 2021.

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 \$419,723 and \$410,160 for the years ended June 30, 2022 and 2021, 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, 2022 and 2021

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. Donated services were received from a related party during the year ended June 30, 2022. 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.

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

	<u>2022</u>	<u>2021</u>
Services provided by a related party	114,400	0
Advertising	22,224	1,274
Other gift in-kind	254	0
Total	136,878	1,274

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 \$232,129 and \$237,235 for the years ended June 30, 2022 and 2021, 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.

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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 2018 through 2020 federal and state exempt organization returns remain subject to examination by the IRS and state taxing authorities.

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

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.

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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. Management is in the process of assessing the effect of this ASU on these financial statements.

RECLASSIFICATIONS

Certain items in the June 30, 2021 financial statements have been reclassified to conform with the June 30, 2022 presentation. The reclassifications have no effect on total assets, liabilities, net assets, changes in net assets, or net cash flows as previously reported.

NOTE 2 - LIQUIDITY AND AVAILABILITY

The School has working capital of \$0 for the years ended June 30, 2022 and 2021. Average days cash on hand is 10 and 97 as of June 30, 2022 and 2021, respectively.

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

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	126,487	1,117,456
Accounts receivable, net	3,373	7,608
Grants receivable	216,621	0
Less assets limited to use:		
Cash received from grant with expired term	(25,000)	(25,000)
Donor restricted cash	(6,560)	(6,560)
Total financial assets available to meet general expenditures within one year:	314,921	1,093,504

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 \$90,000 and \$80,000 at June 30, 2022 and 2021, 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.

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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 4.75% at June 30, 2022. Interest expense on the line of credit was \$6,749 and \$9,442 for the years ended June 30, 2022 and 2021, respectively. The balance on the line of credit was \$305,000 and \$245,000 at June 30, 2022 and 2021, respectively. The line of credit was extended subsequent to year end and matures on June 30, 2023.

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 4.75% at June 30, 2022. Interest expense was \$22,847 and \$21,254 for the years ended June 30, 2022 and 2021, respectively. The balance outstanding on the line of credit was \$703,000 for both years ended June 30, 2022 and 2021. The line of credit was extended subsequent to year end and matures on June 30, 2023.

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 4.75% at June 30, 2022. Interest expense was \$0 for the year ended June 30, 2022. The balance outstanding on the line of credit was \$0 at June 30, 2022. The line of credit matures on June 30, 2023.

NOTE 4 - LONG-TERM DEBT - RELATED PARTY

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

	<u>2022</u>	<u>2021</u>
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%.	1,156,569	1,265,417
Total	1,156,569	1,265,417
Current portion of long-term debt related party	112,464	108,873
Net long-term debt	1,044,105	1,156,544

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

2024	116,174
2025	120,006
2026	807,925
Net long-term debt	1,044,105

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

Goodwill Industries of Michiana, Inc. extended a 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 \$0 and \$42,494 for the years ended June 30, 2022 and 2021, respectively. The School paid interest of \$39,538 and \$26,114 for the years ended June 30, 2022 and 2021, 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>2022</u>	<u>2021</u>
Excel Center lobby improvements	513	513
Kids excel outdoor play area	1,247	1,247
Tablets for adult high school students	4,800	4,800
Total	6,560	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 \$30,485 and \$30,556 for the years ended June 30, 2022 and 2021, 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 were required to contribute 5.5% and 7.5% of an employee's pre-tax gross income to TRF as of June 30, 2022 and 2021, 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 \$116,478 and \$101,627 for the years ended June 30, 2022 and 2021, 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.

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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. Subsequent to year-end, the first additional five year term was exercised as of September 1, 2022 at a monthly rate of \$8,575.

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. Subsequent to year-end, the first additional year term was exercised as of September 1, 2022 at a monthly rate of 3,600.

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 was \$45,720 for the year ended June 30, 2021. 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 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	42,000	3,600
Period 3	60,000	5,000	141,655	11,862	60,000	5,000	7,200	3,600
Period 4	0	0	145,818	12,209	60,000	5,000	0	0
Period 5	0	0	149,009	12,459	60,000	5,000	0	0

In addition, the School has entered into five year leases for equipment at the South Bend, Hammond, Gary, and Elkhart locations. These agreements require monthly payments of \$574, \$271, \$166, and \$287, respectively. Total base rent expense under the agreements was \$311,812 and \$275,296 for the years ended June 30, 2022 and 2021, respectively.

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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

2023	323,337
2024	290,678
2025	164,499
2026	162,058
2027	164,238
Thereafter	27,082
Total future minimum lease payments	1,131,892

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, 2022 and 2021.

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. This contract was continued on a month to month basis until March 1, 2022 when the agreement was revised to increase the monthly payment to \$1,500. The School paid \$16,000 and \$15,000 to this agreement for the years ended June 30, 2022 and 2021, 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, 2022 and 2021.

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, Gary, and Elkhart schools were fully funded at June 30, 2022.

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 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 \$210,000 and \$140,000 during the fiscal years ended June 30, 2022 and 2021, 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 \$381,859 and \$42,620 due to Goodwill as of June 30, 2022 and 2021, respectively.

The School paid \$60,000 to Goodwill Ventures, Inc. for the lease of the School's Gary location as disclosed in Note 8.

NOTE 11 - SUBSEQUENT EVENTS

The School has evaluated subsequent events through January 30, 2023, the date the financial statements were available to be issued. As discussed in Note 3, the School's lines of credit with the Hammond and Gary locations were extended to June 30, 2023. As discussed in Note 8, the Hammond and Elkhart leases were extended subsequent to year end. In addition, the ICSB renewed the Gary School Charter. No other events or transactions occurred during this period which require recognition or disclosure in the financial statements.

NOTE 12 - 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, 2022 and 2021, and our report thereon dated January 30, 2023, which expressed an unmodified opinion on those financial statements appears on pages 1 and 2. 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 & Company LLC'.

Certified Public Accountants

South Bend, Indiana
January 30, 2023

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	136,628	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
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						
Without donor restrictions	1,214,656	(611,814)	(821,375)	(91,390)	0	(309,923)
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 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>
ASSETS					
CURRENT ASSETS					
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
Total Current Assets	920,614	175,799	33,990	28,554	1,158,957
PROPERTY AND EQUIPMENT					
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
Total	1,994,953	1,836,866	359,196	13,111	4,204,126
Accumulated depreciation	1,427,713	601,984	152,523	364	2,182,584
Net Property and Equipment	567,240	1,234,882	206,673	12,747	2,021,542
OTHER ASSETS					
Escrowed cash	30,000	30,000	20,000	0	80,000
Deposits	7,360	6,937	0	0	14,297
Total Other Assets	37,360	36,937	20,000	0	94,297
TOTAL ASSETS	1,525,214	1,447,618	260,663	41,301	3,274,796

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

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 - related party	0	108,873	0	0	108,873
Accounts payable	11,291	12,697	8,575	2,206	34,769
Accounts payable - related party, net	0	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
Accrued interest	18,616	0	0	0	0
Other accrued expenses	654	2,291	408	0	3,353
Total Current Liabilities	73,097	430,240	773,498	11,743	1,288,578
LONG-TERM LIABILITIES					
Long-term debt - related party	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	1,586,784	773,498	11,743	2,445,122
NET ASSETS					
Net assets without donor restrictions	1,450,357	(139,166)	(517,635)	29,558	823,114
Net assets with donor restrictions	1,760	0	4,800	0	6,560
Total Net Assets	1,452,117	(139,166)	(512,835)	29,558	829,674
TOTAL LIABILITIES AND	1,525,214	1,447,618	260,663	41,301	3,274,796

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	2,511	2,343	76,512	136,219	217,585
In-kind donations	6,053	5,313	5,313	5,799	22,478
Donated services - related party	28,600	28,600	28,600	28,600	114,400
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>
EXPENSES	1,477,686	1,546,568	1,255,179	992,564	5,271,997
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 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
<u>Total Revenues</u>	<u>1,975,297</u>	<u>1,766,633</u>	<u>1,115,239</u>	<u>65,026</u>	<u>4,922,195</u>
EXPENSES	1,650,409	1,692,999	1,244,578	35,468	4,623,454
CHANGE IN NET ASSETS	324,888	73,634	(129,339)	29,558	298,741
<u>NET ASSETS, BEGINNING OF YEAR</u>	<u>1,127,229</u>	<u>(212,800)</u>	<u>(383,496)</u>	<u>0</u>	<u>530,933</u>
<u>NET ASSETS, END OF YEAR</u>	<u>1,452,117</u>	<u>(139,166)</u>	<u>(512,835)</u>	<u>29,558</u>	<u>829,674</u>

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

GOODWILL LEADS, INC. (THE EXCEL CENTER)

South Bend, Indiana

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	240,235
Technology expense	49,338	54,776	45,439	4,091	157,649
Classroom supplies	45,770	17,222	20,579	143	87,724
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	79,510	22,556	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
Total Expenses	1,650,409	1,692,999	1,244,578	35,468	4,623,454