

The Excel  
Center



ADULT CHARTER HIGH SCHOOL

THE GOODWILL EXCEL CENTER,  
PUBLIC CHARTER SCHOOL

**Financial Statements and Supplementary  
Information**

*For the Year Ended June 30, 2024*

*(With Summarized Financial Information for the Year Ended June 30, 2023)*



and  
**Report Thereon**



**Report Required in Accordance with  
*Government Auditing Standards***

*For the Year Ended June 30, 2024*



THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL

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For the Year Ended June 30, 2024

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
**The Goodwill Excel Center, Public Charter School**

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of The Goodwill Excel Center, Public Charter School (GEC), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of GEC as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GEC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 the 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 GEC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditors' Responsibilities 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 auditors' 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 GAAS and *Government 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 GAAS and *Government 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 GEC'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 GEC'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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompany comparative schedule of occupancy expenses and non-facility expenses, as required by the DC Public Charter School Board, 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 comparative schedule of occupancy expenses and non-facility expenses is fairly stated, in all material respects, in relation to the financial statements as a whole.

### *Required Regulatory Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of awarded contracts equal to or exceeding \$25,000, schedule of average usable square footage, and schedule of administrative fee exclusions are presented for the purposes for additional analysis and are not a required part of the financial statements. Such information, although not a part of the financial statements, is required by the DC Public Charter School Board and has not been subjected to the auditing procedures applied in the audit of the financial statements. Accordingly, we do not express an opinion or provide any assurance on it.

### **Other Matters**

#### *Report on Summarized Comparative Financial Statements*

We have previously audited The Goodwill Excel Center, Public Charter School's 2023 financial statements, and in our report dated November 20, 2023, we expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2024, on our consideration of the GEC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the GEC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the GEC's internal control over financial reporting and compliance.

*Marcum LLP*

Washington, DC  
November 18, 2024

**THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2024**

**(With Summarized Financial information as of June 30, 2023)**

	2024	2023
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 11,343,149	\$ 10,475,017
Other receivables	188,768	6,870
Prepaid expenses	171,681	307,360
Total Current Assets	11,703,598	10,789,247
Deposits	63,258	63,258
Right-of-use asset	6,570,475	7,526,931
Property and equipment, net	3,748,792	4,423,823
<b>TOTAL ASSETS</b>	<b>\$ 22,086,123</b>	<b>\$ 22,803,259</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,109,446	\$ 826,662
Lease liability, current portion	1,400,703	1,476,611
Total Current Liabilities	2,510,149	2,303,273
Lease liability, net of current portion	9,541,176	11,082,309
<b>TOTAL LIABILITIES</b>	<b>12,051,325</b>	<b>13,385,582</b>
Net Assets		
Without donor restrictions	9,898,503	9,313,510
With donor restrictions	136,295	104,167
<b>TOTAL NET ASSETS</b>	<b>10,034,798</b>	<b>9,417,677</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 22,086,123</b>	<b>\$ 22,803,259</b>

The accompanying notes are an integral part of these financial statements.

**THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL**

**STATEMENT OF ACTIVITIES**

**For the Year Ended June 30, 2024**

**(With Summarized Financial Information for the Year Ended June 30, 2023)**

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
<b>REVENUE AND SUPPORT</b>				
Per pupil allocation	\$ 11,159,120	\$ -	\$ 11,159,120	\$ 9,718,257
State and local government grants	441,741	-	441,741	-
Private grants and contributions	3,398	125,000	128,398	126,265
Federal grants	27,126	-	27,126	68,928
Interest income	973	-	973	1,055
Net assets released from restrictions:				
Satisfaction of program restrictions	92,872	(92,872)	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>11,725,230</b>	<b>32,128</b>	<b>11,757,358</b>	<b>9,914,505</b>
<b>EXPENSES</b>				
Program Service:				
Adult Education	10,386,600	-	10,386,600	9,028,767
Supporting Service:				
Management and general	753,637	-	753,637	640,627
<b>TOTAL EXPENSES</b>	<b>11,140,237</b>	<b>-</b>	<b>11,140,237</b>	<b>9,669,394</b>
<b>CHANGE IN NET ASSETS</b>	584,993	32,128	617,121	245,111
<b>NET ASSETS, BEGINNING OF YEAR</b>	9,313,510	104,167	9,417,677	9,172,566
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 9,898,503</b>	<b>\$ 136,295</b>	<b>\$ 10,034,798</b>	<b>\$ 9,417,677</b>

The accompanying notes are an integral part of these financial statements.

**THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended June 30, 2024**

**(With Summarized Financial Information for the Year Ended June 30, 2023)**

	Program Service	Supporting Service	2024 Total	2023 Total
	Adult Education	Management and General		
Personnel, Salaries and Benefits				
Contracted labor	\$ 6,014,673	\$ 359,637	\$ 6,374,310	\$ 4,807,792
Professional development	118,399	-	118,399	56,213
Other contracted labor-related expense	4,979	-	4,979	7,401
<b>Total Personnel, Salaries and Benefits</b>	<b>6,138,051</b>	<b>359,637</b>	<b>6,497,688</b>	<b>4,871,406</b>
Direct Student Costs				
Child development center	623,524	-	623,524	607,409
Student recruiting	157,864	-	157,864	79,068
Other student costs	145,084	-	145,084	65,178
Student transportation stipends	95,193	-	95,193	59,496
Supplies, materials and snacks	93,113	-	93,113	93,523
Computer support	82,598	-	82,598	99,711
Student assessments	50,692	-	50,692	48,816
Student books and learning material	7,438	-	7,438	72,889
<b>Total Direct Student Costs</b>	<b>1,255,506</b>	<b>-</b>	<b>1,255,506</b>	<b>1,126,090</b>
Occupancy				
Lease expense	930,428	-	930,428	1,132,481
Depreciation and amortization - facilities	578,605	-	578,605	574,247
Maintenance and repairs	17,734	-	17,734	49,238
Janitorial supplies	8,299	-	8,299	14,603
Utilities and garbage removal	-	-	-	18,000
Other occupancy expenses	-	-	-	1,027
<b>Total Occupancy</b>	<b>1,535,066</b>	<b>-</b>	<b>1,535,066</b>	<b>1,789,596</b>
Office Expenses				
Telecommunications	-	81,254	81,254	79,870
Printing and copying	5,321	29,892	35,213	42,081
Office supplies	-	30,286	30,286	35,484
Other	-	7,792	7,792	10,818
Postage	-	3,661	3,661	5,026
<b>Total Office Expenses</b>	<b>5,321</b>	<b>152,885</b>	<b>158,206</b>	<b>173,279</b>
General Expenses				
Professional and consulting fees	1,365,362	12,265	1,377,627	1,355,923
Depreciation and amortization - non-facility	87,186	56,350	143,536	145,701
Accounting, auditing and payroll	-	65,795	65,795	75,341
Dues, fees, licenses and fines	-	53,557	53,557	54,449
Insurance	-	27,652	27,652	43,234
Other	108	25,496	25,604	34,375
<b>Total General Expenses</b>	<b>1,452,656</b>	<b>241,115</b>	<b>1,693,771</b>	<b>1,709,023</b>
<b>TOTAL EXPENSES</b>	<b>\$ 10,386,600</b>	<b>\$ 753,637</b>	<b>\$ 11,140,237</b>	<b>\$ 9,669,394</b>

The accompanying notes are an integral part of these financial statements.



**THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL**

**STATEMENT OF CASH FLOWS**

**For the Year Ended June 30, 2024**

**(With Summarized Financial Information for the Year Ended June 30, 2023)**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 617,121	\$ 245,111
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	722,141	719,948
Amortization of right of use assets	956,456	943,927
Loss on student provided computers	-	67,222
Changes in assets and liabilities:		
Other receivables	(181,898)	291,763
Prepaid expenses	135,679	(164,411)
Accounts payable and accrued expenses	259,935	299,936
Lease liability	<u>(1,617,041)</u>	<u>(681,315)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>892,393</u>	<u>1,722,181</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(24,261)</u>	<u>(471,774)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(24,261)</u>	<u>(471,774)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	868,132	1,250,407
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>10,475,017</u>	<u>9,224,610</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 11,343,149</u>	<u>\$ 10,475,017</u>
<b>NONCASH TRANSACTIONS</b>		
Noncash investing and financing activities:		
Property and equipment purchases in accounts payable	<u>\$ 22,849</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL**

**NOTES ON FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024**

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1. Organization and Summary of Significant Accounting Policies

**Organization**

The Goodwill Excel Center, Public Charter School (GEC) was formed on February 23, 2015, and launched operations in August 2016. The goal of the school is to provide Washington, DC, adult residents the opportunity and support to earn a high school diploma and post-secondary education while developing career paths that present greater employment and career growth opportunities. GEC's revenue and other support consist primarily of the per pupil allocations from the government of the District of Columbia (DC), private grants and contributions, and federal sources.

**Basis of Accounting**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statements are prepared using the accrual basis of accounting and include receivables and payables.

**Other Receivables**

Other receivables mostly consist of a real estate tax rebate due to GEC, which is deemed fully collectible.

**Right-of-Use Asset and Lease Liability**

GEC determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) asset and lease liability in the accompanying statement of financial position. The ROU asset and lease liability are recognized at the commencement date of the lease agreement based on the present value of lease payments over the lease term using GEC's estimated incremental borrowing rate or implicit rate, when readily determinable, and is adjusted for lease incentives. GEC has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The ROU asset is amortized on a straight-line basis over the lease term and is reflected as lease expense in the accompanying financial statements. The lease liability is reduced as cash payments are made under the terms of the lease. Interest is charged to lease expense for the difference. Short-term operating leases, which have an initial term of 12 months or less, are not recorded on the statement of financial position. Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

**Property and Equipment**

Property and equipment are carried at cost. Depreciation and amortization are recorded using the straight-line method in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives. GEC capitalizes property and equipment purchases that have an estimated useful life of greater than one year and cost \$1,000 or more.

Furniture and fixtures	7 years
Software	3 years
Office equipment	5 years
Computer hardware	3 to 5 years

THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL

NOTES ON FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024

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1. Organization and Summary of Significant Accounting Policies (continued)

**Property and Equipment (continued)**

Leasehold improvements are amortized over the remaining life of the lease. Assets in process are stated at cost and not depreciated until the assets are complete and placed in service. Maintenance and repairs are expensed as incurred. Significant renewals and betterments are capitalized. At the time assets are retired or otherwise disposed of, the property and related accumulated depreciation and amortization accounts are relieved of the applicable amounts and any gain or loss is credited or charged to revenue and support.

**Net Assets**

The net assets of GEC are classified as follows:

Without donor restrictions – Net assets that are not subject to any donor-imposed stipulations or other legal limitations and are available for support of GEC's operations.

With donor restrictions – Net assets subject to donor-imposed stipulations that may be used for a particular purpose or within a specific time period.

**Revenue Recognition**

Per pupil funding represents the per pupil student allocation and facility allowance from DC to cover the cost of academic expenses. Revenue is recognized ratably over the academic year.

Unconditional grants and contributions are recognized as revenue and support in the accounting period in which they are received or when an unconditional promise to give is made. Unconditional contributions are considered available for general expenditure unless specifically restricted by a donor. Amounts that are designated for future periods or restricted by the donor for a specific purpose are reported as grants and contributions with donor restrictions in the accompanying statement of activities. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and released from restriction. Unconditional grants or contributions that have been committed to GEC, but have not been received as of year-end, are reflected as receivables in the accompanying statement of financial position. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. There are no contributions receivable as of June 30, 2024.

Federal, state, and local grants are conditioned upon certain performance requirements and allowable expenditures and are recognized as unconditional contributions when the conditions are met. Revenue recognized on federal, state, and local grants for which billings have not been presented to or collected from the awarding agency is included in receivables in the accompanying statement of financial position. The expenditures under these grants are subject to review by the granting authority. There are no conditional grants as of June 30, 2024.

THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL

NOTES ON FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024

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1. Organization and Summary of Significant Accounting Policies (continued)

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized in the accompanying statement of functional expenses. All expenses are directly attributed to specific functional areas of GEC and are reported as expenses of those functional areas.

**Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

2. Right-of-Use Asset and Lease Liability

GEC's operating leases consist of two real estate leases, the last of which expires in September 2033. Both leases have options for renewal, at GEC's option, for which management is not reasonably certain to exercise. Therefore, the payments associated with the extension are not included in the ROU asset nor the lease liability recognized as of June 30, 2024.

The following summarizes the line items in the statement of financial position which include amounts for operating leases as of June 30, 2024:

Operating right-of-use asset:	<u>\$ 6,570,475</u>
Operating lease liability:	
Current portion of operating lease liability	\$ 1,400,703
Operating lease liability	<u>9,541,176</u>
Total Operating Lease Liability	<u>\$ 10,941,879</u>

For the year ended June 30, 2024, total operating lease cost was \$1,122,856 before real estate tax rebate of approximately \$175,000 for which charter schools are eligible. Cash paid for operating leases for the year ended June 30, 2024 totaled \$1,770,397.

The weighted average remaining lease term and discount rate as June 30, 2024, were as follows:

Weighted average remaining lease term	8 years
Weighted average discount rate	1.42%

**THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL**

**NOTES ON FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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2. Right-of-Use Asset and Lease Liability (continued)

The maturities of operating lease liabilities as of June 30, 2024 were as follows:

For the Year Ending June 30,	
2025	\$ 1,561,651
2026	1,736,211
2027	1,650,710
2028	1,005,967
2029	1,031,116
Thereafter	<u>4,679,210</u>
Total	11,664,865
Less: Present Value Discount	<u>(722,986)</u>
Lease Liability	<u>\$ 10,941,879</u>

3. Property and Equipment and Accumulated Depreciation and Amortization

GEC held the following property and equipment as of June 30, 2024:

Leasehold improvements	\$ 5,095,451
Furniture and fixtures	847,262
Computer hardware	731,984
Office equipment	322,518
Software	168,426
Assets in process	<u>77,636</u>
Total Property and Equipment	7,243,277
Less: Accumulated Depreciation and Amortization	<u>(3,494,485)</u>
Property and Equipment, Net	<u>\$ 3,748,792</u>

Depreciation and amortization expense totaled \$722,141 for the year ended June 30, 2024. Depreciation is included in the statement of functional expenses as follow:

Depreciation and amortization – facility	\$ 578,605
Depreciation and amortization – non-facility	<u>143,536</u>
Total Depreciation and Amortization	<u>\$ 722,141</u>

THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL

NOTES ON FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024

4. School Funding – Per Pupil Allocation

The per pupil allocation funding for the year ended June 30, 2024, was composed of the following:

General education	\$ 7,019,009
At-risk students	2,175,017
Facilities allowance	1,597,302
Special education and compliance	<u>367,792</u>
Total Per Pupil Allocation	<u>\$ 11,159,120</u>

5. Risks and Commitments

**Concentration of Risk**

GEC maintains its cash and cash equivalents with highly creditworthy financial institutions. At times, the aggregate balance may exceed the Federal Deposit Insurance Corporation (FDIC) insurance limit. At June 30, 2024, GEC had approximately \$11,200,000 in excess of FDIC insured limits.

**Related Party**

GEC is affiliated with Goodwill of Greater Washington (GGW) through common management. GGW is a tax-exempt organization under Internal Revenue Code (IRC) Section 501(c)(3). GGW was established as a provider of quality service programs to those in need of support and/or training to assume a self-sufficient role in their community. Under its Management and Administrative Support Services, Staffing and Sublicense Agreement with GGW, GEC was billed \$1,256,730 in management fees. Additionally, GEC was billed \$5,793,613 for reimbursable costs relating to labor and other direct costs. This expense is reported in personnel, salaries and benefits; direct student costs; general expenses; professional and consulting fees; and dues, fees, licenses and fines in the accompanying statement of functional expenses. As of June 30, 2024, the amount outstanding related to the management agreement and reimbursable costs was \$646,722 and is included in accounts payable and accrued expenses in the accompanying statement of financial position.

**Curriculum Licensing Agreement**

On September 1, 2017, GGW entered into a Membership Agreement with Goodwill Education Initiatives, Inc. (GEI) for the use of GEI's intellectual property, educational expertise and other consulting services in connection with the operation of GEC. GGW sublicensed this agreement to GEC, and GEC must abide by all terms and conditions of this agreement. Under the sublicense agreement with GGW, GEC was required to pay a start-up fee of \$50,000 to assist in the school opening, followed by annual fees. GGW will pay GEI a monthly fee of \$3,000. On May 20, 2024, GGW extended the agreement which expires on July 31, 2027.

THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL

NOTES ON FINANCIAL STATEMENTS  
For the Year Ended June 30, 2024

5. Risks and Commitments (continued)

**Child Development Center**

GEC entered into an agreement with the Young Men’s Christian Association of Metropolitan Washington (YMCA) to operate an on-site child development center at GEC’s two school buildings located in Washington, DC. On May 21, 2024, GEC exercised the option to extend the term through June 30, 2025. In accordance with the terms of the Fourth Amendment, the fee for the 2024-25 school year will be determined based on the number of rooms that are open in the two child development centers. Based on the current number of rooms open, GEC estimates total payments to the YMCA for the 2024-25 fiscal year of \$654,696.

6. Net Assets With Donor Restrictions

Net assets with donor restriction as of June 30, 2024 totaled \$136,295 and were restricted for the Excel Fund program.

7. Availability and Liquidity

GEC regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds. GEC’s financial assets available within one year of the statement of financial position date for general expenditures at June 30, 2024, was as follows:

Cash and cash equivalents	\$ 11,343,149
Other receivables	<u>188,768</u>
Total Financial Assets	11,531,917
Less:	
Amounts with donor purpose restrictions	<u>(136,295)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 11,395,622</u>

Management is focused on sustaining the financial liquidity of GEC throughout the year. This is done through monitoring and reviewing GEC’s cash flow needs on a weekly basis. As a result, management is aware of the cyclical nature of GEC’s cash flow related to GEC’s various funding sources and is therefore, able to ensure that there is cash available to meet current liquidity needs.

8. Income Taxes

Under Section 501(c)(3) of the IRC, GEC is exempt from the payment of taxes on income other than net unrelated business income. For the year ended June 30, 2024, no provision for income taxes was made, as GEC had no net unrelated business income.

**THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL**

**NOTES ON FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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8. Income Taxes (continued)

GEC adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB Accounting Standards Codification Topic 740, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. GEC evaluated its uncertainty in income taxes for the year ended June 30, 2024, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status; however, there are currently no examinations pending or in process. It is GEC's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense.

9. Subsequent Events

GEC's management has evaluated subsequent events through November 18, 2024, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in these financial statements.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
**The Goodwill Excel Center, Public Charter School**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of The Goodwill Excel Center, Public Charter School (GEC), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 18, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered GEC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GEC's internal control. Accordingly, we do not express an opinion on the effectiveness of GEC's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether GEC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GEC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Marcum LLP*

Washington, DC  
November 18, 2024

**THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL**

**COMPARATIVE SCHEDULES OF OCCUPANCY EXPENSES AND NON-FACILITY EXPENSES**

**For the Years Ended June 30, 2024 and 2023**

	2024				2023			
	Occupancy Expenses			Total per Statement of Functional Expenses	Occupancy Expenses			Total per Statement of Functional Expenses
	Owned Facilities	Leased Facilities	Non-Facility Expenses		Owned Facilities	Leased Facilities	Non-Facility Expenses	
Occupancy and Non-Facility Expenses								
Rent Expense		\$ 930,428		\$ 930,428		\$ 1,132,481		\$ 1,132,481
Depreciation	\$ -		\$ 141,378	141,378	\$ -		\$ 142,001	142,001
Amortization		578,605	2,158	580,763		574,247	3,700	577,947
Interest Expense	-	-	-	-	-	-	-	-
Other Occupancy Expenses	-	26,033		26,033	-	82,868		82,868
<b>Total Occupancy Expenses</b>	<b>\$ -</b>	<b>\$ 1,535,066</b>			<b>\$ -</b>	<b>\$ 1,789,596</b>		

Gray-shaded cells are blank as they are not applicable

**THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL**

**SCHEDULE OF AWARDED CONTRACTS EQUAL TO OR EXCEEDING \$25,000**

**For the Year Ended June 30, 2024**

<u>Award Date</u>	<u>Vendor</u>	<u>Type of Service</u>	<u>Minimum Contract Amount</u>	<u>Maximum Contract Amount</u>	<u>Conflict of Interest</u>
6/13/2024	Davis Memorial Goodwill Industries d/b/a Goodwill of Greater Washington	Management and administrative support services	\$ 1,387,000	\$ 1,687,000	Yes*
5/17/2024	YMCA	Operation of child development center for children of students	\$ 654,700	\$ 654,700	No
5/28/2024	Allied Universal Security Services	Unarmed security guards	\$ 160,000	\$ 190,000	No
6/6/2024	J.N. Rosenberg & Associates	Brokered advertising services	\$ 140,000	\$ 160,000	No
6/6/2024	Tri-Lingual Communications	Sign language interpreting services	\$ 130,000	\$ 140,000	No
5/29/2024	Stepping Stones	Social work and psychological special ed services	\$ 130,000	\$ 150,000	No
6/6/2024	WMATA	Student transportation farecards	\$ 110,000	\$ 120,000	No
6/6/2024	Stepping Stones	Psychological and social worker services	\$ 90,000	\$ 110,000	No
8/4/2023	Verizon Wireless	Student hot spots for internet access and staff cell phone lines	\$ 62,217	\$ 62,217	No
5/31/2024	Marcum LLP	Audit and tax return	\$ 44,300	\$ 44,300	No
5/6/2024	Hotbed Technologies	Audio visual tech - SMART board replacement	\$ 40,538	\$ 41,033	No
6/13/2024	Nonprofits Insurance Alliance	Insurance	\$ 35,000	\$ 50,000	No
6/6/2024	PowerSchool	Student information system	\$ 30,000	\$ 35,000	No
6/6/2024	The MECCA Group, LLC	Psychological and social work services	\$ 30,000	\$ 50,000	No
6/6/2024	Verizon Wireless	Hotspots for student devices	\$ 25,000	\$ 30,000	No
6/6/2024	Mid-Atlantic Children's Services	Psychological and social work services	\$ 25,000	\$ 30,000	No
1/31/2024	Verizon Wireless	Hotspots for student devices	\$ 25,000	\$ 25,001	No

\* *Conflicting interest contract for which all applicable DC PCSB Procurement Policy requirements have been met.*

See notes to the schedule and independent auditors' report on required regulatory information.

THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL

NOTE TO SCHEDULE OF AWARDED CONTRACTS EQUAL TO OR EXCEEDING \$25,000  
For the Year Ended June 30, 2024

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Basis of Presentation

The schedule of awarded contracts equal to or exceeding \$25,000 is required regulatory information and is reported in accordance with The DC Public Charter School Board (DC PCSB) fiscal year 2024 Audit Guidelines, Section **Audit Reports** – *Audit Package*.

**THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL**  
**SCHEDULE OF AVERAGE USABLE SQUARE FOOTAGE**  
**For the Year Ended June 30, 2024**

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Total Annual Leased Square Footage	598,752
Divided by Number of Months in Fiscal Year	<u>12</u>
Average Annual Leased Square Footage	<u><u>49,896</u></u>

See notes to the schedule and independent auditors' report on required regulatory information.

**THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL**  
**NOTE TO SCHEDULE OF AVERAGE USABLE SQUARE FOOTAGE**  
**For the Year Ended June 30, 2024**

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Basis of Presentation

This schedule of average usable square footage is required regulatory information and is reported in accordance with The DC Public Charter School Board (DC PCSB) fiscal year 2024 Audit Guidelines, Section ***Audit Reports – Audit Package***.

THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL

SCHEDULE OF ADMINISTRATIVE FEE EXCLUSIONS

For the Year Ended June 30, 2024

Eligible Exclusions	Line items in the Statement of Activities that include the amount listed	Brief Description of what is Included in the Total Reported
<b>Income from Philanthropy:</b>		
Private Contributions, Donations, and Grants (includes but not limited to donated goods and services, donated facilities, and fundraising income)	\$ 128,398	Private grants and contributions
<b>Income from Dividends, Interest, Net Rental Income, and Net Gain on Sales of Assets other than Inventory:</b>		
Dividend and Interest Income	973	Interest income
Net Gain on Sales of Assets other than Inventory and Net Unrealized Gains	-	Interest earned on cash account
<b>ESSER and ESSER Equivalents</b>	<u>CFDA #</u>	
Elementary and Secondary School Emergency Relief Fund II (ESSER II)	84.425D	-
American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ESSER III)	84.425U	-
American Rescue Plan Elementary and Secondary School Emergency Relief – Homeless Children and Youth	84.425W	-
Individuals with Disabilities Education Act/American Rescue Plan Act of 2021 (ARP)	84.027X/84.173X	-
DC Opportunity Scholarship Program - ESSER II Equivalent	84.370C	-
DC Opportunity Scholarship Program - ESSER III Equivalent	84.370C	-
<b>Employee Retention Tax Credit (ERTC)</b>		-
<b>OSSE Grants for COVID-19 Testing, School-Based Clinical Support, and Contact Tracing</b>		
Coronavirus State and Local Fiscal Recovery Funds-CTE Work Based Learning	21.027	-
COVID-19 Positive Case Response (PCR)		-
Pandemic EBT Administrative Costs	10.649	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)/COVID 19 School Based Testing	93.323	-
<b>FCC's Emergency Connectivity Fund (ECF)</b>	32.009	-
(which should not include E-Rate)		-
<b>Total Administrative Fee Exclusions</b>	<u>\$ 129,371</u>	

See auditors' report on required regulatory information.



THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL

NOTE TO SCHEDULE OF ADMINISTRATIVE FEE EXCLUSIONS

For the Year Ended June 30, 2024

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Basis of Presentation

The schedule of administrative fee exclusions is required regulatory information and is reported in accordance with The DC Public Charter School Board (DC PCSB) fiscal year 2024 Audit Guidelines, Section ***Audit Reports – Audit Package***.