



ADULT CHARTER HIGH SCHOOL

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

**Financial Statements and Supplementary  
Information**

*For the Year Ended June 30, 2021*

*(With Summarized Financial Information for the Year Ended June 30, 2020)*



**and  
Report Thereon**



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

*For the Year Ended June 30, 2021*



THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL

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For the Year Ended June 30, 2021

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Goodwill Excel Center, Public Charter School (GEC), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### ***Auditors' Responsibility***

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

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

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

## **Opinion**

In our opinion, the 2021 financial statements referred to above present fairly, in all material respects, the financial position of The Goodwill Excel Center, Public Charter School as of June 30, 2021, 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.

## **Other Matters**

### *Report on Summarized Comparative Financial Statements*

We have previously audited The Goodwill Excel Center, Public Charter School's 2020 financial statements, and in our report dated November 30, 2020, 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, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### *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 vendor contacts \$25,000 and above is presented for the purposes for additional analysis and is not a required part of the financial statements. Such information, although not a part of the financial statements, is required by the D.C. 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 Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2021, on our consideration of 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 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 GEC's internal control over financial reporting and compliance.

*Marcum LLP*

Washington, DC  
November 23, 2021

**THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2021**  
**(With Summarized Financial information as of June 30, 2020)**

	2021	2020
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 8,041,045	\$ 6,575,847
Receivables	-	119,369
Prepaid expenses	27,889	215,667
Total Current Assets	8,068,934	6,910,883
Deposits	189,775	189,775
Property and equipment, net	1,908,267	1,884,172
<b>TOTAL ASSETS</b>	<b>\$ 10,166,976</b>	<b>\$ 8,984,830</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 747,813	\$ 643,391
Contract liability	44,776	44,776
Deferred rent and lease incentive, current portion	202,715	185,987
Total Current Liabilities	995,304	874,154
Deferred rent and lease incentive, net of current portion	1,304,036	1,521,316
<b>TOTAL LIABILITIES</b>	<b>2,299,340</b>	<b>2,395,470</b>
Net Assets		
Without donor restrictions	7,867,636	6,589,360
<b>TOTAL NET ASSETS</b>	<b>7,867,636</b>	<b>6,589,360</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 10,166,976</b>	<b>\$ 8,984,830</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, 2021**  
**(With Summarized Financial Information for the Year Ended June 30, 2020)**

	2021	2020
REVENUE AND SUPPORT		
Per pupil allocation	\$ 7,465,686	\$ 7,434,839
Private grants and contributions	62,054	79,340
Federal grants	21,293	21,661
Interest income	850	22,192
TOTAL REVENUE AND SUPPORT	7,549,883	7,558,032
EXPENSES		
Program Service:		
Adult Education	5,811,905	5,864,794
Supporting Service:		
Management and general	459,702	482,209
TOTAL EXPENSES	6,271,607	6,347,003
CHANGE IN NET ASSETS	1,278,276	1,211,029
NET ASSETS, BEGINNING OF YEAR	6,589,360	5,378,331
NET ASSETS, END OF YEAR	\$ 7,867,636	\$ 6,589,360

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, 2021**

**(With Summarized Financial Information for the Year Ended June 30, 2020)**

	Program Service	Supporting Service	2021 Total	2020 Total
	Adult Education	Management and General		
Personnel, Salaries and Benefits				
Contracted labor	\$ 3,802,064	\$ 129,289	\$ 3,931,353	\$ 3,606,713
Professional development	15,734	-	15,734	53,592
Other contracted labor-related expense	700	-	700	6,273
<b>Total Personnel, Salaries and Benefits</b>	<b>3,818,498</b>	<b>129,289</b>	<b>3,947,787</b>	<b>3,666,578</b>
Direct Student Costs				
Computer support	83,308	-	83,308	50,120
Other student costs	130,642	-	130,642	43,149
Child development center	47,558	-	47,558	425,170
Student recruiting	47,114	-	47,114	66,372
Student books and learning material	39,929	-	39,929	47,641
Student transportation stipends	17,813	-	17,813	106,988
Student assessments	10,600	-	10,600	35,810
Supplies, materials and snacks	8,212	-	8,212	21,777
<b>Total Direct Student Costs</b>	<b>385,176</b>	<b>-</b>	<b>385,176</b> ✓	<b>797,027</b>
Occupancy				
Rent	355,408	-	355,408	423,015
Utilities and garbage removal	66,800	-	66,800	45,780
Maintenance and repairs	30,266	-	30,266	40,420
Other occupancy expenses	12,633	-	12,633	27,319
Janitorial supplies	2,592	-	2,592	3,250
<b>Total Occupancy</b>	<b>467,699</b>	<b>-</b>	<b>467,699</b>	<b>539,784</b>
Office Expenses				
Telecommunications	-	22,090	22,090	45,411
Printing and copying	1,856	16,336	18,192	40,688
Office supplies	-	10,141	10,141	33,025
Other	-	12,442	12,442	19,375
Postage	-	1,832	1,832	1,436
<b>Total Office Expenses</b>	<b>1,856</b>	<b>62,841</b>	<b>64,697</b>	<b>139,935</b>
General Expenses				
Professional and consulting fees	877,083	32,304	909,387	708,606
Dues, fees, licenses and fines	-	51,689	51,689	44,491
Accounting, auditing and payroll	-	45,531	45,531	45,056
Insurance	-	24,164	24,164	21,611
Other	90	9,649	9,739	7,748
<b>Total General Expenses</b>	<b>877,173</b>	<b>163,337</b>	<b>1,040,510</b>	<b>827,512</b>
Depreciation and amortization	261,503	104,235	365,738	376,167
<b>TOTAL EXPENSES</b>	<b>\$ 5,811,905</b> ✓	<b>\$ 459,702</b> ✓	<b>\$ 6,271,607</b>	<b>\$ 6,347,003</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, 2021**  
**(With Summarized Financial Information for the Year Ended June 30, 2020)**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,278,276	\$ 1,211,029
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	365,738	376,167
Changes in assets and liabilities:		
Receivables	119,369	(88,124)
Prepaid expenses	187,778	(93,849)
Accounts payable and accrued expenses	104,422	314,066
Contract liability	-	44,776
Deferred rent and lease incentive	<u>(200,552)</u>	<u>(162,852)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,855,031</u>	<u>1,601,213</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(389,833)</u>	<u>(206,784)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(389,833)</u>	<u>(206,784)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,465,198	1,394,429
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>6,575,847</u>	<u>5,181,418</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 8,041,045</u></u>	<u><u>\$ 6,575,847</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, 2021

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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, D.C., 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.

**Receivables**

GEC uses the allowance method to record potentially uncollectible receivables.

**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

Leasehold improvements are amortized over the remaining life of the lease. 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**

Net assets without donor restrictions represent the portion of expendable funds that are available for general support of GEC's operations.

**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. Unearned funding is recognized as contract liability in the accompanying statement of financial position until earned.

THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL

NOTES ON FINANCIAL STATEMENTS  
For the Year Ended June 30, 2021

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

**Revenue Recognition (continued)**

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.

Federal grants are conditioned upon certain performance requirements and are recognized as unconditional contributions when the conditions are met. Revenue recognized on federal 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.

**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.

**New Accounting Pronouncement Issued but Not Yet Adopted**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The standard applies a right-of-use model that requires, all leases with a lease term of more than 12 months, to recognize an asset representing its right to use the underlying asset for the lease term and liability to make lease payments to be recorded. Early adoption is allowed, but FASB deferred the effective date for implementation until annual periods beginning after December 15, 2021. Management is assessing the impact on GEC's financial statements.

THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL

NOTES ON FINANCIAL STATEMENTS  
For the Year Ended June 30, 2021

2. Property and Equipment and Accumulated Depreciation and Amortization

GEC held the following property and equipment as of June 30, 2021:

Leasehold improvements	\$ 2,213,609
Computer hardware	792,113
Furniture and fixtures	351,259
Office equipment	186,630
Software	<u>148,702</u>
Total Property and Equipment	3,692,313
Less: Accumulated Depreciation and Amortization	<u>(1,784,046)</u>
Property and Equipment, Net	<u>\$ 1,908,267</u>

Depreciation and amortization expense totaled \$365,738 for the year ended June 30, 2021.

3. Charter School Funding – Per Pupil Allocation

The per pupil allocation funding for the year ended June 30, 2021, was composed of the following:

General education	\$ 4,967,352
Facilities allowance	1,226,880
At-risk students	916,001
Special education and compliance	<u>355,453</u>
Total Per Pupil Allocation	<u>\$ 7,465,686</u>

4. 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, 2021, GEC had approximately \$7,838,000 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 paid GGW \$808,786 in management fees. Additionally, GEC was billed \$3,642,889 for reimbursable costs relating to labor and other direct costs, of which \$323,063 was outstanding

THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL

NOTES ON FINANCIAL STATEMENTS  
For the Year Ended June 30, 2021

4. Risks and Commitments (continued)

**Related Party (continued)**

as of June 30, 2021, in accordance with the terms of the agreement. 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. The accounts payable and accrued expenses in the amount of \$323,063 are reported in the accompanying statement of financial position.

**Operating Lease**

In December 2015, GEC entered into a noncancelable operating lease for office space in Washington, D.C., which expires in April 2027. The terms of the lease required a deposit of \$126,517, and include monthly base rent of \$63,258 and a 15-month rental abatement. The lease also contains a fixed escalation clause for an increase in the annual minimum rent at a rate of 2.5%, except for the sixth lease-year, for which the increase will be based on \$2 per square foot of rentable area. The lease also provided a tenant improvement allowance of up to \$1,272,700. In May 2021, the lease was amended and reduced the monthly base rent to \$53,328 with annual rent escalation. Under GAAP, all fixed rent increases and lease incentives are recognized on a straight-line basis over the term of the lease and are reported as deferred rent and lease incentive liability in the accompanying statement of financial position. In addition, GEC is obligated to pay its share of increases in operating expenses of the office building.

As of June 30, 2021, the future minimum lease payments required under this lease were as follows:

<u>For the Year Ending June 30,</u>	
2022	\$ 686,861
2023	708,981
2024	731,655
2025	754,896
2026	778,718
Thereafter	<u>669,279</u>
Total Lease Payments Due	<u>\$ 4,330,390</u>

In October 2021, GEC entered into an operating lease for office space in Washington, D.C. The lease commences on the earlier of May 2022 or when GEC first uses or occupies all or part of the premises for the ordinary conduct of business and expires the last day of the 137th full month following the commencement date. The lease has an early termination provision, in which notice must be given by October 31, 2029 and termination would be effective April 30, 2031. The terms of the lease required a deposit of \$73,787, and include monthly base rent of \$73,787 and a 12-month rental abatement. The lease also contains a fixed escalation clause for an increase of the annual minimum rent at a rate of 2.5%. The lease also provided a tenant improvement allowance of up to \$3,039,565. In addition, GEC is obligated to pay its share of taxes and operating expenses of the office building.

THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL

NOTES ON FINANCIAL STATEMENTS  
For the Year Ended June 30, 2021

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4. Risks and Commitments (continued)

**Curriculum Licensing Agreement**

On November 11, 2014, GGW entered into a Licensing and Services 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 license 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. On September 1, 2017, GGW entered into a Membership Agreement with GEI replacing the existing Licensing and Services Agreement. All the services to be provided under the agreement remained the same. GGW will pay GEI a monthly fee of \$3,000. The agreement expired on July 31, 2021 and GGW extended the agreement for another three year term that will expire on July 31, 2024.

**Child Development Center**

On August 3, 2021, GEC entered into an agreement with the Young Men's Christian Association of Metropolitan Washington to operate an on-site child development center at GEC's school building located in Washington, D.C. The agreement is set to expire on June 30, 2022, with the option to extend for four additional two-year extensions, with an annual fee of \$579,344 in the first year and \$1,187,655 in the second year if GEC opens a second school location.

**Risk and Uncertainty**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses across the country for non-essential services. During this period of temporary disruptions, GEC has been able to continue operations in a remote environment without negatively impacting student enrollment or the financial condition of the organization.

5. 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 asset available within one year of the statement of financial position date for general expenditures at June 30, 2021, was as follows:

Cash and cash equivalents	<u>\$ 8,041,045</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 8,041,045</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.

THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL

NOTES ON FINANCIAL STATEMENTS  
For the Year Ended June 30, 2021

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6. 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, 2021, no provision for income taxes was made, as GEC had no net unrelated business income.

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, 2021, 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.

7. Subsequent Events

GEC's management has evaluated subsequent events through November 23, 2021, the date the financial statements were available to be issued. There were no subsequent events other than the lease changes and the agreement for the Child Development Center disclosed in Note 4 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, 2021, 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 23, 2021.

**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 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 23, 2021



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

**SCHEDULE OF VENDOR CONTRACTS \$25,000 AND ABOVE**

**For the Year Ended June 30, 2021**

Vendor	Type of Service	Contract Value	Amount Paid	Conflict of Interest
Goodwill of Greater Washington	Contracted labor, at cost (FY 2021)	** N/A	\$ 3,580,075	Yes*
Goodwill of Greater Washington	Administrative and executive management services (FY 2021)	N/A	\$ 871,600	Yes*
Young Men's Christian Association of Metropolitan Washington	Operation of on-site child development center (FY 2021)	\$ 521,964	\$ -	No
Microsoft	Computer equipment	** N/A	\$ 339,261	
International Bank for Reconstruction	Rent	** N/A	\$ 459,250	No
CDW Direct, LLC	Computer equipment	** N/A	\$ 194,506	No
Jennifer Greenidge	ASL interpreter	** N/A	\$ 106,980	No
Verizon Wireless	Telecommunications	** N/A	\$ 82,017	No
District of Columbia Public School Charter Board	Authorizer fees	** N/A	\$ 68,297	No
Rosenberg Media	Advertising broker	** N/A	\$ 45,433	No
Kelly Services Inc.	Temporary staffing services	** N/A	\$ 39,225	No
Marcum LLP	Accounting services	** N/A	\$ 27,439	No

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

\*\* *No contract value as payments are based on usage of goods and services.*

**THE GOODWILL EXCEL CENTER, PUBLIC CHARTER SCHOOL**  
**NOTE TO SCHEDULE OF VENDOR CONTRACTS \$25,000 AND ABOVE**  
**For the Year Ended June 30, 2021**

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1. Basis of Presentation

This schedule of vendor contracts \$25,000 and above is required regulatory information and is reported in accordance with The DC Public Charter School Board (DC PCSB) fiscal year 2021 Audit Guidelines, Section ***Audit Reports – Audit Package***.