

The Excel Center (227828)

Financial Report

For the Fiscal Year Ended August 31, 2020

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Certificate of Board

The Excel Center

Name

Travis

County

Co. – Dist. Number

We, the undersigned, certify that the attached Financial and Compliance Reports of The Excel Center were reviewed and (✓) approved () disapproved for the year ended August 31, 2020 at the meeting of the Board of Trustees of the charter holder on the ____ day of _____ 2022.

Signature of Board Secretary

Signature of Board President

Independent Auditor's Report

To the Board of Directors of
Goodwill Industries of Central Texas (the Charter Holder)

Report on the Financial Statements

We have audited the accompanying financial statements of the Excel Center (the Organization), which comprise the statement of financial position as of August 31, 2020, and the related statements of activities 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.

Auditor's 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of August 31, 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The Board of Directors of
Goodwill Industries of Central Texas (the Charter Holder)

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information, as listed in the table of contents, 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.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas

August __, 2022

The Excel Center
Statements of Financial Position
August 31, 2020

Exhibit A-1

ASSETS	
Cash and cash equivalents	\$ 414,287
Due from related party	<u>6,936</u>
TOTAL ASSETS	<u><u>\$ 421,223</u></u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts payable	\$ 6,528
Due to related party	<u>400,525</u>
Total liabilities	<u>407,053</u>
TOTAL LIABILITIES	407,053
NET ASSETS	
Without Donor Restrictions	14,170
With Donor Restrictions	<u>-</u>
Total net assets	<u>14,170</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 421,223</u></u>

The Notes to the Financial Statements are an integral part of these statements.

The Excel Center
Statements of Activities
For the Fiscal Years Ended August 31, 2020

Exhibit A-2

Revenues		Without Donor Restrictions	With Donor Restrictions	Totals
	Local support			
574X	Other revenues from local sources	-	-	-
575X	Revenue from cocurricular or enterprising	-	-	-
	Total local support	-	-	-
	State program revenues			
581X	Foundation school program act revenues	474		474
582X	State program revenues distributed by Texas Education Agency		-	-
	Total state program revenues	474	-	474
	Federal program revenues			
592X	Federal revenues distributed by Texas Education Agency	-	-	-
593X	Federal revenues	-	-	-
	Total federal program revenues	-	-	-
	Net assets released from restriction			
	Restrictions satisfied by payments	39,229	(39,229)	-
	Total revenues	39,703	(39,229)	474
Operating Expenses				
11	Instruction	-	-	-
13	Curriculum	-	-	-
23	Campus admin	1,957	-	1,957
31	Life coach	-	-	-
34	Transportation	-	-	-
36	Extracurricular	50	-	50
41	General administration	(1,348)	-	(1,348)
51	Maintenance and operations	-	-	-
53	Data processing services	6,049	-	6,049
61	Drop off/community service	-	-	-
	Total operating expenses	6,708	-	6,708
Other Uses and Nonoperating Expense				
8951	Loss on sale/transfer of assets	38,334	-	38,334
8989	Donation to related party	400,525	-	400,525
	Total nonoperating expenses	438,859	-	438,859
	Total operating and nonoperating expenses	445,567	-	445,567
	Change in net assets	(405,864)	(39,229)	(445,093)
NET ASSETS, beginning of year		420,034	39,229	459,263
NET ASSETS, end of year		14,170	-	14,170

The Notes to the Financial Statements are an integral part of these statements.

The Excel Center
Statements of Cash Flows
For the Fiscal Years Ended August 31, 2020

Exhibit A-3

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from Texas Education Agency	\$	171,762
Cash paid to Texas Education Agency	\$	(78,120)
Grant payments		-
Cash received from charter holder and local donations		704,995
Payments to charter holder		(338,875)
Payments to vendors for goods and services rendered		(93,100)
Payments to charter school personnel for services rendered		-
		<hr/>
Net cash provided by (used in) operating activities		366,662

Net increase (decrease) in cash		366,662
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CASH, beginning of year		<hr/> 47,624
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CASH, end of year	\$	<hr/> <hr/> 414,287
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RECONCILIATION OF CHANGE IN NET ASSETS TO

CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES

Change in net assets	\$	(445,093)
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities		
Non-cash expense - Loss of sale of assets		38,334
(Increase) Decrease in		
Due from State		96,075
Due from related party		724,986
Other Receivables		2,085
Prepaid expenses		50
Increase (Decrease) in		
Accounts payable		(55,507)
Due to State		(33,848)
Due to related party		39,580
		<hr/>

NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	<hr/> <hr/> 366,662
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SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

N/A

The Notes to the Financial Statements are an integral part of these statements.

The Excel Center

Notes to the Financial Statements

Note 1. Organization

Organization

The Excel Center (the Organization) is a nonprofit charter school that began operations in August 2015. The Organization is a state authorized, open enrollment charter school. The contract for Charter granted by the State Board of Education of the state of Texas pursuant to Chapter 12.101 of the Texas Education Code is effective until July 2020 and is held by Goodwill Industries of Central Texas, Inc. (the Charter Holder). The Organization is a free, public charter high school in Austin, Texas that provides the opportunity to earn a high school diploma for individuals from 17 to 26 years of age.

Effective September 1, 2019 the Commissioner of the Texas of Education Agency approved the voluntary closure of the Organization. Eligible returning students were transferred to the open enrollment charter, the Excel Center (for Adults) 22827, which is under the same charter holder, Goodwill Industries of Central Texas, Inc.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles.

The Organization reports information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions. The Organization currently has no permanently restricted net assets.

Net Assets Without Donor Restrictions – net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Charter Holder, the charter school and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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

Cash equivalents consist of short-term, highly liquid investment instruments that are readily convertible to cash.

Concentration of Credit Risk

In the normal course of operations, the Organization maintains cash balances on deposit at a financial institution, which, at times, may exceed federally insured limits. The Organization's exposure to loss should the financial institution fail, is the excess on deposit over the insured amount covered by the Federal

The Excel Center

Notes to the Financial Statements

Deposit Insurance Corporation. The Organization has not experienced any losses on such accounts and management believes The Organization is not exposed to any significant risk.

Due to/from Related Party

The Organization's due to/from related party represents amounts due to/from Goodwill Excel Center (for Adults) which it shared expenses and space when in operation.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and / or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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 reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Income Taxes

The Organization is exempt from income taxes under IRS Code Section 501(c)(3). Therefore, no provision has been made for federal income taxes in the accompanying financial statements.

Uncertain Tax Positions

The Organization recognizes in its financial statements the financial effects of a tax position taken or expected to be taken in a tax return, if that position is more likely than not to be sustained upon examination, including resolution of any appeals or litigation processes, based upon the technical merits of the position. Tax positions taken related to the Organization's tax exempt status, unrelated business income, and deductibility of expenses have been reviewed, and management is of the opinion that material positions taken by the Organization would more likely than not be sustained upon examination. Accordingly, the Organization has not recorded an income tax liability for uncertain tax benefits.

Subsequent Events

The Organization has evaluated subsequent events that occurred after August 31, 2020 through the **date of this report on August XX, 2022.**

Bank fees, audit fees and software fees continued to be paid by the district after August 31, 2020. Effective June 1st, 2022, any future fees related to the school will be paid by The Excel Center (for Adults) 227827.

Note 3. Due to Related Party

Due to related party represents the assets that will transfer over to Goodwill Excel Center (for Adults).

The Excel Center

Notes to the Financial Statements

Note 4. Net Assets Released From Donor Restrictions

During the fiscal years ended August 31, 2020, net assets with donor restrictions totaling \$39,229 were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors or grantors.

Note 5. Liquidity and Availability of Financial Assets

All the Organization's assets are liquid and will be transferred over to Goodwill Excel Center (for Adults).

Supplemental Information

The Excel Center

Schedule of Findings and Responses

General school operation for the year ended August 31:

<u>Expenses</u>		
6100	Payroll costs	\$ 647
6200	Professional and contracted services	(568)
6300	Supplies and materials	231
6400	Other operating costs	6,397
8900	Non operating costs	<u>438,860</u>
	Total expenses	<u><u>\$ 445,567</u></u>